

**RESOLUTION 2015R-\_\_\_\_\_**

**AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF REVENUE NOTES FOR THE BENEFIT OF NATIONAL MARROW DONOR PROGRAM; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE REVENUE NOTES AND RELATED DOCUMENTS; PROVIDING FOR THE SECURITY, RIGHTS, AND REMEDIES WITH RESPECT TO THE REVENUE NOTES; AND GRANTING APPROVAL FOR CERTAIN OTHER ACTIONS WITH RESPECT THERETO**

RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS:

1.       STATUTORY AUTHORIZATION. The City of Minneapolis (the “City”) is a home rule city and political subdivision duly organized and existing under its Charter and the Constitution and laws of the State of Minnesota. The City is authorized by Minnesota Statutes, Sections 469.152 through 469.1655, as amended (the “Development Act”), to issue revenue bonds to finance, in whole or in part, the costs of the acquisition, construction, reconstruction, improvement, betterment, or extension of projects, including any properties, real or personal, used or useful in connection with a revenue producing enterprise, whether or not operated for profit, engaged in providing health care services.

2.       SERIES 2010 BONDS. On August 19, 2010, the City issued its Revenue Bonds (National Marrow Donor Program Project), Series 2010 (the “Series 2010 Bonds”), in the original aggregate principal amount of \$67,640,000. The Series 2010 Bonds were issued under the provisions of the Development Act and an Indenture of Trust, dated as of August 1, 2010, between the City and U.S. Bank National Association, as trustee. The City loaned the proceeds of the Series 2010 Bonds to National Marrow Donor Program, a Colorado nonprofit corporation (the “Borrower”), pursuant to a Loan Agreement, dated as of August 1, 2010, between the City and the Borrower, for the purpose of (i) financing the Borrower’s Phoenix Project (the “Project”) consisting of the acquisition, development and implementation of a system for matching donors and providing other transplant support systems for the Borrower, including computer hardware and software, licensing and development and related maintenance, and professional services; and (ii) paying the costs of issuance of the Series 2010 Bonds.

3.       SERIES 2015 NOTES. The Borrower has requested that the City issue its Revenue Notes (National Marrow Donor Program), Series 2015 (the “Series 2015 Notes”), in the principal amount not to exceed \$30,000,000. The Borrower has represented to the City that the Series 2015 Notes will be purchased by U.S. Bank National Association (the “Lender”) in a direct purchase transaction pursuant to a Loan and Note Purchase Agreement to be entered into among the Borrower, the Lender and the City (the “Loan Agreement”). The City’s interest in the Loan Agreement will be assigned to the Lender pursuant to an Assignment of Loan Agreement (the “Assignment”). The Borrower has further represented to the City that the Borrower intends to use the proceeds derived from the purchase of the Series 2015 Notes (the “Loan”) together with other available funds of the Borrower, to (i) advance refund, defease and redeem all of the outstanding Series 2010 Bonds; and (ii) pay the costs of issuance of the Series 2015 Notes.

The Series 2015 Notes will be special, limited obligations of the City that: (i) shall be payable solely from the revenues pledged therefor under the Loan Agreement; (ii) shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation; (iii) shall not constitute nor give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers; (iv) shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the City other than the

City's interest in the Loan Agreement; and (v) shall not constitute a general or moral obligation of the City.

4. PUBLIC PURPOSE. The City acknowledges, finds, determines, and declares that the issuance of the Series 2015 Notes is authorized by the Development Act and is consistent with the purposes of the Development Act and that the issuance of the Series 2015 Notes, and the other actions of the City under this resolution, and the Loan Agreement constitute a public purpose and are in the interests of the City.

