

By Hodges

**Authorizing the sale and issuance of Taxable General Obligation Tax Increment Refunding Bonds (West Side Milling), Series 2010, and General Obligation Tax Increment Refunding Bonds, Series 2010, of the City of Minneapolis and providing the form, terms, pledge of tax increment revenues and findings, covenants, and directions relating to such obligations.**

Resolved by the City Council of the City of Minneapolis:

**SECTION 1. AUTHORIZATION, FINDINGS AND DEFINITIONS**

**1.01. Projects and Districts.** The City of Minneapolis (the “City”) and the Minneapolis Community Development Agency (the “Agency”) are authorized to establish redevelopment projects in the City pursuant to Minnesota Statutes, Sections 469.001-469.047, as amended (the “Redevelopment Act”). The City and the Agency are authorized to establish tax increment financing districts in the City pursuant to Minnesota Statutes, Section 469.174-469.179, as amended (the “Tax Increment Act”).

**1.02. West Side Milling TIF District.** The Agency established the Industry Square Redevelopment Project (the “Industry Square Project”) in accordance with the requirements of the Redevelopment Act. Pursuant to Resolution No. 98R-026 duly adopted by the City Council of the City on February 6, 1998, and pursuant to Resolution No. 98-1760M, duly adopted by the Board of Commissioners of the Agency, on February 6, 1998, the Agency established the West Side Milling District TIF District No. 86 and Hazardous Substance Subdistrict (the “West Side Milling District”) in accordance with the requirements of the Tax Increment Act. By Resolution No. 01R-025, duly adopted by the City Council of the City on February 2, 2001, and by Resolution No. 01-2370M, duly adopted by the Board of Commissioners of the Agency on February 2, 2001, the City and Agency approved Modification to the Tax Increment Finance Plan (the “TIF Plan”) for the West Side Milling District.

**1.03. West Side Milling Redevelopment Contracts.** In order to provide for the development of the West Side Milling District and the Industry Square Project: (i) the Agency and the Minnesota Historical Society, a chartered public institution under the laws of the State of Minnesota (“MHS”), entered into a Redevelopment Contract, dated as of July 23, 2001 (the “MHS Redevelopment Contract”); and (ii) the Agency and Brighton Development Corporation, a Minnesota corporation (the “Corporation”), entered into a Redevelopment Contract, dated as of July 23, 2001 (the “Brighton Contract”). The MHS Redevelopment Contract provided for the development of a Museum Element on the Museum Parcel and an Office Element on the Office Parcel (as all such terms are defined in the MHS Redevelopment Contract). MHS assigned its Office Development Rights (as defined in the MHS Redevelopment Contract) to Stone Arch Office Limited Partnership, a Minnesota limited partnership (“Stone Arch”), pursuant to the terms of an Assignment and Assumption of Redevelopment Contract (Office Development Rights), dated as of July 23, 2001, between MHS and Stone Arch. The Brighton Contract provides for

the development of thirty-six residential ownership units in the former Humboldt Mill and adjacent property (the “Humboldt Condominiums”).

**1.04. The West Side Milling Finance Plan.** The redevelopment of the West Side Milling District is comprised of the following four elements: (i) the Museum Element (also known as the Mill City Museum); (ii) the Office Element; (iii) the Humboldt Condominiums; and (iv) the construction of Park Avenue South from Washington Avenue South to Second Street South. The public redevelopment costs for the development and redevelopment of the West Side Milling District consist of the costs for historic preservation of the existing buildings in which the Museum Element, the Office Element, and the Humboldt Condominiums are located, the costs for the extension of Park Avenue South to Second Street South, and certain other related costs. The costs for the historic preservation of the existing buildings in which the Museum Element, the Office Element, and the Humboldt Condominiums are located was financed with the proceeds derived from the sale of Taxable General Obligation Tax Increment Bonds, Series 2001A (the “Series 2001A Bonds”), issued by the City in the original aggregate principal amount of \$15,275,000 (and currently outstanding in the principal amount of \$14,495,000), pursuant to the Tax Increment Act and Minnesota Statutes, Chapter 475, as amended (the “Municipal Debt Act”). The costs for the extension of Park Avenue South to Second Street South was financed with the proceeds derived from the sale of General Obligation Tax Increment Bonds, Series 2001B (the “Series 2001B Bonds”), issued by the City in the original aggregate principal amount not to exceed \$1,100,000 (and currently outstanding in the principal amount of \$1,100,000), pursuant to the Tax Increment Act and the Municipal Debt Act. Payment of the principal of and interest on the Series 2001A Bonds and the Series 2001B Bonds is secured by the full faith and credit of the City and, to the extent necessary for this purpose, the City covenanted to 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. Net tax increment revenues derived from the West Side Milling District are pledged to the payment of the Series 2001A Bonds and the Series 2001B Bonds (and also to the General Obligation Tax Increment Bonds, Series 2003A (West Side Milling), issued on July 10, 2003).

