

Extract of Minutes of a Meeting of the
City Council of the
City of Falcon Heights, Minnesota

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Falcon Heights, Minnesota, was duly held at the City Hall in such City on Wednesday, the 10th day of June, 2020 at 7:00 o'clock p.m.

The following Council members were present:

Miarga, Lechy, Wehyee, Gustafson

and the following Council members were absent:

Andrews

Member *Miarga* introduced the following resolution and moved its adoption:

RESOLUTION NO. 20-25

CITY OF FALCON HEIGHTS, MINNESOTA

A RESOLUTION AUTHORIZING
THE ISSUANCE OF REVENUE BONDS
IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$25,500,000
TO FINANCE AND REFINANCE
THE COSTS OF A SENIOR HOUSING PROJECT FOR
HAMPTON PROPERTIES OF RAMSEY, LLC AND OTHER
MATTERS RELATING THERETO

WHEREAS, the City of Falcon Heights, Minnesota (the "Issuer") is a municipal corporation existing under the laws of the State of Minnesota;

WHEREAS, the Issuer is authorized and empowered under Minnesota Statutes, Chapter 462C (the "Act") to, among other things, issue bonds, notes or other evidences of indebtedness in connection with, and to make loans to assist in the financing or refinancing of, multifamily housing developments located in the State of Minnesota (the "State");

WHEREAS, the Borrower (as defined below) has requested that the Issuer issue conduit revenue bonds, in one or more series, as taxable and tax-exempt obligations (the "Bonds"), in an aggregate principal amount not to exceed \$8,500,000;

WHEREAS, Hampton Properties of Ramsey, LLC, a Minnesota limited liability company or any of its affiliates (collectively, the "Borrower"), the sole member of which is Suburban Housing & Community Services Corporation (the "Sole Member"), a California nonprofit, public

benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), wishes to finance and refinance all or part of the costs of the acquisition, construction, and equipping of a senior living facility known as Suite Living Senior Care of Ramsey, to be located at 139th Lane Northwest at the intersection of Jasper Street Northwest in Ramsey, Minnesota, and consisting of an approximately 32-unit high acuity assisted living and memory care facility (the "Project"), and the Borrower is requesting the assistance of the Issuer in financing and refinancing the Project;

WHEREAS, the Project is located in the City of Ramsey, County of Anoka, State of Minnesota (the "Project Jurisdiction"), and will be initially owned and operated by the Borrower;

WHEREAS, the Borrower has also proposed to use the proceeds of the Bonds (as defined herein) to finance capitalized interest during the construction of the Project, fund required reserves, and pay costs of issuance of the Bonds;

WHEREAS, pursuant to a Trust Indenture (the "Indenture") between the Issuer and Wilmington Trust, National Association, as trustee (the "Trustee"), the Issuer will issue the Bonds for the Project;

WHEREAS, pursuant to a Loan Agreement (the "Loan Agreement") between the Borrower and the Issuer, the Issuer will loan the proceeds of the Bonds to the Borrower for the purpose of, among others, financing and refinancing the Project;

WHEREAS, pursuant to a purchase contract (the "Bond Purchase Agreement"), by and among Zions Bancorporation, N.A. d/b/a Zions Bank, as underwriter (the "Underwriter"), the Issuer and the Borrower, the Bonds will be sold to investment accounts managed by Greenwich Investment Management, Inc. (the "Bondholder Representative"), and the proceeds of such sale will be used as set forth in the Indenture to finance and refinance the Project, fund any required reserve funds relating to the Bonds, pay capitalized interest on the Bonds, and pay costs incurred in connection with the issuance of the Bonds;

WHEREAS, in connection with the issuance of the Bonds, the Borrower and the Sole Member will execute and deliver a Tax Certificate of the Borrower and the Sole Member (the "Tax Certificate"), which will include an endorsement of the Issuer, setting forth certain representations, expectations, and covenants of the Borrower and the Sole Member pertaining to the tax-exempt status of the Bonds;

WHEREAS, the issuance of the Bonds has been approved (i) by the appropriate elected official of the Project Jurisdiction and by the governing body or the highest-ranking executive or administrator of the Project Jurisdiction for purposes of and in accordance with the Act on June 9, 2020, after appropriate notice and a hearing on such date conducted by the governing body of the Project Jurisdiction as required by Section 147(f) of the Code, and (ii) on behalf of the Issuer by its City Council, after appropriate notice and a hearing on June 10, 2020, as required by Section 14 7(f) of the Code, and the Issuer has been furnished with evidence of such approvals;

