

By _____

Authorizing the issuance and sale of General Obligation Pension Bonds (Minneapolis Police Relief Association), Series 2004; providing the form and terms of the obligations, pledging certain tax revenues; and making certain 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. Minneapolis Police Relief Association. The Minneapolis Police Relief Association (“MPRA”) was established in 1905 and was closed to new members in 1980. The membership of MPRA includes seventy-three active employees and 680 retirees, surviving spouses, and dependent children. Minnesota law requires that MPRA be fully funded by December 31, 2010. Each year the actuary for MPRA determines the amount needed to amortize any unfunded actuarial accrued liability by December 31, 2010. The City is required to fund an amount equal to the amortization of the unfunded liability reduced by contributions and State aid. The unfunded liability of the MPRA recently increased and the City has determined to finance a portion of this unfunded liability with the proceeds of general obligation bonds of the City. This Council hereby determines that: (i) it is necessary and expedient for the City to finance a portion of the current and future unfunded liabilities of MPRA through the issuance of general obligation bonds of the City; and (ii) it is necessary and expedient for the City to expend municipal funds for the foregoing purposes.

1.02. Authority. Under Minnesota Statutes, Section 475.52, subdivision 6, as amended, the City is authorized to issue general obligation bonds to fund all or part of the City’s current and future unfunded liability for a pension or retirement fund or plan referred to in Minnesota Statutes, Section 356.20, subdivision 2, as amended. MPRA is referred to in Minnesota Statutes, Section 356.20, subdivision 2, as amended. As a condition to the issuance of general obligation bonds by the City to fund all or part of the City’s current and future unfunded liability to MPRA, the board of trustees or directors of MPRA must consent to the issuance of such bonds. Pursuant to Minnesota Statutes, Section 475.58, subdivision 1(7), general obligation bonds may be issued by the City to fund pension or retirement fund liabilities pursuant to Minnesota Statutes, Section 475.52, subdivision 6, without obtaining the approval of a majority of the electors voting on the question.

1.03. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.03 shall, for all purposes of this Bond Resolution and any resolution supplemental hereto, have the meanings herein specified, such definitions to be equally applicable to both the singular and plural forms of any of the terms defined:

“Act” means Minnesota Statutes, Chapter 475, as amended from time to time.

“City” means the City of Minneapolis, a municipal corporation and political subdivision of the State of Minnesota.

“Holder,” “Bondholder,” or “owner” means the person in whose name a Bond is registered.

“Letter of Representations” means the Blanket Letter of Representations from the City to The Depository Trust Company, New York, New York.

“MPRA” means the same as such term is defined in Section 1.02 of this Bond Resolution.

“Series 2004 Bonds” or “Bonds” means the Taxable General Obligation Pension Bonds (MPRA), Series 2004, authorized by this Bond Resolution.

SECTION 2. TERMS AND FORM OF SERIES 2004 BONDS.

2.01. Bond Terms. It is hereby determined to be necessary and expedient to issue the Bonds to finance the costs referred to in Section 1.01 of this Resolution. The Bonds shall be designated “Taxable General Obligation Pension Bonds (MPRA),” shall be issued in one or more series as the Finance Officer may determine, and shall be assigned a separate series designation determined by the Finance Officer for each series issued by the City. The Bonds shall be dated on December 1, 2004, or such other date as the Finance Officer may determine, shall be issued in denominations of \$5,000 or any integral multiple thereof, and each series shall be numbered from R-1 upwards in order of issuance, or with such other numbering and in such other order as the Bond Registrar (as hereinafter defined) may determine. The Bonds shall be issued in the original aggregate principal amount of \$24,970,000, or such lesser amount as the Finance Officer shall determine to be necessary and appropriate to finance the unfunded liability of the MPRA for which the Bonds are to be issued. The Bonds shall bear interest at the rates per annum approved by the Finance Officer in connection with the sale thereof, payable semiannually on June 1 and December 1 of each year, or such other dates determined by the Finance Officer, commencing on June 1, 2005, or such other date determined by the Finance Officer, from the date of the Bonds or the most recent interest payment date to which interest has been paid or duly provided for, computed on the basis of a 360-day year of twelve thirty-day months. The principal of the Bonds shall mature on such dates and in such principal amounts as shall be determined by the Finance Officer, consistent with the requirements of Section 475.54, subdivisions 1 and 17, of the Act (determined, if necessary, by combining such maturities with those of other obligations of the City). The Finance Officer may determine to designate any portion of the principal of the Bonds to be combined within 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 a date on and after which all Bonds shall be subject to redemption and prior payment in whole or in part at the option of the City. The redemption price of the Bonds shall be at such redemption prices, with or without premium, as the Finance Officer shall determine necessary to obtain the lowest interest rates for the Bonds consistent with the amended finance plan pursuant to which the Bonds are to be issued.

