

**RESOLUTION NO. 12-63**

**RESOLUTION APPROVING THE ISSUANCE AND  
SALE OF A SENIOR HOUSING REVENUE REFUNDING BOND  
(EPIPHANY SENIOR CITIZENS HOUSING  
CORPORATION PROJECT), SERIES 2012  
OF THE CITY OF COON RAPIDS, MINNESOTA, AND  
AUTHORIZING THE EXECUTION OF DOCUMENTS RELATING THERETO**

BE IT RESOLVED, by the City Council (the “Council”) of the City of Coon Rapids, Minnesota (the “Municipality”), as follows:

Section 1. It is hereby found, determined, and declared as follows:

A. Under Minnesota Statutes, Chapter 462C, as amended (the “Act”), the Municipality is authorized and empowered to issue revenue obligations to finance or refinance all or any part of a “multifamily housing development” as defined in the Act.

B. As required by the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), the Municipality on the date hereof held a duly called public hearing with respect to the issuance of a revenue bond in the principal amount of up to \$5,100,000 for the refunding of bonds previously issued by the Municipality in 1998 (the “Prior Bonds”) with respect to a 107-unit senior housing facility located at 1800 111th Avenue NW in the Municipality (herein referred to as the “Project”), owned and operated by Epiphany Senior Citizens Housing Corporation, a Minnesota nonprofit corporation (the “Company”).

C. The issuance and sale of the Senior Housing Revenue Refunding Bond (Epiphany Senior Citizens Housing Corporation Project) Series 2012 (the “Bond”), by the Municipality, pursuant to the Act, in a principal amount of \$5,060,000, is in the best interest of the Municipality and the Municipality hereby determines to issue the Bond and to sell the Bond to the Lender as herein defined. The Municipality will loan proceeds of the Bond (the “Loan”) to the Company in order to provide for the refinancing of the Project through the refunding of the Prior Bonds.

D. Pursuant to a Loan Agreement (the “Loan Agreement”) to be entered into between the Municipality and the Company, the Company agrees to repay the Loan in specified amounts and at specified times sufficient to pay in full when due the principal of, premium, if any, and interest on the Bond. In addition, the Loan Agreement contains provisions relating to the payment by the Company of certain administrative and legal costs of the Municipality, the maintenance and operation of the Project, indemnification, insurance, and other agreements and covenants which are required or permitted by the Act and which the Municipality and the Company deem necessary or desirable for the Project and the security for the Bond. A draft of the Loan Agreement has been submitted to the Council.

E. Pursuant to a Pledge Agreement (the “Pledge Agreement”) to be entered into between the Municipality and Bremer Bank, National Association (the “Lender”), the Municipality pledges and grants a security interest in all of its rights, title, and interest in the Loan Agreement (except for certain rights for reimbursement of certain costs and expenses and for indemnification) to the Lender. A draft of the Pledge Agreement has been submitted to the Council.

F. The Bond will be a special limited obligation of the Municipality. The Bond shall not be payable from or charged upon any funds other than the revenues pledged to the payment thereof, nor shall the Municipality be subject to any liability thereon. No holder of the Bond shall ever have the right to compel any exercise of the taxing power of the Municipality to pay the Bond or the interest thereon, nor to enforce payment thereof against the property of the Municipality. The Bond shall not constitute a debt of the Municipality within the meaning of any constitutional or statutory limitation.

Section 2. In order to provide refinancing for the Project through the refunding of the Prior Bonds, the Municipality hereby authorizes the issuance of the Bond. The Bond shall be in substantially the form submitted to the Council on the date hereof, and shall mature in the years and amounts, be subject to redemption, and provide interest at the rate(s) as therein specified, as such may be modified by agreement of the Lender, the Company and the Municipality. The initial interest rate on the Bond shall not exceed 4.00%.

Section 3. The Loan Agreement, the Pledge Agreement and the Bond are hereby made a part of this Resolution as fully as though set forth herein and are hereby approved in substantially the forms presented to the Council. The Mayor and the City Manager are hereby authorized and directed to execute, acknowledge, and deliver said documents on behalf of the Municipality with such changes, insertions, and omissions therein as they may hereafter deem appropriate, such execution to be conclusive evidence of approval of such documents in accordance with the terms hereof.

Section 4. The Mayor and the City Manager are hereby authorized and directed to execute and deliver all other documents which may be required under the terms of the Loan Agreement or Pledge Agreement, or by bond counsel, and to take such other actions as may be required or deemed appropriate for the performance of the duties imposed thereby to carry out the purposes thereof.

Section 5. In order to qualify the Bond as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code, the Municipality hereby makes the following representations:

A. The Municipality hereby designates the Bond as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code;

B. The reasonably anticipated amount of tax-exempt obligations (other than obligations described in clause (ii) of Section 265(b)(3)(C) of the Code) which will be issued by the Municipality (and all subordinate entities whose obligations will be

aggregated with those of the Municipality) during this calendar year 2012 will not exceed \$10,000,000; and

C. Not more than \$10,000,000 of tax-exempt obligations issued by the Municipality during this calendar year 2012 have been designated as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Code.

Section 6. This Resolution shall take effect immediately upon its adoption.

Adopted by the Coon Rapids City Council this 1st day of May 2012.

---

Tim Howe, Mayor

ATTEST: \_\_\_\_\_  
Catherine M. Sorensen, City Clerk