

PROCEEDINGS OF THE  
BOARD OF ESTIMATE AND TAXATION  
Regular Meeting - October 28, 2009  
WEDNESDAY, City Hall  
City Hall Room 225  
AT 4:30 p.m.

The meeting was called to order by President Schwimmer at 4:00 p.m.  
Present: Fine, Johnson, Ostrow, Rybak, Becker, Schwimmer.  
Absent: none.

NEW BUSINESS.

City Council Resolution 2009R- 492 passed on October 16, 2009 requesting the Board of Estimate & Taxation to issue and sell City of Minneapolis General Obligation Refunding Bonds in the amount not to exceed \$ 36,620,000 and supporting Committee letter dtd October 13,2009 was received.

Bond Sale authorization Assessments sale 2009, Fine moved the ( resolution ) of authorization for the 2009 Assessment Bond sale. Seconded by Rybak. After discussion. Adopted. Yeas - Fine, Johnson, Ostrow,Rybak, Becker, Schwimmer - 6. Nays - none.

Bond Sale \$ 6,125,000 General Obligation Refunding Bonds for interest savings on the St. Thomas/WMEP Parking Ramp. Maturity structure equal and the same as the Bonds being refunded. Rybak moved the ( resolution ). Seconded by Ostrow. After discussion. Adopted. Yeas - Fine, Johnson, Ostrow, Rybak, Becker, Schwimmer - 6. Nays - none.

Bond Sale \$ 40,295,000 General Obligation Various Purpose Refunding Bonds

- a. \$ 11,245,000 of the 2004A Convention Center ( Parking ) Refunding Bonds for interest rate savings. Maturity structure equal and the same as the Bonds being refunded.
- b. \$ 9,250,000 of the 1999 Convention Center Variable rate Bonds. The December 1, 2015 is being refunded to a fixed rate.
- c. \$ 10,000,000 of the 2000 Convention Center Variable rate Bonds. The December 1, 2015 is being refunded to a fixed rate.
- d. \$ 9,800,000 of 2009 Improvement Bonds being issued.

Rybak moved the ( resolution ). Seconded by Becker. After discussion. Adopted. Yeas - Fine, Johnson, Ostrow, Rybak, Becker, Schwimmer - 6. Nays - none.

Vacation pay out options at retirement, no additional obligation to Board but choice by retiree as to the % distribution among three components. The secretary reviewed the options with the Board. Becker moved that at retirement, employees of the Board of Estimate & Taxation have the following options of rolling over the monetary value of their vacation balances to three components; A) roll the monetary value into their "Health Care Savings Plan" or equivalent, B) roll the monetary value to their "Deferred Compensation Plan" or equivalent, C) taking the monetary value as a cash ( check ) payout. The % distribution among the three components desired by the employee must be submitted as part of the separation process. Seconded by Rybak. After discussion. Adopted. Yeas - Fine, Johnson, Ostrow, Rybak, Becker, Schwimmer - 6. Nays - none.

Bjorklund presented to the Board the Audit Report " Review of the City of Minneapolis Central Stores Inventory & Related Internal Controls". Fine moved to receive & transmit to appropriate City Council Committee. Seconded by Johnson. After discussion. Adopted. Yeas - Fine, Johnson, Ostrow, Rybak, Becker, Schwimmer - 6. Nays - none.

OLD BUSINESS.

Internal Audit transition status - Bjorklund update

Draft " City of Minneapolis Internal Audit Function; Quality Assessment and Recommendations" Submitted ny the Internal Audit Review Committee. Board reviewed and discussed the issues in and related to the draft report. Directed audit staff to facilitate the distribution of the draft report to appropriate parties for the 60 day review and comment period.

REPORTS.

The secretary went over the following reports with the Board:

- R-1. General Obligation variable interest rates for week starting October 22, 2009 and October 29, 2009 .
- R-2. Estimated TNT Tax Impacts various home values ( \$138,100 & \$216,000 & \$264,000 & \$309,000 & \$536,000 & \$646,000 & \$1,417,500 & \$2,299,000 ) with various market value % changes of ( +7.5%, +5.0%, +2.5%, +0.0%, -1.1%, -2.5%, -5.0%, -5.32%, -7.5%, -10.0%, -15.0%, -20.0% ) for pay 2010.

ADJOURNMENT.

Motion to adjourn by Becker. Seconded by Fine. Adopted.  
Meeting adjourned at 5:30.

## RESOLUTION

( By Fine )

Relating to and providing for the issuance and sale of general obligation bonds of the City of Minneapolis in an estimated amount of \$9,800,000.

### RESOLVED BY THE BOARD OF ESTIMATE AND TAXATION OF THE CITY OF MINNEAPOLIS

1. Pursuant to authorization by the City Council of the City of Minneapolis (the "City"), and under and pursuant to the provisions of Sections 9 and 10 of Chapter 15 [Board of Estimate and Taxation] of the Charter of the City of Minneapolis, adopted at an election held on November 2, 1920, as amended (the "Charter"), the Board of Estimate and Taxation of the City of Minneapolis (the "Board") shall proceed forthwith to solicit bids and award the sale of General Obligation Improvement Bonds, Series 2009 (the "Bonds"), in an original aggregate principal amount not to exceed \$9,800,000, the proceeds thereof to be applied to the following purposes and in the following respective amounts:

(a) \$409,358.46 pursuant to Resolution No. 2009R-120 (March 27, 2009) of the City Council, the proceeds thereof to be used for areaway removals at 2700-2708 E Lake St., PID 36-029-24-43-0077, legally described as Lots 13, 14 and 15, except that part taken for street, Block 24, South Side Addition to the City of Minneapolis, in accordance with the East Lake Street (Hiawatha Ave. S to W River Pkwy) Street Reconstruction and Streetscape Project, Improvement of Existing Street No 6709.

(b) \$408,524.74 pursuant to Resolution No. 2009R-438 (September 18, 2009) of the City Council and Resolution No. 2009-162 (September 2, 2009) of the Minneapolis Park & Recreation Board for the Lake of the Isles Parkway Paving Program (mill and overlay).

(c) \$44,262.91 pursuant to Resolution No. 2009R-353 (July 31, 2009) of the City Council for alley renovation and alley retaining walls for Project FS09#1.

(d) \$2,403,971.05 for streetscape and street lighting revitalization projects pursuant to resolutions of the City Council, including: (i) No. 2007R-327 (June 29, 2007), \$101,816.87 for 27<sup>th</sup> Ave. S (E Lake St. to Minnehaha Ave.) Project 6217; and (ii) No. 2007R-150 (March 30, 2007), \$2,302,154.18 for the W Lake St. (Dupont Ave. S to Blasidell Ave. S, and Lyndale Ave. S from 29<sup>th</sup> St. to 31<sup>st</sup> St.) Project 6708.

(e) \$476,406.53 pursuant to Resolution of the City Council No. 2008R-125 (April 4, 2008) for street lighting for Lyndale Ave. S (from 31<sup>st</sup> St. W to Minnehaha Pwky) Project 6729L.

(f) \$496,860.68 pursuant to Resolution of the City Council No. 2009R-152 (April 10, 2009) for street renovation for Lynnhurst (Phase V) Project 5198.

(g) \$3,643,392.82 for street reconstruction pursuant to resolutions of the City Council, including: (i) No 2008R-122 (April 4, 2008), \$583,827.57 for Lyndale Ave. S Phase 2 (from 31<sup>st</sup> St. W to Minnehaha Pkwy) Project 6729; (ii) No. 2008R-315 (July 25, 2008), \$272,997.73 for Malcolm Ave. SE (5<sup>th</sup> St. SE to dead end) Project 6728C; (iii) No. 2008R-318 (July 25, 2008), \$981,945.79 for Marquette Ave. Project 6740C; (iv) No. 2008R-317 (July 25, 2008), \$900,533.39 for 2<sup>nd</sup> Ave. S Project 6739C; (v) No. 2009R-073 (February 20, 2009), \$745,806.04 for Chicago Ave. Phase II (Franklin Ave. to 25<sup>th</sup> St. E, and 26<sup>th</sup> St. E to 28<sup>th</sup> St. E) Project 63822; (vi) No. 2009R-146 (April 10, 2009), \$78,757.34 for 2<sup>nd</sup> Ave. N (Washington Ave. to 3<sup>rd</sup> St. N Project 6730C; and (vii) No. 2009R-149 (April 10, 2009), \$79,524.96 for 3<sup>rd</sup> Ave. N (Washington Ave. to 5<sup>th</sup> St. N) Project 9882C.

(h) \$1,912,897.19 for street resurfacing pursuant to resolutions of the City Council, including: (i) No 2008R-344 (August 8, 2008), \$68,473.58 for Fuller North Phase II Project 2270-9; (ii) No. 2008R-348 (August 8, 2008), \$144,898.04 for Nicollet Ave. S Project 5188-8; (iii) No. 2009R-084 (March 6, 2009), \$91,939.88 for Bloomington Ave. S Project 5194-9; (iv) No. 2009R-174 (April 24, 2009), \$963,824.42 for Oak Hill Area (West Half) Project 5193-9; (v) No. 2009R-202 (May 8, 2009), \$102,471.43 for Thomas Ave. N Project 5195-9; (vi) No. 2009R-266 (June 12, 2009), \$261,311.18 for Xerxes Ave. S Project 5203-9; (vii) No. 2009R-264 (June 12, 2009), \$141,397.95 for 44<sup>th</sup> St. W Project 5199-9; (viii) No. 2009R-303 (June 26, 2009), \$114,765.16 for 38<sup>th</sup> St. E Project 5196-9; and (ix) No. 2009R-380 (August 14, 2009), \$23,815.55 for Southbound Hennepin Ave. Project 5205.