Thirty days prior to any redemption date, notice of any such redemption shall be given by mail to the banks where the Bonds are payable and to the registered owners, in accordance with the terms of the Act. In the event of a partial redemption by lot of Bonds, the Bond Registrar shall assign to each Bond then outstanding a distinctive number for each \$5,000 of the principal amount of such Bonds and shall select by lot in the manner it determines the order of numbers, at \$5,000 for each number, for all outstanding Bonds of the maturity to be redeemed. The order of selection of Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of

each Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. Upon partial redemption of any Bond, the same shall be surrendered in exchange for one or more new Bonds in authorized form for the unredeemed portion of principal. The method of selecting Bonds for optional redemption may be altered in such manner as the Finance Officer shall determine to be necessary and appropriate in the interests of the City and the owners of the Bonds.

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

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

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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 PENSION BOND (MPRA)
SERIES 2004

<u>Interest Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
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Registered Owner:

Principal Amount:

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 sum at the interest rate specified above from _____, or the most recent interest payment date to which interest has been paid or duly provided for as specified below, on _____ 1 and _____ 1 of each year, commencing _____, until said principal sum 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 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 in the aggregate principal amount of _____ Dollars (\$_____), 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, Chapter 475, as amended (the "Act") for the purpose of financing a portion of the current and future unfunded liability for the Minneapolis Police Relief Association, all as set forth and described in a resolution of the City Council relating to the issuance of the Bonds (the "Bond Resolution").

The Bonds of this series are payable from collections of the ad valorem taxes hereinafter levied which have been pledged to the Debt Service Account for the Bonds by the Bond Resolution; but the full faith and credit of the City of Minneapolis 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 additional 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.

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 of this series and the money pledged to the payment of the Bonds and interest thereon.

All Bonds maturing on or after _____, are subject to redemption at the option of the City, in whole or in part in such order as the City may determine, on _____, and any date thereafter at a redemption price equal to par plus accrued interest to the redemption date [plus the redemption premium set forth in the following table].

[Redemption Premium Table, if applicable]

Thirty days' notice of prior redemption will be given by mail to registered owners in the manner provided by applicable provisions of the Act.

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 of this series 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 of this series are exchangeable for a like aggregate principal amount of Bonds of this series 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.

In witness whereof, the City, acting by and through its City Council, has caused this Bond to be executed with the manual or 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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Bond 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 Bond Registrar

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.

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

2.05. Record Dates. Interest on any Bond which is payable, and is punctually paid or duly provided for, on any interest payment date shall be paid to the person in whose name that Bond (or one or more Bonds for which such bond was exchanged) is registered at the close of business on the fifteenth day of the preceding month. Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any interest payment date shall 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 Bonds are registered at the close of business on a special record date established by the Bond Registrar. Subject to the foregoing provisions of this paragraph, each Bond delivered under this Resolution upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

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

Registrar may prescribe and paying such expenses as the City and the Bond Registrar may incur in connection therewith. All Bonds so surrendered to the Bond Registrar shall be cancelled by it and evidence of such cancellation shall be given to the City.

2.07. Owners. As to any Bond, the City and the Bond Registrar and their respective successors, each in its discretion, may deem and treat the person in whose name 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 Bond shall be made only to or upon the order of the registered owner thereof, but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

2.08. Use of Securities Depository; Book-Entry Only System. The provisions of this Section shall take precedence over the provisions of Sections 2.01 through 2.07 hereof to the extent they are inconsistent therewith.

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

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

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

(c) Upon receipt by the City and the Bond Registrar of written notice from DTC or any other securities depository to the effect that it is unable or unwilling to discharge its responsibilities under the Book-Entry Only System, the Bond Registrar shall issue, transfer, and exchange Bonds of the initial series as requested by the securities depository in appropriate amounts, and whenever the securities depository requests the City and the Bond Registrar to do so, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice: (i) to arrange for a substitute depository willing and able, upon reasonable and customary terms, to maintain custody of

the Bonds; or (ii) to make available Bonds registered in whatever name or names the Beneficial Owner registering ownership, transferring or exchanging such Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

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

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

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

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

SECTION 3. EXECUTION AND DELIVERY OF BONDS AND OTHER DOCUMENTS

3.01. Method of Sale. Authority to negotiate the sale and issuance of the Bonds is hereby delegated to the Finance Officer under Section 475.60, subdivision 1, of the Act; provided that each series of Bonds shall be sold only at a price of not less than ninety-eight percent of the principal amount of such series of Bonds, and the Bonds shall bear interest at the rates specified by the successful proposal. In connection with the sale of the Bonds, by one or more certificates or other written instruments or documents, the Finance Officer may make such additional covenants or directions as 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 and any unused issuance costs shall be deposited in the Debt Service Account or applied to such other purposes as determined to be appropriate by the Finance Officer.

