HOPE COMMUNITY ACADEMY

720 Payne Ave
Saint Paul, MN 55130
Phone: (651) 796-4500
Email: contact@hope-school.org
Website: www.hope-school.com

Ms. Jenny Wolfe
Housing and Redevelopment Authority
City of Saint Paul
Department of Planning and Economic Development
1300 City Hall Annex
25 West Fourth Street
Saint Paul, MN 55102

RE: The Housing and Redevelopment Authority of the City of St. Paul, Minnesota, Charter School Lease Revenue Bonds (Hope Community Academy – Addition), Series 2020 ("Project")

Dear Ms. Jenny Wolfe:

Enclosed is our non-refundable Bond Application Fee in the amount of $5,000.00 (or $3,500 if bond principal amount is less than $1,000,000) in connection with the Project. We understand that we are not entitled to any refund or rebate of any amount of this Bond Application Fee under any circumstances.

We further acknowledge that the following City/HRA compliance documents ("Compliance Documents") may be applicable for this Project:

I. Affirmative Action including Workforce Utilization Template
II. Vendor Outreach Program, including Business Opportunity Template (BOT)
III. Labor Standards – Federal Davis Bacon and City Davis Bacon
IV. Sustainable Development (Green)
V. Bond Compliance Agreement for Conduit Bonds
VI. Sign Requirements

We understand that we will be notified later in the application process of those compliance areas that will actually apply to us and our Project and that if additional City/HRA sources are requested other than bond financing, further compliance may be required.

We acknowledge receipt of the attached compliance matrix which provides a summary of the above listed Compliance Documents. We can contact the Project Manager if more detail is desired for any specific Compliance Document except any questions relating to Affirmative Action, Vendor Outreach Program, or Labor Standards will be directed to the City's Department of Human Rights and Equal Economic Opportunity, Deputy Director, Division of Contract Compliance and Business Development, which is located in Room 280 of City Hall, 15 West Kellogg Blvd., St. Paul, Mn. The Division's phone number is 651-266-8900 and its email address is: contractcompliance@stpaul.gov.

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In addition to the foregoing compliance areas that are triggered by the award of public financing for the Project, the undersigned acknowledges and understands that it must also comply with the City of Saint Paul's zoning and land use ordinances and regulations, including without limitation the following: site plan review, park dedication, storm water management, etc.

We agree to pay the HRA any fees required shall the Bonds be issued to finance the Project which fees are further described in Attachment C of the HRA provided "Process For Processing Projects Requesting the Issuance of Conduit Revenue Bonds." We further agree that the Bond Application Fee herein paid is in addition to and shall not be credited toward the aforementioned HRA fees and that the application fees and expenses of bond counsel and others shall remain the separate obligation of the Applicant.

We also understand that the acceptance of the Bond Application Fee and our acknowledgement of the Compliance Documents does not (a) constitute or create an agreement by the City of Saint Paul or the HRA to approve the Project or grant any financing for the Project, or (b) constitute any representation by the City or HRA that it will approve the Project or agree to provide financing, or c) shall not prejudice or reduce the HRA's right to collect or enforce such other fees or reimbursements as may be permitted by law or provided for under applicable procedures, policies, ordinances or rules, or d) create any legal or equitable cause of action against the City and HRA arising from any failure or refusal by the City and HRA to approve the Project or any financing for the Project.

Instead, we acknowledge that a legally binding contract will be formed only upon formal approval of the Project by the HRA Board of Commissioners and execution of a legally binding agreement, the terms of which will be discussed with HRA and City staff. Also, we agree not to make any waiver or estoppel arguments to have the Bond Application Fee returned to us or to impose any agreement or binding legal obligation on the City or HRA; and we agree not to make any waiver or estoppel arguments to impose any agreement or binding legal obligation on the City or HRA by actions taken by us in response to the Compliance Documents.

Sincerely,

HCA Building Company

Board Chair

HOPE Community Academy

Board Chair

APPLICATION

REQUEST FOR ISSUANCE OF CONDUIT REVENUE BONDS BY THE SAINT PAUL HOUSING AND REDEVELOPMENT AUTHORITY (HRA)

Date: August 21, 2020

District Council: 4 Zoning: B2

Project Name: Hope Community Academy - Addition

General Overview:

Bond proceeds will be used to construct a 60,000 square foot addition, a small renovation to the existing building, and acquisition of adjacent parcels for green space and surface parking. Proceeds will also be used to establish a debt service reserve, a capitalized interest fund on the bonds and other costs of issuance as required by Federal tax regulation for 501 (c)3 bond issues. Cost of issuance of the bonds will be funded by the Series 2020.