(i) \$4,325.62 as a rounding amount to be deposited in the debt service account to be established with respect to the Bonds (or, at the option of the Board, to be applied to costs of issuance or other costs related to the Bonds).

2. The Bonds shall be dated the date of issuance (expected to be November 19, 2009), and interest shall be paid semiannually on June 1 and December 1 of each year, commencing June 1, 2010. The Bonds shall mature on December 1 in the years and amounts as follows:

<u>Maturity</u>	<u>Principal Amount</u>	<u>Maturity</u>	<u>Principal Amount</u>
2010	\$ 960,000	2020	\$ 380,000
2011	860,000	2021	380,000
2012	860,000	2022	380,000
2013	860,000	2023	380,000
2014	860,000	2024	380,000
2015	480,000	2025	220,000
2016	480,000	2026	220,000
2017	480,000	2027	220,000
2018	480,000	2028	220,000
2019	480,000	2029	220,000

Competitive proposals for the Bonds may contain maturity schedules providing for any combination of serial or term Bonds, as long as Bonds within a single mandatory redemption are not split among term dates and as long as the principal amounts maturing or subject to mandatory sinking fund redemption conform to the maturity schedule set forth above.

3. Bonds maturing on or after December 1, 2017, will be subject to redemption at the option of the City on any date on or after December 1, 2016, at a price of par plus accrued interest to the date of redemption.

4. The Bonds shall be issued as fixed rate obligations. Competitive proposals for the sale of the Bonds will be considered by the Executive Secretary to the Board on behalf of the Board on Monday, November 9, 2009, at 10:30 p.m. pursuant to the terms set forth in an award resolution adopted by the Board on the date hereof. The terms of the sale shall be as set forth in the Official Terms of Proposal on file with the Executive Secretary. The Executive Secretary shall prepare and distribute an Official Statement and take such other action as may be necessary and appropriate to conduct the sale.

Adopted: October 28, 2009.

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Jill Schwimmer  
President  
Board of Estimate and Taxation

Attest:

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Jack A. Qvale  
Executive Secretary

## RESOLUTION

( By Rybak )

### **AUTHORIZING THE SALE AND ISSUANCE OF GENERAL OBLIGATION VARIOUS PURPOSE BONDS, SERIES 2009B, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$40,295,000; AND PROVIDING THE FORMS, TERMS, AND FINDINGS, COVENANTS, AND DIRECTIONS RELATING TO THE ISSUANCE OF SUCH OBLIGATIONS**

BE IT RESOLVED By the Board of Estimate and Taxation (the "Board") of the City of Minneapolis, Minnesota (the "City") as follows:

#### **Section 1. Background and Authority – Improvement Bonds.**

1.01. Previous Board Action. Pursuant to a resolution adopted by the Board on the date hereof, the Board determined to solicit proposals for the purchase of the general obligation improvement bonds (the "Improvement Bonds") of the City, in the original aggregate principal amount of \$9,800,000, in accordance with the Official Terms of Proposal on file with the Executive Secretary of the Board and incorporated into an Official Statement to be prepared and distributed with respect to the Improvement Bonds. The proceeds of the Improvement Bonds will be used to finance street improvements in the City.

1.02. Authority. The City is authorized to issue the Improvement Bonds pursuant to the terms of the Minnesota Statutes, Chapter 475 (the "Municipal Debt Act") and Chapter 429 and the City Charter.

#### **Section 2. Background and Authority – Refunding Bonds.**

2.01. Series 1999 Bonds. Pursuant to Resolution No. 99R-151 adopted by the City Council of the City of Minneapolis (the "City Council") on May 7, 1999, resolutions adopted by the Board of Estimate and Taxation of the City of Minneapolis (the "Board") on May 12, 1999 and June 9, 1999, and a Trust Indenture dated as of June 1, 1999, the City issued its General Obligation Convention Center Bonds, Series 1999 (the "Series 1999 Bonds") in the original aggregate principal amount of \$88,400,000 on June 24, 1999. The Series 1999 Bonds are variable rate bonds and were issued for the purpose of financing improvements to the Minneapolis Convention Center and related facilities, including the refunding of the City's Convention Center Revenue Bonds, Series 1997A and Series 1997B.

2.02. Series 2000 Bonds. Pursuant to Resolution No. 99R-151 adopted by the City Council on May 7, 1999, resolutions adopted by the Board on May 17, 2000 and September 21, 2000, and a Trust Indenture dated as of September 1, 2000, the City issued its General Obligation Convention Center Bonds, Series 2000 (the "Series 2000 Bonds") in the original aggregate principal amount of \$80,000,000 on September 21, 2000. The Series 2000 Bonds are variable rate bonds and were issued for the purpose of financing improvements to the Minneapolis Convention Center.

2.03. Series 2004 Bonds. Pursuant to Resolution No. 2004R-198 adopted by the City Council on April 30, 2004, resolutions adopted by the Board on May 12, 2004 and June 9, 2004, and a Trust Indenture dated as of June 1, 2004, the City issued its General Obligation Convention Center Refunding Bonds, Series 2004 (the "Series 2004A Bonds") in the original aggregate principal amount of

\$19,170,000 on June 10, 2004. The Series 2004 Bonds are variable rate bonds and were issued for the purpose of advance refunding the General Obligation Convention Center Bonds, Series 1990, which were issued to finance the Hilton Ramp and the Plaza Ramp constructed as a part of the Minneapolis Convention Center.

2.04 City Council's Request. On October 16, 2009, the City Council adopted Resolution No. 2009R-493, which authorizes the Board to incur indebtedness, issue and sell general obligation refunding bonds (the "Refunding Bonds") pursuant to Section 475.67 of the Municipal Debt Act, as amended, and the City Charter to refund a portion of the Series 1999 Bonds, the Series 2000 Bonds and the Series 2004A Bonds in order to convert variable rate debt to fixed rate date. The portion of the Series 1999 Bonds, the Series 2000 Bonds and the Series 2004A Bonds to be redeemed include the following: (a) \$9,250,000 in principal amount of the Series 1999 Bonds; (b) \$10,000,000 in principal amount of the Series 2000 Bonds; and (c) all of the outstanding principal amount of the Series 2004A Bonds in the amount of \$11,245,000 (collectively, the "Refunded Bonds").

2.05. Redemption of Refunded Bonds. The Refunded Bonds are subject to redemption and prepayment, in whole or in part, on the first day of each month at a redemption price equal to the par amount of the Refunded Bonds to be redeemed and prepaid plus accrued interest to the date of redemption. To provide for the redemption and prepayment of all of the outstanding Refunded Bonds, the City is proposing to issue the Refunding Bonds in an aggregate principal amount not to exceed \$30,495,000, and apply the net proceeds derived from the sale of the Refunding Bonds to the current refunding of the Refunded Bonds within ninety (90) days of the date of issuance of the Refunding Bonds.

2.06. Authority. The City is authorized to issue the Refunding Bonds to redeem and prepay the Refunded Bonds pursuant to the terms of the Municipal Debt Act and, in particular, Section 475.67 of the Municipal Debt Act.

Section 3. Issuance of Bonds. In order to redeem and prepay the Refunded Bonds and finance certain street improvement projects in the City, there is hereby authorized to be issued by the City the Refunding Bonds and the Improvement Bonds, collectively designated the General Obligation Various Purpose Refunding Bonds, Series 2009B (the "Bonds"). The maximum aggregate principal amount of the Bonds that may be outstanding at any time is limited to \$40,295,000.

Section 4. Terms and Forms of Bonds.

4.01. Bond Terms. The Bonds are authorized to be issued in accordance with the terms of this Resolution. The Bonds shall be designated "General Obligation Various Purpose Refunding Bonds, Series 2009B" shall be issued in one or more series as the Executive Secretary may determine, and shall be assigned a separate series designation determined by the Executive Secretary for each series issued by the City. Any series of Bonds may be designated such other name or names as determined to be appropriate by the Executive Secretary. The Bonds shall be dated December 1, 2009, or such other date as the Executive Secretary may determine, shall be issued in denominations of \$5,000 or any integral multiple thereof, and each series shall be numbered from R-1 upwards in order of issuance, or with such other numbering and in such other order as the Bond Registrar may determine. The Bonds shall be issued in the original aggregate principal amount of \$40,295,000, or such lesser amount as the Executive Secretary shall determine to be necessary and appropriate to redeem and prepay the Refunded Bonds. The Bonds shall bear interest at the rates per annum approved by the Executive Secretary in connection with the sale thereof, payable semiannually on June 1 and December 1 of each year, or such other dates determined by the Executive Secretary, commencing on June 1, 2010, or such other date determined by the Executive Secretary, from the date of the Bonds or the most recent interest payment date to which

interest has been paid or duly provided for, computed on the basis of a 360-day year of twelve thirty-day months. The principal of the Bonds shall mature on such dates and in such principal amounts as shall be determined by the Executive Secretary, consistent with the requirements of Section 475.54, subdivisions 1 and 17 of the Municipal Debt Act (determined, if necessary, by combining such maturities with those of other obligations of the City). The Executive Secretary may determine to designate any portion of the principal of the Bonds to be combined into one or more term Bonds subject to mandatory sinking fund redemptions in the years and amounts determined by the Executive Secretary. The authorization to issue the Bonds is effective without any additional action by the City Council or the Board and shall be undertaken by the Executive Secretary on such date or dates and upon the terms and conditions deemed reasonable by the Executive Secretary.

The Executive Secretary shall establish a date on and after which all Bonds shall be subject to redemption and prior payment in whole or in part at the option of the City. The redemption price of the Bonds shall be at such redemption prices, with or without premium, as the Executive Secretary shall determine necessary to obtain the lowest interest rates for the Bonds consistent with the finance plan pursuant to which the Bonds are to be issued.

