Request for City Council Committee Action from the Department of Community Planning & Economic Development - CPED

Date: April 20, 2010

To: Council Member Lisa Goodman, Community Development Committee

Subject: Request for Approval of an Amended Resolution for the issuance of up to $18,000,000 in Taxable City of Minneapolis, Limited Tax-Supported Development Revenue Bonds for Open Systems International, Inc. (OSI) to be issued through the Minneapolis Common Bond Fund under a Joint Partnership with Hennepin County.

Recommendation: **The CPED Director recommends that the City Council adopt the attached Amended Resolution for the issuance of up to $18,000,000 in Taxable Limited Tax Supported Development Revenue Bonds, Common Bond Fund, for Open Systems International, Inc. to be issued under a joint partnership with Hennepin County through the Common Bond Fund and designating the bonds as bonds entitled to the security provided by Ordinance No. 87-OR-084, Chapter 424, Tax Reserve and Pledge Ordinance.**

Previous Directives: Final Approval Granted on December 18, 2009

Prepared by: Charles Curtis 612-673-5069	
Approved by: Charles T. Lutz, Deputy Director CPED	_____
Catherine A. Polasky, Director, Economic Development	_____
Presenters in Committee: Charles Curtis	

Financial Impact

- Other financial impact: The issuance of revenue bonds for the Open Systems International, Inc. (OSI) will generate revenue bond administrative fees of approximately $33,750 a year that are used to support the small business assistance programs of the City of Minneapolis.

Current Request

Hennepin County, Hennepin County HRA and the City of Minneapolis granted final approval to the OSI project in December 2009.

At that time, the project was anticipated to be financed with a combination of taxable and tax-exempt revenue bonds. The City of Minneapolis Resolution set parameters for this combination of bonds. OSI has now concluded that, because of capital expenditure limitations related to tax-exempt bonds, the project must be financed entirely with taxable revenue bonds. The attached Amended Resolution defines a new set of parameters for the taxable bonds, including a maximum interest rate of 9%, and allows the maximum amount of bonds to be increased by $1 million to $18,000,000. All other aspects of the original Resolution remain unchanged.

Supporting Information

On May 28, 2004 the City Council authorized the execution of documents that would create a joint partnership with Hennepin County and the Hennepin County Housing and Redevelopment Authority to allow the use of Common Bond Fund financing throughout the entire area of Hennepin County.

The City and County will execute a Joint Powers Agreement for the Open Systems International, Inc. project, under which the County will reimburse the City for any deficiencies caused by any default of the borrower.

In addition, the City Council clarified that projects outside of the City of Minneapolis will not have to comply with various City of Minneapolis policies and programs, but will be subject to any requirements placed on the projects by the municipality in which the facility is located, in this case, the City of Medina.

Project Location & Description:

OSI is a privately held company currently located in leased space in Plymouth, Minnesota. The company has been in business for over fifteen years. The company provides advanced power automation systems, which includes specialized computer software, software development, training and support, as well as supplying computer hardware, to customer in the electric, water, oil and gas utility industry. OSI's customers are located throughout the world, with the majority in North America.

OSI is proposing the purchase of vacant land located at the intersection of Highway 55 and Arrowhead Road in Medina, Minnesota. The company plans to build a facility of approximately 100,000 square feet that will incorporate technology labs, warehouse, training areas and general meeting/cafeteria space.

Present Employment: 187

New Employment: 58

IRB CAP: The project is not subject to the volume cap in that there is no volume limit for taxable revenue bonds.