**1.05. Humboldt Greenway TIF District.** The Agency established the Humboldt Greenway Redevelopment Project (the “Humboldt Greenway Project”) and approved the Humboldt Greenway Redevelopment Plan on December 18, 1998, in accordance with the requirements of the Redevelopment Act. The Agency established the Humboldt Greenway Tax Increment Financing District (the “Humboldt Greenway District”) and approved the Humboldt Greenway Tax Increment Financing Plan on February 4, 2000, in accordance with the requirements of the Tax Increment Act. The Humboldt Greenway Project and the Humboldt Greenway District were established to provide for the development and redevelopment of an approximately 25-acre area located in the northern portion of the City along Humboldt Avenue North from 46<sup>th</sup> Avenue North to 53<sup>rd</sup> Avenue North and along 50<sup>th</sup> Avenue North from Dupont Avenue North to Girard Avenue North. The entire area is located within the Humboldt Greenway District. The purpose of the Project is to develop a greenway along Humboldt Avenue North and redevelop housing stock in the area. The Project is a partnership between the City, Hennepin County, the State of Minnesota, the Lind-Bohanon Neighborhood, and the Shingle Creek Neighborhood.

**1.06. Humboldt Greenway Redevelopment Contract.** In order to provide for the development of the Humboldt Greenway Project and the Humboldt Greenway District: (i) CountryHome Builders, Inc./Humboldt Greenway Development, LLC (the “Humboldt Greenway Developer”) was selected as developer by the Agency on February 19, 1999; (ii) a Redevelopment Contract, dated as of February 13, 2001 (the “Humboldt Greenway

Redevelopment Contract”), by and between the Agency and the Humboldt Greenway Developer, was entered into and subsequently amended on June 4, 2001, August 3, 2001, November 9, 2004, December 30, 2004, and March 23, 2006, and a sixth amendment was authorized by the Agency on May 16, 2008.

**1.07. The Humboldt Greenway Finance Plan.** In order to finance the property acquisition, demolition, relocation, land disposition, public improvements, and site preparation related to the Humboldt Greenway Project and Humboldt Greenway District, the City issued on November 15, 2001, its General Obligation Tax Increment Bonds, Series 2001C (the “Series 2001C Bonds”), in the original aggregate principal amount of \$4,500,000 (and currently outstanding in the principal amount of \$4,235,000), pursuant to the Tax Increment Act and the Municipal Debt Act. Payment of the principal of and interest on the Series 2001C Bonds is secured by the full faith and credit of the City and, to the extent necessary for this purpose, the City covenanted to levy taxes on all taxable property in the City without limitation as to rate or amount to pay the principal of and interest on the Series 2001C Bonds when due. Net tax increment revenues derived from the Humboldt Greenway District are pledged to the payment of the Series 2001C Bonds.

**1.08. The Greater Hennepin District and the Laurel Village District.** In order to facilitate the development of multifamily rental housing in the central business district of the City, the City and the Agency have taken the following actions: (i) the City established Development District No. 58 (Greater Hennepin Avenue) (the “Greater Hennepin District”) in the City pursuant to authority granted by Minnesota Statutes, Sections 469.124-469.134, as amended, including predecessor statutes (the “Development District Act”); (ii) the Agency established Laurel Village Tax Increment Financing District No. 64 (the “Laurel Village District”) in the Greater Hennepin District pursuant to the requirements of the Tax Increment Act; and (iii) the Agency and Laurel Village Joint Venture Partnership and certain related entities (collectively, the “Laurel Village Developer”), entered into a Contract for Private Development of Land in Minneapolis, Minnesota, dated December 30, 1986, as amended (the “Laurel Village Development Contract”). The Laurel Village Development Contract provides for the development of approximately 1,000 rental housing units and neighborhood retail and commercial facilities (the “Laurel Village Development”).

**1.09. The Laurel Village Finance Plan.** To finance the capital and administration costs of the Laurel Village District as part of the Greater Hennepin District, the City issued its General Obligation Redevelopment Bonds (Hennepin Avenue), Series 1986C (the “Series 1986 Bonds”), in the original aggregate principal amount of \$26,000,000, pursuant to the Tax Increment Act and the Municipal Debt Act. Pursuant to the Tax Increment Act and the Municipal Debt Act, the City issued its General Obligation Laurel Village Refunding Bonds, Series 1992 (the “Series 1992 Bonds”), in the original aggregate principal amount of \$27,675,000, and applied the proceeds derived from the sale of the Series 1992 Bonds to the redemption and prepayment of the Series 1986 Bonds. Pursuant to the Tax Increment Act and the Municipal Debt Act, the City issued its General Obligation Tax Increment Refunding Bonds (Laurel Village), Series 2003 (the “Series 2003 Bonds”), in the original aggregate principal amount of \$26,350,000, and applied the proceeds derived from the sale of the Series 2003 Bonds to the redemption and prepayment of the Series 1992 Bonds. Pursuant to the Tax Increment Act and the Municipal Debt Act, the City issued its Taxable General Obligation Tax Increment Refunding Bonds (Laurel Village), Series 2008 (the “Series 2008 Bonds”), in an aggregate principal amount of approximately \$12,980,000, and applied the net proceeds derived from the sale of the Series 2008 Bonds to a partial advance refunding on March 1, 2010, of the Series 2003 Bonds. The remaining outstanding Series 2003 Bonds maturing on or after March 1, 2011, are

subject to redemption and prepayment, in whole or in part, on March 1, 2010, and on any day thereafter at a redemption price equal to the par amount of the Series 2003 Bonds to be redeemed and prepaid plus accrued interest to the date of redemption. Payment of the principal of and interest on the Series 2003 Bonds is secured by the full faith and credit of the City and, to the extent necessary for this purpose, the City covenanted to levy taxes on all taxable property in the City without limitation as to rate or amount to pay the principal of and interest on the Series 2003 Bonds when due. Net tax increment revenues derived from the Laurel Village District are pledged to the payment of the Series 2003 Bonds.

