

PROCEEDINGS OF THE
BOARD OF ESTIMATE AND TAXATION
Regular Meeting - May 13, 2009
Wednesday
City Hall, Room 225 - 4:30 p.m.

The meeting was called to order by president Schwimmer at 4:30 p.m.
Present: Fine, Johnson, Ostrow, Becker, Schwimmer
Absent: Ryback

OLD BUSINESS.

Internal Audit transition status - Bjorklund

NEW BUSINESS.

Internal Audit " A Review of the City of Minneapolis Procedures & Internal Controls Over Fuel Purchases, Inventory & Usage March/April 2009" report presented to the Board by Bjorklund. Johnson moved to receive, file & transmit to the appropriate City Council committee (TAPS). Seconded by Ostrow. After discussion. Adopted. Yeas - Fine, Johnson, Ostrow, Becker, Schwimmer - 5. Nays - none.

Awarding the sale of General Obligation Various Purpose Bonds, Series 2009. The following bids were received:

- Barclays Capital, Inc. 1.50% in 2009, 3.00% in 2010, and 4.00% 2011-2025. Price of \$ 90,195,681.20, net interest cost of \$ 19,314,186,86 for a TIC of 3.0233%.
- BMO Capital Markets Securities Inc. 3.00% 2009-2017, and 4.00% 2018-2025. Price of \$ 87964,561.35, net interest cost of \$ 19,534,994,21 for a TIC of 3.0984%.
- Citigroup Global Markets, Inc. 2.00% in 2009, 3.00% 2010-2014, and 4.00% 2015-2025. Price of \$ 89,010,012.75, net interest cost of \$ 19,340,734.47 for a TIC of 3.0435%.
- Hutchinson, Shockey, Erley & Company, 2.50% 2009=2013, 4.00% 2014-2018, 4,50% 2019-2021, and 5.00% 2022-2025. Price of \$ 90,580,476.28, net interest cost of \$ 21,004,402.89 for a TIC of 3.1161%.
- J. P. Morgan securities Inc., 1.50% in 2009, 3.00% in 2010, and 5.00% 2011-2025. Price of \$ 94,694,217.83, net interest cost of \$ 20,755,564.11 for a TIC of 3.0984%.
- Merrill Lynch & Co., 2.00% in 2009, 3.00% 2010-2011, and 4.005 2012-2025. Price of \$ 90,315,622.55, net interest cost of \$ 19,108,753.84 for a TIC of 2.9863%.
- Piper Jaffray & Co., 2.50% in 2009, 3.00% 2010-2013, and 4.00% 2014-2025. Price of \$ 89,680,109.43, net interest cost of \$ 19,097,211.40 for a TIC of 2.9921%.

Robert W Baird & Company, Inc., fidelity Capital Markets Services, C.L. King & Associates, Stifel, Nicolaus & Company, Inc., Davenport & Company LLC, Charles Schwab & Company, Southwest Securities, Inc., Loop Capital Markets, LLC., Costal Securities L.P., Vining-Sparks IBG, Limited Partnership, Edward D. Jones & Company, Kildare Capital, Samco Capital Markets, Inc. 3.00% 2009=2015, and 4.00% 2016-2025. Price of \$ 88,806,280.76, net interest cost of \$ 19,355,663.68 for a TIC of 3.0506%.

Johnson moved to award to the lower bidder Merrill Lynch & Co. - New York, NY (see Resolution).Seconded by Ostrow. After the various bids were reviewed & explained to the Board. Adopted. Yeas - Fine, Johnson, Ostrow, Becker, Schwimmer - 5. Nays - none. (see resolution). Adjustments to the maturity schedule and the internal maturity structure were authorized to adjust the sale in consideration of the premium.

REPORTS

- R-1. Variable Rates (Tax Exempt) as of May 6 & 13
- R-2. Fitch Ratings Report May 11, 2009.
- R-3. Standard & Poor's Ratings Direct, May 11, 2009.

