
BOND PURCHASE AGREEMENT

BY AND BETWEEN

**CITY OF MINNETONKA, MINNESOTA,
as Issuer,**

**MINNETONKA LEASED HOUSING ASSOCIATES III, LLLP,
as Borrower,**

AND

**DOUGHERTY & COMPANY LLC,
as Underwriter**

Dated August __, 2018

**City of Minnetonka, Minnesota
Tax Increment Revenue and Subordinate Multifamily Housing Revenue Bonds
(Legends of Minnetonka Project)
Series 2018C**

This instrument drafted by:
Barnes & Thornburg LLP (BWJ)
225 South Sixth Street
Minneapolis, Minnesota 55402

BOND PURCHASE AGREEMENT

August __, 2018

City of Minnetonka, Minnesota
14600 Minnetonka Road
Minnetonka, Minnesota 55345-1502

Minnetonka Leased Housing Associates III, LLLP
2905 Northwest Boulevard, Suite 150
Plymouth, Minnesota 55441-7400

\$ _____

**City of Minnetonka, Minnesota
Tax Increment Revenue and Subordinate Multifamily Housing Revenue Bonds
(Legends of Minnetonka Project)
Series 2018C**

Ladies and Gentlemen:

The undersigned, Dougherty & Company LLC (the “Underwriter”) hereby proposes to enter into the following bond purchase agreement (this “Agreement” or “Bond Purchase Agreement”) concerning the above-captioned bonds (the “Series 2018C Bonds”), subject to the acceptance of this Bond Purchase Agreement by the City of Minnetonka, Minnesota (the “Issuer”), a home rule city and a municipal corporation duly organized and validly existing under its Charter and the laws of the State of Minnesota, and Minnetonka Leased Housing Associates III, LLLP, a Minnesota limited liability limited partnership (the “Borrower”). This offer is made subject to acceptance by the Issuer, and the Borrower at or prior to 10:00 A. M. on August __, 2018, Central Time, and upon such acceptance this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Issuer, the Borrower, and the Underwriter. The Series 2018C Bonds are described in the Preliminary Official Statement, dated August __, 2018 (the “Preliminary Official Statement”), prepared in connection with the issuance of the Series 2018C Bonds and the final Official Statement, to be dated on or about September __, 2018 (together with the Appendices thereto), to be prepared in substantially the same form as the Preliminary Official Statement, together with the insertion of the underwriting details of the Series 2018C Bonds, including the interest rates thereon (the “Official Statement”). The terms of the Series 2018C Bonds shall be as set forth on Schedule I attached hereto. The Series 2018C Bonds are issued pursuant to a Subordinate Indenture of Trust, dated as of September 1, 2018 (the “Indenture”), between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”). The proceeds of the Series 2018C Bonds are being loaned to the Borrower pursuant to a Subordinate Loan Agreement, dated as of September 1, 2018 (the “Loan Agreement”), between the Issuer and the Borrower. If and when accepted by you, this document shall constitute the agreement of the Underwriter to purchase the Series 2018C Bonds on the terms and subject to the conditions herein set forth. Undefined terms used herein shall have the meaning assigned to such terms in the Indenture.

Section 1. Background. The Series 2018C Bonds are to be issued by the Issuer pursuant to, and will be secured as provided in, the Indenture, Minnesota Statutes, Chapters 462C and 474A, as amended, and a resolution of the Issuer on August 27, 2018 (the “Resolution”). The proceeds of the Series 2018C

Bonds will be loaned by the Issuer to the Borrower, to be used together with other available funds of the Borrower and proceeds of the Senior Notes, in order to: (i) finance a portion of the cost of the acquisition, construction and equipping of an affordable multifamily housing facility consisting of 262 dwelling units for occupancy by seniors, to be known as Legends of Minnetonka, located at or about 11001 Bren Road East, Minnetonka, Minnesota (the “Senior Housing Project”); (ii) fund capitalized interest for the Series 2018C Bonds through March 1, 2022; and (iii) pay the costs of issuance for the Series 2018C Bonds. The Series 2018C Bonds will be secured by and payable from (a) an assignment of the Borrower’s interest in that certain Tax Increment Revenue Note, Series 2018 (the “TIF Note”) issued by the Economic Development Authority in and for the City of Minnetonka, Minnesota (the “Minnetonka EDA”) in the original aggregate principal amount of \$4,161,000, under the terms of an Assignment, Pledge, and Security Agreement, dated as of September 1, 2018 (the “Pledge Agreement”, from the Borrower for the benefit of the Trustee, (b) amounts held under the Indenture that are derived from payments made by the Borrower under the Loan Agreement (“Basic Payments”), (c) a subordinate mortgage lien on and security interest in the Senior Housing Project granted under the terms of a Subordinate Combination Mortgage, Security Agreement, Fixture Financing Statement, and Assignment of Leases and Rents, dated as of September 1, 2018 (the “Subordinate Mortgage”), by the Borrower in favor of the Issuer and assigned to the Trustee, and (d) a guaranty by Dominion Holdings II, LLC (the “Guarantor”) of the payment of debt service on the Series 2018C Bonds.

In order to provide for the tax exemption of the Series 2018C Bonds, the Issuer, the Borrower, the Fiscal Agent for the Senior Notes, and the Trustee are entering into a Regulatory Agreement (the “Regulatory Agreement”), dated the date of issuance of the Series 2018C Bonds. In order to provide certain ongoing, continuing disclosure with respect to the Series 2018C Bonds, the Borrower and U.S. Bank National Association, as dissemination agent, are entering into a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) dated as of September 1, 2018.

Section 2. Official Statement.

(a) The Issuer and the Borrower hereby ratify and consent to the use by the Underwriter of the Preliminary Official Statement and the Official Statement in connection with the sale of the Series 2018C Bonds. The Borrower shall deliver or cause to be delivered to the Underwriter, promptly upon the completion thereof, copies of the Official Statement. In connection with the offering and sale of the Series 2018C Bonds, the Issuer and the Borrower authorize the use by the Underwriter of copies of the Official Statement with respect to the Series 2018C Bonds, the Indenture, the Loan Agreement, and the other documents required for the issuance of the Series 2018C Bonds.

(b) The Borrower, on behalf of itself and any other “issuers” within the meaning of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), agrees to deliver to the Underwriter, at such addresses as the Underwriter shall specify, as many copies of the Official Statement as the Underwriter shall reasonably request as necessary to comply with paragraph (b)(4) of the Rule and with Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board (the “MSRB”). The Borrower agrees to deliver such Official Statement within seven (7) business days after the date of this Bond Purchase Agreement.

The Preliminary Official Statement and the Official Statement may be delivered in printed form and “designated electronic format” as defined in the MSRB’s Rule G-32 and as may be agreed by the Borrower and the Underwriter. If the Preliminary Official Statement or the Official Statement has been prepared in electronic form, the Borrower hereby confirms that it

does not object to distribution of the Preliminary Official Statement and the Official Statement in electronic form.