5. ISSUANCE OF THE SERIES 2015 NOTES. For the purposes set forth above, there is hereby authorized the issuance, sale, and delivery of the Series 2015 Notes, in one or more series, in the maximum aggregate principal amount of \$30,000,000. The Series 2015 Notes are hereby authorized to be issued as tax-exempt bonds the interest on which is not includable in gross income for federal and State of Minnesota income tax purposes. The Series 2015 Notes, substantially in the form set forth in the Loan Agreement now on file with the City, are hereby approved with the amendments referenced herein. All of the provisions of the Series 2015 Notes, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Series 2015 Notes shall bear interest at the rates, shall be designated, shall be numbered, shall be dated, shall mature, shall be in the aggregate principal amount, shall be subject to redemption or prepayment prior to maturity, shall be in such forms, and shall have such other terms, details, and provisions as are prescribed in the Loan Agreement, in the form now on file with the City, which form is hereby approved, with such necessary and appropriate variations, omissions, and insertions (including changes to the aggregate principal amount of the Series 2015 Notes, the stated maturities of the Series 2015 Notes, the interest rates on the Series 2015 Notes, and the terms of redemption or prepayment of the Series 2015 Notes) as the Finance Officer, in his discretion, shall determine. The execution of the Series 2015 Notes with the manual or facsimile signature of the Finance Officer and the delivery of the Series 2015 Notes by the City shall be conclusive evidence of such determination.

The Series 2015 Notes shall be special, limited obligations of the City payable solely from the revenues provided by the Borrower pursuant to the terms of the Loan Agreement, and any other security documents provided by the Borrower to the Lender. As provided in the Loan Agreement, the Series 2015 Notes shall not be payable from nor charged upon any funds other than the revenue pledged to their payment, nor shall the City be subject to any liability thereon, except as otherwise provided in this paragraph. No holder of the Series 2015 Notes shall ever have the right to compel any exercise by the City of any taxing powers of the City to pay the Series 2015 Notes or the interest or premium thereon, or to enforce payment thereof against any property of the City except the interests of the City in the Loan Agreement and the revenues and assets thereunder, which will be assigned to the Lender by the Assignment. The Series 2015 Notes shall recite that the Series 2015 Notes are issued pursuant to the Development Act, and that the Series 2015 Notes, including interest and premium, if any, thereon, are payable solely from the revenues and assets pledged to the payment thereof, and the Series 2015 Notes shall not constitute a debt of the City within the meaning of any constitutional or statutory limitations.

6. LOAN AGREEMENT AND ASSIGNMENT. Each of the Loan Agreement and the Assignment is hereby approved and the Finance Officer is hereby authorized to execute and deliver the Loan Agreement and the Assignment on behalf of the City. All of the provisions of the Loan Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Loan Agreement and the Assignment shall be substantially in the forms now on file with the City, with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, as the Finance Officer, in his discretion, shall

determine, and the execution and delivery thereof by the Finance Officer shall be conclusive evidence of such determinations. Except for certain reserved rights, the interests of the City in the Loan Agreement will be assigned to the Lender pursuant to the Assignment.

The loan repayments to be made by the Borrower under the Loan Agreement are fixed to produce revenues sufficient to provide for the prompt payment of the principal of, premium, if any, and interest on the Series 2015 Notes when due, and the Loan Agreement also provides that the Borrower is required to pay all expenses of the operation and maintenance of the Project, including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and all lawfully imposed taxes and special assessments levied upon or with respect to the Project and payable during the term of the Loan Agreement.

7. **OTHER CITY DOCUMENTS.** The Finance Officer is hereby authorized to execute and deliver, on behalf of the City, such other documents and certificates as are necessary or appropriate in connection with the issuance, sale, and delivery of the Series 2015 Notes, including various certificates of the City, an Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038, an endorsement to the Borrower's certificate as to arbitrage and rebate, and similar documents, and all other documents and certificates as shall be necessary and appropriate in connection with the issuance, sale, and delivery of the Series 2015 Notes. All of the provisions of such documents and certificates, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The City hereby authorizes McGrann Shea Carnival Straughn & Lamb, Chartered, as bond counsel, to prepare, execute, and deliver its approving legal opinions with respect to the Series 2015 Notes.

8. **DISCLOSURE DOCUMENTS.** The Borrower has represented to the City that no official statement or other disclosure document has been or will be prepared relating to the offer and sale of the Series 2015 Notes. The City has made no independent investigation as to, and assumes no responsibility for, the sufficiency, accuracy, or completeness of any information provided by the Borrower by to the Lender (except for such information that is specifically provided by the City such as information regarding the authority of the City to issue the Series 2015 Notes and any material pending litigation against the City).

