

**CITY OF LOGAN, UTAH
RESOLUTION 15-07 RDA**

A RESOLUTION OF THE CITY COUNCIL OF LOGAN CITY (THE "ISSUER") EXPRESSING AN INTENT TO REIMBURSE CERTAIN QUALIFIED EXPENDITURES WITH PROCEEDS OF AN ISSUE OF MULTIFAMILY HOUSING REVENUE BONDS TO BE ISSUED IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,000,000 TO FINANCE THE ACQUISITION, CONSTRUCTION, REHABILITATION AND EQUIPPING OF A MULTIFAMILY HOUSING APARTMENT DEVELOPMENT; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, Logan City (the "Issuer") is authorized pursuant to the provisions of Title 11, Chapter 17, Utah Code Annotated 1953, as amended (the "Act") to issue bonds to provide funds to finance the acquisition of multifamily residential housing for persons of medium and low income, and

WHEREAS, there has been presented to the Issuer at this meeting a request for inducement from Borden Holdings, LLC, a Utah limited liability company (the "Owner"), asking the Issuer to adopt a resolution evidencing an intent to reimburse certain qualified expenditures with proceeds of an issue of multifamily housing revenue bonds, such expenditures to be incurred by the Owner or a designee to finance the acquisition, construction, rehabilitation and equipping of a multifamily rental housing development more specifically described in Exhibit A attached hereto (the "Development") to be occupied in part by low or moderate income persons in compliance with the Act and applicable provisions of the Internal Revenue Code; and

WHEREAS, in order to provide funds for such reimbursement, it has been deemed appropriate and necessary that the Issuer express its intention to reimburse certain qualified expenditures incurred with respect to the acquisition, construction and equipping of the Development with proceeds of an issue of multifamily housing revenue bonds (the "Bonds") and prescribe and establish conditions and other appropriate matters with respect to the issuance of the Bonds; and

WHEREAS, the Bonds shall be special obligations of the Issuer payable solely from and secured by revenues, rights, interests and collections pledged therefor under the applicable indenture and shall not be a general obligation of the Issuer, the State of Utah or any political subdivision thereof; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF LOGAN CITY, AS FOLLOWS:

Section 1. Words used in the foregoing recitals shall have the same meanings when used in the body of this resolution.

Section 2. In order to finance the acquisition, construction and equipping of the Development with the resulting public benefits which will flow from the operation thereof, the Issuer hereby expresses its intent to reimburse certain qualified expenditures incurred with respect to the acquisition, construction and equipping of the Development with proceeds of an issue of Bonds issued and sold pursuant to the provisions of the Act in a principal amount sufficient to pay the cost of financing the Development, together with costs incident to the authorization, sale and issuance of the Bonds (to the extent permitted by law), the aggregate cost of which is presently estimated not to exceed \$7,000,000. The exact amounts, maturities, interest rates, redemption terms and other terms and provisions of the Bonds will be determined by a future resolution of the Issuer.

Section 3. The Issuer will loan the proceeds of the Bonds to the Owner or otherwise finance the Development to or for the Owner, pursuant to an agreement between the Issuer and the Owner whereby the Owner will be obligated, among other things, (i) to make payments to the Issuer in amounts and at times sufficient to pay the principal of and premium, if any, and interest on all of the Bonds and (ii) to provide, or cause to be provided, collateral or other security to secure payment of the Bonds and completion of the Development in such manner and in such amounts as the Issuer deems appropriate. The Issuer has not authorized the pledge of its credit for the payment of the Bonds or the financing of the Development.

Section 4. Qualified costs to be reimbursed shall be determined in accordance with the provisions of Treasury Regulation Section 1.150-2. Notwithstanding anything herein contained to the contrary the Issuer shall have no liability to the Owner for any costs or funds advanced if Bonds are not issued.

Section 5. If any provision of this resolution should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this resolution.

Section 6. The appropriate officials of the Issuer are hereby authorized to execute and deliver to the bond registrar the written order of the Issuer for authentication and delivery of the Bonds in accordance with the provisions of the Indenture.

Section 7. The appropriate officers of the Issuer, including without limitation the Mayor and the Finance Director and Economic Development Director, are each authorized to take all action necessary or reasonably required to carry out, give effect to and consummate the transactions as contemplated hereby and are authorized to take all action necessary in conformity with the Act.

Section 8. No provision of this resolution, the bond documents, the Bonds or any other instrument, shall be construed as creating a general obligation of the Issuer or of the State of Utah or any political subdivision thereof, or as incurring or creating a charge upon the general credit of the Issuer, the State of Utah or any political subdivision thereof.

Section 9. If any provision of this resolution should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this resolution.

Section 10. The appropriate officials of the Issuer, including without limitation the Mayor and Finance Director and Economic Development Director, are each hereby authorized

and directed to execute and deliver, for and on behalf of the Issuer, any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this resolution.

Section 11. Except as otherwise disclosed to the members of the governing body of the Issuer prior to the adoption of this resolution, no member or employee of the Issuer has any interest, direct or indirect, in the transactions contemplated by the Issuer herein.

Section 12. All resolutions of the Issuer or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency.

Section 13. This resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED BY LOGAN CITY THIS 17TH DAY OF FEBRUARY 2015.

LOGAN CITY, UTAH

Jeannie F. Simmonds, Council Chair

(S E A L)

ATTEST:

Teresa Harris, City Recorder

EXHIBIT A

DESCRIPTION AND LOCATION OF DEVELOPMENT

The Borden Lofts project will consist of the “adaptive reuse” of the old Borden Milk Factory, located at 290 South 400 West, which was initially constructed in 1905 (the “Building”). The project is expected to include approximately 42 apartments. The ownership entity is Borden Holdings, LLC.