FINANCIAL ADVISOR:	Dougherty & Company, LLC
BOND COUNSEL:	Gray, Plant & Mooty
UNDERWRITER:	Piper Jaffray
	RBC Capital Markets

RESOLUTION NO. 2010R-___

SUPPLEMENTAL BOND RESOLUTION AND INDENTURE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS: THAT THE BASIC RESOLUTION IS SUPPLEMENTED AND AMENDED AS FOLLOWS:

ARTICLE I

DEFINITIONS, LEGAL AUTHORIZATION AND FINDINGS

Section 101. *Definitions*. The following terms, unless the context hereof shall require otherwise, shall have the meanings set forth below; provided, however, that any additional capitalized terms used herein and not defined herein (unless such capitalization is due solely to application of the rules of grammar) shall have the meanings assigned to such terms in the Basic Resolution or the Agreement, unless the context or use herein requires another or different meaning:

"*Act of Bankruptcy*" means the filing of a petition in bankruptcy with respect to a Person by or against such Person under the United States Bankruptcy Code.

"*Additional Common Fund Bonds*" means those Common Fund Bonds issued to pay the cost of completion of a Facility pursuant to Sections 202 and 311(d) of the Basic Resolution, Section 206 hereof and an Additional Supplemental Bond Resolution.

"*Additional Supplemental Bond Resolution*" means the Additional Supplemental Bond Resolution and Indenture authorizing the issuance of Additional Common Fund Bonds.

"*Agreement*" means the Lease Agreement relating to the Facility between the Tenant and the Issuer, as amended from time to time.

"*Articles and Sections,*" mentioned by number only, means the respective Articles and Sections of this Supplemental Bond Resolution so numbered.

"*Authorized Newspaper*" means a newspaper furnishing financial news as part of its service, printed in the English language, published weekly or daily in Minneapolis, Minnesota, or its metropolitan area, and circulated throughout the State.

"*Basic Resolution*" means Resolution No. 2004R-257, entitled "Amending and restating the Basic Resolution of the City of Minneapolis (A)," adopted on June 18, 2004 by the Issuer,

as amended to the date hereof, including any amendments made by this Supplemental Bond Resolution.

"*Bond Closing*" means the date on which there is delivery of and payment for the Bonds.

"*Bond Register*" means the register for the registration and transfer of the Bonds kept by the Trustee on behalf of the Issuer pursuant to Section 210 hereof.

"*Bond Year*" means from the Bond Closing to December 31, 2010, inclusive, and thereafter the period commencing on the day after expiration of the preceding Bond Year and ending on the earlier of the day preceding the first anniversary of such commencement date or the date on which no Bonds are Outstanding.

"*Bonds*" means the obligations of the Issuer designated the Taxable Limited Tax Supported Development Revenue Bonds, Common Bond Fund Series 2010-1, issued pursuant to the Basic Resolution and the Supplemental Bond Resolution in the aggregate principal amount specified in Section 203 hereof, as such principal amount may be adjusted by certification of the Finance Officer of the Issuer.

"*Chapter 424*" means Code of Ordinances, Title 16, Chapter 424, as amended.

"*Code*" means the Internal Revenue Code of 1986, as amended as of the date hereof, and applicable Regulations promulgated thereunder.

"*Code of Ordinances*" means the Minneapolis Code of Ordinances, as amended.

"*Computation Date*" means any of the following dates: (i) the date on which the IDB Account is first fully depleted after the date hereof; and (ii) any date on which money has been drawn from the Tax Reserve Fund as a result of a certification by the Trustee pursuant to Section 415 hereof. The IDB Account shall be deemed to have been first fully depleted on the first date that no cash, investments, or letters of credit are credited to the IDB Account.

"*Construction Fund*" means the fund by that name created pursuant to Section 403 hereof.

"*Designated Common Fund Bonds*" means Common Fund Bonds designated by the Issuer under Chapter 424 as Bonds to which Chapter 424 applies.

"*Expected Available Tax Revenue*" means the product of the total tax capacity of all taxable property in the City of Minneapolis on the Computation Date and one-half percent.

"*Financial Advisor*" means Dougherty & Company LLC.

"*Hereby,*" "*herein,*" "*hereof,*" "*hereto,*" "*hereunder*" and any similar terms refer to this Supplemental Bond Resolution as a whole; the term "*heretofore*" means before the date of execution and delivery hereof, and the term "*hereafter*" means after the date of execution and delivery hereof.