**1.10. Authority to Issue Refunding Bonds.** Pursuant to applicable provisions of the Tax Increment Act and the Municipal Debt Act, the City is authorized to issue its general obligation bonds to refund any or all general obligation bonds of one or more issues if consistent with covenants made with the holders of the general obligation bonds to be refunded and the issuance of such refunding bonds is determined by the City Council of the City to be necessary or desirable for the reduction of debt service cost to the City or for the extension or adjustment of the maturities in relation to the resources available for their payment. Pursuant to the terms of Section 475.58, subdivision 1, of the Municipal Debt Act, no election is required as a condition to the issuance of such general obligation bonds because the bonds are to be issued as refunding obligations.

**1.11. Redemption of Series 2001B Bonds.** The Finance Officer is hereby authorized and directed to apply available cash of the City to the redemption and prepayment of the Series 2001B Bonds at such time or times and on such terms and conditions as the Finance Officer deems necessary and appropriate.

## SECTION 2. TERMS AND FORM OF BONDS.

**2.01. West Side Milling Refunding Bonds.** To provide for the redemption and prepayment of the Series 2001A Bonds, there is hereby authorized to be issued Taxable General Obligation Tax Increment Refunding Bonds (West Side Milling), Series 2010 (the "Taxable Series 2010 Bonds"), in an aggregate principal amount of approximately \$14,900,000. The proceeds derived from the sale of the Taxable Series 2010 Bonds shall be applied to the refunding of the Series 2001A Bonds on February 1, 2011. Payment of the principal of, premium, if any, and interest on the Taxable Series 2010 Bonds will 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 Taxable Series 2010 Bonds when due. The net tax increment revenues derived from the West Side Milling District and other revenues payable by Stone Arch pursuant to the terms of the MHS Redevelopment Contract and related documents are hereby pledged to the payment of the Taxable Series 2010 Bonds, subject to any subordinate, parity, or superior pledge of such revenues made or to be made with respect to other obligations of the MCDA or the City. It is hereby determined to be necessary and expedient to issue the Taxable Series 2010 Bonds to redeem and prepay the outstanding Series 2001A Bonds in order to reduce debt service costs to the City.

**2.02. Humboldt Greenway Refunding Bonds and Laurel Village Refunding Bonds.** To provide for the redemption and prepayment of the Series 2001C Bonds and the Series 2003 Bonds, there is hereby authorized to be issued General Obligation Tax Increment Refunding Bonds, Series 2010 (the "Tax-Exempt Series 2010 Bonds"), in an aggregate principal amount of approximately \$8,690,000. The proceeds derived from the sale of the Tax-Exempt Series 2010 Bonds shall be applied to the refunding of the Series 2001C Bonds on

February 1, 2011, and shall be applied to the refunding of the Series 2003 Bonds on the earliest date for which adequate notice of redemption can be provided. Payment of the principal of, premium, if any, and interest on the Tax-Exempt Series 2010 Bonds will 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 Tax-Exempt Series 2010 Bonds when due. The net tax increment revenues derived from the Humboldt Greenway District and from the Laurel Village District and any other revenues pledged to the payment of the Series 2001C Bonds or Series 2003 Bonds are hereby pledged to the payment of the Tax-Exempt Series 2010 Bonds, subject to any subordinate, parity, or superior pledge of such revenues made or to be made with respect to other obligations of the MCDA or the City. It is hereby determined to be necessary and expedient to issue the Tax-Exempt Series 2010 Bonds to redeem and prepay the outstanding Series 2001C Bonds and Series 2003 Bonds in order to reduce debt service costs to the City.

**2.03. Bond Terms.** The Taxable Series 2010 Bonds and the Tax-Exempt Series 2010 Bonds are hereinafter referred to collectively as the "Series 2010 Bonds." The Series 2010 Bonds shall be dated the date of issue or shall be dated such other date as the Finance Officer may determine, shall be issued in denominations of \$5,000 or any integral multiple thereof. The Taxable Series 2010 Bonds 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 Tax-Exempt Series 2010 Bonds 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 Taxable Series 2010 Bonds shall be issued in the original aggregate principal amount of \$14,900,000, or such greater or lesser amount as the Finance Officer shall determine to be necessary and appropriate to finance the costs for which the Taxable Series 2010 Bonds are to be issued. The Tax-Exempt Series 2010 Bonds shall be issued in the original aggregate principal amount of \$8,690,000, or such greater or lesser amount as the Finance Officer shall determine to be necessary and appropriate to finance the costs for which the Tax-Exempt Series 2010 Bonds are to be issued. The Series 2010 Bonds shall bear interest at the rates per annum approved by the Finance Officer and shall be payable semiannually on March 1 and September 1 of each year, or on such other dates determined by the Finance Officer, commencing on March 1, 2011, or such other date determined by the Finance Officer, from the date of the Series 2010 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 Series 2010 Bonds shall mature on such dates and in such principal amounts as shall be determined by the Finance Officer, 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 general obligation bonds of the City). The Finance Officer may determine to designate any portion of the principal of the Series 2010 Bonds to be combined into one or more term bonds subject to mandatory sinking fund redemptions in the years and amounts determined by the Finance Officer.