Thirty (30) days prior to any redemption date, notice of any such redemption shall be given by mail to the banks where the Bonds are payable and to the registered owners, in accordance with the terms of the Municipal Debt Act. In the event of a partial redemption by lot of the Bonds, the Bond Registrar shall assign to each Bond then outstanding a distinctive number for each \$5,000 of the principal amount of such Bonds and shall select by lot in the manner it determines the order of numbers, at \$5,000 for each number, for all outstanding Bonds of the maturity to be redeemed. The order of selection of Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. Upon partial redemption of any Bond, the same shall be surrendered in exchange for one or more new Bonds in authorized form for the unredeemed portion of principal. The method of selecting Bonds for optional redemption may be altered in such manner as the Executive Secretary shall determine to be necessary and appropriate in the interests of the City and the owners of the Bonds.

4.02. Method of Payment: Bond Registrar and Paying Agent. The Bonds shall be payable as to principal upon presentation and surrender thereof at the office of the Finance Officer, in Minneapolis, Minnesota, as the initial Bond Registrar and Paying Agent, or at the offices of such other successor agents as the City may hereafter designate upon sixty (60) days mailed notice to the registered owners at their respective registered addresses. At the written request of the registered owner thereof, or at the direction of the Finance Officer, the payment of at least \$100,000 in principal amount of Bonds shall be made by wire transfer of immediately available funds to any bank in the continental United States upon presentation and surrender of such Bonds at the office of the Paying Agent. Interest shall be paid by check or draft mailed to the registered owners of record as of the fifteenth day (whether or not a business day) of the month next preceding the applicable interest payment date at their addresses shown on the registration books or, at the written request of a registered owner of at least \$1,000,000 in aggregate principal amount of Bonds or at the direction of the Finance Officer, by wire transfer of immediately available funds to any bank in the continental United States as the registered owner may specify.

4.03. Bond Form. The Bonds shall be in substantially the following form with the necessary variations as to name, series designation, number, CUSIP Number, denomination, rate of interest, and date of maturity, the blanks therein to be properly filled in, and with such other additions, deletions, or other changes as the Executive Secretary may determine:



(Form of Bonds)

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF HENNEPIN

No. R- \_\_\_\_\_

\$ \_\_\_\_\_

CITY OF MINNEAPOLIS  
GENERAL OBLIGATION VARIOUS PURPOSE REFUNDING BONDS  
SERIES 2009B

<u>Interest Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
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Registered Owner: Cede & Co.

Principal Amount: \_\_\_\_\_ DOLLARS

The City of Minneapolis, Minnesota, a duly organized and existing municipal corporation in Hennepin County, Minnesota (the "City"), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the principal amount stated above, on the maturity date specified above, with interest thereon from the date hereof at the annual rate specified above, payable \_\_\_\_\_ 1 and \_\_\_\_\_ 1 in each year, commencing \_\_\_\_\_, to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft of the Paying Agent designated under the Resolution described herein or its successor. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

The City may elect on \_\_\_\_\_, and on any day thereafter to prepay Bonds due on or after \_\_\_\_\_. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify The Depository Trust Company ("DTC") of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

This Bond is one of an issue in the aggregate principal amount of \$40,295,000, all of like original issue date and tenor, except as to number, maturity date, redemption privilege, and interest rate, all issued pursuant to a resolution adopted by the Board of Estimate and Taxation on October 28, 2009 (the

"Resolution"), for the purpose of providing money to aid in financing the costs of various improvement projects pursuant to and in full conformity with the Charter of the City and the Constitution and laws of the State of Minnesota, including but not limited Minnesota Statutes, Chapter 429 and for the purpose of providing money to refund the outstanding principal amount of certain general obligation bonds of the City, pursuant to and in full conformity with the home rule charter of the City and the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Section 475.67. The principal hereof and interest hereon are payable primarily from special assessments against property specially benefited by local improvements financed with proceeds of the Bonds and certain net sale tax revenues, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the City are irrevocably pledged for payment of this Bond and the City has obligated itself to levy ad valorem taxes on all taxable property in the City in the event of any deficiency, which additional taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Registrar will be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Charter of the City and the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond does not cause the indebtedness of the City to exceed any constitutional, statutory, or charter limitation of indebtedness.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Registrar by manual signature of one of its authorized representatives.

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IN WITNESS WHEREOF, the City of Minneapolis, acting by and through its Board of Estimate and Taxation, has caused this Bond to be executed in its name and on its behalf by the facsimile or manual signature of the Finance Officer, Countersigned by the manual or facsimile signature of the President of the Board of Estimate and Taxation, and its official seal to be affixed or imprinted hereon.

**CITY OF MINNEAPOLIS, MINNESOTA**

(SEAL)

By \_\_\_\_\_  
Finance Officer

Countersigned by \_\_\_\_\_  
President of Board of Estimate and Taxation

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**Registrar's Registration and Authentication Certificate**

This is one of the Bonds described in the within mentioned Bond Resolution and has been registered as to principal and interest in the name of the Registered Owner identified above on the registration books of the Finance Officer of the City of Minneapolis.

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Finance Officer, as Registrar

Dated: \_\_\_\_\_

(The remainder of this page is intentionally left blank.)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
(Please Print or Typewrite Name and Address of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Please Insert Social Security Number or  
Other Identifying Number of Assignee.

\_\_\_\_\_  
Notice: The signature to this assignment must  
correspond with the name as it appears on the face  
of this Bond in every particular, without alteration  
or any change whatever.

Signature Guaranteed:

\_\_\_\_\_  
Signatures must be guaranteed by a national  
bank or trust company, or by a brokerage firm  
which is a member of a major stock exchange.

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4.04. Registration. As long as any of the Bonds issued hereunder shall remain outstanding, the City shall maintain and keep at the office of the Bond Registrar an office or agency for the payment of the principal of and interest on such Bonds, as in this Resolution provided, and for the registration and transfer of such Bonds, and shall also keep at said office of the Bond Registrar books for such registration and transfer. Upon surrender for transfer of any Bond at the office of a Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the registered owner's duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, the City shall execute and the Bond Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more fully registered Bonds of the same series, of any authorized denominations and of a like aggregate principal amount, interest rate and maturity. Any Bonds, upon surrender thereof at the office of the Bond Registrar may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate of any authorized denominations. In all cases in which the privilege of exchanging Bonds or transferring fully registered Bonds is exercised, the City shall execute and the Bond Registrar shall deliver Bonds in accordance with the provisions of this Resolution. For every such exchange or transfer of Bonds, whether temporary or definitive, the City or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Resolution, the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the City or the Bond Registrar incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the City. The City and the Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption, nor be obligated to make any such exchange or transfer of Bonds during the fifteen (15) days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of Bonds.

4.05. Record Dates. Interest on any Bond which is payable, and is punctually paid or duly provided for, on any interest payment date shall be paid to the person in whose name that Bond (or one or more Bonds for which such bond was exchanged) is registered at the close of business on the fifteenth day of the preceding month. Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any interest payment date shall cease to be payable to the registered holder on the relevant regular record date solely by virtue of such holder having been such holder; and such defaulted interest may be paid by the City in any lawful manner, if, after notice given by the City to the Bond Registrar of the proposed payment pursuant to this paragraph, such payment shall be deemed practicable by the Bond Registrar. Such payments shall then be made to the persons in whose names the Bonds are registered at the close of business on a special record date established by the Bond Registrar. Subject to the foregoing provisions of this paragraph, each Bond delivered under this Resolution upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

4.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the City shall execute and the Bond Registrar shall authenticate and deliver a new Bond of like maturity and principal amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the City evidence satisfactory to the City and the Bond Registrar that such Bond has been destroyed, stolen or lost

and proof of ownership thereof, and upon furnishing the City and the Bond Registrar with indemnity satisfactory to them and complying with such other reasonable regulations as the City and the Bond Registrar may prescribe and paying such expenses as the City and the Bond Registrar may incur in connection therewith. All Bonds so surrendered to the Bond Registrar shall be cancelled by it and evidence of such cancellation shall be given to the City.

4.07. Owners. As to any Bond, the City and the Bond Registrar and their respective successors, each in its discretion, may deem and treat the person in whose name such Bond for the time being shall be registered as the absolute owner thereof for all purposes and neither the City nor the Bond Registrar nor their respective successors shall be affected by any notice to the contrary. Payment of or on account of the principal of any such Bond shall be made only to or upon the order of the registered owner thereof, but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

4.08. Use of Securities Depository; Book-Entry Only System. The provisions of this Section shall take precedence over the provisions of Sections 4.01 through 4.07 hereof to the extent they are inconsistent therewith.

(a) The Depository Trust Company ("DTC") has agreed to act as securities depository for the Bonds, and to provide a Book-Entry Only System for registering the ownership interests of the financial institutions for which it holds the Bonds (the "DTC Participants"), and for distributing to such DTC Participants such amount of the principal and interest payments on the Bonds as they are entitled to receive, for redistribution to the beneficial owners of the Bonds as reflected in their records (the "Beneficial Owners").

(b) Initially, and so long as DTC or another qualified entity continues to act as securities depository, the Bonds shall be issued in typewritten form, one for each maturity, in a principal amount equal to the aggregate principal amount of each maturity, shall be registered in the name of the securities depository or its nominee, and shall be subject to the provisions of this Section. While DTC is acting as the securities depository, the Bonds shall be registered in the name of DTC's nominee, CEDE & CO; provided that upon delivery by DTC to the City and the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of CEDE & CO., the words "CEDE & CO." in this Resolution shall refer to such new nominee of DTC.