ADJOURNMENT

Becker moved to adjourn. Seconded by Johnson. Adopted. Meeting adjourned at 5:14 p.m

**ADDENDUM DATED MAY 15, 2009
TO OFFICIAL STATEMENT DATED MAY 1, 2009**

NEW AND REFUNDING ISSUE \$85,370,000

**Moody's Rating: Aa1
Standard & Poor's Rating: AAA
Fitch's Rating: AAA**



**\$85,370,000
CITY OF MINNEAPOLIS, MINNESOTA
General Obligation Various Purpose Bonds, Series 2009
(Book-Entry Only)**

Schedule of Maturity Dates, Principal Amounts and Interest Rates

<u>Maturity (December 1)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP 60374Y</u>
2009	\$12,990,000	2.000%	0.400%	XH5
2010	4,050,000	3.000%	0.900%	XJ1
2011	3,225,000	3.000%	1.100%	XK8
2012	6,655,000	4.000%	1.400%	XL6
2013	9,760,000	4.000%	1.650%	XM4
2014	8,440,000	4.000%	1.950%	XN2
2015	3,700,000	4.000%	2.200%	XP7
2016	7,100,000	4.000%	2.400%	XQ5
2017	1,500,000	4.000%	2.600%	XR3
2018	1,200,000	4.000%	2.890%	XS1
2019	2,950,000	4.000%	3.090%	XT9
2020	2,800,000	4.000%	3.270%	XU6
2021	2,700,000	4.000%	3.420%	XV4
2022	3,900,000	4.000%	3.500%	XW2
2023	3,900,000	4.000%	3.600%	XX0

\$10,500,000 4.000% Term Bond due December 1, 2025 at 3.850% CUSIP 60374Y XZ5

Merrill Lynch & Co. has agreed to purchase the Bonds from the City for an aggregate price of \$90,315,622.55 plus accrued interest, if any, to the date of delivery. It is expected that the Bonds will be available for delivery on or about May 21, 2009.

Original Issue Premium

All Bonds are being sold with an original issue premium. Bondholders should consult their tax advisors regarding the tax consequences related to the Bonds. See "Original Issue Premium" herein.

Mandatory Redemption of Term Bond

The Term Bond maturing on December 1, 2025 (the "Term Bond") is subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on the mandatory dates and in the principal amounts as follows:

<u>2025 Term Bond</u>	
<u>Year</u>	<u>Amount</u>
<u>December 1</u>	
2024	\$6,500,000
2025*	4,000,000

*Stated Maturity Date

The principal amount of the Term Bond may be reduced through earlier optional redemption, with any partial optional redemptions of the Term Bond credited against future mandatory redemptions requirements for such Term Bond in order as the City shall determine.

DAC Bond[®]

THIS ADDENDUM IS INCORPORATED BY REFERENCE AS OF THE DATE HEREOF INTO THE OFFICIAL STATEMENT OF THE CITY DATED MAY 1, 2009, WITH RESPECT TO THE BONDS. TAKEN IN CONJUNCTION WITH SAID OFFICIAL STATEMENT, THIS ADDENDUM SHALL CONSTITUTE A "FINAL OFFICIAL STATEMENT" OF THE CITY WITH RESPECT TO THE BONDS AS THAT TERM IS DEFINED IN RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

RESOLUTION

(By Johnson)

AWARDING THE SALE OF GENERAL OBLIGATION VARIOUS PURPOSE BONDS, SERIES 2009, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$85,370,000; FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION AND DELIVERY; AND PROVIDING FOR THEIR PAYMENT

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

Section 1. Sale of Bonds.

1.01. Pursuant to a resolution adopted by the Board on April 22, 2009, the Board determined to solicit proposals for the purchase of the General Obligation Various Purpose Bonds, Series 2009 (the "Bonds") of the City, in the original aggregate principal amount of \$85,370,000, in accordance with the Official Terms of Proposal on file with the Executive Secretary of the Board and incorporated into the Official Statement, dated May 1, 2009 (the "Official Statement"), prepared and distributed with respect to the Bonds.

1.02. The proposal of Merrill Lynch & Co. (the "Purchaser"), to purchase the Bonds is hereby found and determined to be the most favorable offer received and a reasonable offer and is hereby accepted, the proposal being to purchase the Bonds at a price of \$90,315,622.55 (the principal amount of the Bonds of \$85,370,000.00, plus an original issue premium in the amount of \$5,045,594.85, less an underwriter's discount of \$99,972.30), for Bonds bearing interest as follows:

<u>Maturity Date (December 1)</u>	<u>Interest Rate</u>	<u>Maturity Date (December 1)</u>	<u>Interest Rate</u>
2009	2.00%	2017	4.00%
2010	3.00	2018	4.00
2011	3.00	2019	4.00
2012	4.00	2020	4.00
2013	4.00	2021	4.00
2014	4.00	2022	4.00
2015	4.00	2023	4.00
2016	4.00	2025	4.00

Interest on the Bonds will be payable semiannually on June 1 and December 1 in each year, commencing December 1, 2009.

1.03. The Finance Officer of the City is directed to deposit the good faith check of the Purchaser, pending completion of the sale of the Bonds, and to return the good faith checks of the unsuccessful proposers forthwith. The President and Executive Secretary of the Board are directed to execute the proposal of the Purchaser, or to execute a purchase contract with the Purchaser, on behalf of the City.