1. Applicant Information

(a) Applicant:

i. Name: HCA Building Company

ii. Address: 720 Payne Ave St Paul, MN 55130

iii. Telephone number: 651-796-4500

iv. X corporation (state of incorporation: Minnesota)
____ partnership
____ sole proprietorship
____ other (specify: _____)

v. List below the names and offices held for all officers of the Applicant, current as of the date of this application:
Maychy Vu, Board Chair

vi. List below the names of all stockholders (if corporation), partners (if partnership) and owners (if sole proprietorship) of the Applicant, current as of the date of this application

None.

(b) Applicant's authorized representative:

i. Name: Maychy Vu

ii. Address: 710 Payne Ave St Paul, MN 55130

iii. Telephone Number: 651-796-4589

iv. Email: maychyvu@hope-school.org

(c) Applicant's legal counsel:

i. Name: Rhonda M. Skoby

ii. Address: 50 South Sixth Street, Suite 1500
Minneapolis, MN 55402-1498

iii. Telephone Number: 612-492-6932

iv. Email: Skoby.Rhonda@dorsey.com

(d) Indicate name and address of financial references:

i. Bank: Wells Fargo Bank

ii. Commercial mortgage:

iii. Trustee for other revenue bond issues under which Applicant was borrower:
Wells Fargo Bank, N.A ---Corporate Trust Services

(e) Has –

Applicant, if an individual,
OR
Any officers or owners or any majority stockholder (20% or more ownership), if a corporation, OR
Any existing or prospective general and limited partner in the Project ever:

Been convicted of a felony?
_____ yes X no

Been in bankruptcy?
_____ yes X no

Defaulted on any loan, bond or mortgage commitment?
_____ yes X no

(f) Attach here a brief description of the type of business engaged in by Applicant, as well as the organizational structure, history, experience and annual sales and income of applicant

for the past three years (attach additional pages if necessary):

The applicant is the HCA Building Company, whose sole purpose is to be a supportive non-profit corporation operating as a vehicle to purchase the properties and oversee the renovation and construction of the facilities to support the operation of HOPE Community Academy. HOPE Community Academy will lease the renovated/new facilities from the Building Company. The HCA Building Company is a 501(c)3 corporation with a 3 persons Board of Directors. Board members are appointed by Hope Community Academy. This is the HCA Building Company's second facility addition for HOPE Community Academy to which both parties of experience in operating under these roles. There are and will be no annual sales or income other than the lease payments made from HOPE Community Academy to the HCA Building Company.

(g) Applicant's employee data (**HOPE Community Academy, not Applicant**):

i. Total number of persons employed by Applicant: 81

ii. Total number of persons employed by Applicant in Minnesota: 81

iii. Total number of persons employed by Applicant in Saint Paul: 81

iv. Estimated number of permanent full-time jobs upon completion of Project, at location of Project:

58 NEW 81 existing

v. Expected Annual Wages of NEW Full-Time Jobs: $45,000 - $55,000

(h) Outstanding principal amount of revenue bonds issued by City, Port Authority, or HRA to finance a facility of which Applicant, or any related person to Applicant, is or has been a principal user during previous three years:

Series 2015 HRA Bonds - $9,885,000 (Current Balance)

(i) List any projects financed through the HRA or Port Authority in which Applicant, if an individual, officers or majority stockholders if a corporation, or any existing or prospective general partner, has participated:

2. Project Data

(a) Location of Project: 720 Payne Ave St Paul, MN 55130

(b) Description of Project (include building(s) type, use, size of building(s), # of housing units, s.f. of commercial uses, etc.):

Proceeds from the Bonds will be used by the Borrower to construct a 60,000 square foot, 3-story addition along with the acquisition of parcels to the west and southwest of the existing facility. All of the land, buildings, and improvements financed through the issuance of the Bonds will be considered the "Facilities". Planned improvements to the existing site will be in coordination with the acquisition of adjacent parcels to most effectively maximize green space and surface parking.

(c) Real estate taxes:

i. Total estimated amount of yearly real estate taxes which will be paid upon Project completion: $0.00

ii. Amount of real estate taxes currently paid on site of Project: $0.00

(d) Indicate Project's compliance with City and State codes and regulations. If there is noncompliance, indicate what action must be taken to achieve compliance:

i. Project complies with the following regulations:
X Zoning
_____ Platting
_____ Building and Housing (permits obtained)
_____ Environmental
_____ Historic Review
_____ Other (specify: _____)

ii. Project requires:
_____ Rezoning from _____ to _____
_____ Conditional use permit/non-conforming use permit
X Zoning variance
X Building permit
_____ Environmental assessment worksheet
_____ Historic Review
X Stormwater Management Review
_____ Other (specify:_____)

iii. The proposed site is served by utilities, including streets.
X yes _____ no

iv. Detail the sustainable (green) components included in the construction of buildings and site improvements. Indicate whether the building will receive LEED certification and to what level.