WHEREAS, the City Council of the Issuer (the "Council"), based on representations of the Borrower, without independent investigation, finds and determines: (a) that issuance of the Bonds and financing and refinancing of the Project will further its public purposes, inside and outside of

the State, by promoting economic, cultural and community development, including, without limitation, the promotion of opportunities for the creation or retention of employment, the stimulation of economic activity and the increase of the tax base; and (b) that the financing and refinancing of the Project will promote significant economic and community development opportunities, including the creation or retention of employment, the stimulation of economic activity and the promotion of improvements in the health, safety and welfare of the persons in the political subdivision constituting the Project Jurisdiction; and

WHEREAS, there have been made available to the Council the following documents and agreements:

- (1) the proposed form of the Indenture (including the proposed forms of the Bonds);
- (2) the proposed form of the Loan Agreement (including the proposed forms of promissory notes from the Borrower to the Issuer in the principal amount of the Bonds to be assigned by the Issuer to the Trustee);
- (3) a proposed form of the Bond Purchase Agreement;
- (4) a proposed preliminary form of the Limited Public Offering Memorandum to be used by the Underwriter in connection with the offering and sale of the Bonds (the "Offering Document"); and
- (5) a proposed form of joint powers agreement between the Issuer and the Project Jurisdiction (the "Joint Powers Agreement").

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Falcon Heights, Minnesota, as follows:

Section 1. The Council hereby finds and declares that the issuance of the Bonds to assist in the financing and refinancing of the Project is, as hereinabove recited, in furtherance of the public purposes of the Act and is within the powers conferred upon the Issuer by the Act.

Section 2. Pursuant to the Act and the Indenture, the Issuer is hereby authorized to issue its revenue bonds for the Project such bonds expected to be designated as the "Senior Housing Revenue Bonds (Suite Living Senior Care of Ramsey Project), Series 2020A" (the "Series A Bonds") and the "Taxable Senior Housing Revenue Bonds (Suite Living Senior Care of Ramsey Project), Series 2020B" (the "Series B Bonds," and, together with the Series A Bonds, the "Bonds") in the approximate aggregate principal amount not to exceed \$8,500,000.

The Bonds shall be issued under and secured in accordance with the terms of the Indenture and the Loan Agreement and shall be substantially in the forms contained in the Indenture presented at this meeting. The final maturity of the Series A Bonds shall not be later than 30 years after the date of issuance, and the maximum interest rate to be borne by the Series A Bonds (including any "penalty" or "default" or "taxable" rate) shall not exceed 12% per annum. The final maturity of the Series B Bonds shall not be later than 5 years after the date of issuance, and the maximum interest rate to be borne by the Series B Bonds (including any "penalty" or "default")

shall not exceed 12% per annum. The Bonds shall be issuable as fully registered bonds without coupons in the minimum denomination of \$5,000 and shall initially be registered in the name of Cede & Co., as the nominee of DTC, and the ownership of beneficial interests in the Bonds shall be by book-entry on the book-entry system maintained and operated by DTC. The Bonds and the interest thereon shall be transferable by and shall be payable to the registered owners thereof in the manner and with the effect provided in the Indenture. The principal of and interest on the Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Trustee, as paying agent and registrar, or at the office of any successor or additional paying agent and registrar in accordance with the Indenture. The Bonds shall be subject to mandatory and optional redemption prior to maturity as provided in the Indenture, as finally executed.

Section 3. The Bonds shall be executed on behalf of the Issuer by the Mayor and the City Administrator or any member of the Council (such officers and directors being referred to herein individually as an "Authorized Signatory" and collectively as the "Authorized Signatories"). The facsimile, electronic or digital signature of any Authorized Signatory shall be deemed to be the legal equivalent of a manual signature on specified documents or on all documents and valid and binding for all purposes. If any Authorized Signatory whose signature, countersignature or attestation appears on a Bond or Bond-related document ceases to be an officer or director before delivery of the Bonds, his or her signature, countersignature or attestation appearing on the Bonds and any Bond-related document (regardless of whether any such Bond-related document is specifically identified in the within Resolutions) shall nonetheless be valid and sufficient for all purposes to the same extent as if he or she had remained in office until delivery of the Bonds. The Indenture may contain such other provisions related to the effectiveness of signatures, countersignatures, or attestations on the Bonds as may be deemed to be approved by the Authorized Signatory's execution thereof in accordance with Section 4 hereof.

