

**RESOLUTION**  
**of the**  
**CITY OF MINNEAPOLIS**

By \_\_\_\_\_

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$10,500,000  
VARIABLE RATE DEMAND REVENUE BONDS (MACPHAIL CENTER FOR MUSIC  
PROJECT), SERIES 2006 AND AUTHORIZING EXECUTION AND DELIVERY OF  
VARIOUS DOCUMENTS

RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS:

1. Authority. This City is, by the Constitution and Laws of the State of Minnesota, including Sections 469.152 to 469.165, Minnesota Statutes, as amended (the "Act"), authorized to issue and sell its revenue bonds for the purpose of financing the cost of acquisition and construction of authorized projects and to enter into contracts necessary or convenient in the exercise of the powers granted by the Act.

2. Authorization of Bonds. The City hereby determines that it is necessary and expedient to authorize, and the City does hereby authorize, the issuance and sale of the City's Variable Rate Revenue Bonds (MacPhail Center for Music Project), Series 2006 (the "Bonds") pursuant to the Act to provide money to be loaned to MacPhail Center for Music, a Minnesota nonprofit corporation (the "Borrower") in the aggregate principal amount of Ten Million Five Hundred Thousand Dollars (\$10,500,000) to finance costs of acquiring and constructing the Borrower's new music education facility (the "Project") to be leased to and operated by the Borrower.

3. Documents Presented. Forms of the following documents relating to the Bonds and the Project have been prepared or reviewed by bond counsel, and submitted to the City and are now on file in the office of the City:

(a) Loan Agreement (the "Loan Agreement") dated as of July 1, 2006, between the City and the Borrower, whereby the City agrees to make a loan of the proceeds of the Bonds to the Borrower to finance the Project and the Borrower agrees to pay amounts sufficient to provide for the full and prompt payment of the principal of, premium, if any, and interest on the Bonds;

(b) Indenture of Trust (the "Trust Indenture") dated as of July 1, 2006, between the City and U.S. Bank National Association (the "Trustee"), pledging the revenues to be derived from the Loan Agreement as security for the Bonds, and setting forth proposed recitals, covenants and agreements relating thereto;

(c) Bond Purchase Agreement (the "Bond Purchase Agreement") among the City, the Borrower and Piper Jaffray & Co. (the "Underwriter"); and

(d) Official Statement (the "Official Statement") (the Official Statement is not to be executed by the City).

4. Findings. It is hereby found, determined and declared that:

(a) The Project furthers the purposes and policies of the Act.

(b) The City held a public hearing relating to the Project, the application for approval of the Project was approved by the Commissioner of Employment and Economic Development and, in the opinion of bond counsel based on representations of the Borrower, the Bonds will be qualified Section 501(c)(3) bonds within the meaning of Section 145 of the Code.

(c) The Loan Agreement provides for payments by the Borrower to the Trustee for the account of the City of such amounts as will be sufficient to pay the principal of and interest on the Bonds when due. The Loan Agreement obligates the Borrower to provide for the operation and maintenance of the Project, including adequate insurance, taxes and special assessments. The Loan Agreement further provides for the payment of fees to the City as set forth therein.

(d) The payment of principal and interest on the Bonds is supported by a Letter of Credit to be issued by U.S. Bank National Association.

(e) The Borrower has approved and requested the City to accept the proposal of the Underwriter to purchase the Bonds on the terms set forth herein and in the Bond Purchase Agreement, and the proposal appears feasible and reasonable.

(f) The Bonds are, and are hereby designated to be, program bonds as defined in Resolution No. 88R of the City Council adopted January 29, 1988, and as amended by Resolution 97R-402 of the City adopted December 12, 1997.

(g) Under the provisions of Section 469.162 of the Act and as provided in the Loan Agreement and Indenture, the Bonds are not to be payable from nor charged upon any funds other than amounts payable pursuant to the Loan Agreement and moneys in the funds and accounts held by the Trustee which are pledged to the payment thereof; the City is not subject to any liability thereon; no holders of the Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay any of the Bonds or the interest thereon, nor to enforce payment thereof against any property of the City; the Bonds shall never constitute an indebtedness of the City, within the meaning of any constitutional, statutory or charter limitation and shall not constitute nor give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers; the Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City; and each Bond issued under the Trust Indenture shall recite that the Bond, including interest thereon, shall not constitute nor give rise to a charge against the general credit or taxing powers of the City and does not grant to the owner or holder of any Bond the right to have the City levy taxes or appropriate any funds for the payment of principal thereof or the interest or premium, if any, thereon and the Bond is not a general obligation of the City or individual officers or agents thereof.

5. Approval and Execution of Documents. The forms of Indenture, Loan Agreement and Bond Purchase Agreement referred to in paragraph 3 are approved and shall be executed in the name and on behalf of the City by the Finance Officer or the officers authorized to act on behalf of the foregoing officers, in

substantially the form on file, but with all such changes therein, not inconsistent with the Act or other law, as may be approved by the officers executing the same, which approval shall be conclusively evidenced by the execution thereof. The Bonds shall be executed as provided by the Indenture. The Bonds shall contain a recital that they are issued pursuant to the Act and such recital shall be conclusive evidence of their validity and the regularity of their issuance.

6. **Certifications.** The officers of the City are authorized and directed to prepare and furnish to bond counsel, to the Borrower, to the Underwriter and to counsel for the Borrower and the Underwriter, certified copies of all proceedings and records of the City relating to the Project and the Bonds, and such other affidavits and certificates as may be required to show the facts appearing from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the City as to the trust of all statements contained therein.

Certified as an official action of the City Council:

RECORD OF COUNCIL VOTE (X INDICATES VOTE)													
COUNCIL MEMBER	AYE	NAY	NOT VOTING	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN	COUNCIL MEMBER	AYE	NAY	NOT VOTING	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN
President Ostrow							Goodman						
							Lilligren						
Zerby							Schiff						
Samuels							Niziolek						
Johnson							Benson						
Johnson Lee							Colvin Roy						
Zimmermann							Lane						

**PASSED** \_\_\_\_\_  
DATE

**APPROVED**  **NOT APPROVED**  **VETOED**

**ATTEST** \_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR DATE