"*Interest Payment Date*" means December 1, 2010, and each June 1 and December 1 thereafter until all Bonds are paid.

"*Issuer*" means the City of Minneapolis, Minnesota.

"Joint Powers Agreement" means the Joint Powers Agreement, dated as of April 1, 2004, among the Issuer, Hennepin County and the Hennepin County Housing and Redevelopment Authority.

"*Other Redemption Funds*" means all funds or accounts not within the Common Bond Fund or IDB Account established by any resolution authorizing Common Fund Bonds (other than the Bonds) which are pledged to the payment of principal, premium and interest due on any such series of Common Fund Bonds on any date for which any redemption thereof was duly called.

"*Outstanding*" means when used with reference to all series of Common Fund Bonds, the same as that term is defined in the Basic Resolution and also means, when used with reference to the Bonds and as of any particular date, all Bonds theretofore and thereupon being authenticated and delivered except:

(a) any Bond canceled by the Trustee or the Paying Agent or surrendered to the Trustee or the Paying Agent for cancellation at or before said date;

(b) any Bond for payment or redemption of which money equal to the principal or Redemption Price thereof, as the case may be, with interest to the date of maturity or Redemption Date, shall have theretofore been deposited with the Trustee or any Paying Agent in trust (whether upon or prior to maturity or the Redemption Date of such Bond) and, except in the case of a Bond to be paid at maturity, of which notice of redemption shall have been duly given; and

(c) any Bond for which in lieu thereof or in substitution therefor another Bond shall have been authenticated and delivered pursuant to Section 213 hereof;

provided, however, that in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by the Issuer or the Tenant or any affiliate of the Tenant shall be disregarded and deemed not to be Outstanding except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded (an "*affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person; for the purposes of this definition, "control," when used with respect to any specified Person, means the power to direct the management and policies

of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "*controlling*" and "*controlled*" have meanings correlative to the foregoing); provided, further, that Bonds so owned which have been pledged in good faith may be regarded as "Outstanding" if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Issuer or the Tenant or any affiliate of the Tenant. A Bond that would be considered "Outstanding" but for the fact that money sufficient for the payment or redemption thereof has theretofore been deposited in full with the Trustee or any Paying Agent in trust for the Holder thereof (or that the Basic Resolution has theretofore been discharged with respect to the series of which such particular Bond is a part pursuant to Article VI of the Basic Resolution) shall, for the purposes of Article III of the Basic Resolution and Article VII of the Basic Resolution, be deemed to be "Outstanding" unless such Bond shall be due and payable in accordance with its terms or through redemption proceedings or otherwise as provided in the Basic Resolution and herein.

"*Paying Agent*" means Wells Fargo Bank, National Association, in Minneapolis, Minnesota, and its successor or successors designated pursuant to the provisions of Article VII of the Basic Resolution and Section 204 hereof as the agent of the Issuer to receive and disburse the principal or Redemption Price of and interest on the Bonds.

"*Payment Date*" means the date on which any payment of principal of or interest on any Common Fund Bonds is due.

"*Preference Funds*" means any money credited to the Common Bond Fund or IDB Account, other than either money derived from a draw under the Letter of Credit or earnings received on amounts held by the Trustee, held by the Trustee for less than ninety-one (91) days or concerning which the depositor thereof was subject to an Act of Bankruptcy within ninety-one (91) days after deposit of such amounts with the Trustee.

"*Property Insurance and Award Fund*" means the fund by that name created pursuant to Section 406 hereof.

"*Redemption Date*" means, when used with respect to any Bond to be redeemed, the date fixed for such redemption in accordance with the provisions hereof.

"*Redemption Fund*" means the fund by that name created pursuant to Section 411 hereof.

"*Redemption Price*" means, when used with respect to a Bond or portion thereof, the principal amount of such Bond or portion thereof plus the applicable premium, if any, payable upon redemption thereof in accordance with its terms and as provided herein.

"*Supplemental Bond Resolution*" means this Supplemental Bond Resolution and Indenture.