3.02. Bonds. The Bonds shall be executed by the manual or facsimile signature of the Finance Officer and a facsimile of the corporate seal of the City shall be included as set forth in the form of Bond. The text of the approving legal opinion of Kennedy & Graven, Chartered, of Minneapolis, Minnesota, as bond counsel, may be printed on or accompany the delivery of each Bond. When the Bonds have been

duly executed and authenticated by the Bond Registrar in accordance with this Resolution, the Bonds shall be delivered to the purchasers in accordance with the terms of the sale upon payment of the purchase price, and the receipt of the Finance Officer to said purchasers thereof shall be a full acquittance; and said purchasers shall not be bound to see to the application of the purchase money. The Bonds shall not be valid for any purpose until authenticated by the Bond Registrar, which is hereby appointed authenticating agent in accordance with the Act.

3.03. Official Statement. The Finance Officer shall cause an Official Statement relating to the Bonds and any appropriate addendums to such Official Statement to be prepared (collectively, the “Official Statement”), and the use thereof by the purchasers is approved.

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

SECTION 4. APPLICATION OF PROCEEDS.

4.01. Appropriation of Funds. The proceeds of the Bonds are hereby appropriated as follows: (a) any accrued interest and premium shall be deposited in the Debt Service Account (established pursuant to Section 5.01 hereof), (b) an amount sufficient to pay the portion of the costs of the current and future unfunded liability of MPRA to be financed with the Bonds shall be set aside for such purpose, and (c) an amount equal to the expenses of the transaction shall be applied to the payment thereof, and after retaining overhead expenses, the City shall apply the balance to any lawful purpose.

SECTION 5. COVENANTS OF THE CITY.

5.01. Debt Service Account. There is hereby established a separate Debt Service Account for payment of principal of, premium, if any, and interest on the Bonds. The City hereby pledges the proceeds of the ad valorem taxes hereinafter levied to the payment of principal of, premium, if any, and interest on the Bonds. 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 such fund will be reimbursed for those advances out of the proceeds of the taxes levied by this Bond 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 of the Bonds, and (iii) the accrued interest, if any, paid by the purchaser of the Bonds upon closing and delivery of the Bonds.

5.02. Tax Levy. For the purpose of paying the principal of and interest on the Bonds, there is hereby authorized to be levied a direct annual irrevocable 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, upon the award of the Bonds and the determination of the interest rates on the Bonds and the application of the proceeds of the Bonds, the Finance Officer shall determine, and the Board shall approve, the amounts, the levy years, and the collection years of such tax levy sufficient to pay the principal of and interest on the Bonds consistent with the other provisions of this Bond Resolution.

5.03. Pledge of Full Faith and Credit; Tax Levies. The full faith and credit of the City of Minneapolis are irrevocably pledged for the prompt and full payment of the Bonds and the interest thereon, when due. The collections of the foregoing taxes pledged to the Bonds under Section 5.01 shall be determined to produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the 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 the sum of the estimated collections of the foregoing taxes in the following year, together with available amounts on deposit in the Debt Service Account and other dedicated funds, are insufficient to pay principal of and interest on the Bonds in such subsequent year and at least five percent (5.0%) in excess thereof.

SECTION 6. BOOK-ENTRY SYSTEM; LIMITED OBLIGATION OF CITY.

6.01. Form of Bonds. 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. DTC and Cede & Co. 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 Bond 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. Representation Letter. 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. Transfers Outside Book-Entry System. 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 Bond 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 Bond Resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

6.05. Payments to Cede & Co. Notwithstanding any other provision of this Bond 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. MISCELLANEOUS.

7.01. Registration. The Finance Officer is hereby authorized and directed to certify a copy of this Bond Resolution and to cause the same to be filed with the Hennepin County Director of Property Taxation, exercising the powers of the County Auditor under Minnesota Statutes, Section 475.63, as amended, and to obtain a certificate as to registration of the 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 Bonds, on behalf of the purchasers of the 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 Bonds, and the right and authority of the City to issue the Bonds, and all such certified copies and certifications shall be deemed representations of fact on the part of the City.

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