With respect to Bonds registered in the name of DTC or its nominee, the City and the Bond Registrar shall have no responsibility or obligation to any DTC Participant or other person with respect to the following: (i) the accuracy of the records of any securities depository or its nominee with respect to any ownership interest in the Bonds; (ii) the delivery to any DTC Participant or other person or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption; or (iii) the payment to any DTC Participant or any other person, other than DTC, of any amount with respect to the principal of or interest on the Bonds. The Bond Registrar shall pay all principal of and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal and interest on the Bonds to the extent of the sum or sums so paid. So long as the Book-Entry Only System described in this Section is in effect, no person other than DTC shall receive an authenticated Bond.

(c) Upon receipt by the City and the Bond Registrar of written notice from DTC or any other securities depository to the effect that it is unable or unwilling to discharge its responsibilities under the Book-Entry Only System, the Bond Registrar shall issue, transfer, and exchange Bonds of the initial series as requested by the securities depository in appropriate amounts, and whenever the securities

depository requests the City and the Bond Registrar to do so, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice: (i) to arrange for a substitute depository willing and able, upon reasonable and customary terms, to maintain custody of the Bonds; or (ii) to make available Bonds registered in whatever name or names the Beneficial Owner registering ownership, transferring or exchanging such Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(d) In the event the City determines that it is in the best interests of the Beneficial Owners that they be able to obtain printed Bonds, the City may so notify the securities depository and the Bond Registrar, whereupon the securities depository shall notify the Beneficial Owners of the availability through the securities depository of such printed Bonds. In such event, the City shall cause to be prepared and the Bond Registrar shall issue, transfer and exchange printed Bonds, fully executed and authenticated, as requested by the securities depository in appropriate amounts and, whenever the securities depository requests, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice to make available printed Bonds registered on the Bond Register in whatever name or names the Beneficial Owners entitled to receive Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(e) Notwithstanding any other provisions of this Resolution to the contrary, so long as any Bond is registered in the name of a securities depository or its nominee, all payments of principal and interest on the Bond and all notices with respect to the Bond shall be made and given, respectively, to the securities depository as provided in the representation letter given to it by the City. The Blanket Letter of Representations from the City to the Depository Trust Company is confirmed and shall apply to the Bonds.

(f) In the event that the Book-Entry Only System established pursuant to this Section is discontinued, except as provided in clause (g), the Bonds shall be issued through the securities depository to the Beneficial Owners.

(g) In the event of termination of the Book-Entry Only System, the City shall have the right to terminate, and shall take all steps necessary to terminate, all arrangements with the securities depository described herein, and thereafter shall issue, register ownership of, transfer and exchange all Bonds as provided herein. Upon receipt by the securities depository of notice from the City, the securities depository shall take all actions necessary to assist the City and the Bond Registrar in terminating all arrangements for the issuance of documents evidencing ownership interests in the Bonds through the securities depository. Nothing herein shall affect the securities depository's rights under clause (e) above.

#### Section 5. Sale, Execution, and Delivery of Bonds and Related Documents.

5.01. Method of Sale. Authority to negotiate the sale and issuance of the Bonds is hereby delegated to the Executive Secretary, in consultation with the Finance Officer of the City, under Section 475.60, subdivision 1 of the Municipal Debt Act; provided that each series of Bonds shall be sold only at a price of not less than ninety-eight percent (98%) of the principal amount of such series of Bonds, and the Bonds shall bear interest at the rates specified by the successful proposal. In connection with the sale of the Bonds, by one or more certificates or other written instruments or documents, the Finance Officer may make such additional covenants or directions as he may deem necessary and expedient, including but not limited to, approval of an Official Statement and of a Continuing Disclosure Certificate. Any unused discount and any unused issuance costs shall be deposited in the Debt Service Account or applied to such other purposes as determined to be appropriate by the Finance Officer.

5.02. Execution and Delivery. The Bonds shall be executed by the manual or facsimile signature of the Finance Officer and a facsimile of the corporate seal of the City shall be included as set forth in the form of Bond. The text of the approving legal opinion of Kennedy & Graven, Chartered, of Minneapolis, Minnesota, as bond counsel, may be printed on or accompany the delivery of each Bond. When the Bonds have been duly executed and authenticated by the Bond Registrar in accordance with this Resolution, the Bonds shall be delivered to the purchasers in accordance with the terms of the sale upon payment of the purchase price, and the receipt of the Finance Officer to said purchasers thereof shall be a full acquittance; and said purchasers shall not be bound to see to the application of the purchase money. The Bonds shall not be valid for any purpose until authenticated by the Bond Registrar, which is hereby appointed authenticating agent in accordance with the Municipal Debt Act.

5.03. Official Statement. The Executive Secretary shall cause an Official Statement relating to the Bonds and any appropriate addendums to such Official Statement to be prepared (collectively, the "Official Statement"), and the use thereof by the purchasers is approved.

5.04. Certificates. If such officer finds the same to be accurate, the Finance Officer is authorized and directed to furnish to the purchasers at the closing: (i) a certificate that, to the best of the knowledge of such officer, the Official Statement does not, at the date of closing, and did not, as of its date, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (ii) such other certificates as are required as a condition of sale, including a Continuing Disclosure Certificate setting forth the continuing disclosure obligations of the City under applicable law, as approved by the Finance Officer. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing, the Finance Officer shall also execute and deliver to the purchasers a suitable certificate as to absence of material litigation, and the Finance Officer shall also execute and deliver a certificate as to payment for and delivery of the Bonds. The Finance Officer shall also execute and deliver an arbitrage certificate meeting the requirements of the arbitrage regulations under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and shall deliver the signed approving legal opinion of Kennedy & Graven, Chartered, as to the validity and enforceability of the Bonds and the exemption of interest thereon from federal and Minnesota income taxation (other than Minnesota corporate franchise and bank excise taxes measured by income) under present laws and rulings.

#### Section 6. Refunding; Application of Proceeds of Bonds.

6.01. Redemption and Prepayment of Refunded Bonds. All of the Refunded Bonds are hereby called for redemption and prepayment on a date selected by the Finance Officer, but in no event more than ninety (90) days after the date of issuance of the Bonds.

6.02. Appropriation of Funds. The proceeds of the Bonds are hereby appropriated as follows: (i) any accrued interest shall be deposited in the Debt Service Account; (ii) an amount determined by the Executive Secretary to pay interest on the Bonds shall be set aside and applied to such purpose; (iii) an amount sufficient to redeem and prepay the Refunded Bonds to be financed with the Refunding Bonds shall be applied to such purpose; (iv) an amount sufficient to finance the street improvements to be financed with the Improvement Bonds shall be applied to such purpose; and (v) an amount sufficient to pay the costs of issuing the Bonds shall be set aside and applied to such purpose. Any remaining proceeds of the Bonds shall be applied to purposes of the City as determined and designated by the Finance Officer.

Section 7: Payment; Security; Pledges and Covenants – Improvement Bonds.

7.01. (a) Improvement Bonds Debt Service Account. The Improvement Bonds will be payable from the debt service account for the Improvement Bonds (the "Improvement Bonds Debt Service Account") established as part of the City's Debt Service Fund. The proceeds of the special assessments (the "Assessments") levied or to be levied for the local improvements described in the resolution authorizing the sale of the Improvement Bonds (the "Improvements") to be financed by the Improvement Bonds are hereby pledged to the Improvement Bonds Debt Service Account of the Debt Service Fund. If a payment of principal or interest on the Improvement Bonds becomes due when there is not sufficient money in the Debt Service Account to pay the same, the Finance Officer will pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for those advances out of the proceeds of the Assessments, when collected. There is appropriated to the Improvement Bonds Debt Service Account a pro rata portion of: (i) capitalized interest financed from Bond proceeds, if any, (ii) any amount over the minimum purchase price of the Bonds, if any, paid by the Purchaser, and (iii) the accrued interest, if any, paid by the Purchaser upon closing and delivery of the Bonds.

(b) Improvement Bonds Project Fund. The proceeds of the Improvement Bonds, less the appropriations made in paragraph (a), together with any other funds appropriated for the Improvements and Assessments collected during the construction of the Improvements will be deposited in separate funds or accounts to be used solely to defray expenses of the Improvements including the payment of principal and interest on the Improvement Bonds prior to the completion and payment of all costs of any Improvement. Any balance remaining in any fund or account after completion of any Improvements may be used to pay the cost, in whole or in part, of any other local improvement undertaken by the City. When the Improvements are completed and the costs thereof paid, the funds and accounts are to be closed and subsequent collections of Assessments for the Improvements are to be deposited in the Improvement Bonds Debt Service Account.

7.02. City Covenants related to Improvement Bonds. It is hereby determined that the Improvements will directly and indirectly benefit abutting property, and the City hereby covenants with the holders from time to time of the Improvement Bonds as follows:

(a) The City has caused or will cause the Assessments for the Improvements to be promptly levied and will take all steps necessary to assure prompt collection, and the levy of the Assessments is hereby authorized. The City will cause to be taken with due diligence all further actions that are required for the construction of each Improvement financed wholly or partly from the proceeds of the Improvement Bonds, and will take all further actions necessary for the final and valid levy of the Assessments and the appropriation of any other funds needed to pay the Improvement Bonds and interest thereon when due.

(b) In the event of any current or anticipated deficiency in Assessments, the City will levy ad valorem taxes in the amount of the current or anticipated deficiency.

(c) The City will keep complete and accurate books and records showing receipts and disbursements in connection with the Improvements, Assessments levied therefor, and other funds appropriated for their payment, collections thereof, and disbursements therefrom, money on hand, and the balance of unpaid Assessments.

