

RESOLUTION APPROVING IN PRINCIPLE THE ISSUANCE OF NOT TO EXCEED \$23,000,000 OF HOUSING AUTHORITY OF THE CITY OF RALEIGH, NORTH CAROLINA MULTIFAMILY HOUSING REVENUE BONDS FOR THE BENEFIT OF KTJ 427 LP, OR AN AFFILIATE THEREOF

WHEREAS, the City Council (the “City Council”) of the City of Raleigh, North Carolina (the “City”) met in Raleigh, North Carolina, at 1:00 p.m. on the 16th day of September, 2025; and

WHEREAS, the Housing Authority of the City of Raleigh, North Carolina (the “Authority”) has tentatively agreed to issue its tax-exempt multifamily housing revenue bonds (the “Bonds”) in one or more series in an aggregate principal amount not to exceed \$23,000,000, for the purpose of financing the acquisition, construction and equipping by KTJ 427 LP, a Minnesota limited partnership (the “Company”), of a qualified residential rental project to be known as Barton Oaks, consisting of 152 units and located at approximately 13120 Strickland Road, Raleigh, North Carolina (the “Development”); and

WHEREAS, the proceeds of the Bonds will be loaned to the Company and used to (a) acquire, construct and equip the Development and (b) pay certain costs of issuing the Bonds; and

WHEREAS, the Company will agree to repay the principal, premium, if any, and interest on the Bonds and the City will have no liability whatsoever for the payment of principal of, premium, if any, or interest on the Bonds, and the Bonds will not affect the City’s debt ratios or legal debt limit and the City will not incur any liability for repayment of the Bonds by approving the Bonds for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, Section 147(f) of the Code requires that any bonds issued by the Authority for the Development may only be issued after approval of the plan of financing by the City Council of the City following a public hearing with respect to such plan; and

WHEREAS, on August 27, 2025, the Authority held a public hearing with respect to the Development and the Bonds, as evidenced by a Certificate and Summary of Public Hearing attached hereto as Exhibit A; and

WHEREAS, the Bonds shall not be deemed to constitute a debt of the City or a pledge of the faith and credit of the City, but shall be limited obligations of the Authority payable solely from the loan repayments to be made by the Company to the Authority, and shall contain on the face thereof a statement to the effect that neither the faith and credit nor the taxing power of the City is pledged to the payment of the principal of or interest on the Bonds; and

WHEREAS, because no taxes or other revenues of the City are pledged to pay the Bonds, the staff of the City has made no financial analysis of the Bonds, the Company or the Development; and

WHEREAS, the City Council has determined that approval of the issuance of the Bonds is solely to satisfy the requirements of Section 147(f) of the Code and shall in no event constitute an endorsement of the Bonds or the Development or the creditworthiness of the Company, nor shall such approval in any event be construed to obligate the City for the payment of the principal of or premium or interest on the Bonds or for the performance of any pledge, mortgage or obligation or agreement of any kind whatsoever which may be undertaken by the Authority, or to constitute the Bonds or any of the agreements or obligations of the Authority an indebtedness of the City, within the meaning of any constitutional or statutory provision whatsoever;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF RALEIGH:

1. The proposed financing of the acquisition, construction and equipping of the Development described above in the City of Raleigh, North Carolina, by the Company and the issuance of the Authority's multifamily housing revenue bonds in one or more series in an aggregate amount not to exceed \$23,000,000, therefor are hereby approved for purposes of Section 147(f) of the Code.

2. This resolution shall take effect immediately.

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I, Louis Buonpane, Clerk to the City Council for the City of Raleigh, North Carolina DO HEREBY CERTIFY that the foregoing is a true and complete copy of so much of the proceedings of the City Council for the City at a regular meeting duly called and held on September 16, 2025, as it relates in any way to the resolution hereinabove set forth, and that said proceedings are recorded in the minutes of the City Council. Pursuant to N.C.G.S. § 143-318.12, a current copy of a schedule of regular meetings of the City Council is on file in the office of the Clerk.

WITNESS my hand and the common seal of said City, this 16th day of September, 2025.

Clerk to the City Council
City of Raleigh, North Carolina

(SEAL)

Exhibit A

Certificate and Summary of Public Hearing

(Attached)