(c) The Underwriter agrees that it shall send or cause to be sent no later than the next business day, by first class mail, electronically, or other equally prompt means, to any potential customer, on request, one or more copies of the Official Statement, as most recently supplemented or amended (if at all).

(d) The Borrower shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter, which consent shall not be unreasonably withheld. The Borrower covenants to notify the Underwriter promptly if, on or prior to the 25th day after the End of the Underwriting Period (as defined herein) (or such other period as may be agreed to by the Borrower and the Underwriter), any event shall occur, or information comes to the attention of the Borrower or the Issuer (with respect to the Issuer Portion, as defined herein), that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and if in the opinion of the Underwriter such event requires the preparation and distribution of a supplement or amendment to the Official Statement, to prepare and furnish to the Underwriter, at the Borrower's expense, such number of copies of the supplement or amendment to the Official Statement, in (i) a "designated electronic format" consistent with the requirements of the MSRB's Rule G-32 and (ii) a printed form in substance mutually agreed upon by the Borrower and the Underwriter, as the Underwriter may reasonably request. If such notification shall be given subsequent to the Closing Date (as defined in Section 7 below), the Borrower also shall furnish, or cause to be furnished, such additional certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement. For purposes of this Bond Purchase Agreement, the term "End of the Underwriting Period" means the later of (i) the Closing Date or (ii) when the Underwriter no longer retains an unsold balance of the Series 2018C Bonds.

Section 3. Issuer's and Minnetonka EDA's Lack of Participation. The Borrower and the Underwriter acknowledge that the Issuer assumes no responsibility for the sufficiency, accuracy or completeness of the Preliminary Official Statement or the Official Statement (other than with respect to information provided under the captions "THE ISSUER" and "ABSENCE OF MATERIAL LITIGATION – The Issuer" (together, the "Issuer Portion" of the Official Statement) as it relates to the Issuer). It is further understood and agreed that no obligations of the Issuer contained in this Bond Purchase Agreement shall give rise to any pecuniary liability of the Issuer. The Issuer and the Minnetonka EDA have not participated in the preparation of the Preliminary Official Statement or the Official Statement.

Section 4. Representations of Issuer. The Issuer represents to the Underwriter and the Borrower that:

(a) the Issuer is and will be at Closing a home rule city, municipal corporation, and political subdivision duly organized and existing under its Charter and the Constitution and laws of the State of Minnesota (the "State");

(b) the Issuer has duly authorized the action necessary to be taken by it or on its behalf for: (i) the issuance and delivery of the Series 2018C Bonds upon the terms set forth in the

Indenture; (ii) the execution and delivery of the (A) Indenture, (B) the Loan Agreement, (C) the Regulatory Agreement, (D) the Assignment of Mortgage related to the Subordinate Mortgage, (E) the Contract for Private Development, dated September __, 2018 (the “Development Agreement”), between the Minnetonka EDA, the Issuer and the Borrower, and (F) this Bond Purchase Agreement (the documents listed in (A) through (F) above are collectively referred to herein as the “Issuer Documents”); (iii) the carrying out, giving effect to and consummation of the transactions described herein; and (iv) the use and distribution of the Official Statement,

(c) the execution and delivery of the Issuer Documents, and the performance by the Issuer of its obligations hereunder and thereunder, are within the powers of the Issuer and do not and will not conflict, in any material respect, with or constitute a material breach of or result in a material violation of (i) any material agreement or other instrument to which the Issuer is a party or by which it is bound, or (ii) any constitutional or statutory provision or order, rule regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Issuer or its property;

(d) there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the undersigned, threatened against or affecting the Issuer, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions described in this Bond Purchase Agreement or the Official Statement or would materially adversely affect the validity of the Series 2018C Bonds, the Issuer Documents, or any agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transactions described herein; and

(e) any certificate authorized by resolution of the Issuer, signed by any authorized officer or officers of the Issuer and delivered to the Underwriter shall be deemed a representation by the Issuer to the Underwriter as to the statements made therein.

Section 5. Reserved.

Section 6. Representations of Borrower. The Borrower represents and warrants to the Underwriter and the Issuer that:

(a) the Borrower is and will be at the date of Closing a duly formed and validly existing Minnesota limited liability limited partnership, authorized to do business in the State, and in good standing under the laws of the State;

(b) the execution, delivery and performance by the Borrower of (i) the Loan Agreement, (ii) the Continuing Disclosure Agreement, (iii) the Regulatory Agreement, (iv) the Subordinate Mortgage, (v) the Pledge Agreement, (vi) the Minimum Assessment Agreement, dated as of September 1, 2018 (the “Minimum Assessment Agreement”), between the Borrower and the Minnetonka EDA, (vii) the Development Agreement, and (viii) this Bond Purchase Agreement (all such documents in (i) through (viii) are collectively referred to herein as the “Borrower Documents”), have been duly authorized by the Borrower, and compliance with the provisions hereof and thereof, under the circumstances contemplated herein and therein, will not in any material respect conflict with or constitute on the part of the Borrower a breach of or default (with due notice or the passage of time or both) under any indenture, mortgage, deed of trust, loan agreement, contract or other agreement or other instrument to which the Borrower is a party or, to the best of its knowledge, any existing law, administrative regulation, court order or

decree to which the Borrower is subject or by which it or any of its properties are otherwise subject or bound;

(c) there is no action, suit, litigation, proceeding, inquiry or investigation at law or in equity or by or before any judicial or administrative court, agency, body or other entity, pending or, to the best knowledge of the Borrower, threatened against the Borrower or any of its properties, wherein an unfavorable decision, ruling or finding (1) would adversely affect the issuance, delivery, validity or enforceability of any of the Borrower Documents, (2) would result in any materially adverse change in the corporate existence or powers of the Borrower, the business, properties, assets, liabilities or condition (financial or other) of the Borrower, or (3) would otherwise materially adversely affect the ability of the Borrower to comply with its obligations under the Borrower Documents, or adversely affect the transactions contemplated by the Indenture;

(d) no event or event which, with notice or lapse of time or both, would constitute an event of default or default under the Borrower Documents or any other material agreement or instrument to which the Borrower is a party or by which the Borrower or its properties is or may be bound has occurred and is continuing;

(e) the Borrower has, or will have when required, all necessary licenses, permits and approvals currently required to carry on and operate all of its properties;

(f) to the best of the knowledge of the Borrower, neither the Borrower nor the Senior Housing Project is in violation of, nor has the Borrower received any notice of any actual or alleged violation of, any environmental, zoning, land use or other similar laws or regulations applicable to the Borrower or the Senior Housing Project which has not otherwise been disclosed by the Borrower;

(g) all of the representations and warranties of the Borrower contained in the Borrower Documents are true and correct in all material respects as of this date, as if made on this date;

(h) The Preliminary Official Statement did not contain any untrue statement of a material fact and does not omit to state a material fact necessary in order to make the statements contained therein not misleading and the Borrower is not aware of any material omission or misstatement in any other information contained in the Official Statement, provided that the Borrower makes no representation as to the information in the Official Statement in the Issuer Portion and under the headings "TAX EXEMPTION AND RELATED CONSIDERATIONS" and "UNDERWRITING"; and

(i) The Borrower deems the Preliminary Official Statement final as of its date of distribution (August __, 2018) within the meaning of the Rule, except for the omission of the following information: offering prices, interest rates, selling compensation, principal amount per maturity or other terms of the Series 2018C Bonds depending on such matters.

