ACTION IN WRITING BY THE
BY THE DIRECTORS OF
OF
HSRA BUILDING COMPANY ("COMPANY")
RESOLUTION REGARDING IRS POST-CLOSING PROCEDURES
Re:
(not to exceed) $8,000,000
HRA OF THE CITY OF ST. PAUL, MINNESOTA
CHARTER SCHOOL LEASE REVENUE REFUNDING BONDS
(HIGH SCHOOL FOR RECORDING ARTS PROJECT)
SERIES 2015A
and
(not to exceed) $300,000
HRA OF THE CITY OF ST. PAUL, MINNESOTA
CHARTER SCHOOL LEASE REVENUE REFUNDING BONDS
(HIGH SCHOOL FOR RECORDING ARTS PROJECT)
SERIES 2015B

Effective September 9, 2015 the following Resolutions were considered and adopted:

WHEREAS, at the request of the School, the Company has requested that and the HOUSING AND REDEVELOPMENT AUTHORITY of the City of ST. PAUL, MINNESOTA (the "Issuer" or the "City") has agreed to issue the following obligations of which the Company would be the borrower: (not to exceed) $8,000,000 City Minnesota Charter School Lease Revenue Refunding Bonds (High School For Recording Arts Project) series 2015A and (not to exceed) $300,000 City Minnesota Taxable Charter School Lease Revenue Refunding Bonds (High School For Recording Arts Project) Series 2015B (together the "2015 Bonds" or the "Financing")

WHEREAS, pursuant to a Loan Agreement, all proceeds of the Series 2015 Bonds will be loaned by the Issuer to the Company, a Minnesota non-profit corporation and 501(c)(3) organization. Proceeds of the Series 2015 Bonds will be used for (i) financing the purchase of property and a facility plus expansion and renovation of said facility located at 1166 University Ave. W. in the City (the "Project") and owned by the Company and leased to the to the School; (ii) funding a debt service reserve fund; and (iii) paying a portion of the interest on the Bonds; and (iv) paying the costs of issuing the Bonds (the "Project").

WHEREAS, it is desirable and in the best interests of the School to enter into an amended Lease Agreement for the Project with the Company in order to incorporate the details and undertakings required of the School and Company under the Financing;

Resolved: The Company hereby agrees to adopt the following Resolution:

(a) The School and the Company have and will continue to assume all post-issuance procedures arising from the sale of the Bonds on behalf of the Issuer and in cooperation with Wells Fargo Bank National Association, the Trustee for the Bondholders.

(b) It has been recommended and the School finds that it is appropriate and necessary to adopt written procedures in order to insure the compliance with the post-issuance IRS requirements related to the Series 2015A Bonds. The School acknowledges and assures that it will work with the Company to assure that any duties of the School and the Company to undertake any post-issuance procedures are in fact accomplished with regard in particular to the Terms and Conditions of the Tax Regulatory Agreement entered into in connection with the issuance of the Series 2015A Bonds, between the Company, the Company and the Trustee.

(c) The Written Procedures in substantially the form attached hereto as Exhibit A and incorporated herein by reference shall be and hereby are adopted and approved.

Adopted _____________, 2015

Paula Anderson Director	Wayne Jennings Director	Layne Bellamy Director

Exhibit A

WRITTEN PROCEDURES Related to Tax-Exempt Obligations

The Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder (the "Regulations") impose certain requirements on tax-exempt obligations, including but not limited to, restrictions on the use of bond proceeds and bond-financed property, arbitrage yield restrictions, and the arbitrage rebate requirement. These requirements are generally applicable throughout the period that the bonds remain outstanding.

The Form 8038, Information Return for Private Activity Bond Issues ("Form 8038") requires the issuer to represent whether it has established written procedures to (a) monitor the requirements of Section 148 of the Code, including, but not limited to, the arbitrage rebate and arbitrage yield restriction requirements; and (b) ensure that any nonqualified bonds (within the meaning of Section 1.148-12(j) of the Regulations) are remediated in accordance with the Code and the Regulations.

In addition to the above-described Form 8038 representations, the "School has been advised that additional procedures are recommended in order for the School and the Company to document compliance with the applicable federal tax requirements. Actions pursuant to these procedures (collectively referred to as post-issuance tax compliance) are intended to assist the School and Company, supporting organization to the School, in documenting compliance with the applicable federal tax requirements. Post-issuance tax compliance begins with the debt issuance process itself and includes a continuing focus on investments of bond proceeds and use of bond-financed property. Post-issuance tax compliance requires identifying the responsible people and the applicable procedures.

Procedures

The Company Chair/CEO and the Treasurer/CFO (hereinafter referred to as the "Company Representatives") are designated as being responsible for post-issuance tax compliance. The Company Representatives may delegate to their staff or contract with independent contractors (such as financial advisors, auditors, arbitrage/rebate consultant or others having necessary and appropriate skills and experience) responsibility for different aspects of post-issuance tax compliance. For example, coordinating and documenting the expenditure of bond proceeds on projects may be delegated to the consulting engineer. However, the Company Representatives and School Representatives will be ultimately responsible for implementing the procedures described herein.