7.03. No Tax Levy. It is hereby determined that the estimated collections of Assessments and interest thereon for payment of principal and interest on the Improvement Bonds will produce at least

five percent (5%) in excess of the amount needed to meet when due, the principal and interest payments on the Improvement Bonds and that no tax levy is needed at this time.

**Section 8. Payment; Security; Pledges and Covenants – Refunding Bonds.**

**8.01. Pledge of Sales Tax Revenues.** The Refunding Bonds are payable primarily from certain net revenues derived from sales taxes authorized by Laws of Minnesota 1986, Chapter 396, Section 5, as amended by Laws of Minnesota 2001, First Special Session, Chapter 5, Article 12, Section 87, including the following:

(a) a sales tax of up to one-half of one percent (0.5%) on sales that occur within the City which are taxable pursuant to Minnesota Statutes, Chapter 297A and a complimentary use tax on property sold outside but used within the City (the "General Sales and Use Tax");

(b) a sales tax of up to three percent (3.0%) on gross receipts from retail on-sales of intoxicating liquor and fermented malt beverages described in Minnesota Statutes, Section 473.592, occurring in a specified downtown taxing area of the City (unless such sales are exempt from tax pursuant to Minnesota Statutes, Chapter 297A) (the "Liquor Tax");

(c) a sales tax of up to 2.325 on the gross receipts from the furnishing for consideration of lodging described in Section 473.592 by a hotel or motel within the corporate limits of the City which has more than 50 rooms available for lodging, provided that the rate of tax shall be such that, when added to the rate of other state and local taxes imposed on the same subject, shall be thirteen percent (13%) (the "Lodging Tax"); and

(d) a sales tax of up to three percent on the gross receipts from all sales of food primarily for consumption on or off the premises by restaurants and places of refreshment occurring in a specified downtown taxing area of the City (the "Entertainment Tax").

The General Sales and Use Tax, the Liquor Tax, the Lodging Tax and the Entertainment Tax are hereinafter referred to as the "Sales Taxes" and the receipts from the Sales Taxes net of the costs of collection are hereinafter referred to as "Net Sales Tax Revenues."

**8.02. (a) Refunding Bonds Debt Service Account.** The Refunding Bonds will be payable from the debt service account for the Refunding Bonds (the "Refunding Bonds Debt Service Account") established as part of the City's Debt Service Fund. The proceeds of the Net Sales Tax Revenues described in Section 8.01 hereof are hereby pledged to the Refunding Bonds Debt Service Account of the Debt Service Fund (subject to any pledge of such Net Sales Tax Revenues to bonds issued on a parity basis with the Refunding Bonds, including bonds previously issued or bonds issued in the future). If a payment of principal or interest on the Refunding Bonds becomes due when there is not sufficient money in the Debt Service Account to pay the same, the Finance Officer will pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for those advances out of the proceeds of the Net Sales Tax Revenues, when collected. There is appropriated to the Refunding Bonds Debt Service Account a pro rata portion of: (i) capitalized interest financed from Bond proceeds, if any, (ii) any amount over the minimum purchase price of the Bonds, if any, paid by the Purchaser, and (iii) the accrued interest, if any, paid by the Purchaser upon closing and delivery of the Bonds.

(b) **Redemption Account for Refunded Bonds.** The proceeds of the Refunding Bonds, less the appropriations made in paragraph (a) will be deposited in a separate fund or account to be used solely to redeem and prepay the Refunded Bonds. When the redemption and prepayment of the Refunded

Bonds is complete, the fund or account is to be closed and any remaining balance shall be deposited in the Refunding Bonds Debt Service Account.

8.03. No Tax Levy. It is hereby determined that the estimated collections of Net Sales Tax Revenues and interest thereon for payment of principal and interest on the Refunding Bonds will produce at least five percent (5%) in excess of the amount needed to meet when due, the principal and interest payments on the Refunding Bonds and that no tax levy is needed at this time.

#### Section 9. Tax Covenants.

9.01. Tax-Exempt Bonds. No action shall be taken or authorized to be taken in connection with the application or investment of the proceeds of the Bonds which would cause the Bonds to be or become "private activity bonds" within the meaning of Section 141 of the Code and the applicable Treasury Regulations promulgated thereunder, or be or become "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. The City shall take all such actions as may be required under the Code and applicable Treasury Regulations to ensure that interest on the Bonds is not includable in gross income for federal income tax purposes.

9.02. Not Private Activity Bonds. The investments of the proceeds of the Bonds, including the investments of any revenues pledged to the Bonds which are considered proceeds under Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder, and accumulated sinking funds, if any, shall be limited as to amount and yield in such manner that the Bonds shall not be or become "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. On the basis of the existing facts, estimates, and circumstances, including the foregoing findings and covenants, it is not expected that the proceeds of the Bonds will be used in such manner as to cause the Bonds to be or become "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. The Finance Officer shall furnish a certificate to the Purchaser embracing or based on the foregoing certification at the time of delivery of the Bonds and the Finance Officer may make any election permitted under Section 148 or Section 150 of the Code on behalf of the City.

#### Section 10. Miscellaneous Matters Relating to Bonds.

10.01. Registration. The Executive Secretary is hereby authorized and directed to certify a copy of this Resolution and to cause the same to be filed with the Taxpayer Services Division Manager of Hennepin County, exercising the powers of the County Auditor under Section 475.63 of the Municipal Debt Act, and to obtain a certificate as to registration of the Bonds.

10.02. Enforceability of Bonds. All agreements, covenants, and obligations of the City contained in this Resolution and in the above-referenced documents shall be deemed to be the agreements, covenants, and obligations of the City to the full extent authorized or permitted by law, and all such agreements, covenants, and obligations shall be binding on the City and enforceable in accordance with their terms. No agreement, covenant, or obligation contained in this Resolution or in the above-referenced documents shall be deemed to be an agreement, covenant, or obligation of any member of the City Council or the Board, or of any officer, employee, or agent of the City in that person's individual capacity. Neither the members of the City Council, the Board, nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

10.03. Rights Conferred. Nothing in this Resolution or in the above-referenced documents is intended or shall be construed to confer upon any person (other than as provided in the Bonds and the other agreements, instruments, and documents hereby approved) any right, remedy, or claim, legal or equitable, under and by reason of this Resolution or any provision of this Resolution.

10.04. Persons Authorized to Execute Documents. If for any reason the Finance Officer or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall for any reason cease to be an officer, employee, or agent of the City after the execution by such person of any certificate, instrument, or other written document, such fact shall not affect the validity or enforceability of such certificate, instrument, or other written document. If for any reason the Finance Officer or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall be unavailable to execute such certificates, instruments, or other written documents for any reason, such certificates, instruments, or other written documents may be executed by an acting or assistant to such officer, or by such other officer of the City as in the opinion of the City Attorney is authorized to sign such document.

10.05. Amendments. The authority to approve, execute, and deliver future amendments to the documents executed and delivered by the City in connection with the transactions contemplated by this Resolution is hereby delegated to the Finance Officer, subject to the following conditions: (a) such amendments do not require the consent of the holders of the Bonds or, if required, such consent has been obtained; (b) such amendments do not materially adversely affect the interests of the City as the issuer of the Bonds; (c) such amendments do not contravene or violate any policy of the City; (d) such amendments are acceptable in form and substance to the City Attorney, bond counsel or other counsel retained by the City to review such amendments; (e) the City has received, if necessary, an opinion of bond counsel to the effect that the amendments will not adversely affect the tax-exempt character or interest on the Bonds (if the Bonds are then tax-exempt obligations); and (f) such amendments do not materially prejudice the interests of the owners of the Bonds. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Finance Officer shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Finance Officer, any instrument authorized by this paragraph to be executed and delivered by the Finance Officer may be executed by such other officer of the City as in the opinion of the City Attorney is authorized to execute and deliver such document.

10.06. Effective Date. This Resolution shall take effect and be in force from and after its approval.

## RESOLUTION

(By Rybak)

### **AUTHORIZING THE SALE AND ISSUANCE OF GENERAL OBLIGATION TAX INCREMENT REFUNDING BONDS (ST. THOMAS/WMEP PARKING RAMP), SERIES 2009C, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$6,125,000; AND PROVIDING THE FORMS, TERMS, AND FINDINGS, COVENANTS, AND DIRECTIONS RELATING TO THE ISSUANCE OF SUCH OBLIGATIONS**

BE IT RESOLVED By the Board of Estimate and Taxation (the "Board") of the City of Minneapolis, Minnesota (the "City") as follows:

#### Section 1. Background and Authority

1.01. The Development Plan and Tax Increment District. Pursuant to Resolution No. 96R-413 adopted by the City Council of the City on December 30, 1996, the City Council approved Amendment No. 8 to the Development Program for South Nicollet Mall Development District No. 57, Amendment No. 5 to the Development Program for Development District No. 58 (Greater Hennepin Avenue) and Modification No. 45 to the Common Development and Redevelopment Plan and Common Tax Increment Finance Plan (Municipal Parking Ramp/Redevelopment Greater Hennepin Avenue Development District - Block 33 and South Nicollet Mall Development District - Block 40). By this and other actions the City Council approved a cooperative development involving the Minneapolis Community Development Agency, West Metro Education Program and the University of St. Thomas. Public elements of the project include a 640-vehicle public parking garage, skyway connections and related infrastructure improvements (the "Project"). Temporary financing for part of the costs of the Project was provided by the issuance by the City of its Temporary Parking Ramp Revenue Bonds, Series 1997A (the "Series 1997A Bonds") in the principal amount of \$18,730,000.