"*Tax Reserve Fund*" means the fund by that name created by Chapter 424, held by the Issuer separate and apart from the Common Bond Fund.

"*Tax Reserve Requirement*" means zero Dollars ($0) prior to the first Computation Date and, thereafter, an amount equal to twice the Expected Available Tax Revenue, determined as of the most recent Computation Date.

"*Tenant*" means Arrowhead Holdings, LLC, a Minnesota limited liability company, or an affiliate thereof, its successors and assigns.

"*Trustee*" means Wells Fargo Bank, National Association, in Minneapolis, Minnesota, its successors and co-trustees, as permitted under the Basic Resolution.

"*Underwriter*" or "*Underwriters*" means RBC Capital Markets Corporation and Piper Jaffray & Co.

"*Underwriting Agreement*" means the Underwriting Agreement, dated as of the date of adoption hereof, among the Underwriters, the Issuer and the Tenant.

"*United States Bankruptcy Code*" means 11 U.S.C. Sections 101 *et seq.*, as amended.

Section 102. *Legal Authorization*. The Issuer is a municipal corporation under the laws of Minnesota and is authorized under the Joint Powers Agreement and the Act to finance the Facility and to issue and sell the Bonds for that purpose in the manner and upon the terms and conditions set forth in the Basic Resolution and herein.

Section 103. *Findings*. The Issuer has heretofore determined and does hereby determine and find as follows:

(a) The Issuer is authorized by the Act to adopt this Supplemental Bond Resolution and execute and deliver the Agreement.

(b) The Issuer has made the necessary arrangements with the Tenant for the financing of the Facility, which Facility consists of certain property used in connection with the operation of a revenue producing enterprise contemplated by Minnesota Statutes, Section 469.153 Subdivision 2, which property is of the character and accomplishes the purposes provided by the Act, and the Issuer has by this Supplemental Bond Resolution authorized execution of the Agreement and all other documents in relation thereto and has specified the terms and conditions of the financing of the Facility.

(c) In authorizing the issuance of Bonds, the Issuer's purpose is and, in the Issuer's judgment, the effect thereof shall be to promote the public welfare by: the attraction, encouragement and development of economically sound commerce and industry so as to prevent, so far as possible, blighted and marginal lands and areas of chronic unemployment and the emergence of such land and areas, the development of commerce and industry to use the available resources of the community in order to

retain the benefit of the community's existing investment in educational and public service facilities and to halt the movement of talented, educated personnel of mature age to other areas, thus preserving the economic and human resources needed as a base for providing governmental services and facilities, the provision of accessible employment opportunities for residents in the area, and the expansion of an adequate tax base of Hennepin County to finance the increase in the amount and cost of governmental services.

(d) The amount estimated to be necessary to finance the Facility shall require the Issuer to issue, sell and deliver the Bonds in the aggregate principal amount authorized herein.

(e) The Bonds are Common Fund Bonds within the meaning of Section 202 of the Basic Resolution and are payable from revenues derived by the Issuer from a revenue-producing enterprise and shall be on a parity of lien with all other Common Fund Bonds which have heretofore and may hereafter be issued by the Issuer and made payable from funds pledged and appropriated thereto pursuant to the Basic Resolution and hereunder.

(f) The issuance and sale of the Bonds, the execution and delivery of the Agreement and the performance of all covenants and agreements of the Issuer contained herein and in the Agreement and the Basic Resolution and of all other acts and things required under the Constitution and laws of the State to make the Agreement and the Bonds valid and binding obligations of the Issuer in accordance with their terms are authorized by the Act, the Basic Resolution and this Supplemental Bond Resolution.

(g) The Underwriters have offered to purchase the Bonds in accordance with the terms and conditions of the Underwriting Agreement and this Supplemental Bond Resolution.