Section 7. Purchase, Sale and Delivery of the Series 2018C Bonds. On the basis of the representations and warranties and subject to the terms and conditions set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter, all of the Series 2018C Bonds at a purchase price of \$_____ which amount represents the principal amount of the Series 2018C Bonds (\$_____), [plus/less] net original issue [premium/discount] of

\$____. The Borrower will pay the Underwriter a fee of \$_____ plus miscellaneous expenses associated with the sale of the Series 2018C Bonds. Payment for the Series 2018C Bonds shall be made to the Issuer on its order in federal funds or other immediately available funds at 12:00 P.M. prevailing time on September __, 2018, at the offices of Kennedy & Graven, Chartered, Minneapolis, Minnesota, or at such other time and place as shall be mutually agreeable to the parties hereto, against delivery of the Series 2018C Bonds as directed by the undersigned. The date and time of such payment and delivery are herein called the “Closing Date” or the “Closing.” The Series 2018C Bonds are to be delivered to The Depository Trust Company (“DTC”) for the respective accounts of the original purchasers thereof at DTC’s offices in New York, New York, and the Series 2018C Bonds shall be made available for inspection by the undersigned prior to the Closing Date.

It shall be a condition to the obligations of the Issuer to sell and deliver the Series 2018C Bonds to the Underwriter and to the obligations of the Underwriter to purchase and accept delivery of and to pay for the Series 2018C Bonds, that the entire aggregate principal amount of the Series 2018C Bonds to be sold and delivered by the Issuer in accordance with this Section 7 shall be sold and delivered simultaneously by the Issuer and be purchased, accepted and paid for simultaneously by the Underwriter.

The Issuer and the Borrower acknowledge and agree that (i) the purchase and sale of the Series 2018C Bonds pursuant to this Bond Purchase Agreement is an arm’s-length commercial transaction among the Issuer, the Borrower, and the Underwriter, (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Issuer or the Borrower, (iii) the Underwriter has not assumed (individually or collectively) a fiduciary responsibility in favor of the Issuer or the Borrower with respect to (a) the offering of the Series 2018C Bonds or the process leading thereto or (b) any other obligation to the Issuer or the Borrower except the obligations expressly set forth in this Bond Purchase Agreement, and (iv) the Issuer and the Borrower have consulted with their own respective legal and other professional advisors to the extent they deemed appropriate in connection with the offering of the Series 2018C Bonds.

The Issuer and the Borrower acknowledge that the Underwriter, without regard to priority, may allocate the Series 2018C Bonds between customer orders and orders that could be considered to be from “related accounts” for purposes of MSRB Rule G-11. The Issuer and the Borrower hereby agree to the Underwriter’s allocation of the Series 2018C Bonds to the orders that the Underwriter received during the order period for the Series 2018C Bonds, regardless of priority between customer accounts and those accounts that could be considered “related accounts”.

Section 8. The Borrower’s Covenants. The Borrower shall:

(a) if at any time for a period of 90 days after the date of the Official Statement an event of which the Borrower has knowledge shall have occurred as a result of which it is necessary to amend or supplement the Official Statement in order to make the statements therein not untrue or misleading, notify the undersigned promptly thereof and furnish to the Underwriter an appropriate amendment or a supplement that will correct the statements in the Official Statement in order to make the statements therein not untrue or misleading;

(b) refrain from taking any action, or permitting any action to be taken with regard to which the Borrower may exercise control, that results in the loss of the tax-exempt status of the interest on the Series 2018C Bonds;

(c) furnish to the Underwriter so long as any Series 2018C Bonds remain outstanding copies of annual audited financial statements of the Borrower; and

(d) enter into the Continuing Disclosure Agreement, to which the Trustee shall be a party, under which the Borrower shall provide annual financial information, including audited financial statements of the Borrower prepared in accordance with generally accepted accounting principles, and all required event notices, all in accordance with and as required by the Rule.

Section 9. Conditions of Purchase Obligation of Underwriter. The respective obligations of the Underwriter to purchase and pay for the Series 2018C Bonds are subject to the following conditions:

(a) The representations and warranties of the Borrower shall be true and correct in all material respects as of the date hereof and the Closing Date.

(b) At the Closing Date the Borrower shall have performed all of its obligations in all material respects hereunder theretofore to have been performed.

(c) At the Closing Date, there shall be delivered to the Underwriter and dated as of the Closing Date:

(i) one or more opinions of Kennedy & Graven, Chartered, as Bond Counsel, in form and substance satisfactory to the Underwriter and its counsel, covering the validity of and the tax-exempt status of the interest on the Series 2018C Bonds, the valid execution and delivery of the Issuer Documents, and related matters, together with a supplemental opinion of Bond Counsel in form and substance satisfactory to the Underwriter and its counsel;

(ii) one or more opinions of Kennedy & Graven, Chartered, as counsel to the Minnetonka EDA, in form and substance satisfactory to the Borrower and the Underwriter and its counsel, covering the valid issuance of the TIF Note, the valid execution and delivery of the Development Agreement, the Minimum Assessment Agreement, and related matters (the TIF Note, the Development Agreement, the Minimum Assessment Agreement are collectively referred to herein as the “Minnetonka EDA Documents”);

(iii) one or more opinions of counsel to the Borrower and Guarantor, addressed to the Issuer, the Minnetonka EDA, the Underwriter, Bond Counsel, and the Trustee, in form and substance satisfactory to the Underwriter and its counsel;

(iv) an opinion of Barnes & Thornburg LLP, as counsel to the Underwriter, addressed solely to the Underwriter, and in form and substance satisfactory to the Underwriter;

(v) A certificate of the Issuer, signed by one or more authorized representatives of the Issuer, dated the date of the Closing, to the effect that, to the actual knowledge of the Issuer Representative that (A) the representations of the Issuer contained in this Bond Purchase Agreement and the Issuer Documents are true and correct in all material respects as of the date of the Closing; and (B) no litigation is pending or, to the actual knowledge of the Issuer, without investigation or inquiry, threatened, against the Issuer (1) seeking to restrain or enjoin the issuance or delivery of any of the Series 2018C Bonds or the collection of revenues or other security pledged under the Indenture, (2) in any way contesting any authority for the issuance of the

Series 2018C Bonds or the validity of the Series 2018C Bonds or the Issuer Documents, or (3) in any way contesting the existence or powers of the Issuer;