The Finance Officer shall establish the dates on and after which the Series 2010 Bonds shall be subject to redemption and prior payment, in whole or in part, at the option of the City. The redemption prices of the Series 2010 Bonds shall be such redemption prices, with or without premium, as the Finance Officer shall determine necessary to obtain the lowest interest rates for the Series 2010 Bonds consistent with the amended finance plan pursuant to which the Series 2010 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 registered owners in accordance with the terms of the Municipal Debt Act and the terms of the Series 2010 Bonds. In the event of a partial redemption by lot of Series 2010 Bonds, the Bond Registrar shall assign to each Series 2010 Bond then outstanding a distinctive number for each \$5,000 of the principal amount of such Series 2010 Bonds and shall select by lot in the manner it determines the order of numbers, at \$5,000 for each number, for all outstanding Series 2010 Bonds of the maturity to be redeemed. The order of selection of Series 2010 Bonds to be redeemed shall be the Series 2010 Bonds to which were assigned numbers so selected, but only so much of the principal amount of each Series 2010 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 Series 2010 Bond, the same shall be surrendered in exchange for one or more new Series 2010 Bonds in authorized form for the unredeemed portion of principal.

**2.04. Method of Payment; Bond Registrar and Paying Agent.** The Series 2010 Bonds shall be payable as to principal upon presentation and surrender thereof at the office of the Finance Officer, in Minneapolis, Minnesota, as initial Bond Registrar and Paying Agent, or at the offices of such other successor paying 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 Series 2010 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 Series 2010 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 Series 2010 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.

**2.05. Bond Form.** The Series 2010 Bonds shall be in substantially the following form, the text of which may be printed on the face or on the back or partially on the face or back, 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 Finance Officer may determine:

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(Form of Bonds)

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF HENNEPIN

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

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

[CITY OF MINNEAPOLIS  
TAXABLE GENERAL OBLIGATION TAX INCREMENT REFUNDING BOND  
(WEST SIDE MILLING), SERIES 2010]

[CITY OF MINNEAPOLIS  
GENERAL OBLIGATION TAX INCREMENT REFUNDING BOND  
SERIES 2010]

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	March 1, 20__	_____, 2010	

Registered Owner: \_\_\_\_\_

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

The City of Minneapolis (the "City"), in the County of Hennepin and State of Minnesota, for value received, hereby certifies that it is indebted and hereby promises to pay to the registered owner named above or registered assigns, the Principal Amount specified above on the Maturity Date specified above, upon the presentation and surrender hereof, and to pay to the Registered Owner hereof interest on such Principal Amount at the Interest Rate specified above from \_\_\_\_\_, 2010, or the most recent interest payment date to which interest has been paid or duly provided for as specified below, on March 1 and September 1 of each year, commencing \_\_\_\_\_ 1, 20\_\_, until said Principal Amount is paid. Interest shall be computed on the basis of a 360-day year consisting of twelve thirty-day months. Principal and the redemption price is payable in lawful money of the United States of America at the office of the Finance Officer in Minneapolis, Minnesota, as Bond Registrar and Paying Agent, or at the office of such successor agents as the City may designate upon sixty (60) days' notice to the respective Registered Owners at their registered addresses. At the written request of the Registered Owner thereof, payment of at least \$100,000 in principal amount of Bonds of this series shall be made by wire transfer of immediately available funds to any bank in the continental United States upon presentation and surrender thereof. Interest shall be paid on each interest payment date by check or draft mailed to the person in whose name this Bond is registered at the close of business on the fifteenth day of the month preceding each interest payment date (whether or not a business day) at the Registered Owner's address set forth on the registration books maintained by the Bond Registrar or, at the written request of a

Registered Owner of at least \$1,000,000 in aggregate principal amount of the Bonds of this series, by wire transfer of immediately available funds to any bank in the continental United States. Any such interest not punctually paid or provided for will cease to be payable to the person in whose name this Bond is registered on such regular record dates and such defaulted interest may be paid to the person in whose name this Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest established by the Bond Registrar.

This Bond is one of a series of Bonds all of like date and tenor except for number, interest rate, denomination, date of maturity, and redemption privilege, and is issued pursuant to and in accordance with Minnesota Statutes, Sections 469.174 to 469.1799, as amended, and Minnesota Statutes, Chapter 475, as amended (the "Act"), for the purpose of providing funds for the redemption and prepayment of the outstanding principal amount of the City's [Taxable General Obligation Tax Increment Bonds, Series 2001A] [General Obligation Tax Increment Bonds, Series 2001C, and General Obligation Tax Increment Refunding Bonds (Laurel Village), Series 2003].

The Bonds are expected to be paid primarily from collections of tax increment revenues and certain other revenues 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"). Such use of tax increment revenues may be subordinate to, on a parity with, or superior to the pledge to other obligations of the City to which such tax increment revenues have been pledged, and such deposit shall be made only to the extent such tax increment revenues are available therefor; but 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 principal and interest 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.

Reference is hereby made to the Act and to the Bond Resolution for a description of the tax increment revenues and the other revenues that are expected to pay the debt service on the Bonds. Reference is hereby made to the Act and to the Bond Resolution for a description of the nature of the security thereby created, the rights and limitation of the rights of the City and bondholders with respect thereto, and covenants of the City as to the application of the proceeds of the Bonds and the security for the Bonds and interest thereon.