ARTICLE II

AUTHORIZATION, TERMS AND PROVISIONS OF BONDS

Section 201. *Qualification under the Basic Resolution, IDB Account Resolution and Chapter 424*. The Bonds shall be issued and secured under the provisions of the Basic Resolution, and all applicable terms, covenants and conditions contained therein are hereby incorporated into and made a part hereof the same as if said terms, covenants and conditions were set out herein in their entirety. It is hereby found, determined and declared that upon the issuance of the Bonds in accordance herewith and execution of the Agreement, the Agreement shall provide for Basic Rent, which if collected in full and when due shall be sufficient to pay the interest when due and to pay and redeem the Bonds at maturity or when required or permitted pursuant to the terms hereof. In accordance with Sections 202 and 402(d) of the Basic Resolution, at or prior to the Bond Closing for the Bonds, cash in the amount, or a Reserve Letter of Credit drawable in the amount, of the Minimum Deposit shall be delivered to or by the Issuer as required for the Bonds and further, all other conditions required to be met under Section 202 of the Basic Resolution shall have been met as have the conditions specified herein. Consistent with the provisions of the Basic Resolution and the IDB Account Resolution, the Issuer specifically pledges to further secure the Bonds (on a parity basis with all Common Fund Bonds) with the funds held in the A Subaccount and Issuer Subaccount of the IDB Account established in accordance with the provisions of the IDB Account Resolution. The Issuer covenants to make appropriations, advances and payments in respect of the Bonds in accordance herewith and with the terms of the Basic Resolution and the IDB Account Resolution. The Bonds shall also be secured by amounts available, if any, in the Tax Reserve Fund, pursuant to Chapter 424. The Issuer hereby designates the Bonds as bonds secured by the pledge made pursuant to Chapter 424.

Section 202. *Form Generally*. The Bonds shall be in substantially the form set forth in Schedule A hereof with such other appropriate insertions, omissions, substitutions and other variations as are required or permitted hereby and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may, consistently herewith, be placed thereon by the officials of the Issuer executing the Bonds, as evidenced by their execution thereof. Any part of the text of any Bond may be set forth on the reverse side thereof with an appropriate reference thereto on the face of the Bond.

The definitive Bonds shall be printed, lithographed, engraved, typewritten, mimeographed or otherwise reproduced or produced by a combination of these methods or may be produced in any other manner permitted by the rules of any securities exchange, all as determined by the officials of the Issuer executing such Bonds, as evidenced by their execution thereof.

The approving opinion of Bond Counsel may be printed on the Bonds.

Section 203. *Authorization of Bonds and Terms*. Pursuant to the Basic Resolution, the Bonds are hereby authorized to be and shall be issued under and secured by the Basic Resolution and this Supplemental Bond Resolution. The Bonds and any Additional Common

Fund Bonds shall bear CUSIP numbers or any other identification, notations or symbols as the Issuer may determine, and when issued shall be numbered separately from R-1 consecutively upward. The Bonds shall be issued in the aggregate principal amount of up to $18,000,000. The Bonds shall bear interest from the date thereof, payable semiannually on June 1 and December 1 in each year, commencing December 1, 2010, at the interest rates per annum to be determined by the Finance Officer of the Issuer prior to the issuance of the Bonds (with the average weighted interest rate not to exceed 9.00% per annum), and shall mature on or before December 1, 2040.

The foregoing aggregate principal amount, maturity dates and principal amounts maturing on such dates are subject to adjustment and, if adjusted, such terms shall be finally and specifically designated at Bond Closing by a certification of the Finance Officer of the Issuer. Such adjustment may include the creation of one or more serial maturities and/or term bonds that are subject to mandatory sinking fund redemption in accordance with Section 305 hereof. The Finance Officer's certification shall also establish the interest rate for each maturity of Bonds.