(vi) A certificate of the Minnetonka EDA, signed by one or more authorized representatives of the Minnetonka EDA, dated the date of the Closing, to the effect that, to the actual knowledge of the Minnetonka EDA Representative that (A) the representations of the Minnetonka EDA contained in the Minnetonka EDA Documents are true and correct in all material respects as of the date of the Closing; and (B) no litigation is pending or, to the actual knowledge of the Minnetonka EDA, without investigation or inquiry, threatened, against the Minnetonka EDA (1) seeking to restrain or enjoin the issuance or delivery of the TIF Note or the collection of tax increment revenues, (2) in any way contesting any authority for the issuance of the TIF Note or the validity of the TIF Note or the Minnetonka EDA Documents, or (3) in any way contesting the existence or powers of the Minnetonka EDA;

(vii) A certificate of the Borrower, signed by an authorized representative of the Borrower, dated the date of the Closing, to the effect that (A) the representations, warranties and agreements of the Borrower contained in this Bond Purchase Agreement and in the Borrower Documents are true and correct in all material respects as of the date of the Closing; (B) no litigation to which the Borrower is a party is pending or, to the knowledge of the Borrower, threatened, (1) seeking to restrain or enjoin the issuance or delivery of any of the Series 2018C Bonds or the collection of revenues or other security pledged under the Indenture, (2) in any way contesting or affecting any authority for the issuance of the Series 2018C Bonds or the validity of the Series 2018C Bonds, the TIF Note, the Resolution, the Indenture or any of the Borrower Documents, or (3) in any way contesting the existence or powers of the Borrower; (C) no event affecting the Borrower has occurred since the date of the Official Statement that should be disclosed in the Official Statement, for the purpose for which it is to be used or which should be disclosed therein in order to make the statements and information therein not misleading in any material respect; (D) the information in the Preliminary Official Statement and the Official Statement relating to the Borrower, the Senior Housing Project, and the proposed operation of the Senior Housing Project is true and correct in all material respects, and the information under the heading “BONDHOLDERS’ RISKS” is a fair description of the risk factors related to the Borrower’s Senior Housing Project; (E) all resolutions and other actions required to be approved or taken by or on behalf of the Borrower authorizing and approving the transactions described or contemplated in this Bond Purchase Agreement or in the Official Statement, the execution of or approval of the respective forms of, as the case may be, this Bond Purchase Agreement, the Indenture, the Borrower Documents and the Series 2018C Bonds have been duly approved by the Borrower, are in full force and effect and have not been modified, amended or repealed; and (F) the Borrower is a limited liability limited partnership organized and validly existing under the laws of the State with full power and authority to own its properties and conduct its business;

(viii) A certificate of the Guarantor, signed by an authorized representative of the Guarantor, dated the date of the Closing, to the effect that (A) no litigation is pending or to its knowledge threatened, (1) in any way contesting or affecting the Guaranty, or (3) in any way contesting the existence or powers of the Guarantor; (B) no event affecting the Guarantor has occurred since the date of the Official Statement that should be disclosed in the Official Statement, for the purpose for which it is to be used or which

should be disclosed therein in order to make the statements and information therein not misleading in any material respect; (C) the information under the headings “SUMMARY INFORMATION – The Guarantor and Security for the Series 2018C Bonds - *The Guaranty*,” “INTRODUCTORY STATEMENT – The Guarantor” and “– Security for the Series 2018C Bonds – *The Guaranty*,” “THE GUARANTOR,” and “SECURITY FOR THE SERIES 2018C BONDS – The Guaranty” (collectively, the “Guarantor Portion”) of the Preliminary Official Statement and the Official Statement is true and correct in all material respects; (D) all resolutions and other actions required to be approved or taken by or on behalf of the Guarantor authorizing and approving the transactions described or contemplated in this Bond Purchase Agreement and the Guaranty and the execution and delivery of the Guaranty have been duly approved by the Guarantor, are in full force and effect and have not been modified, amended or repealed; (E) the Guarantor is a limited liability company organized and validly existing under the laws of the State with full power and authority to own its properties and conduct its business.

In rendering the above opinions discussed in (c)(i)-(iv), counsel may rely upon customary certificates.

(d) The Issuer Documents, the Minnetonka EDA Documents, the Borrower Documents, and the Guaranty in substantially the forms existing on the date hereof, with such changes therein as may be mutually agreed upon by the parties thereto and the undersigned, and all instruments contemplated thereby, shall have been duly authorized, executed and delivered by the respective parties thereto and shall be in full force and effect on the Closing Date.

(e) All proceedings and related matters in connection with the authorization, issue, sale and delivery of the Series 2018C Bonds shall have been satisfactory to Bond Counsel, and Bond Counsel shall have been furnished with such papers and information as it may have reasonably requested to enable it to pass upon the matters referred to in this Section 9.

(f) The offer and sale of the Series 2018C Bonds and underlying securities shall be exempt from registration under the Securities Act of 1933, as amended; and the Indenture shall be exempt from qualification under the Trust Indenture Act of 1939, as amended.

(g) The Underwriter shall have been provided with such quantities of the Official Statement at such time or times as shall be necessary for it to comply with any applicable provision of law or regulation, including the Rule.

(h) An ALTA form of lender’s extended coverage policy of title insurance (or a binding commitment therefor), dated as of the Closing Date, payable to the Trustee, in an amount not less than the stated principal amount of the Series 2018C Bonds, stating that Borrower is the fee owner of the Land and insuring that the Trustee’s interest under the Subordinate Mortgage is a valid subordinate lien on the Borrower’s interest in the Land, subject only to Permitted Encumbrances (the “Title Insurance Policy”). In the Title Insurance Policy all standard exceptions for parties in possession, surveys, and mechanics’, contractors’, and materialmen’s liens shall be deleted. The Title Insurance Policy shall contain a standard ALTA Form 3.1 zoning endorsement, an ALTA Form 9 (or 100) comprehensive endorsement and an endorsement insuring that payment of a mortgage registration tax is not necessary in connection with the recording of the Subordinate Mortgage. The description of the Land therein shall conform to the legal description of the Land contained in the survey described below, and the Title Insurance

Policy shall contain other endorsements reasonably required by the Underwriter; title policy or policies, or a commitment therefor, indicating that the Subordinate Mortgage constitutes a valid subordinate lien on the Senior Housing Project.

(i) Evidence of the creation and perfection of the various security interests purported to be created by the documents herein referenced.

(j) A compilation of financing statements (“UCC Search”) on file with the Secretary of State of Minnesota indicating that the security interest created by the Subordinate Mortgage will have priority, upon execution, satisfactory to the Underwriter.

(k) A certificate of good standing of the Borrower, the General Partner, and their organizational documents, each certified by the proper authorities of the State and dated within thirty days of the Closing Date.

(l) A copy of resolutions of the Borrower and Guarantor, certified by the secretary and approving of the Borrower’s execution, delivery and performance of the Borrower Documents and the Guarantor’s execution, delivery and performance of the Guaranty.