1.02. Prior Bonds. Pursuant to Resolution No. 99R-172 adopted by the City Council on May 21, 1999, the Council authorized the issuance by the City of its General Obligation Tax Increment Bonds, Series 1999B (the "Prior Bonds"), in the principal amount of \$16,150,000, and authorized the Board of Estimate and Taxation of the City of Minneapolis to issue and sell the Prior Bonds to refund the Series 1997A Bonds and to finance additional costs of the Project.

1.03. City Council Request. On October 16, 2009, the City Council adopted Resolution No. 2009R-493, which authorizes the Board to incur indebtedness, issue and sell general obligation refunding bonds pursuant to Section 475.67 of the Municipal Debt Act, as amended, and the City Charter to refund the entire outstanding principal of the Prior Bonds for purposes of debt service savings.

1.04. Prior Bonds Redemption. The Prior Bonds maturing on and after December 1, 2010, are subject to redemption and prepayment, in whole or in part, on December 1, 2009, and on any date thereafter at a redemption price equal to the par amount of the Prior Bonds to be redeemed and prepaid plus accrued interest to the date of redemption. To provide for the redemption and prepayment of all of the outstanding Prior Bonds, the City is proposing to issue its Tax Increment Refunding Bonds (St. Thomas/WMEP Parking Ramp), Series 2009C (the "Bonds"), in an aggregate principal amount not to exceed \$6,125,000, and apply the net proceeds derived from the sale of the Bonds to the refunding of the

Prior Bonds within ninety (90) days of the date of issuance of the Bonds. Payment of the principal of, premium, if any, and interest on the Bonds will be secured by Tax Increment Revenues (as defined in Section 7.01 hereof). Payment of the principal of, premium, if any, and interest on the Bonds will also be secured by the full faith and credit of the City and, to the extent necessary for this purpose, the City will levy taxes on all taxable property in the City without limitation as to rate or amount to pay the principal of, premium, if any, and interest on the Bonds when due.

1.05. Authority. The City is authorized to issue the Bonds to redeem and prepay the Prior Bonds pursuant to the terms of the Municipal Debt Act and, in particular, Section 475.67 of the Municipal Debt Act. The City is authorized to apply the Tax Increment Revenues and other revenues to the payment of the Bonds under Section 469.178 of the TIF Act and the terms of the Municipal Debt Act. Pursuant to the terms of Minnesota Statutes, Section 475.58, subdivision 1, as amended, no election is required for refunding bonds. A public hearing was held pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") and the Treasury Regulations promulgated thereunder in conjunction with the issuance of the Prior Bonds. Because the City intends to current refund the Prior Bonds with bonds that will not have a greater average maturity date than the Prior Bonds, no public hearing was held prior to issuance of the Bonds.

Section 2. Issuance of Bonds. In order to redeem and prepay the Prior Bonds, there is hereby authorized to be issued by the City the General Obligation Tax Increment Refunding Bonds (St. Thomas/WMEP Parking Ramp), Series 2009C (the "Bonds"). The maximum aggregate principal amount of the Bonds that may be outstanding at any time is limited to \$6,125,000.

Section 3. Terms and Forms of Bonds.

3.01. Bond Terms. The Bonds are authorized to be issued in accordance with the terms of this Resolution. The Bonds shall be designated "General Obligation Tax Increment Refunding Bonds (St. Thomas/WMEP Parking Ramp), Series 2009C," shall be issued in one or more series as the Executive Secretary may determine, and shall be assigned a separate series designation determined by the Executive Secretary for each series issued by the City. Any series of Bonds may be designated such other name or names as determined to be appropriate by the Executive Secretary. The Bonds shall be dated December 1, 2009, or such other date as the Executive Secretary may determine, shall be issued in denominations of \$5,000 or any integral multiple thereof, and each series shall be numbered from R-1 upwards in order of issuance, or with such other numbering and in such other order as the Bond Registrar may determine. The Bonds shall be issued in the original aggregate principal amount of \$6,125,000, or such lesser amount as the Executive Secretary shall determine to be necessary and appropriate to redeem and prepay the Prior Bonds. The Bonds shall bear interest at the rates per annum approved by the Executive Secretary in connection with the sale thereof, payable semiannually on June 1 and December 1 of each year, or such other dates determined by the Executive Secretary, commencing on June 1, 2010, or such other date determined by the Executive Secretary, from the date of the Bonds or the most recent interest payment date to which interest has been paid or duly provided for, computed on the basis of a 360-day year of twelve thirty-day months. The principal of the Bonds shall mature on such dates and in such principal amounts as shall be determined by the Executive Secretary, consistent with the requirements of Section 475.54, subdivisions 1 and 17 of the Municipal Debt Act (determined, if necessary, by combining such maturities with those of other obligations of the City). The Executive Secretary may determine to designate any portion of the principal of the Bonds to be combined into one or more term Bonds subject to mandatory sinking fund redemptions in the years and amounts determined by the Executive Secretary. The authorization to issue the Bonds is effective without any additional action by the City Council or the Board and shall be undertaken by the Executive Secretary on such date or dates and upon the terms and conditions deemed reasonable by the Executive Secretary.

The Executive Secretary shall establish a date on and after which all Bonds shall be subject to redemption and prior payment in whole or in part at the option of the City. The redemption price of the Bonds shall be at such redemption prices, with or without premium, as the Executive Secretary shall determine necessary to obtain the lowest interest rates for the Bonds consistent with the finance plan pursuant to which the Bonds are to be issued.

Thirty (30) days prior to any redemption date, notice of any such redemption shall be given by mail to the banks where the Bonds are payable and to the registered owners, in accordance with the terms of the Municipal Debt Act. In the event of a partial redemption by lot of the Bonds, the Bond Registrar shall assign to each Bond then outstanding a distinctive number for each \$5,000 of the principal amount of such Bonds and shall select by lot in the manner it determines the order of numbers, at \$5,000 for each number, for all outstanding Bonds of the maturity to be redeemed. The order of selection of Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. Upon partial redemption of any Bond, the same shall be surrendered in exchange for one or more new Bonds in authorized form for the unredeemed portion of principal. The method of selecting Bonds for optional redemption may be altered in such manner as the Executive Secretary shall determine to be necessary and appropriate in the interests of the City and the owners of the Bonds.

3.02. Method of Payment; Bond Registrar and Paying Agent. The Bonds shall be payable as to principal upon presentation and surrender thereof at the office of the Finance Officer, in Minneapolis, Minnesota, as the initial Bond Registrar and Paying Agent, or at the offices of such other successor agents as the City may hereafter designate upon sixty (60) days mailed notice to the registered owners at their respective registered addresses. At the written request of the registered owner thereof, or at the direction of the Finance Officer, the payment of at least \$100,000 in principal amount of Bonds shall be made by wire transfer of immediately available funds to any bank in the continental United States upon presentation and surrender of such Bonds at the office of the Paying Agent. Interest shall be paid by check or draft mailed to the registered owners of record as of the fifteenth day (whether or not a business day) of the month next preceding the applicable interest payment date at their addresses shown on the registration books or, at the written request of a registered owner of at least \$1,000,000 in aggregate principal amount of Bonds or at the direction of the Finance Officer, by wire transfer of immediately available funds to any bank in the continental United States as the registered owner may specify.

3.03. Bond Form. The Bonds shall be in substantially the following form with the necessary variations as to name, series designation, number, CUSIP Number, denomination, rate of interest, and date of maturity, the blanks therein to be properly filled in, and with such other additions, deletions, or other changes as the Executive Secretary may determine:

(Form of Bonds)

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF HENNEPIN

No. R- \_\_\_\_\_

\$ \_\_\_\_\_

CITY OF MINNEAPOLIS  
GENERAL OBLIGATION TAX INCREMENT REFUNDING BONDS (ST. THOMAS/WMEP  
PARKING RAMP)  
SERIES 2009C

Interest Rate	Maturity	Date of Original Issue	CUSIP
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Registered Owner: Cede & Co.

Principal Amount: \_\_\_\_\_ DOLLARS

The City of Minneapolis, Minnesota, a duly organized and existing municipal corporation in Hennepin County, Minnesota (the "City"), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the principal amount stated above, on the maturity date specified above, with interest thereon from the date hereof at the annual rate specified above, payable \_\_\_\_\_ 1 and \_\_\_\_\_ 1 in each year, commencing \_\_\_\_\_, to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft of the Paying Agent designated under the Resolution described herein or its successor. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

The City may elect on \_\_\_\_\_, and on any day thereafter to prepay Bonds due on or after \_\_\_\_\_. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify The Depository Trust Company ("DTC") of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

This Bond is one of an issue in the aggregate principal amount of \$6,125,000, all of like original issue date and tenor, except as to number, maturity date, redemption privilege, and interest rate, all issued

pursuant to a resolution adopted by the Board of Estimate and Taxation on October 28, 2009 (the "Resolution"), for the purpose of providing money to refund the outstanding principal amount of certain general obligation bonds of the City, pursuant to and in full conformity with the home rule charter of the City and the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Section 475.67, Subdivisions 4 through 12, and Minnesota Statutes, Sections 469.174 to 469.1799, as amended.

