

Goodman

Amending the IDB Account Resolution.

Whereas, the Minneapolis Community Development Agency (the "Agency") has previously adopted Resolution No. 92-814M, as amended (the "Agency IDB Account Resolution"), in order to provide further security for certain obligations issued pursuant to the "Original Basic Resolution" and "New Basic Resolution" as defined therein, and herein, the "Agency Basic Resolutions." Pursuant to the Agency Basic Resolutions, the Agency has issued several series of obligations secured by the Agency Basic Resolutions and the Agency IDB Account Resolution. Pursuant to the authority of 2003 Minnesota Laws, Chapter 127, Article 12, Sections 31-34, and as contemplated by Chapter 415 of the Minneapolis Code of Ordinances, the Agency and the City of Minneapolis (herein, the "Issuer") have executed an Assignment and Assumption Agreement, dated as of January 1, 2004, in order to transfer the assets, rights and obligations of the Agency related to the Agency IDB Account Resolution and the Agency Basic Resolutions to the Issuer. The Issuer has on the date hereof adopted its Resolution No. _____ (the "A Basic Resolution") and its Resolution No. _____ (the "B Basic Resolution") in order to amend and restate the Agency Basic Resolutions to clarify the Issuer's rights and obligations with respect to bonds issued and to be issued thereunder (herein, the "Bonds"). This Amended and Restated IDB Account Resolution (hereinafter, the "IDB Account Resolution") is intended to make similar clarifying amendments to the Agency IDB Account Resolution.

Now, Therefore, Be It Resolved by The City Council of The City Minneapolis:

That the Agency IDB Account Resolution is hereby amended and restated in its entirety as follows:

Section 1. IDB Account. The Issuer hereby determines and, so long as any of the Bonds are Outstanding under the provisions of the A Basic Resolution or B Basic Resolution ("Outstanding"), covenants and agrees with the holders of any Bonds and the trustees under the A Basic Resolution and B Basic Resolution as follows:

(a) *Establishment.* There is hereby established a separate and special account to be known as the "IDB Account," containing three subaccounts known as the "Issuer Subaccount," the "A Subaccount" and the "B Subaccount." The IDB Account shall be held as provided below.

(b) *Deposits.* There shall be deposited in the respective subaccounts of the IDB Account the following revenues of the Issuer, (i) amounts transferred in accordance with the A Basic Resolution and B Basic Resolution, (ii) reimbursements of advances pursuant to paragraph (d) of this Section, (iii) earnings on amounts in the respective subaccounts of the IDB Account (subject

to paragraph (e) of this Section), (iv) revenues derived from amounts appropriated by the Issuer and (v) any other sources as directed by the Issuer.

(c) *Investments.* Moneys in the IDB Account may be legally invested and reinvested in such deposits or securities as the Issuer may lawfully make or purchase and hold for the deposit and investment of debt service funds of the Issuer in the manner and subject to the conditions as may from time to time be provided by law with respect thereto. The investment of funds shall be limited as to amount and yield of investment in such manner that no Bonds shall be deemed “arbitrage bonds” under the Internal Revenue Code of 1986, as amended (the “Code”), and regulations thereunder.

(d) *Advances.* Advances and reimbursement of the IDB Account and any funds on deposit therein shall be applied in accordance with the provisions of the A Basic Resolution and B Basic Resolution.

(e) *Withdrawal of Excess Reserves.* In the event the amounts of cash and investments held in the IDB Account (for this purpose, as separately defined in the A Basic Resolution or B Basic Resolution) exceed \$10,000,000 (valued at market in the reasonable discretion of the Finance Officer of the Issuer), the Finance Officer of the Issuer in his sole judgment and discretion and subject in any case to all of the provisions and requirements of the A Basic Resolution, the B Basic Resolution, this IDB Account Resolution, and all other requirements applicable from time to time to the Bonds Outstanding, may from time to time withdraw and appropriate amounts in excess thereof for any lawful purpose of the Issuer; provided, however, that amounts so held in the IDB Account, together with amounts drawable under a Qualified Letter of Credit for deposit in the Common Bond Fund (as defined in the A Basic Resolution and B Basic Resolution) or IDB Account, equal not less than \$15,000,000, and further subject to all other applicable requirements in respect of Bonds Outstanding. A “Qualifying Letter of Credit” shall be an irrevocable letter of credit issued by a bank or other entity qualified to act as Trustee under the A Basic Resolution or B Basic Resolution for an initial term of not less than five (5) years and may include the “Letter of Credit” defined in the A Basic Resolution and B Basic Resolution.