Section 204. *Accrual and Payment of Interest*. Each Bond shall bear interest from its date, which shall be as of the date six (6) months preceding the Interest Payment Date next following the date of authentication thereof by the Paying Agent, provided that: (a) if such date of authentication shall be an Interest Payment Date, such Bond shall be dated as of such date of authentication, (b) if such date of authentication shall be before the first Interest Payment Date, such Bond shall be dated as of the first day of the month in which such Bond was issued, and (c) if interest on such Bond shall not have been paid in full when due, then notwithstanding any of the foregoing provisions of this Section 204, such Bond shall be dated as of the date on which interest was last paid in full on such Bond. All Bonds shall be payable as to principal or Redemption Price at the principal office of Wells Fargo Bank, National Association, in Minneapolis, Minnesota, hereby designated as Paying Agent for the Bonds, or at the office of any successor Paying Agent designated by the Issuer pursuant to Article VII of the Basic Resolution, and interest on Bonds shall be payable by check or draft drawn upon the Paying Agent mailed on the Interest Payment Date to the registered Holder thereof as reflected as of the close of business on the 15th day of the month immediately preceding any Interest Payment Date at the address of such Holder as it appears on the Bond Register maintained by the Trustee. Overdue principal or Redemption Price of and (to the extent legally enforceable) overdue interest on any Bond shall bear interest at the rate borne by such Bond.

Section 205. *Conditions Precedent to the Delivery of Bonds*. In addition to the performance of such acts and the occurrence of such events as are required under Section 202 of the Basic Resolution, prior to or simultaneously with the delivery of the Bonds:

(a) there shall be delivered to the Trustee a written order by the Representative of the Issuer to authenticate and deliver the Bonds to or upon the order of the Underwriters, upon the payment to the Trustee for the account of the Issuer of a specified sum plus a specified amount of accrued interest, together with a copy of this Supplemental Bond Resolution, duly certified by the recording officer of the Issuer; and

(b) there shall be delivered to the Issuer the following items:

(i) an executed original of the Agreement and the Disbursing Agreement;

(ii) the executed original or copies thereof satisfactory to the Issuer of all Subleases of the Facility then in effect, if any;

(iii) financing statements endorsed as having been filed with the Secretary of State of the State of Minnesota and the County Recorder or Registrar of Titles of Hennepin County, Minnesota, or both, whichever is applicable, showing the interest of the Issuer in the Facility Equipment;

(iv) a policy or binder of title insurance in current ALTA form acceptable to the Issuer and Bond Counsel in an amount not less than the original principal of the Bonds insuring the Issuer's fee simple title to the Facility Premises, subject only to Permitted Encumbrances and insuring against all standard exceptions, including mechanics' liens, survey and zoning restrictions;

(v) the manually signed Opinion of Bond Counsel approving the legality of the Bonds;

(vi) written evidence from the Underwriters, Hennepin County, the Hennepin County Housing and Redevelopment Authority and the City of Medina consenting to the issuance of the Bonds;

(vii) an original of the Underwriting Agreement;

(viii) written acceptance by the Paying Agent and the Trustee;

(ix) evidence of insurance complying with Section 4.06 of the Agreement;

(x) all executed Construction Contracts, including any related architects' contracts and payment and performance bonds required by the Agreement, if any;

(xi) an executed original of each Guaranty; and

(xii) such other documents as Bond Counsel reasonably determines are necessary as a precondition to the delivery of the Bonds;

provided, however, that the Issuer may waive the requirement that one or more of the foregoing items be filed with the Trustee on or prior to Bond Closing, except the manually signed Opinion of Bond Counsel approving the validity of the Bonds.

Section 206. *Additional Common Fund Bonds*. Pursuant to the authority given in Section 202 of the Basic Resolution to issue Additional Common Fund Bonds in accordance with Section 311(d) thereof, one or more series of such Additional Common Fund Bonds may be authenticated and delivered for the purpose of financing the cost of completing the Facility. Such Additional Common Fund Bonds shall be secured by the Basic Resolution, this Supplemental Bond Resolution and the Additional Supplemental Bond Resolution providing for the issuance of the applicable series of such Additional Common Fund Bonds and shall rank on a parity of security in all respects with the Bonds and all Additional Common Fund Bonds issued and to be issued hereunder. Such Additional Common Fund Bonds may, at the election of the Issuer as provided by Chapter 424, be further secured by the Tax Reserve Fund. Such