(m) A survey of the Land prepared by a registered land surveyor containing a legal description of the site of the Senior Housing Project conforming to the legal description contained in the Subordinate Mortgage, detailing all easements, encroachments, and utility rights of way upon the Land, showing the location of adjoining public streets so as to show affirmatively rights of ingress and egress to and from the Land, including the site plan of the Senior Housing Project indicating that the location of the Senior Housing Project is within the boundary lines of the land described in the survey and the survey will be certified to the Underwriter and the Trustee.

(n) Payment (or evidence acceptable to the Underwriter that payment has been made), in immediately available funds, of all fees required to be paid on the Closing Date, the premium for the Title Policy, and the fees and expenses incurred by the Underwriter.

(o) The consent of Novogradac & Company LLP to the use of its market study in the Preliminary Official Statement and the Official Statement and to the references to its firm therein.

(p) Evidence of flood insurance or evidence satisfactory to the Underwriter that the Project site is not in a flood plain.

(q) Evidence that the Land is properly zoned or will be properly zoned for the operation of the Senior Housing Project.

(r) Evidence that Citi Community Capital, as the tax credit investor has made its initial capital contribution to the Borrower on the Closing Date as required by the Closing Memorandum prepared by the Underwriter.

All such opinions, certificates, letters and documents will be in compliance with the provisions hereof only if they are in all material respects satisfactory to the undersigned, as to which the undersigned shall act reasonably.

If any condition of the obligations of the undersigned hereunder to be satisfied prior to the Closing Date is not so satisfied, this Bond Purchase Agreement may be terminated by the Underwriter by notice in writing to the Borrower and the Issuer.

The Underwriter may waive in writing compliance by the Borrower or the Issuer with any one or more of the foregoing conditions or extend the time for their performance.

Section 10. Termination by Underwriter. This Bond Purchase Agreement may be terminated in writing by the Underwriter if any of the following shall occur: (i) this Bond Purchase Agreement shall not have been accepted by the Issuer or the Borrower within the time herein provided; (ii) the Series 2018C Bonds and all of the closing documents shall not have been delivered as provided herein as of 12:00 P.M., Minneapolis, Minnesota time on the date of Closing; (iii) legislation shall be enacted, or favorably reported out of committee to, either House of the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, or a regulation or ruling shall be issued or proposed by or on behalf of the Treasury Department of the United States, the Internal Revenue Service of the United States, or any other agency of the Federal government having jurisdiction, or a release or official statement shall be issued by the Treasury Department of the United States, the Internal Revenue Service of the United States, or any other agency of the Federal government having jurisdiction, with respect to Federal taxation upon interest received on obligations of the character of the Series 2018C Bonds to the effect that interest on obligations of the general character of the Series 2018C Bonds shall not be exempt from federal income taxes, or that securities of the general character of the Series 2018C Bonds shall not be exempt from registration under the Securities Act of 1933, as amended, or that the Indenture shall not be exempt from qualification under the Trust Indenture Act of 1939, as amended; (iv) there shall exist any event or circumstance which, in the reasonable opinion of the Underwriter, makes untrue, incorrect or misleading in any material respect any statement or information contained herein or in the Official Statement and such statement cannot, in the reasonable opinion of the Underwriter, be corrected with a supplement to the Official Statement; (v) there shall have occurred any outbreak of hostilities or material escalation thereof, or other national or international calamity or crisis, the effect of which outbreak, escalation, calamity or crisis on the financial markets of the United States of America being such as, in the reasonable opinion of the Underwriter, would render the Series 2018C Bonds incapable of being sold on terms acceptable to the Underwriter and the Borrower; (vi) there shall be in force a general suspension of trading on the New York Stock Exchange, or minimum or maximum prices for trading on the New York Stock Exchange shall have been fixed and be in force; (vii) in the reasonable judgment of the Underwriter the market price of the Series 2018C Bonds, or the market price generally of obligations of the general character of the Series 2018C Bonds, might be adversely affected because: (a) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, or (b) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Series 2018C Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, underwriters; (viii) a general banking moratorium shall have been declared by either federal, Minnesota or New York authorities having jurisdiction, and shall be in force; (ix) economic, market or other conditions occur or exist which, in the reasonable judgment of the Underwriter, render the Series 2018C Bonds incapable of being sold on terms acceptable to the Underwriter; (x) any suit, proceeding, litigation or other action shall be commenced, or, if commenced prior to the date hereof, shall be continuing or have been adjudicated, which, in any event, in the reasonable judgment of the Underwriter, adversely affects the market price or marketability of the Series 2018C Bonds; (xi) a default has occurred with respect to the obligations of, or proceedings have been instituted under the federal bankruptcy laws or any similar state laws by or against, any state of the United States or any city located in the United States having a population in excess of 500,000 persons or

against any entity issuing obligations for or on behalf of such a city or state, which in the reasonable opinion of the Underwriter adversely affects the market price or marketability of the Series 2018C Bonds; or (xii) the sovereign debt rating of the United States is downgraded by any major credit rating agency or a payment default occurs on United States Treasury obligations, which in the reasonable opinion of the Underwriter adversely affects the market price or marketability of the Series 2018C Bonds.

Section 11. Termination by Issuer or Borrower. This Bond Purchase Agreement may be terminated in writing by the Issuer or the Borrower in the event that the Underwriter shall fail to accept delivery of the Series 2018C Bonds on the Closing Date upon tender thereof to DTC by the Issuer and delivery to the Underwriter of all of the Closing Documents.

Section 12. Expenses. Except as hereinafter specifically provided, all expenses and costs of the Borrower and the Issuer incident to the performance of their obligations in connection with the authorization, issuance and sale of the Series 2018C Bonds, including (i) fees and expenses of the Trustee, Borrower's Counsel, Bond Counsel, and counsel to the Underwriter, (ii) the fee of the Underwriter referred to in Section 7 hereof, (iii) all costs and expenses with respect to the examination of, and registration of the Series 2018C Bonds under, the securities or "Blue Sky" laws of the various jurisdictions in which the Series 2018C Bonds are to be offered or sold, (iv) all costs of procuring a satisfactory survey and title insurance policy, and (v) the costs and expenses of preparing, printing and distributing the Preliminary Official Statement and the Official Statement, the Issuer Documents, the Borrower Documents, the Minnetonka EDA Documents, the Guaranty and related documents shall be payable by the Borrower or, if available and permitted by law, from Series 2018C Bond proceeds. The terms and provisions of this Section 12 shall survive and be binding upon the Borrower notwithstanding the termination of this Bond Purchase Agreement pursuant to Section 10 or Section 11 hereof, except that the fee of the Underwriter referred to in Section 7 hereof shall not be payable upon any such termination. In addition to the fee of the Underwriter referred to in Section 9 hereof, the Borrower shall reimburse the Underwriter for its direct out-of-pocket expenses incurred in connection with its performance of its obligations related to the Series 2018C Bonds.