The Company Representatives will (in addition to assuring adequate training of responsible officers and staff of the School and of any persons to whom is delegated responsibility for compliance with any post-issuance procedures):

(a) Confirm the filing of the Form 8038 (or applicable successor form) with Internal Revenue Service ("IRS"). Filing of Form 8038 is usually overseen by bond counsel at or soon after the closing of a bond issue;

(b) Obtain and store the Transcript of Proceedings prepared by bond counsel (which typically includes the applicable Form 8038 and the Federal Tax Certificate and Tax Regulatory Agreement containing the Company's expectations as of the date of issuance of the bond issue);

(c) Establish a plan for keeping relevant books and records as to the investment and the expenditure of bond proceeds;

(d) Keep accurate records including:

☐ Basic records relating to the bond transactions (including the bond ordinances, loan ☐agreements, and bond counsel opinion; see Transcript of Proceeding, above);

☐ Documentation evidencing the expenditure of bond proceeds;

☐ Documentation evidencing use of bond-financed property by public and private sources (i.e., ☐copies of management contracts);

☐ Documentation evidencing all sources of payment or security for the bonds; and

☐ Documentation pertaining to any investment of bond proceeds (including the purchase and ☐sale of securities, SLGS subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts, and rebate calculations);

(e) Keep all records in a manner that ensures their complete access to the IRS so long as they are material. While this is typically accomplished through the maintenance of hard copies, records may be kept in an electronic format if certain requirements are satisfied, in accordance with the guidelines in Revenue Procedure 97-22, 1997-1 C.B. 652;

(f) Keep the relevant records for each issue of bonds for as long as such issue of bonds is outstanding (including any bonds issued to refund such issue of bonds) plus three years after the final redemption date of the bonds;

(g) As and when necessary under the terms of the Bond Documents or required by the Trustee engage the services of an arbitrage/rebate consultant for assistance in compliance with arbitrage related issues;

(h) Work with bond counsel, financial advisor and/or arbitrage/rebate consultant to monitor compliance with "temporary period exceptions" for expenditure of bond proceeds, typically three years for new money bonds, and provide for yield restriction of investments or "yield reduction payments" if exceptions are not satisfied;

(i) Work with bond counsel and financial advisor to ensure investments acquired with bond proceeds are purchased at fair market value. This may include use of bidding procedures under the regulatory safe harbor (Section 1.148-5(d) of the Regulations);

(j) Consult with bond counsel prior to the creation of funds which would reasonably be expected to be used to pay debt service on tax-exempt bonds to determine in advance whether such funds must be invested at a restricted yield (i.e., yield restricted);

(k) Consult with bond counsel and financial advisor before engaging in post-issuance credit enhancement transactions (e.g., bond insurance, letter of credit) or hedging transactions (e.g., interest rate swap, cap);

(l) Consult with bond counsel, financial advisor, and/or arbitrage/rebate consultant to identify situations in which compliance with applicable yield restrictions depends upon subsequent investments (e.g., purchase of 0% SLGS from U.S. Treasury) and monitor implementation.

(m) Work with the Company's arbitrage/rebate consultant to arrange for timely computation of rebate/yield reduction payment liability and, if an amount is payable, for timely filing of Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate (or applicable successor form), and payment of such liability. Rebate/Yield Reduction payments are ordinarily due at 5-year intervals.

(n) Create and maintain records of which proceeds of bond issues were used to finance which facilities. These records shall incorporate the refunding or partial refunding of any bond issues;

(o) Record the allocation of bond proceeds to expenditures, including reimbursements. These records will be consistent with the expenditures used for arbitrage purposes.

(p) Record the allocation of bond proceeds and funds from other sources in connection with any bond funded project. Review expenditure of bond proceeds with bond counsel and/or consulting engineer to ensure bond proceeds are used for qualifying costs;

(q) Review with bond counsel prior to the sale or lease of a bond-financed facility, or the granting of a license or management contract, or any other arrangement allowing private use of a bond financed facility, the terms of such arrangement;

(r) Keep records of private use, if any, of bond financed facilities to monitor the amount of private use of bond financed facilities. Private use of bond-financed facilities shall be reviewed once a year (in connection with the preparation of the annual financial statements). If a change in private use occurs, bond counsel will be consulted to determine if remedial action is necessary.

(s) Consult with bond counsel to identify any post-issuance modification to the terms of bonds which could be treated as a current refunding of "old" bonds by "new" bonds, often referred to as a "reissuance."

(t) Consult with bond counsel to determine whether any "remedial action" (see item (e) under "Private Use of Bond-Financed Facilities" above) in connection with private use must be treated as a "reissuance."

Effective_____________, 2015

Secretary

Wayne Jennings
Director

Paula Andersen
Director

Layne Bellamy
Director