1.04. The Board will forthwith issue and sell the Bonds pursuant to Sections 9 and 10 of Chapter 15 of the Charter of the City, in the total principal amount of \$85,370,000, originally dated May 21, 2009, in the denomination of \$5,000 each or any integral multiple thereof, numbered No. R-1, upward, bearing interest as above set forth, and maturing on December 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2009	\$12,990,000	2017	\$1,500,000
2010	4,050,000	2018	1,200,000
2011	3,225,000	2019	2,950,000
2012	6,655,000	2020	2,800,000
2013	9,760,000	2021	2,700,000
2014	8,440,000	2022	3,900,000
2015	3,700,000	2023	3,900,000
2016	7,100,000	2025*	10,500,000

* Term Bond

1.05. Optional Redemption. The City may elect on December 1, 2016, and on any day thereafter to prepay Bonds due on or after December 1, 2017. 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 DTC (as defined in Section 6 hereof) 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.

1.06. Term Bonds; Mandatory Redemption. The Bonds maturing on December 1, 2025, are subject to mandatory sinking fund redemption on December 1 of the following years in the following principal amounts:

<u>Year</u>	<u>Principal Amount</u>
2024	\$ 6,500,000
2025*	4,000,000

* Maturity

The Bonds maturing on December 1, 2025 are hereinafter referred to collectively as the "Term Bonds." The principal amounts of the Term Bonds subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Bonds credited against future mandatory sinking fund redemptions of such Term Bonds in such order as the City shall determine.

Section 2. Registration and Payment.

2.01. The Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.

2.02. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond will be dated as of the date of original issue. The interest on the Bonds is payable on June 1 and December 1 of each year, commencing December 1, 2009, to the registered owners of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day.

2.03. The Finance Officer of the City will act as the initial bond registrar, transfer agent, and authenticating agent (the "Registrar") with respect to the Bonds and will also act as the initial paying agent (the "Paying Agent") with respect to the Bonds. The Registrar must maintain a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged. Upon surrender for transfer of a Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date. When Bonds are surrendered by the registered owner for exchange, the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing. Bonds surrendered upon transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the City. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized. The City and the Registrar may treat the person in whose name a Bond is registered in the bond register as the absolute owner of the Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes, and payments so made to a registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Bonds sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange. If a Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the City and the Registrar must be named as obligees. Bonds so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be retained by the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Bond prior to payment.

2.04. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) to the registered owner of each Bond to be redeemed at the address shown on

the registration books kept by the Registrar not less than thirty (30) days prior to the date of redemption of the Bonds and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of the proceedings for the redemption of Bonds. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

2.05. In the event the Finance Officer determines to appoint a successor corporate Registrar, the Finance Officer is authorized to execute and deliver, on behalf of the City, a contract with such substitute Registrar. Upon merger or consolidation of such Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon thirty (30) days notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all Bonds in its possession to the successor Registrar and must deliver the bond register to the successor Registrar.

2.06. The Bonds will be prepared under the direction of the Executive Secretary and executed on behalf of the City by the respective manual or facsimile signatures of the Finance Officer and the President of the Board and the affixing or imprinting of a facsimile of the corporate seal of the City. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of a Bond, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond will not be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on a Bond is conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so prepared, executed and authenticated, the Executive Secretary will deliver the same in accordance with the delivery instructions of the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

2.07. Temporary Bonds. The City may elect to deliver in lieu of printed definitive Bonds one or more typewritten temporary Bonds in substantially the form set forth in Section 3 with such changes as may be necessary to reflect more than one maturity in a single temporary bond. Upon the execution and delivery of definitive Bonds the temporary Bonds will be exchanged therefor and cancelled.

Section 3. Form of Bond.

3.01. The Bonds will be printed or typewritten in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF HENNEPIN

No. R-_____

\$ _____

**CITY OF MINNEAPOLIS
GENERAL OBLIGATION VARIOUS PURPOSE BOND
SERIES 2009**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____ %	December 1, 20__	May 21, 2009	

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 June 1 and December 1 in each year, commencing December 1, 2009, 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 December 1, 2016, and on any day thereafter to prepay Bonds due on or after December 1, 2017. 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 \$85,370,000 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 May 13, 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, and 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, net revenues from the operation of the City's sewer system, water system, and storm water system financed with proceeds of the Bonds, net revenues of the City's parking fund, sales tax revenues, and ad

valorem taxes, 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 additional 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.