All Bonds maturing on or after March 1, 20\_\_, are subject to redemption at the option of the City, in whole or in part in such order as the City may determine, on March 1, 20\_\_, and any date thereafter at a redemption price equal to par plus accrued interest to the redemption date. Thirty (30) days' notice of prior redemption will be given by mail to registered owners in the manner provided by applicable provisions of the Act.

The Bonds maturing on March 1, 20\_\_, are subject to mandatory sinking fund redemption on March 1 of the following years in the following principal amounts:

[Redemption Table, if applicable]

The specific Bonds subject to mandatory sinking fund redemption are to be randomly selected by the Registrar. All prepayments of the Bonds subject to mandatory sinking fund redemption shall be redeemed at a redemption price of par plus accrued interest to the redemption date. At

the election of the City, Bonds redeemed pursuant to the exercise of any optional redemption may be applied as a credit against any mandatory sinking fund redemption.

This Bond is transferable, as provided in the Bond Resolution, only upon books of the City kept at the office of the Bond Registrar by the registered owner hereof in person or by the registered owner's duly authorized attorney, upon surrender of this Bond for transfer at the office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Bond Registrar duly executed by, the registered owner hereof 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, one or more fully registered Bonds of the series of the same principal amount, maturity and interest rate will be issued to the designated transferee or transferees.

The Bonds are issuable only as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount maturing in any one year. As provided in the Bond Resolution and subject to certain limitations therein set forth, the Bonds are exchangeable for a like aggregate principal amount of Bonds of different authorized denominations, as requested by the registered owner or the registered owner's duly authorized attorney, upon surrender thereof to the Bond Registrar.

It is hereby certified, recited, and declared that all acts, conditions, and things required to exist, happen, and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in regular and due time, form, and manner as required by law; and that this Bond, and the series of which it is a part, is within every applicable debt and other limit prescribed by the Constitution and laws of the State of Minnesota and the Charter of the City.

This Bond shall not be valid or become obligatory for any purpose until the Registration and Authentication Certificate hereon shall have been signed by the Bond Registrar.

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In witness whereof, the City, acting by and through its City Council, has caused this Bond to be executed with the facsimile signature of its Finance Officer and a facsimile of the corporate seal of said City to be imprinted hereon, all as of the Date of Original Issue specified above.

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

**CITY OF MINNEAPOLIS, MINNESOTA**

(SEAL)

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

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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: \_\_\_\_\_

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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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**2.06. Registration.** As long as any of the Series 2010 Bonds issued hereunder shall remain outstanding, the City shall maintain and keep at the office of the Bond Registrar a bond register in which the Bond Registrar provides for the registration of ownership of Series 2010 Bonds and the registration of transfers and exchanges of Series 2010 Bonds entitled to be registered, transferred or exchanged. Upon surrender for transfer of any Series 2010 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 Series 2010 Bonds, of any authorized denominations, and of a like aggregate principal amount, interest rate, and maturity. At the option of the registered owner, upon surrender of a Series 2010 Bond at the office of the Bond Registrar such Series 2010 Bond may be exchanged for an equal aggregate principal amount of Series 2010 Bonds of the same maturity and interest rate of any authorized denominations. In all cases in which the privilege of exchanging Series 2010 Bonds or transferring fully registered Series 2010 Bonds is exercised, the City shall execute and the Bond Registrar shall deliver Series 2010 Bonds in accordance with the provisions of this Resolution. For every such exchange or transfer of Series 2010 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 Series 2010 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 Series 2010 Bonds called for redemption, nor be obligated to make any such exchange or transfer of Series 2010 Bonds during the fifteen (15) days next preceding the date of the mailing of notice of redemption in the case of a proposed redemption of Series 2010 Bonds.

**2.07. Record Dates.** Interest on any Series 2010 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 Series 2010 Bond (or one or more Series 2010 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 Series 2010 Bond which is payable, but is not punctually paid or duly provided for, on any interest payment date shall forthwith 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 Series 2010 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 Series 2010 Bond delivered under this Resolution upon transfer of or in exchange for or in lieu of any other Series 2010 Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Series 2010 Bond and each such Series 2010 Bond shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange, or substitution.

**2.08. Series 2010 Bonds Mutilated, Destroyed, Stolen or Lost.** In case any Series 2010 Bond shall become mutilated or be destroyed, stolen or lost, the City shall execute and the

Bond Registrar shall authenticate and deliver a new Series 2010 Bond of like maturity and principal amount as the Series 2010 Bond so mutilated, destroyed, stolen, or lost, in exchange and substitution for such mutilated Series 2010 Bond, upon surrender and cancellation of such mutilated Series 2010 Bond, or in lieu of and substitution for the Series 2010 Bond destroyed, stolen, or lost, upon filing with the City evidence satisfactory to the City and the Bond Registrar that such Series 2010 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 Series 2010 Bonds so surrendered to the Bond Registrar shall be cancelled by it and evidence of such cancellation shall be given to the City.

**2.09. Owners.** As to any Series 2010 Bond, the City and the Bond Registrar and their respective successors, each in its discretion, may deem and treat the person in whose name the same 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 Series 2010 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 Series 2010 Bond to the extent of the sum or sums so paid.

**2.10. Use of Securities Depository; Book-Entry Only System.** The provisions of this Section shall take precedence over the provisions of Sections 2.01 through 2.09 hereof to the extent they are inconsistent therewith.