(e) Total principal amount of bonds which Applicant is requesting that HRA issue for Project: $21,499,953.98 (A) + (B)

(A) New Money Bonds: $21,499,953.98

(B) Refunding Bonds 2015 (previously HRA issued): $0.00

(f) Proposed bond structure, including underwriter, purchaser, etc.

The Minneapolis, Minnesota office of Colliers International Securities will be the sole manager in underwriting and placement of Bonds.

The Bonds shall be structured as fixed rate term bonds.

The bonds will be sold in a negotiated sale basis to the institutional and accredited investor marketplace. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds.

The bonds are expected to be rate BB- by Standard & Poor's and issued in denominations consistent with HRA policy for rated bond transactions.

Interest in the Series 2020 Bonds will be exempt from taxation under Federal tax law and Minnesota tax law for Minnesota investors. Interest on the Series 2020 Bonds will be subject to Federal and State of Minnesota taxes.

(g) Bond counsel information (name, firm, address, phone, email):

Kennedy & Graven Chartered
470 US Bank Plaza
200 S 6th Street
Minneapolis, MN 55402

Jenny Boulton
Email: jboulton@kennedy-graven.com
Phone: 612-337-9202

(h) Project cost breakdown:

land acquisition:	$1,100,000.00
site preparation:	
construction:	$13,607,950.00
reconstruction/rehabilitation:	
equipment:	
architect's fee:	$748,437.25
engineer's fee:	included in architect's fee
legal fees:	
developer fee:	
organizational expense:	
contingency:	$500,499.18
other (specify):	$1,158,113.57 (soft costs)
TOTAL PROJECT COSTS:	$17,115,000.00

(i) Bond financing cost breakdown:

Underwriter's discount:	$362,687.50
Capitalized interest:	$1,840,000
Debt service reserve fund:	$1,778,646.96
Other Costs of Issuance:	$403,619.52
TOTAL BOND FINANCING COSTS:	$4,384,953.98

(j) Timing

i. Proposed bond term: December 1, 2055

ii. Proposed closing date: December 2020

iii. Proposed construction start: January 2021

iv. Proposed construction end: December 2021

(k) Estimated number of Construction Jobs: 120 construction jobs (est.)

(l) check correct response:

i. Applicant present (does) _____ or (does not) ___X___ intend to sell Project upon completion of construction.

ii. Applicant (does) ___X___ or (does not) _____ have control of substantially all of the Project site.

iii. Applicant (has) _____ or (has not) ___X___ executed any contracts for construction of any portion of any Project.

iv. Project (does) ___X___ or (does not) _____ include property to be used as a permanent address.

(m) If housing, what is the total number of units and what percent will be affordable:

Total Number of Units	N/A
Number of Units @ 60% Metro Area Median Income	N/A
Number of Units @ 50% Metro Area Median Income	N/A
Number of Units @ 30% Metro Area Median Income	N/A

(n) Any other outstanding HRA/City loans or Bonds/Notes:

Loan Amount	Date Issued	Outstanding Balance

NA—Bonds outstanding as reference section 1(h) above

(o) Additional information as required by HRA:

If bond financing includes refinancing, provide the location and description of project or projects originally financed with the bonds related to the financing request; and provide information about current or anticipated capital improvements related to the project or projects.

3. Indemnity and Release.

The Applicant agrees to indemnify, defend and hold the HRA and City of Saint Paul harmless and releases the HRA and City of Saint Paul against any and all losses, claims, damages, expenses, or liabilities including attorney's fees incurred to which the HRA or City of Saint Paul, their officers,

employees, officials and agents they may become subject to in connection with the HRA's consideration of the financial request of Applicant and the issuance and sale of any bonds.

Submit this form along with Application Fee and Acknowledgement Letter to identified contact person:

City of Saint Paul
Department of Planning and Economic Development
25 West Fourth Street, 13th Floor
Saint Paul, MN 55102

All Application and supporting materials and documents shall remain the property of the HRA. All such materials may be subject to disclosure and/or public review under applicable provisions of state law.

By submitting and signing this application form and Acknowledgement Letter, the Applicant certifies that this Application, including the Exhibits detailed in Attachment A and Relocation and Housing Replacement Notification (if applicable), are true, correct, and complete to the best of its knowledge.