Section 13. Offering by Underwriter. The Underwriter shall offer the Series 2018C Bonds in a bona fide public offering for sale in transactions exempt from registration under the applicable securities laws in the states in which the Series 2018C Bonds will be reoffered, or in compliance with such registration requirements, as set forth in the Official Statement. Concessions from the offering price may be allowed to selected dealers and special purchasers. The initial offering price and concessions set forth in the Official Statement may vary after the initial offering. The Borrower represents, warrants, certifies and confirms that the Preliminary Official Statement, as of its date, was in final form, within the meaning of the Rule, except for the omission of the following information: offering prices, interest rates, selling compensation, principal amount per maturity or other terms of the Series 2018C Bonds depending on such matters. The Borrower hereby confirms and the Issuer hereby consents to the authority and use by the Underwriter of the Official Statement.

Based on the covenant of the Borrower set forth in Section 6(d) hereof, the Underwriter hereby determines that the Borrower, as an obligated person for whom financial or operating data is presented in the final Official Statement, has undertaken, in a written agreement or contract for the benefit of the holders of the Series 2018C Bonds, to provide, through the Trustee, all information required under the pertinent provisions of the Rule.

Section 14. Establishment of Issue Price for Series 2018C Bonds.

OPTION 1

[(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Series 2018C Bonds and shall execute and deliver to the Issuer on the date of Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2018C Bonds.

(b) The Underwriter confirms that at least 10% of each maturity of the Series 2018C Bonds has been sold to the public at a single price (the “10% test”) (if different interest rates apply within a maturity, each separate CUSIP number within that maturity is evaluated separately). Schedule I attached to this Bond Purchase Agreement sets forth the first price at which the Underwriter has sold to the public 10% of each such maturity of Series 2018C Bonds.

(c) The Underwriter confirms that the Underwriter has offered the Series 2018C Bonds to the public on or before the date of this Bond Purchase Agreement (the “Sale Date”) at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule I attached hereto.

(d) The Underwriter confirms that it does not have any selling group agreement and any retail distribution agreement relating to the initial sale of the Series 2018C Bonds to the public.]

OPTION 2

[(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Series 2018C Bonds and shall execute and deliver to the Issuer on the date of Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2018C Bonds.

(b) Except as otherwise set forth in Schedule I attached hereto, the Issuer will treat the first price at which 10% of each maturity of the Series 2018C Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Issuer and Bond Counsel the price or prices at which it has sold to the public each maturity of Series 2018C Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2018C Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Series 2018C Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the date of Closing has occurred, until the 10% test has been satisfied as to the Series 2018C Bonds of that maturity or until all Series 2018C Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that the Underwriter has offered the Series 2018C Bonds to the public on or before the date of this Bond Purchase Agreement (the “Sale Date”) at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this

Bond Purchase Agreement, the maturities, if any, of the Series 2018C Bonds for which the 10% test has not been satisfied and for which the Issuer and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the Sale Date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2018C Bonds, the Underwriter will neither offer nor sell unsold Series 2018C Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Series 2018C Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Issuer when it has sold 10% of that maturity of the Series 2018C Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

(d) The Underwriter confirms that it does not have any selling group agreement and any retail distribution agreement relating to the initial sale of the Series 2018C Bonds to the public.]

(e) The Underwriter acknowledges that sales of any Series 2018C Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2018C Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2018C Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2018C Bonds to the public), and
- (iii) a purchaser of any of the Series 2018C Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

Section 15. Notices. Any notice or other communication to be given to the Borrower, the Minnetonka EDA and the Issuer under this Bond Purchase Agreement may be given by delivering the same in writing to their respective addresses set forth above; and any such notice or other communication

to be given to the Underwriter may be given by delivering the same in writing to the Underwriter at Dougherty & Borrower LLC, 90 South 7th Street, Suite 4300, Minneapolis, Minnesota, Attention: Frank J. Hogan, Senior Vice President.

Section 16. Indemnification. The Borrower and its general partner agrees to indemnify and hold harmless the Issuer and the Underwriter, and any person who controls the Underwriter within the meaning of the Securities Act of 1933, as amended, against any and all losses, claims, damages and liabilities arising out of any untrue statement or alleged untrue statement of a material fact in the Official Statement (other than the Issuer Portion and under the heading “TAX EXEMPTION AND RELATED CONSIDERATIONS” and “UNDERWRITING” therein), or omission or alleged omission of a material fact necessary in order to make the Official Statement or the statements therein not misleading (other than the Issuer Portion and under the headings “TAX EXEMPTION AND RELATED CONSIDERATIONS” and “UNDERWRITING” therein), and to the extent of the aggregate amount paid in settlement of any litigation commenced or threatened arising from a claim based upon any such statement or omission if such settlement is effected with the written consent of the Borrower. In case any claim shall be made or action brought against the Issuer or the Underwriter, or any controlling person (as aforesaid) based upon such statement or omission, in respect of which indemnity may be sought against the Borrower, then the Issuer or the Underwriter, or any controlling person, as the case may be, shall promptly notify the Borrower in writing setting forth the particulars of such claim or action and the Borrower shall assume the defense thereof including the retaining of counsel (who shall be satisfactory to the Issuer and the Underwriter) and the payment of all expenses. If the Issuer or the Underwriter is advised in an opinion of counsel that there may be legal defenses available to the Issuer or the Underwriter that are adverse to or in conflict with those available to the Borrower, or that the defense of the Issuer the Underwriter or the Borrower should be handled by separate counsel, the Borrower shall not have any right to assume such defense of the Issuer or the Underwriter, as the case may be, but shall be responsible for the reasonable fees and expenses of counsel retained by the Issuer or the Underwriter, as the case may be, in assuming its or their own defense, and provided also that if the Borrower shall have failed to assume the defense of such action or to retain counsel satisfactory to the Issuer or the Underwriter, as the case may be, within a reasonable time after notice of the commencement of such action, the reasonable fees and expenses of counsel retained by the Issuer or the Underwriter, as the case may be, shall be paid by the Borrower. Notwithstanding, and in addition to, any of the foregoing, the Issuer and the Underwriter or any such controlling person shall have the right to retain separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the party retaining such counsel unless the retaining of such counsel has been specifically authorized by the Borrower in writing. The Borrower shall not be liable to indemnify any person for the settlement of any such action effected without its written consent. This indemnity shall be in addition to any similar or other obligations which the Borrower may have under the Indenture or the Loan Agreement.

To the same extent as the foregoing indemnity contained in this Section from the Borrower to the Underwriter, and the Issuer and each person, if any, who controls the Underwriter and the Issuer, the Underwriter agrees to indemnify and hold harmless the Borrower and the Issuer and each person, if any, who controls the Borrower and the Issuer within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended (hereinafter in this paragraph separately and collectively referred to as the “defendants”), with reference to any untrue statement, error, misstatement or omission or allegation thereof in the Official Statement, but only if furnished in writing specifically for use therein by the Underwriter. In case any such claim shall be presented in writing or any action shall be brought against any of the defendants in respect of which indemnity may be sought from the Underwriter on account of its agreement contained in this Section, the Underwriter shall have the rights

and duties given to the Borrower in the above paragraph and the defendants shall have the rights and duties given by the above paragraph to the persons therein referred to as “defendants.”