(a) The Depository Trust Company (“DTC”) has agreed to act as securities depository for the Series 2010 Bonds, and to provide a Book-Entry Only System for registering the ownership interests of the financial institutions for which it holds the Series 2010 Bonds (the “DTC Participants”), and for distributing to such DTC Participants such amount of the principal and interest payments on the Series 2010 Bonds as they are entitled to receive, for redistribution to the beneficial owners of the Series 2010 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 Series 2010 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 Series 2010 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 Series 2010 Bonds registered in the name of a securities depository 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 Series 2010 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 Series 2010 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 Series 2010 Bonds. The Bond Registrar shall pay all principal of and interest on the Series 2010 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 Series 2010 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 Series 2010 Bond.

(c) Upon receipt by the City and the Bond Registrar of written notice from the 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 Series 2010 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 Series 2010 Bonds; or (ii) to make available Series 2010 Bonds registered in whatever name or names the Beneficial Owner registering ownership, transferring or exchanging such Series 2010 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 Series 2010 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 Series 2010 Bonds. In such event, the City shall cause to be prepared and the Bond Registrar shall issue, transfer, and exchange printed Series 2010 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 Series 2010 Bonds registered on the Bond Register in whatever name or names the Beneficial Owners entitled to receive Series 2010 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 Series 2010 Bond is registered in the name of a securities depository or its nominee, all payments of principal and interest on the Series 2010 Bond and all notices with respect to the Series 2010 Bond shall be made and given, respectively, to the securities depository as provided in the representation letter given to it by the City. The Letter of Representation is confirmed and shall apply to the Series 2010 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 Series 2010 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 Series 2010 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 Series 2010 Bonds through the

securities depository. Nothing herein shall affect the securities depository's rights under clause (e) above.

### SECTION 3. EXECUTION AND DELIVERY OF BONDS AND OTHER DOCUMENTS

**3.01. Method of Sale.** Authority to negotiate the sale and issuance of the Series 2010 Bonds is hereby delegated to the Finance Officer under Section 475.60, subdivision 1, of the Municipal Debt Act; provided that each series of the Series 2010 Bonds shall be sold only at a price of not less than ninety-eight percent (98%) of the principal amount of each such series of Series 2010 Bonds, and the Series 2010 Bonds of each series shall bear interest at the rates specified by the successful proposal. In connection with the sale of the Series 2010 Bonds, by one or more certificates or other written instruments or documents, the Finance Officer may make such additional covenants or directions as it may deem necessary and expedient, including but not limited to, approval of an Official Statement and of a Continuing Disclosure Certificate. Any unused discount, any premium, and any unused issuance costs shall be deposited in the Debt Service Account or applied to such authorized purposes as determined to be appropriate by the Finance Officer.

**3.02. Series 2010 Bonds.** The Series 2010 Bonds shall be executed by the manual or facsimile signatures of the Finance Officer and a facsimile of the corporate seal of the City shall be included as set forth in the form of Series 2010 Bond. The text of the approving legal opinion of Kennedy & Graven, Chartered, of Minneapolis, Minnesota, as bond counsel, shall accompany each Series 2010 Bond. When the Series 2010 Bonds have been duly executed and authenticated by the Bond Registrar in accordance with this Resolution, the Series 2010 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 Series 2010 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.

**3.03. Official Statement.** The Finance Officer shall cause to be prepared an official statement of the City relating to the Series 2010 Bonds and any appropriate addendums to such official statement (collectively, the "Official Statement"), and the use thereof by the purchasers is approved. If deemed necessary or appropriate by the Finance Officer, separate Official Statements may be prepared for the Taxable Series 2010 Bonds and for the Tax-Exempt Series 2010 Bonds.

**3.04. Certificates.** The Finance Officer is authorized and directed to furnish at the closing to the purchasers of each series of the Series 2010 Bonds the following certificates if the Finance Officer determines that such certificates are accurate: (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 Series 2010 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 of each series of the Series 2010 Bonds 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. With respect to the Tax-Exempt Series 2010 Bonds, the Finance Officer shall also execute and deliver a certificate meeting the requirements of the arbitrage regulations under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and certifying as to other federal tax matters as the Finance Officer, in consultation with bond counsel, deems necessary or appropriate. The Finance Officer shall also deliver to the purchasers of each series of the Series 2010 Bonds a signed approving legal opinion of Kennedy & Graven, Chartered, as to the validity and enforceability of the Series 2010 Bonds and, with respect to the Tax-Exempt Series 2010 Bonds, as to the exemption of interest thereon from federal and Minnesota income taxation (subject to customary qualifications and exceptions) under present laws and rulings.

**3.05. Pledge Agreements.** A pledge agreement with respect to the tax increment revenues derived from the West Side Milling District and pledged to payment of the Taxable Series 2010 Bonds, in substantially the form now on file with the City (the "West Side Milling Pledge Agreement"), is hereby approved and, if deemed necessary or appropriate by the Finance Officer, shall be executed with such additions, deletions, and other changes as are approved by the Finance Officer. A pledge agreement with respect to the tax increment revenues derived from the Humboldt Greenway District and pledged to payment of a portion of the Series 2010 Bonds, in substantially the form now on file with the City (the "Humboldt Greenway Pledge Agreement"), is hereby approved and, if deemed necessary or appropriate by the Finance Officer, shall be executed with such additions, deletions, and other changes as are approved by the Finance Officer. The West Side Milling Pledge Agreement and the Humboldt Greenway Pledge Agreement are hereinafter referred to collectively as the "Pledge Agreements." The Pledge Agreements are to be executed and delivered in order to satisfy the requirements of Section 469.178, subdivision 2, of the Tax Increment Act and Sections 475.58, subdivision 1, and 475.61, subdivision 1, of the Municipal Debt Act. The Pledge Agreements create rights in the City and the Agency but are not intended to create duties or obligations of the City or the Agency to any other persons (including the beneficial or registered owners of the Series 2010 Bonds) with respect to the tax increment revenues or other revenues described or referenced in the Pledge Agreements, and are not intended to create rights in or claims by any other persons (including the beneficial or registered owners of the Series 2010 Bonds) with respect to the tax increment revenues or other revenues described or referenced in the Pledge Agreements.