Section 4. The proposed form of the Indenture, including the proposed forms of the Bonds, as presented to this meeting, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Issuer, to execute and deliver the Indenture in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Issuer, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dated date, maturity date or dates, interest rate or rates, interest and principal payment date or dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

Section 5. The proposed form of the Loan Agreement (including an assignment thereof by the Issuer to the Trustee of its rights and obligations thereunder, other than Unassigned Rights as defined in the Indenture, and the forms of promissory note contained therein), as presented to this meeting, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Issuer, to execute and deliver the Loan Agreement and assignment in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Issuer, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The Bonds shall be sold in an underwritten limited public offering to investment accounts managed by the Bondholder Representative. The proposed form of the Bond Purchase Agreement, as presented to this meeting, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Issuer, to execute and deliver the Bond Purchase Agreement, in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Issuer, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The disclosures in the proposed preliminary form of Offering Document, as presented to this meeting, under the captions "*SHORT STATEMENT - The Issuer*," "*THE ISSUER*" and "*LITIGATION - The Issuer*" are hereby approved, with such changes and insertions in such disclosures as may be approved by an Authorized Signatory; provided, that the foregoing does not constitute approval by the Issuer of, and the Issuer assumes no responsibility for, the accuracy and completeness of any other disclosures therein other than as are identified above.

Section 8. The Issuer consents to the distribution by the Underwriter of the Offering Document to persons who may be interested in the purchase of the Bonds and its delivery of the Offering Document in final form to the purchasers of the Bonds, in each case with such changes as may be approved as aforesaid.

Section 9. An Authorized Signatory is hereby authorized and directed, for and on behalf of the Issuer, to execute and deliver an endorsement of the Issuer to the Tax Certificate, in such form as such Authorized Signatory, with the advice of Taft Stettinius & Hollister LLP, as bond counsel with respect to the Bonds, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 10. The Bonds, when executed as provided in Section 3 hereof and the Indenture, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver or retain the Bonds, when duly executed and authenticated, to or for the benefit of investment accounts managed by the Bondholder Representative in accordance with written instructions to be executed on behalf of the Issuer by an Authorized Signatory. Such instructions shall provide for the delivery or retention by the Trustee of the Bonds to or for the benefit of such accounts, upon payment of the purchase price thereof by the Underwriter.

Section 11. The appropriate officers and agents of the Issuer, including each Authorized Signatory, are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Issuer, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Bonds, and as may be required under the Code and the Act, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Issuer has approved in this Resolution and to consummate by the Issuer the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents. It is not necessary that the Bonds and various documents authorized hereby or otherwise relating to the Bonds all be signed by the same Authorized Signatory.

Section 12. All actions heretofore taken by the Mayor or City Administrator and other appropriate officers and agents of the Issuer with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

Section 13. Further, specifically but without limitation, there is hereby delegated to the Mayor or City Administrator, or any member of the Council the Issuer to determine the matters specified under the Act and any and all other matters not inconsistent with these Resolutions, for inclusion in the Indenture, the Loan Agreement, the Bond Purchase Agreement, the Joint Powers Agreement, or any other document, certificate or instrument executed in connection with the issuance of the Bonds, as finally executed; provided, that the foregoing shall not constitute a grant of Issuer to modify or consent to the modification of the maximum aggregate principal amount of, the maximum term of, or the maximum interest rate to be borne by the Bonds, each as stated in Section 2 above, without the further express resolution of this Council.

Section 14. Under the provisions of the Act and as provided in the Indenture and Loan Agreement, the Bonds are not to be payable from or charged upon any funds other than the revenue pledged to the payment thereof; the Issuer is not subject to any liability thereon; no holder of the Bonds shall ever have the right to compel any exercise by the Issuer of its taxing powers to pay the Bonds or the interest or premiums thereon, or to enforce payment thereof against any property of the Issuer except the interests of the Issuer in the Loan Agreement which have been assigned to the Trustee under the Indenture; the Bonds shall not constitute a charge, lien, or encumbrance, legal or equitable upon any property of the Issuer except the interests of the Issuer in the Loan Agreement which have been assigned to the Trustee under the Indenture; the Bonds shall recite that the Bonds are issued without moral obligation on the part of the Issuer, the State or its political subdivisions, and that the Bonds, including interest thereon, are payable solely from the revenues pledged to the payment thereof; and, the Bonds shall not constitute a debt of the Issuer within the meaning of any constitutional or statutory limitation.

Section 15. The Housing Program, in the form attached hereto as Exhibit A, is hereby approved in accordance with the Act.

Section 16. This Resolution shall take effect from and after its adoption.

Adopted by the City Council of the City of Falcon Heights, Minnesota, this 10 day of June, 2020.