The Bonds of this series are expected to be paid primarily from collections of tax increment revenues derived from the Tax Increment District No. 38 located within Development District No. 58 and Tax Increment District No. 40, 62, and 63, all located in Development District No. 57 and certain net revenues from the City's parking system which may be deposited in the Debt Service Account for the Bonds pursuant to the terms of the resolution authorizing the issuance of the Bonds (the "Bond Resolution"). The pledge of tax increment revenues is subordinate to any prior obligations of the City to which such tax increment revenues have been pledged (and which pledge does not recognize or permit parity claims or uses of such tax increment revenues) and such deposit shall be made only to the extent such tax increment revenues are available for such purposes. In addition to the pledge of tax increment revenues and net revenues of the City's parking system, the full faith and credit of the City has been and is hereby pledged to the full and prompt payment of the principal of and interest on the Bonds and the City Council is obligated to levy ad valorem taxes on all taxable property in the City without limitation as to rate or amount, if necessary, to pay the principal of and interest on the Bonds when due. The City may pledge or apply such tax increment revenues to existing or future obligations of the City on a parity or priority basis with the Bonds.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Registrar will be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Charter of the City and the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond does not cause the indebtedness of the City to exceed any constitutional, statutory, or charter limitation of indebtedness.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of Minneapolis, acting by and through its Board of Estimate and Taxation, has caused this Bond to be executed in its name and on its behalf by the facsimile or manual signature of the Finance Officer, Countersigned by the manual or facsimile signature of the President of the Board of Estimate and Taxation, and its official seal to be affixed or imprinted hereon.

**CITY OF MINNEAPOLIS, MINNESOTA**

(SEAL)

By \_\_\_\_\_  
Finance Officer

Countersigned by \_\_\_\_\_  
President of Board of Estimate and Taxation

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**Registrar's Registration and Authentication Certificate**

This is one of the Bonds described in the within mentioned Bond Resolution and has been registered as to principal and interest in the name of the Registered Owner identified above on the registration books of the Finance Officer of the City of Minneapolis.

---

Finance Officer, as Registrar

Dated: \_\_\_\_\_

(The remainder of this page is intentionally left blank.)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
(Please Print or Typewrite Name and Address of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Please Insert Social Security Number or  
Other Identifying Number of Assignee.

\_\_\_\_\_  
Notice: The signature to this assignment must  
correspond with the name as it appears on the face  
of this Bond in every particular, without alteration  
or any change whatever.

Signature Guaranteed:

\_\_\_\_\_  
Signatures must be guaranteed by a national  
bank or trust company, or by a brokerage firm  
which is a member of a major stock exchange.

(The remainder of this page is intentionally left blank.)

3.04. Registration. As long as any of the Bonds issued hereunder shall remain outstanding, the City shall maintain and keep at the office of the Bond Registrar an office or agency for the payment of the principal of and interest on such Bonds, as in this Resolution provided, and for the registration and transfer of such Bonds, and shall also keep at said office of the Bond Registrar books for such registration and transfer. Upon surrender for transfer of any Bond at the office of a Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the registered owner's duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, the City shall execute and the Bond Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more fully registered Bonds of the same series, of any authorized denominations and of a like aggregate principal amount, interest rate and maturity. Any Bonds, upon surrender thereof at the office of the Bond Registrar may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate of any authorized denominations. In all cases in which the privilege of exchanging Bonds or transferring fully registered Bonds is exercised, the City shall execute and the Bond Registrar shall deliver Bonds in accordance with the provisions of this Resolution. For every such exchange or transfer of Bonds, whether temporary or definitive, the City or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Resolution, the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the City or the Bond Registrar incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the City. The City and the Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption, nor be obligated to make any such exchange or transfer of Bonds during the fifteen (15) days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of Bonds.

3.05. Record Dates. Interest on any Bond which is payable, and is punctually paid or duly provided for, on any interest payment date shall be paid to the person in whose name that Bond (or one or more Bonds for which such bond was exchanged) is registered at the close of business on the fifteenth day of the preceding month. Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any interest payment date shall cease to be payable to the registered holder on the relevant regular record date solely by virtue of such holder having been such holder; and such defaulted interest may be paid by the City in any lawful manner, if, after notice given by the City to the Bond Registrar of the proposed payment pursuant to this paragraph, such payment shall be deemed practicable by the Bond Registrar. Such payments shall then be made to the persons in whose names the Bonds are registered at the close of business on a special record date established by the Bond Registrar. Subject to the foregoing provisions of this paragraph, each Bond delivered under this Resolution upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the City shall execute and the Bond Registrar shall authenticate and deliver a new Bond of like maturity and principal amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the City evidence satisfactory to the City and the Bond Registrar that such Bond has been destroyed, stolen or lost

and proof of ownership thereof, and upon furnishing the City and the Bond Registrar with indemnity satisfactory to them and complying with such other reasonable regulations as the City and the Bond Registrar may prescribe and paying such expenses as the City and the Bond Registrar may incur in connection therewith. All Bonds so surrendered to the Bond Registrar shall be cancelled by it and evidence of such cancellation shall be given to the City.

3.07. Owners. As to any Bond, the City and the Bond Registrar and their respective successors, each in its discretion, may deem and treat the person in whose name such Bond for the time being shall be registered as the absolute owner thereof for all purposes and neither the City nor the Bond Registrar nor their respective successors shall be affected by any notice to the contrary. Payment of or on account of the principal of any such Bond shall be made only to or upon the order of the registered owner thereof, but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

3.08. Use of Securities Depository: Book-Entry Only System. The provisions of this Section shall take precedence over the provisions of Sections 3.01 through 3.07 hereof to the extent they are inconsistent therewith.

(a) The Depository Trust Company ("DTC") has agreed to act as securities depository for the Bonds, and to provide a Book-Entry Only System for registering the ownership interests of the financial institutions for which it holds the Bonds (the "DTC Participants"), and for distributing to such DTC Participants such amount of the principal and interest payments on the Bonds as they are entitled to receive, for redistribution to the beneficial owners of the Bonds as reflected in their records (the "Beneficial Owners").

(b) Initially, and so long as DTC or another qualified entity continues to act as securities depository, the Bonds shall be issued in typewritten form, one for each maturity in a principal amount equal to the aggregate principal amount of each maturity, shall be registered in the name of the securities depository or its nominee, and shall be subject to the provisions of this Section. While DTC is acting as the securities depository, the Bonds shall be registered in the name of DTC's nominee, CEDE & CO; provided that upon delivery by DTC to the City and the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of CEDE & CO., the words "CEDE & CO." in this Resolution shall refer to such new nominee of DTC.

With respect to Bonds registered in the name of DTC or its nominee, the City and the Bond Registrar shall have no responsibility or obligation to any DTC Participant or other person with respect to the following: (i) the accuracy of the records of any securities depository or its nominee with respect to any ownership interest in the Bonds; (ii) the delivery to any DTC Participant or other person or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption; or (iii) the payment to any DTC Participant or any other person, other than DTC, of any amount with respect to the principal of or interest on the Bonds. The Bond Registrar shall pay all principal of and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal and interest on the Bonds to the extent of the sum or sums so paid. So long as the Book-Entry Only System described in this Section is in effect, no person other than DTC shall receive an authenticated Bond.

(c) Upon receipt by the City and the Bond Registrar of written notice from DTC or any other securities depository to the effect that it is unable or unwilling to discharge its responsibilities under the Book-Entry Only System, the Bond Registrar shall issue, transfer, and exchange Bonds of the initial series as requested by the securities depository in appropriate amounts, and whenever the securities

depository requests the City and the Bond Registrar to do so, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice: (i) to arrange for a substitute depository willing and able, upon reasonable and customary terms, to maintain custody of the Bonds; or (ii) to make available Bonds registered in whatever name or names the Beneficial Owner registering ownership, transferring or exchanging such Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(d) In the event the City determines that it is in the best interests of the Beneficial Owners that they be able to obtain printed Bonds, the City may so notify the securities depository and the Bond Registrar, whereupon the securities depository shall notify the Beneficial Owners of the availability through the securities depository of such printed Bonds. In such event, the City shall cause to be prepared and the Bond Registrar shall issue, transfer and exchange printed Bonds, fully executed and authenticated, as requested by the securities depository in appropriate amounts and, whenever the securities depository requests, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice to make available printed Bonds registered on the Bond Register in whatever name or names the Beneficial Owners entitled to receive Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(e) Notwithstanding any other provisions of this Resolution to the contrary, so long as any Bond is registered in the name of a securities depository or its nominee, all payments of principal and interest on the Bond and all notices with respect to the Bond shall be made and given, respectively, to the securities depository as provided in the representation letter given to it by the City. The Blanket Letter of Representations from the City to the Depository Trust Company is confirmed and shall apply to the Bonds.

(f) In the event that the Book-Entry Only System established pursuant to this Section is discontinued, except as provided in clause (g), the Bonds shall be issued through the securities depository to the Beneficial Owners.

(g) In the event of termination of the Book-Entry Only System, the City shall have the right to terminate, and shall take all steps necessary to terminate, all arrangements with the securities depository described herein, and thereafter shall issue, register ownership of, transfer and exchange all Bonds as provided herein. Upon receipt by the securities depository of notice from the City, the securities depository shall take all actions necessary to assist the City and the Bond Registrar in terminating all arrangements for the issuance of documents evidencing ownership interests in the Bonds through the securities depository. Nothing herein shall affect the securities depository's rights under clause (e) above.

#### Section 4. Sale, Execution, and Delivery of Bonds and Related Documents.

4.01. Method of Sale. Authority to negotiate the sale and issuance of the Bonds is hereby delegated to the Executive Secretary, in consultation with the Finance Officer of the City, under Section 475.60, subdivision 1 of the Municipal Debt Act; provided that each series of Bonds shall be sold only at a price of not less than ninety-eight percent (98%) of the principal amount of such series of Bonds, and the Bonds shall bear interest at the rates specified by the successful proposal. In connection with the sale of the Bonds, by one or more certificates or other written instruments or documents, the Finance Officer may make such additional covenants or directions as he may deem necessary and expedient, including but not limited to, approval of an Official Statement and of a Continuing Disclosure Certificate. Any unused discount and any unused issuance costs shall be deposited in the Debt Service Account or applied to such other purposes as determined to be appropriate by the Finance Officer.