Applicant - HCA Building Company

By _____

Its Chair

Date: 8/28, 2020

EXHIBIT 1: PROJECT DESCRIPTION

The Applicant will construct a 60,000 square foot addition to the existing facility. Along with this new addition, there will be select renovation of classrooms in the existing facility as well as the acquisition of parcels to the west and southwest of the facility for future green space and surface parking. In the event not all additional site acquisitions occur, the Applicant will make necessary modifications to its existing site.

The 60,000 square foot expansion is being designed to accommodate:

- approximately 20 classrooms that will include rooms for standard course education, band, choir, the arts, and supportive functions
- Cultural center and classroom
- High school regulated gymnasium
- Relocation and expansion of administrative offices to one centralized location adjacent to the proposed main entrance

Renovations at the existing facility will include:

- Modifications to some existing classrooms for reprogramming purposes
- Expansion to the cafeteria and kitchen
- relocation/expansion of the administrative functions within the facility

EXHIBIT 2: DEVELOPMENT AND FINANCING TEAM

See attached Collier Distribution List

THE HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF ST. PAUL, MINNESOTA CHARTER SCHOOL LEASE REVENUE REFUNDING BONDS (HOPE COMMUNITY ACADEMY CHARTER SCHOOL PROJECT) SERIES 2020

DISTRIBUTION LIST

	Phone Number	Mobile Number	E-Mail Address
Obligor Maychy Vu, Director HOPE Community Academy 720 Payne Avenue St. Paul, Minnesota 55101	(651) 796-4589	(651) 248-8980	MaychyVu@Hope-School.org
Borrower's Counsel Rhonda M. Skoby, Esq. Dorsey & Whitney, LLP 50 South Sixth Street, Suite 1500 Minneapolis, MN 55402-1498	(612) 492-6932	(612) 414-4920	skoby.rhonda@dorsey.com
School Business Manager Jenny Abbs Bergen KDV 22488 Chippendale Avenue West Farmington, MN 55024	(651) 463-2233		jenny.abbs@bergankdv.com
Issuer Jennifer K. Wolfe, Debt Manager City of Saint Paul Department of Planning and Economic Development 1200 City Hall Annex 25 West Fourth Street St Paul, MN 55102	(651) 266-6680		Jenny.Wolfe@ci.stpaul.mn.us
Issuer's Counsel To Be Determined			
Bond Counsel Jennifer S. Boulton, Esq. Kennedy & Graven, Chartered 470 U.S. Bank Plaza 200 South 6th Street Minneapolis, Minnesota 55402	(612) 337-9202	(651) 270-3992	jboulton@kennedy-graven.com

	Phone Number	Mobile Number	E-Mail Address
Underwriter			
Dick Ward, Senior Vice President	(612) 376-4159	(612) 875-4159	Dick.Ward@colliers.com
Michael Ward, Associate	(612) 376-4174	(612) 508-9735	Michael.Ward@colliers.com
Colliers Securities			
90 South Seventh Street, Suite 4300			
Minneapolis, MN 55402			
Underwriter's Counsel			
Daniel R. W. Nelson, Esq.	(612) 349-5649	(612) 207-3656	dnelson@bestlaw.com
Best & Flanagan LLP			
3955 Waldon Shores Road			
Deephaven, Minnesota 55391			
Project Manager			
J. Kou Vang, President	(651) 645-5500	(651) 491-1970	jkvang@jbvang.com
JB Vang Real Estate Advisors			
1335 Pierce Butler Route			
St. Paul, MN 55104			
Trustee			
Jeffrey K. Carlson, Assistant Vice President	(612) 667-4802	(612) 751-4613	jeffrey.k.carlson@wellsfargo.com
Wells Fargo Corporate Trust Services			
Corporate Trust Services			
625 Marquette Avenue, 11th Floor			
MAC: N9311-115			
Minneapolis, Minnesota 55479			
Rating Agency			
Standard & Poor's			
Contact To Be Determined			
Title Company			
To Be Determined			

ALL EMAIL ADDRESSES

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Michael.Ward@colliers.com
dnelson@bestlaw.com
jkvang@jbvang.com
jeffrey.k.carlson@wellsfargo.com

EXHIBIT 3: PROJECT SCHEDULE

We are currently anticipating completion to be December 2021. Here are estimated milestone dates related to this completion schedule:

- July 29. 2020	Site Plan Review, Conditional Approval letter Received
- December 2020	Bond Closing
- January 2021	Construction Start
- December 2021	Construction Completed / Building Turnover

EXHIBIT 4: PROPOSED FINANCIAL STRUCTURE OF THE BONDS

See Exhibit 10

EXHIBIT 5: FINANCIAL ANALYSIS/UNDERWRITING REPORT

To be provided subject to HRA bond approval