(f) *Further Limitation on Withdrawal of Excess Reserves.* Notwithstanding the provisions of Section 1(e) of this IDB Account Resolution, the Issuer covenants and agrees that it shall not, on a discretionary basis, withdraw any money or investments thereon from the IDB Account (and any subaccounts therein) until the amount credited to the IDB Account (and any subaccounts therein) exceeds twenty percent (20%) of the then current aggregate principal amount of all Outstanding Bonds secured by the A Basic Resolution and B Basic Resolution (the “Discretionary Withdrawal Threshold”). Once funds in the IDB Account (and any subaccounts therein) equal or exceed the Discretionary Withdrawal Threshold, the Issuer shall not, on a discretionary basis, withdraw any amounts from the IDB Account which would reduce amounts credited to the IDB Account, and any subaccounts therein (after giving effect to such withdrawal)

to an amount less than the Discretionary Withdrawal Threshold. Nothing herein shall limit or otherwise prohibit withdrawals or transfers from the IDB Account (and any subaccounts therein) which would bring amounts therein to a level less than the Discretionary Withdrawal Threshold for the purpose of (i) replenishing other funds or accounts pledged to the payment of the Bonds, or paying debt service on Bonds as provided in the applicable A Basic Resolution or B Basic Resolution; (ii) paying any arbitrage rebate obligation of the Issuer pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and preceding or successor provisions thereof; or (iii) reimbursing the Bank for any draw on the Letter of Credit as required by Section 405(b) of the A Basic Resolution and B Basic Resolution. For purposes of this subsection, investments in the IDB Account (and any subaccounts therein) shall be valued by the Issuer at their market value at the time of the proposed withdrawal. For the purpose of this Section, the term "Outstanding Bonds" means all Bonds secured by the A Basic Resolution and the B Basic Resolution exclusive of (i) defeased Bonds; and (ii) any other Bonds, the underlying credit of which would be rated not less than "A" by Standard & Poor's, without giving effect to the credit enhancement provided by the Common Bond Fund.

Section 2. Amendments and Consents

(a) The Issuer reserves the right to amend this IDB Account Resolution: (i) at any time, in any respect, if no Bonds are Outstanding or if the holders of all the Bonds consent thereto, (ii) at any time if the holders of at least fifty-one percent (51%) of the principal amount of the Bonds of each series Outstanding consent thereto in any respect except to reduce the \$10,000,000 minimum requirement of Section 1(e), to create a lien or pledge of the IDB Account or any funds or investments therein ranking prior to any Outstanding Bonds or to give a preference or priority to any Bond or Bonds Outstanding with respect to the IDB Account or funds or investments therein, and (iii) at any time without the consent of any holders of Bonds, to cure any ambiguity or formal defect in this IDB Account Resolution or amendment hereof, to provide for a different allocation of the powers granted herein to the Issuer and any successor to the functions thereof, to prevent Bonds from becoming arbitrage bonds within the meaning of the Code and regulations thereunder, to grant any additional rights, remedies, powers, authority or security to the holders of the Bonds or any trustee or trustees for the benefit of the holders of the Bonds, or to make any other change which is not to the prejudice of any holders of Outstanding Bonds.

(b) Consents of holders of Outstanding Bonds may be evidenced by a consent or consents in writing of the holder or holders or adopted at a meeting of bondholders in the same manner as may be provided in the A Basic Resolution, B Basic Resolution or Supplemental Bond Resolution for the Bonds of such series for execution of instruments by bondholders or the holding of bondholders' meetings or, if not so provided, then in such manner as shall be deemed appropriate by the Issuer, whose determination of the validity and sufficiency of any such consents shall be binding. Holders of Bonds issued during the period

in which approval of an amendment to this IDB Account Resolution is being sought shall be deemed to have consented thereto.

(c) In addition to the right of the Issuer to amend this IDB Account Resolution set forth in subsection (a) of this Section 2, the Issuer expressly reserves the right to amend Section 1(f) of this IDB Account Resolution, at any time, without the consent of a holders of Bonds; provided, however, that consent of holders of all Bonds shall be required to reduce the \$10,000,000 minimum requirement of Section 1(e) hereof.

Section 3. Limited Recourse. Notwithstanding any other provision of this IDB Account Resolution, the obligations of the Issuer in connection with this IDB Account Resolution are limited to amounts received by the Issuer for deposit in the IDB Account, and the Issuer shall not have any obligation to levy taxes for or make any advance or payment or incur any expense or liability from its general funds in performing any of the conditions, covenants or requirements of the Bonds, this IDB Account Resolution or from any funds other than moneys required to be held in the IDB Account, except as may be specifically provided in Chapter 424, Minneapolis Code of Ordinances.