4.02. Execution and Delivery. The Bonds shall be executed by the manual or facsimile signature of the Finance Officer and a facsimile of the corporate seal of the City shall be included as set forth in the form of Bond. The text of the approving legal opinion of Kennedy & Graven, Chartered, of Minneapolis, Minnesota, as bond counsel, may be printed on or accompany the delivery of each Bond. When the Bonds have been duly executed and authenticated by the Bond Registrar in accordance with this Resolution, the Bonds shall be delivered to the purchasers in accordance with the terms of the sale upon payment of the purchase price, and the receipt of the Finance Officer to said purchasers thereof shall be a full acquittance; and said purchasers shall not be bound to see to the application of the purchase money. The Bonds shall not be valid for any purpose until authenticated by the Bond Registrar, which is hereby appointed authenticating agent in accordance with the Municipal Debt Act.

4.03. Official Statement. The Executive Secretary shall cause an Official Statement relating to the Bonds and any appropriate addendums to such Official Statement to be prepared (collectively, the "Official Statement"), and the use thereof by the purchasers is approved.

4.04. Certificates. If such officer finds the same to be accurate, the Finance Officer is authorized and directed to furnish to the purchasers at the closing: (i) a certificate that, to the best of the knowledge of such officer, the Official Statement does not, at the date of closing, and did not, as of its date, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (ii) such other certificates as are required as a condition of sale, including a Continuing Disclosure Certificate setting forth the continuing disclosure obligations of the City under applicable law, as approved by the Finance Officer. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing, the Finance Officer shall also execute and deliver to the purchasers a suitable certificate as to absence of material litigation, and the Finance Officer shall also execute and deliver a certificate as to payment for and delivery of the Bonds. The Finance Officer shall also execute and deliver an arbitrage certificate meeting the requirements of the arbitrage regulations under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and shall deliver the signed approving legal opinion of Kennedy & Graven, Chartered, as to the validity and enforceability of the Bonds and the exemption of interest thereon from federal and Minnesota income taxation (other than Minnesota corporate franchise and bank excise taxes measured by income) under present laws and rulings.

## Section 5. Refunding; Application of Proceeds of Bonds.

5.01. Redemption and Prepayment of Prior Bonds. All of the Prior Bonds are hereby called for redemption and prepayment on a date selected by the Finance Officer, but in no event more than ninety (90) days after the date of issuance of the Bonds.

5.02. Appropriation of Funds. The proceeds of the Bonds are hereby appropriated as follows: (i) any accrued interest shall be deposited in the Debt Service Account; (ii) an amount determined by the Executive Secretary to pay interest on the Bonds shall be set aside and applied to such purpose; (iii) an amount sufficient to redeem and prepay the Prior Bonds to be financed with the Bonds shall be applied to such purpose; and (iv) an amount sufficient to pay the costs of issuing the Bonds shall be set aside and applied to such purpose. Any remaining proceeds of the Bonds shall be applied to purposes of the City as determined and designated by the Finance Officer.

Section 6. Payment; Security; Pledges and Covenants.

6.01. (a) Debt Service Account. The Bonds will be payable from the debt service account for the Bonds (the "Debt Service Account") established as part of the City's Debt Service Fund. A portion of the proceeds of the tax increment revenues derived from the Tax Increment District No. 38 located within Development District No. 58 and Tax Increment District Nos. 40, 62, and 63, all located in Development District No. 57 (the "Tax Increment Revenues"), certain net revenues of the City's parking system ("Net Revenues") and proceeds of an ad valorem tax levied herein (the "Taxes") are hereby pledged to the Debt Service Account of the Debt Service Fund. The pledge of Tax Increment Revenues may be subordinate to any existing pledge of such Tax Increment Revenues. If a payment of principal or interest on the Bonds becomes due when there is not sufficient money in the Debt Service Account to pay the same, the Finance Officer will pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for those advances out of the proceeds of the Tax Increment Revenues, Net Revenues or Taxes, when collected. There is appropriated to the Debt Service Account: (i) capitalized interest financed from Bond proceeds, if any, (ii) any amount over the minimum purchase price of the Bonds, if any, paid by the Purchaser, and (iii) the accrued interest, if any, paid by the Purchaser upon closing and delivery of the Bonds.

(b) Redemption Account. The proceeds of the Bonds, less the appropriations made in paragraph (a) will be deposited in a separate fund or account to be used solely to redeem and prepay the Prior Bonds. When the redemption and prepayment of the Prior Bonds is complete, the fund or account is to be closed and any remaining balance shall be deposited in the Debt Service Account.

6.02. No Tax Levy. It is hereby determined that the estimated collections of Tax Increment Revenues and interest thereon for payment of principal and interest on the Refunding Bonds will produce at least five percent (5%) in excess of the amount needed to meet when due, the principal and interest payments on the Refunding Bonds and that no tax levy is needed at this time.

6.03. Certificate to Taxpayer Services Manager as to Debt Service Account Amount. It is determined that the estimated collection of the foregoing taxes, along with the Tax Increment Revenues described in Section 7.01, will produce at least five percent in excess of the amount needed to meet when due, the principal and interest payments on the Bonds. The tax levy herein provided will be irrevocable until all of the Bonds are paid, provided that at the time the City makes its annual tax levies the Finance Officer may certify to the Taxpayer Services Division Manager of Hennepin County the amount available in the Debt Service Account to pay principal and interest due during the ensuing year, and the Taxpayer Services Division Manager will thereupon reduce the levy collectible during such year by the amount so certified. If necessary, however, the City shall levy a direct tax on all taxable property in the City, without limitation as to rate or amount, to pay such principal and interest when due.

Section 7. Tax Covenants.

7.01. Tax-Exempt Bonds. No action shall be taken or authorized to be taken in connection with the application or investment of the proceeds of the Bonds which would cause the Bonds to be or become "private activity bonds" within the meaning of Section 141 of the Code and the applicable Treasury Regulations promulgated thereunder, or be or become "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. The City shall take all such actions as may be required under the Code and applicable Treasury Regulations to ensure that interest on the Bonds is not includable in gross income for federal income tax purposes.

7.02. Not Private Activity Bonds. The investments of the proceeds of the Bonds, including the investments of any revenues pledged to the Bonds which are considered proceeds under Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder, and accumulated sinking funds, if any, shall be limited as to amount and yield in such manner that the Bonds shall not be or become "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. On the basis of the existing facts, estimates, and circumstances, including the foregoing findings and covenants, it is not expected that the proceeds of the Bonds will be used in such manner as to cause the Bonds to be or become "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. The Finance Officer shall furnish a certificate to the Purchaser embracing or based on the foregoing certification at the time of delivery of the Bonds and the Finance Officer may make any election permitted under Section 148 or Section 150 of the Code on behalf of the City.

Section 8. Miscellaneous Matters Relating to Bonds.

8.01. Registration. The Executive Secretary is hereby authorized and directed to certify a copy of this Resolution and to cause the same to be filed with the Taxpayer Services Division Manager of Hennepin County, exercising the powers of the County Auditor under Section 475.63 of the Municipal Debt Act, and to obtain a certificate as to registration of the Bonds.

8.02. Enforceability of Bonds. All agreements, covenants, and obligations of the City contained in this Resolution and in the above-referenced documents shall be deemed to be the agreements, covenants, and obligations of the City to the full extent authorized or permitted by law, and all such agreements, covenants, and obligations shall be binding on the City and enforceable in accordance with their terms. No agreement, covenant, or obligation contained in this Resolution or in the above-referenced documents shall be deemed to be an agreement, covenant, or obligation of any member of the City Council or the Board, or of any officer, employee, or agent of the City in that person's individual capacity. Neither the members of the City Council, the Board, nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

8.03. Rights Conferred. Nothing in this Resolution or in the above-referenced documents is intended or shall be constructed to confer upon any person (other than as provided in the Bonds and the other agreements, instruments, and documents hereby approved) any right, remedy, or claim, legal or equitable, under and by reason of this Resolution or any provision of this Resolution.

8.04. Persons Authorized to Execute Documents. If for any reason the Finance Officer or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall for any reason cease to be an officer, employee, or agent of the City after the execution by such person of any certificate, instrument, or other written document, such fact shall not affect the validity or enforceability of such certificate, instrument, or other written document. If for any reason the Finance Officer or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall be unavailable to execute such certificates, instruments, or other written documents for any reason, such certificates, instruments, or other written documents may be executed by an acting or assistant to such officer, or by such other officer of the City as in the opinion of the City Attorney is authorized to sign such document.

8.05. Amendments. The authority to approve, execute, and deliver future amendments to the documents executed and delivered by the City in connection with the transactions contemplated by this

Resolution is hereby delegated to the Finance Officer, subject to the following conditions: (a) such amendments do not require the consent of the holders of the Bonds or, if required, such consent has been obtained; (b) such amendments do not materially adversely affect the interests of the City as the issuer of the Bonds; (c) such amendments do not contravene or violate any policy of the City; (d) such amendments are acceptable in form and substance to the City Attorney, bond counsel or other counsel retained by the City to review such amendments; (e) the City has received, if necessary, an opinion of bond counsel to the effect that the amendments will not adversely affect the tax-exempt character or interest on the Bonds (if the Bonds are then tax-exempt obligations); and (f) such amendments do not materially prejudice the interests of the owners of the Bonds. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Finance Officer shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Finance Officer, any instrument authorized by this paragraph to be executed and delivered by the Finance Officer may be executed by such other officer of the City as in the opinion of the City Attorney is authorized to execute and deliver such document.

8.06. Effective Date. This Resolution shall take effect and be in force from and after its approval.

Adopted: October 28, 2009.

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Jill Schwimmer  
President  
Board of Estimate and Taxation

Attest:

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Jack A. Qvale  
Executive Secretary