**3.06. Pledge of Revenues from Laurel Village District.** Tax increment revenues derived from the Laurel Village District are pledged to the payment of the Tax-Exempt Series 2010 Bonds issued to refund the Series 2003 Bonds, subject to superior, parity, or subordinate pledges to other obligations of the City or the Agency. The pledge of tax increment revenues derived from the Laurel Village District to the payment of the Taxable General Obligation Tax Increment Refunding Bonds (Laurel Village), Series 2008, is subordinate to the pledge of tax increment revenues derived from the Laurel Village District to the Tax-Exempt Series 2010 Bonds issued to refund the Series 2003 Bonds.

#### SECTION 4. APPLICATION OF PROCEEDS; REDEMPTION OF REFUNDED BONDS.

**4.01. Redemption and Prepayment of Series 2001A Bonds, Series 2001B Bonds, Series 2001C Bonds, and Series 2003 Bonds.** The Series 2001A Bonds, the Series 2001B Bonds, and the Series 2001C Bonds are hereby called for redemption and prepayment on February 1, 2011. The Series 2003 Bonds are hereby called for redemption and prepayment on the earliest date after issuance of the Tax-Exempt Series 2010 Bonds for which adequate notice of redemption can be provided.

**4.02. Escrow Agreements.** In the event that the Finance Officer determines that one or more escrow agreements, between the City and one or more financial institutions selected by the Finance Officer, is necessary to provide for the redemption and prepayment of the Series 2001A Bonds and the Series 2001C Bonds, the Finance Officer is hereby authorized to cause to be prepared such escrow agreements for execution by the Finance Officer. The City shall pay the reasonable fees and expenses of the financial institutions acting as escrow agent pursuant to the terms of the escrow agreements.

**4.03. Appropriation of Funds.** The proceeds of the Series 2010 Bonds are hereby appropriated as follows: (i) accrued interest, if any, shall be deposited in the Debt Service Account; (ii) an amount determined by the Finance Officer to pay interest on the Series 2010 Bonds shall be set aside and applied to such purpose; (iii) an amount sufficient to redeem and prepay the Series 2001A Bonds, the Series 2001C Bonds, and the Series 2003 Bonds and to pay interest to the redemption date shall be applied to such purpose; and (iv) an amount sufficient to pay the costs of issuing the Series 2010 Bonds shall be set aside and applied to such purpose. Any remaining proceeds of the Bonds shall be applied to purposes of the City determined and designated by the Finance Officer.

**4.04. Verification Reports.** In the event that the Finance Officer determines that one or more verification reports should be prepared with respect to the redemption and prepayment of the Series 2001A Bonds and the Series 2001C Bonds in order to confirm that the funds to be applied to the redemption and prepayment of the Series 2001A Bonds and the Series 2001C Bonds will be sufficient for such purposes, the Finance Officer is hereby authorized to select a verification agent to prepare the verification reports. The City shall pay the reasonable fees and expenses of the verification agent.

## SECTION 5. PAYMENT; SECURITY; AND PLEDGES.

**5.01. Redemption Account.** The proceeds of the Taxable Series 2010 Bonds, less any appropriations made in Section 5.02, will be deposited in a separate fund or account to be used solely to redeem and prepay the Series 2001A Bonds. When the redemption and prepayment of the Series 2001A Bonds is complete, the fund or account is to be closed and any remaining balance shall be deposited in the Debt Service Account with respect to the Taxable Series 2010 Bonds. The proceeds of the Tax-Exempt Series 2010 Bonds, less any appropriations made in Section 5.02, will be deposited in a separate fund or account to be used solely to redeem and prepay the Series 2001C Bonds and the Series 2003 Bonds. When the redemption and prepayment of the Series 2001C Bonds and the Series 2003 Bonds is complete, the fund or account is to be closed and any remaining balance shall be deposited in the Debt Service Account with respect to the Tax-Exempt Series 2010 Bonds.

**5.02. Debt Service Accounts.** There is hereby established a Debt Service Account with respect to the Taxable Series 2010 Bonds for payment of principal of, premium, if any, and interest on the Taxable Series 2010 Bonds. To the extent deemed appropriate and in the best interests of the City, the City will apply the tax increment revenues and other revenues pledged to payment of the Taxable Series 2010 Bonds to the payment of the principal of and interest on the Taxable Series 2010 Bonds. The Finance Officer shall deposit in the Debt Service Account, from amounts in the accounts which shall be or have heretofore been created for the deposit of such tax increment revenues and other revenues to be applied to payment of the Taxable Series 2010 Bonds, such tax increment revenues and other revenues as are deemed appropriate and necessary to pay the principal of and interest on the Taxable Series 2010

Bonds when due; provided that such use of tax increment revenues and other revenues is subordinate to any prior obligations of the City to which the tax increment revenues and other revenues have been pledged (if such pledge does not recognize or permit parity claims or parity uses of such tax increment revenues and other revenues) and such deposit shall be made only to the extent such tax increment revenues and other revenues are available therefor. The City and the Agency may pledge or apply the tax increment revenues and other revenues to existing or future obligations of the City and the Agency on a parity or priority basis with the Taxable Series 2010 Bonds.