Mayor

ATTEST:



City Administrator

The motion for the adoption of the foregoing resolution was duly seconded by member Lechy, and after full discussion thereof and upon vote being taken thereon, the

following voted in favor thereof:

Mikoga, Lechy, Wehner, Gustafson

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA
COUNTY OF RAMSEY
CITY OF FALCON HEIGHTS

I, the undersigned, being the duly qualified and acting City Administrator of the City of Falcon Heights, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of said City duly called and held on the date therein indicated, insofar as such minutes relate to authorizing the issuance of revenue bonds for the Suite Living Senior Care of Ramsey Project.

WITNESS my hand and the seal of said City this 10 day of June, 2020.



City Administrator

(SEAL)

EXHIBIT A

**PROGRAM FOR FINANCING
A MULTIFAMILY RENTAL HOUSING DEVELOPMENT**

Proposal Authority. Pursuant to Minnesota Statutes, Chapter 462C (the "Act"), the City of Falcon Heights, Minnesota (the "City") is authorized to develop and administer programs of multifamily senior housing developments and facilities for seniors who need additional special services under the circumstances and within the limitations set forth in the Act, specifically Minnesota Statutes, Section 462C.05, subdivision 7. Minnesota Statutes, Section 462C.07 provides that such programs for Minnesota multifamily housing and health care developments may be financed by revenue bonds issued by the City. This housing and health care finance program (this "Program") is undertaken by the City to finance a Project (as hereafter described) owned and operated by Hampton Properties of Ramsey, LLC, a Minnesota limited liability company (the "Borrower"), whose sole member is Suburban Housing & Community Services Corporation, a California nonprofit corporation. The City expects to issue revenue bonds (the "Bonds") pursuant to the Act to assist in financing the Project.

General Description of the Project and Location. The Project is located on 139th Land Northwest at the junction of Jasper Street Northwest, in the City of Ramsey, Minnesota. The City anticipates loaning the proceeds of the Bonds to the Borrower to (i) finance, in part, the acquisition, construction, and equipping of an approximately 32-unit high acuity assisted living and memory care senior housing facility located on approximately 1.75 acres (the "Facility"); (ii) fund capitalized interest on the Bonds; (iii) fund required reserve funds; and (iv) pay all or a portion of the costs of issuance (collectively, the "Project"). The Facility is and will be owned and operated by the Borrower.

The Facility consists of one contiguous one-story building with approximately 21,363 gross square feet. The assisted living units include:

<u>Unit Description</u>	<u>Number of Units</u>	<u>Average Sq. Feet/Unit</u>	<u>Approximate Base Fee*</u>
Studio	20	300	\$6,050-7,300

*Fees include rent, meals, and assistance with daily living

The memory care units include:

<u>Unit Description</u>	<u>Number of Units</u>	<u>Average Sq. Feet/Unit</u>	<u>Approximate Base Fee*</u>
Studio	12	280	\$6,700-7,600

*Fees include rent, meals, and assistance with daily living

Operation of the Project. The Borrower will operate the Project in accordance with applicable development restrictions, and all construction was and is subject to applicable state and local building codes. The Project is and will be available for rental to the general public. The Borrower is and will be required to operate the Project in accordance with state and local anti-discrimination laws and ordinances.

Revenue Bonds. The Borrower has indicated that the amount of Bonds required to finance the Project is not to exceed \$8,500,000 and will mature in approximately 30 years. The proceeds will finance the construction of the Facility, fund certain reserves, pay capitalized interest, and pay certain costs of issuing the Bonds.

Allocation of Issuance Authority. Because the Borrower is treated as a nonprofit entity and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, no allocation of authority to issue tax-exempt bonds is required pursuant to Minnesota Statutes, Chapter 474A. The Bonds will be issued pursuant to Section 462C.07, Subd 1 of the Act and shall be payable primarily from revenues of the Program. Issuance of the Bonds is anticipated to occur in the summer of 2020.

Monitoring. The Borrower expects to enter into suitable agreements with necessary parties to ensure consistent compliance with the objectives of this Program, as well as with the requirements of applicable law. The City will enter into a joint powers agreement with the City of Ramsey, Minnesota to provide for the adoption of this Program and the issuance of the Bonds.

Use of Bond Proceeds. The proceeds of the Bonds will be loaned to the Borrower pursuant to a revenue agreement (the "Loan Agreement") by and between the City and the Borrower. The

Borrower will be required, pursuant to the Loan Agreement, to make payments sufficient to pay when due the principal of, premium, if any, and interest on the Bonds.