In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in the preceding part of this Section 16 is for any reason held to be unavailable to the Underwriter, the Borrower or the Issuer, then the Borrower shall contribute to the damages paid by the Underwriter, and the Underwriter shall contribute to the damages paid by the Borrower in such proportion that the Underwriter is responsible for the portion represented by the percentage that the underwriting fee set forth herein bears to the aggregate face amount of the Series 2018C Bonds and the Borrower is responsible for the balance; provided, however, that (i) in no case shall the Underwriter be responsible for any amount in excess of the underwriting fee applicable to the Series 2018C Bonds purchased by it pursuant to this Bond Purchase Agreement, and (ii) no person guilty of gross negligence, willful misconduct, fraudulent misrepresentation of a material fact, or failing to state a material fact shall be entitled to contribution as to any liability arising from such fraudulent misrepresentation or omission, from any person who was not guilty of such fraudulent misrepresentation or omission. In determining the amount of contribution to which the respective parties are entitled, there shall be considered the relative benefits received by each party from the offering of the Series 2018C Bonds (taking into account the portion of the proceeds of the offering realized by each), the parties’ relative knowledge and access to information concerning the matter with respect to which the claim was asserted the opportunity to correct and prevent any statement or omission, and any other equitable consideration appropriate in the circumstances. The Borrower and the Underwriter agree that it would not be equitable if the amount of such contribution were determined by pro rata or per capita allocation. For purposes of this Section, each person, if any, who controls the Underwriter or the Issuer within the meaning of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, shall have the same rights to contribution as the Underwriter, the Issuer or the Borrower, respectively.

Section 17. Parties and Interests; Borrower’s Undertakings; Survival of Representations. This Bond Purchase Agreement is made solely for the benefit of the Issuer, the Borrower and the Underwriter, and no other person, partnership, association or corporation shall acquire or have any rights hereunder or by virtue hereof. All representations and agreements by the Issuer, the Underwriter and the Borrower in this Bond Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter, and shall survive the delivery of and payment for the Series 2018C Bonds.

Section 18. Governing Law. This Bond Purchase Agreement shall be governed by the laws of the State.

Section 19. Counterparts. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 20. Immunity of Officers, Employees and Members of the Issuer. No recourse shall be had for the payment of the principal of or premium or interest on the Series 2018C Bonds for any claim based thereon or upon any representation, obligation, covenant or agreement in this Bond Purchase Agreement contained against any past, present or future officer, member, employee, director or agent of the Issuer or of any successor public or private corporation thereto, as such, either directly or through the Issuer or any successor public or private corporation thereto, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, members, employees, directors or agents as such is hereby expressly waived and released

as a condition of and consideration for the execution of this Bond Purchase Agreement and the issuance of the Series 2018C Bonds.

Section 21. Electronic Signatures. The parties agree that the electronic signature of a party to this Bond Purchase Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Bond Purchase Agreement. For purposes hereof: (i) “electronic signature” means a manually signed original signature that is then transmitted by electronic means; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message.

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DOUGHERTY & COMPANY LLC

By: _____
Frank J. Hogan
Its: Senior Vice President

(Signature Page of Dougherty & Company LLC to the Bond Purchase Agreement for Legends of Minnetonka)

Accepted by:

CITY OF MINNETONKA, MINNESOTA

By: _____
Its: Mayor

By: _____
Its: City Manager

(Signature Page of the Issuer to the Bond Purchase Agreement for Legends of Minnetonka)

Accepted by:

**MINNETONKA LEASED HOUSING
ASSOCIATES III, LLLP**, a Minnesota limited liability
limited partnership

By: Minnetonka Leased Housing Associates SPE III,
LLC

Its: General Partner

By: _____

Ryan J. Lunderby

Its: Vice President

(Signature Page of the Borrower to the Bond Purchase Agreement for Legends of Minnetonka)

SCHEDULE I

TERMS OF BONDS

\$ _____
City of Minnetonka, Minnesota
Tax Increment Revenue and Subordinate Multifamily Housing Revenue Bonds
(Legends of Minnetonka Project)
Series 2018C

As more fully described in the Indenture, the Bonds are subject to the following redemption provisions.

Dated Date: September ___, 2018

Serial Bonds

Maturity Date (____ 1)	Principal Amount	Interest Rate	Price
----------------------------------	-------------------------	----------------------	--------------

\$ _____ % Term 2018A Bonds Due _____ 1, 20____
Price of _____% to Yield _____%

Sinking Fund Redemption Date	Principal Amount
---	-------------------------

**Stated Maturity.*

\$ _____ % Term 2018A Bonds Due _____ 1, 20____
Price of _____% to Yield _____%

Sinking Fund Redemption Date	Principal Amount
---	-------------------------

**Stated Maturity.*

Optional Redemption. The Series 2018C Bonds are subject to redemption prior to maturity upon request of the Borrower to the Trustee on _____ 1, 202_, and on any Business Day thereafter, in whole or in part, and if in part, in inverse order of their maturity dates in principal increments of \$5,000 and by lot within any maturity, at a Redemption Price equal to the principal amount of the Series 2018C Bonds to be redeemed plus accrued interest thereon.

EXHIBIT A

[Issue Price Certificate for General Rule Only]

\$ _____
**City of Minnetonka, Minnesota
Tax Increment Revenue and
Subordinate Multifamily Housing Revenue Bonds
(Legends of Minnetonka Project)
Series 2018C**

CERTIFICATE OF UNDERWRITER

September __, 2018

The undersigned, for and on behalf of Dougherty & Company LLC (the “Underwriter”), certifies as follows with respect to the sale and issuance by the City of Minnetonka, Minnesota (the “Issuer”) of its Tax Increment Revenue and Subordinate Multifamily Housing Revenue Bonds (Legends of Minnetonka Project), Series 2018 (the “Subordinate Bonds”), in the original aggregate principal amount of \$ _____:

1. **Sale of Subordinate Bonds.** As of the date of this Certificate of Underwriter (the “Certificate”), for each Maturity of the Subordinate Bonds, the first price at which at least ten percent (10%) of such Maturity of the Subordinate Bonds was sold to the Public is the respective price provided in EXHIBIT A attached hereto. Capitalized terms used herein that are otherwise not defined shall have the meanings assigned such terms in Section 6 hereof.

2. **Purchase Price and Receipt.** The Subordinate Bonds were purchased by the Underwriter at a purchase price of \$ _____ (the principal amount of \$ _____, [plus an original issue premium of \$ _____,] [less an original issue discount of \$ _____,] less an Underwriter’s discount of \$ _____). Receipt of the executed and authenticated Subordinate Bonds from U.S. Bank National Association, a national banking association, as trustee, is hereby acknowledged by the Underwriter.