There is hereby established a Debt Service Account with respect to the Tax-Exempt Series 2010 Bonds for payment of principal of, premium, if any, and interest on the Tax-Exempt Series 2010 Bonds. To the extent deemed appropriate and in the best interests of the City, the City will apply the tax increment revenues and other revenues pledged to payment of the Tax-Exempt Series 2010 Bonds to the payment of the principal of and interest on the Tax-Exempt Series 2010 Bonds. The Finance Officer shall deposit in the Debt Service Account, from amounts in the accounts which shall be or have heretofore been created for the deposit of such tax increment revenues and other revenues to be applied to payment of the Tax-Exempt Series 2010 Bonds, such tax increment revenues and other revenues as are deemed appropriate and necessary to pay the principal of and interest on the Tax-Exempt Series 2010 Bonds when due; provided that such use of tax increment revenues and other revenues is subordinate to any prior obligations of the City to which the tax increment revenues and other revenues have been pledged (if such pledge does not recognize or permit parity claims or parity uses of such tax increment revenues and other revenues) and such deposit shall be made only to the extent such tax increment revenues and other revenues are available therefor. The City and the Agency may pledge or apply the tax increment revenues and other revenues to existing or future obligations of the City and the Agency on a parity or priority basis with the Tax-Exempt Series 2010 Bonds.

**5.03. Pledge of Full Faith and Credit; Tax Levies.** The full faith and credit of the City are irrevocably pledged for the prompt and full payment of the Series 2010 Bonds and the interest thereon, when due. It is hereby estimated that the tax increment revenues and other revenues to be applied to the payment of the Series 2010 Bonds under Section 5.01 will produce at least five percent (5.00%) in excess of the amount needed to meet when due the principal and interest payments on the Series 2010 Bonds, but the City shall levy, in addition to all other taxes, a direct tax on all taxable property in the City, without limitation as to rate or amount, if necessary to pay such principal and interest when due. Without limiting the foregoing, the City shall levy taxes in each year to the extent estimated collections of tax increment revenues and other revenues to be applied to the payment of the Series 2010 Bonds in the following year, together with available amounts on deposit in the Debt Service Accounts and other dedicated funds, are insufficient to pay the principal of and interest on the Series 2010 Bonds in such subsequent year and at least five percent in excess thereof.

## SECTION 6. COVENANTS OF THE CITY.

**6.01. Tax Covenant.** The City shall not take any action or authorize any action to be taken in connection with the application or investment of the proceeds of the Tax-Exempt Series 2010 Bonds or any related activity which would cause the Tax-Exempt Series 2010 Bonds to be deemed to be "private activity bonds," within the meaning of Section 141 of the Code, or "arbitrage bonds," within the meaning of Section 148 of the Code and applicable Treasury Regulations promulgated thereunder. The City shall take all such action as may be required under the Code and applicable Treasury Regulations to ensure that interest on the Tax-Exempt

Series 2010 Bonds is not and does not become includable in gross income for federal income tax purposes.

**6.02. Not Private Activity Bonds.** The investments of the proceeds of the Tax-Exempt Series 2010 Bonds, including the investments of any revenues pledged to the Tax-Exempt Series 2010 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 Tax-Exempt Series 2010 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 Tax-Exempt Series 2010 Bonds will be used in such manner as to cause the Tax-Exempt Series 2010 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 may make any election permitted under Section 148 or Section 150 of the Code on behalf of the City with respect to the Tax-Exempt Series 2010 Bonds.

## SECTION 7. MISCELLANEOUS.

**7.01. Registration.** The City Clerk 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 the registration of the Series 2010 Bonds.

**7.02 Certification.** The City Clerk, the Finance Officer, and other officers and employees of the City are hereby authorized and directed to furnish to the attorneys approving the Series 2010 Bonds, on behalf of the purchasers of the Series 2010 Bonds, certified copies of all proceedings and certifications as to facts as shown by the books and records of the City, to show the proceedings taken in connection with the Series 2010 Bonds, and the right and authority of the City to issue the Series 2010 Bonds, and all such certified copies and certifications shall be deemed representations of fact on the part of the City.

**7.03. 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 of any officer, employee, or agent of the City in that person's individual capacity. Neither the members of the City Council nor any officer executing the Series 2010 Bonds shall be liable personally on the Series 2010 Bonds or be subject to any personal liability or accountability by reason of the issuance of the Series 2010 Bonds.

**7.04. 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 Series 2010 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.

**7.05. 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.

**7.06. 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 Series 2010 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 Series 2010 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 Tax-Exempt Series 2010 Bonds (if the Tax-Exempt Series 2010 Bonds are then tax-exempt obligations); and (f) such amendments do not materially prejudice the interests of the owners of the Series 2010 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.

**7.07. Effective Date.** This resolution shall take effect and be in force from and after its approval and publication.