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

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

(The remainder of this page is intentionally left blank)

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)

The following abbreviations, when used in the inscription on the face of this Bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

TEN ENT -- as tenants by entireties

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT —
_____ Custodian _____
(Cust) (Minor)
under Uniform Gifts or Transfers to Minors
Act _____
(State)

Additional abbreviations may also be used though not in the above list.

(The remainder of this page is intentionally left blank)

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP"), the New York Stock Exchange, Inc. Medallion Signatures Program ("MSP") or other such "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

The Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address: _____

(Include information for all joint owners if this Bond is held by joint account.)

Please insert social security or other identifying number of assignee

(The remainder of this page is intentionally left blank)

3.02. The Finance Officer of the City is authorized and directed to obtain a copy of the approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, and cause the opinion to be printed on or to accompany each Bond.

Section 4. Payment; Security; Pledges and Covenants.

4.01. 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 and the following are hereby pledged to the Debt Service Account: (a) special assessments against property specially benefited by local improvements financed with proceeds of the Bonds; (b) net revenues derived from the operation of the City's sewer system, water system, and storm water system financed with proceeds of the Bonds; (c) net revenues derived from the operation of the portion of the City's parking system financed with proceeds of the Bonds; (d) sales tax revenues; and (e) the proceeds of ad valorem taxes levied herein. 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 shall 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 assessments, system revenues, sales tax revenue or proceeds of the taxes levied by this resolution, 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.

4.02. For the purpose of paying the principal of and interest on the Bonds, there is levied a direct annual irrepealable ad valorem tax upon all of the taxable property in the City, to be spread upon the tax rolls and collected with and as part of other general taxes of the City. The tax will be credited to the Debt Service Account above provided and shall be levied in the years and amounts set forth in attached EXHIBIT A to this resolution.

4.03. It is determined that the estimated collection of the foregoing taxes, along with the special assessments, net revenues derived from the operation of the City's sewer system, water system, and storm water system, net revenues derived from the operation of the City's parking system, and sales tax revenues described in Section 4.01, 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 irrepealable 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.

4.04. The Executive Secretary of the Board is authorized and directed to file a certified copy of this resolution with the Taxpayer Services Division Manager of Hennepin County and to obtain the certificate required by Minnesota Statutes, Section 475.63, as amended. Copies of this Resolution shall also be delivered to the Finance Officer and the City Clerk of the City.

Section 5. Authentication of Transcript.

5.01. The City Clerk, the Finance Officer of the City and the Executive Secretary of the Board are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under

their control, relating to the validity and marketability of the Bonds, and such instruments, including any heretofore furnished, will be deemed representations of the City as to the facts stated therein.

5.02. The Finance Officer of the City is authorized and directed to certify, if such officer finds the same to be accurate and true, that the Finance Officer has examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best knowledge of such officer the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement and that 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. The Official Statement is hereby approved.

Section 6. Book-Entry System; Limited Obligation of City.

6.01. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 1.04 hereof. Upon initial issuance, the ownership of each Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns ("DTC"). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

6.02. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository ("Participants") or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar), of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the Finance Officer of the City of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co.," will refer to such new nominee of DTC.

6.03. The City has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the "Representation Letter") which shall govern payment of principal of, premium, if any, and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Bonds will agree to take all action necessary for all representations of the City in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

6.04. In the event the City determines that it is in the best interests of the persons having beneficial interests in the Bonds that they be able to obtain Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the City will issue, transfer and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the City will issue and the Registrar will authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

6.05. Notwithstanding any other provision of this Resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and all notices with respect to the Bond will be made and given, respectively, in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 7. Continuing Disclosure.

7.01. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate substantially in the form on file with the Board. Notwithstanding any other provision of this Resolution, failure of the City to comply with the Continuing Disclosure Certificate is not to be considered an event of default with respect to the Bonds; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this section.

7.02. "Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate to be executed by the Finance Officer of the City and dated on or after May 23, 2009, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Section 8. Tax Covenants.

8.01. 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 Internal Revenue Code of 1986, as amended (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.

8.02. 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.

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Adopted: May 13, 2009.

Jill Schwimmer
President
Board of Estimate and Taxation

Attest:

Jack A. Qvale
Executive Secretary

Award Resolution \$85,370,000 General Obligation Various Purpose Bonds, Series 2009

EXHIBIT A

TAX LEVY

<u>Levy Year</u>	<u>Collection Year</u>	<u>Amount</u>
2009	2010	\$ 1,477,455.00
2010	2011	601,440.00
2011	2012	2,911,440.00
2012	2013	7,565,040.00
2013	2014	5,896,800.00