3. **Yield.** The Underwriter has calculated the yield on the Subordinate Bonds as the discount rate that, when used in computing the present value, as of September __, 2018, of all unconditionally payable payments of principal of and interest on the Subordinate Bonds, produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of the Subordinate Bonds as of September __, 2018. Based on the foregoing and any instructions that the Underwriter received from Kennedy & Graven, Chartered, as bond counsel, the Underwriter has calculated a yield on the Subordinate Bonds of _____%.

4. **Weighted Average Maturity.** For purposes of the Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038 (Rev. April 2011) (“Form 8038”), prepared with respect to the Subordinate Bonds, the Underwriter hereby certifies that the weighted average maturity of the Subordinate Bonds is _____ years.

5. **Defined Terms.** Capitalized terms used herein shall have the following meanings:

(a) “Maturity” means Subordinate Bonds with the same credit and payment terms. Subordinate Bonds with different maturity dates, or Subordinate Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Subordinate Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Subordinate Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Subordinate Bonds to the Public). The Underwriter of the Subordinate Bonds is Dougherty & Company LLC.

6. Representations. The representations set forth in this Certificate are limited to factual matters only. Nothing in this Certificate represents the interpretation by the Underwriter of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder. The undersigned understands that the foregoing information will be relied upon by: (i) the Issuer and Minnetonka Leased Housing Associates III, LLLP, a Minnesota limited liability limited partnership (the “Borrower”), with respect to certain of the representations set forth in a tax certificate of the Borrower executed on the date hereof with respect to compliance with the federal income tax rules affecting the Subordinate Bonds; and (ii) Kennedy & Graven, Chartered, in connection with rendering its opinion that the interest on the Subordinate Bonds is excluded from gross income for federal income tax purposes, the preparation of Form 8038, and other federal income tax advice that it may give to the Issuer and the Borrower from time to time relating to the Subordinate Bonds.

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IN WITNESS WHEREOF, the undersigned has executed this Certificate of Underwriter as of the date and year first written above.

DOUGHERTY & COMPANY LLC

By _____
Its Senior Vice President

EXHIBIT A

SALE PRICES OF THE SUBORDINATE BONDS

[Insert table]

[Issue Price Certificate for General Rule and Hold-the-Offering Price Maturities]

\$ _____
City of Minnetonka, Minnesota
Tax Increment Revenue and
Subordinate Multifamily Housing Revenue Bonds
(Legends of Minnetonka Project)
Series 2018C

CERTIFICATE OF UNDERWRITER

September __, 2018

The undersigned, for and on behalf of Dougherty & Company LLC (the “Underwriter”), certifies as follows with respect to the sale and issuance by the City of Minnetonka, Minnesota (the “Issuer”) of its Tax Increment Revenue and Subordinate Multifamily Housing Revenue Bonds (Legends of Minnetonka Project), Series 2018 (the “Subordinate Bonds”), in the original aggregate principal amount of \$ _____:

1. Sale of the General Rule Maturities. As of the date of this Certificate of Underwriter (the “Certificate”), for each Maturity of the General Rule Maturities, the first price at which at least ten percent (10%) of such Maturity was sold to the Public is the respective price listed in EXHIBIT A attached hereto. Capitalized terms used herein that are otherwise not defined shall have the meanings assigned to such terms in Section 6 hereof.

2. Initial Offering Price of the Hold-the-Offering-Price Maturities.

(a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in EXHIBIT B attached hereto (the “Initial Offering Prices”). A copy of the pricing wire or equivalent communication for the Subordinate Bonds is attached hereto as EXHIBIT B.

(b) As set forth in the Bond Purchase Agreement, dated August __, 2018, between the Issuer, the Underwriter, and Minnetonka Leased Housing Associates III, LLLP, a Minnesota limited liability company (the “Borrower”), the Underwriter has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Subordinate Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the Hold-the-Offering-Price Rule. Pursuant to such agreement, the Underwriter has not offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Subordinate Bonds during the Holding Period.

3. Purchase Price and Receipt. The Subordinate Bonds were purchased by the Underwriter at a purchase price of \$ _____ (the principal amount of \$ _____, [plus an original issue premium of \$ _____,] [less an original issue discount of \$ _____,] less an Underwriter’s discount of \$ _____). Receipt of the executed and authenticated Subordinate Bonds from U.S. Bank National Association, a national banking association, as trustee, is hereby acknowledged by the Underwriter.

4. Yield. The Underwriter has calculated the yield on the Subordinate Bonds as the discount rate that, when used in computing the present value, as of October __, 2018, of all unconditionally payable payments of principal of and interest on the Subordinate Bonds, produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of the Subordinate Bonds as of October __, 2018. Based on the foregoing and any instructions that the Underwriter received from Kennedy & Graven, Chartered, as bond counsel, the Underwriter has calculated a yield on the Subordinate Bonds of _____%.

5. Weighted Average Maturity. For purposes of the Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038 (Rev. April 2011) (“Form 8038”), prepared with respect to the Subordinate Bonds, the Underwriter hereby certifies that the weighted average maturity of the Subordinate Bonds is _____ years.

6. Defined Terms.

(a) “General Rule Maturities” means those Maturities of the Subordinate Bonds listed in EXHIBIT A attached hereto as the “General Rule Maturities.”

(b) “Hold-the-Offering-Price Maturities” means those Maturities of the Subordinate Bonds listed in EXHIBIT B attached hereto as the “Hold-the-Offering-Price Maturities.”

(c) “Holding Period” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter has sold at least ten percent (10%) of such Hold-the-Offering-Price Maturity to the Public at a price that is no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) “Maturity” means Subordinate Bonds with the same credit and payment terms. Subordinate Bonds with different maturity dates, or Subordinate Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(e) “Public” means any person (including an individual trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(f) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Subordinate Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Subordinate Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Subordinate Bonds to the Public). The Underwriter of the Subordinate Bonds is Dougherty & Company LLC.

7. Representations. The representations set forth in this Certificate are limited to factual matters only. Nothing in this Certificate represents the interpretation by the Underwriter of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder. The undersigned understands that the foregoing information will be relied upon by: (i) the Issuer and the Borrower with respect to certain of the representations set forth in a tax certificate of the Borrower executed on the date hereof with respect to compliance with the federal income tax rules affecting the Subordinate Bonds; and (ii) Kennedy & Graven, Chartered, in connection with rendering its opinion that the interest on the Subordinate Bonds is excluded from gross income for federal income tax purposes, the preparation of Form 8038, and other federal income tax advice that it may give to the Issuer and the Borrower from time to time relating to the Subordinate Bonds.

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IN WITNESS WHEREOF, the undersigned has executed this Certificate of Underwriter as of the date and year first written above.

DOUGHERTY & COMPANY LLC

By _____
Its Senior Vice President

EXHIBIT A

SALE PRICES OF THE GENERAL RULE MATURITIES

[Insert table]

EXHIBIT B

**INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES AND
PRICING WIRE OR EQUIVALENT COMMUNICATION**

[Insert copy of pricing wire]

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