9. **SUBSEQUENT AMENDMENTS.** On any date subsequent to the date of issuance of the Series 2015 Notes, the Finance Officer is hereby authorized to execute and deliver any amendments or supplements to any of the documents referred to in this resolution or other documents executed and delivered in connection with the issuance of the Series 2015 Notes if, after review by bond counsel, the Finance Officer determines that the execution and delivery of such amendment or supplement is in the interests of the City. The Finance Officer may impose any terms or conditions on the execution and delivery of any such amendment or supplement as the Finance Officer deems appropriate.

10. **LIMITATIONS OF LIABILITY.** No covenant, stipulation, obligation, or agreement herein contained or contained in the aforementioned documents shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the City Council of the City, or any officer, agent, or employee of the City in that person's individual capacity, and neither the City Council of the City nor any officer or employee executing the Series 2015 Notes shall be personally liable on the Series 2015 Notes or be subject to any personal liability or accountability by reason of the issuance thereof. No provision, covenant, or agreement contained in the aforementioned documents, the Series 2015 Notes, or in any other document relating to the Series 2015 Notes, and no obligation therein or herein imposed upon the City or the breach thereof, shall constitute or give rise to a general or moral obligation of the City or any pecuniary liability of the City or any charge upon its general credit or taxing powers. In

making the agreements, provisions, covenants, and representations set forth in such documents, the City has not obligated itself to pay or remit any funds or revenues, other than funds and revenues derived from the Loan Agreement which are to be applied to the payment of the Series 2015 Notes, as provided therein.

Except as herein otherwise expressly provided, nothing in this resolution or in the aforementioned documents expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation, other than the City, and any holders of the Series 2015 Notes issued under the provisions of this resolution, any right, remedy or claim, legal or equitable, under and by reason of this resolution or any provisions hereof, this resolution, the aforementioned documents, and all of their provisions being intended to be and being for the sole and exclusive benefit of the City, and any holders from time to time of the Series 2015 Notes issued under the provisions of this resolution.

11. SEVERABILITY. In case any one or more of the provisions of this resolution, other than the provisions limiting the liability of the City, or of the aforementioned documents, or of the Series 2015 Notes issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution, or of the aforementioned documents, or of the Series 2015 Notes, but this resolution, the aforementioned documents, and the Series 2015 Notes shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.

12. VALIDITY OF THE SERIES 2015 NOTES. The Series 2015 Notes, when executed and delivered, shall contain a recital that they are issued pursuant to the Development Act, and such recital shall be conclusive evidence of the validity of the Series 2015 Notes and the regularity of the issuance thereof, and that all acts, conditions, and things required by the laws of the State of Minnesota relating to the adoption of this resolution, to the issuance of the Series 2015 Notes, and to the execution of the aforementioned documents to happen, exist, and be performed precedent to the execution of the aforementioned documents have happened, exist, and have been performed as so required by law.

13. ADDITIONAL ACTIONS. The officers of the City, bond counsel, other attorneys, and other agents or employees of the City are hereby authorized to do all acts and things required of them by or in connection with this resolution, the aforementioned documents, and the Series 2015 Notes, for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Series 2015 Notes, the aforementioned documents, and this resolution. The Borrower has agreed and it is hereby determined that any and all costs incurred by the City in connection with the Project and the issuance of the Series 2015 Notes will be paid by the Borrower. It is understood and agreed that the Borrower shall indemnify the City against all liabilities, losses, damages, costs, and expenses (including attorney's fees and expenses incurred by the City) arising with respect to the Project or the issuance of the Series 2015 Notes, as provided for and agreed to by and between the Borrower and the City in the Loan Agreement.

14. DESIGNATION AS PROGRAM BONDS. The Series 2015 Notes are hereby designated "Program Bonds" and are determined to be within the "Economic Development Program" and the "Program," all as defined in Resolution 88R-021 of the City adopted January 29, 1988, and as amended by Resolution 1997R-402 of the City adopted December 12, 1997.

15. EFFECTIVE DATE. This resolution shall take effect and be in force from and after its publication.