Additional Common Fund Bonds shall have such identifying designation, be in such form and denominations, be dated, mature at such time or times, bear interest at such rate or rates, be subject to redemption at such times and prices, be executed substantially in the form and manner set forth herein and contain such other provisions not inconsistent herewith and with the Basic Resolution and as the Additional Supplemental Bond Resolution providing for the issuance thereof shall fix and determine. Such Additional Common Fund Bonds shall be payable from the Common Bond Fund as provided in the Basic Resolution. Prior to the adoption of the Additional Supplemental Bond Resolution authorizing the issuance of Additional Common Fund Bonds, the Issuer and the Tenant shall enter into an amendment to the Agreement which shall provide that the Basic Rent due under the Agreement shall be increased and computed so as to amortize in full the principal or Redemption Price of and interest on such Additional Common Fund Bonds and provide for the payment of any other costs in connection therewith. The Additional Common Fund Bonds shall be issued only in accordance with Sections 202 and 311(d) of the Basic Resolution.

Section 207. *Form and Denominations*. All Bonds shall be in fully registered form without coupons and payable to a named Person or registered assigns. Bonds shall each be of the denomination of $5,000 or any integral multiple thereof. The Bonds may contain or have endorsed thereon such provisions, specifications and descriptive words as are:

(a) not inconsistent with those provisions hereof and of the Basic Resolution that are applicable to all Bonds or to Common Fund Bonds generally;

(b) necessary or desirable to comply with custom or the rules of any securities exchange or commission or brokerage board; or

(c) authorized hereby or by any Additional Supplemental Bond Resolution adopted prior to the authentication and delivery of the Bonds.

Section 208. *Execution of Bonds*. Each Bond shall be executed, as provided by law, in the name and on behalf of the Issuer by the manual or facsimile signature of its Finance Officer (or such other person acting in the stead of the Finance Officer in accordance with law). Any Bond may be signed on behalf of the Issuer by any person who, at the date of such act, shall hold the proper office, and the validity thereof shall not be impaired by the fact that one or more of such officers authorized to execute such Bond shall have ceased to hold such office on the date of delivery of such Bond.

Section 209. *Authentication of Bonds*. Each Bond shall bear thereon a certificate of authentication, substantially in the following form, manually executed by the Trustee:

"Certificate of Authentication"

This Bond is one of the Common Fund Bonds described in the within-mentioned Basic Resolution and Supplemental Bond Resolution and is one of the Bonds of the City of Minneapolis referred to herein.

WELLS FARGO BANK,

NATIONAL ASSOCIATION,

as Trustee

Dated:_____ By_____[Manual]_____

Authorized Signature

Only such Bonds that bear thereon the manually executed certificate of authentication shall be entitled to any security, right or benefit hereunder and under the Basic Resolution. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication upon such Bond shall have been duly executed by the Paying Agent. The certificate of authentication upon any Bond executed as herein provided on behalf of the Issuer shall be conclusive and the only evidence that the Bond so authenticated has been duly authenticated and delivered hereunder and under the Basic Resolution and that the Holder thereof is entitled to the security, right or benefit hereunder and under the Basic Resolution.

Section 210. *Appointment of Trustee as Transfer Agent for Bonds*. The Trustee is hereby irrevocably appointed the agent of the Issuer for the registration, transfer or exchange of Bonds. The Trustee, on behalf of the Issuer, shall maintain and keep a Bond Register for the registration and transfer of the Bonds, and upon presentation thereof for such purpose, the Trustee shall register or cause to be registered thereon and permit to be transferred thereon or to be exchanged, under such reasonable regulations as the Trustee may prescribe, any Bond entitled to registration, transfer or exchange.

Section 211. *Transfer of Bonds*. Each Bond shall be transferable only upon the Bond Register at the office of the Trustee by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such duly authorized attorney. Upon the transfer of any such Bond, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds registered in the name of the transferee of the same aggregate principal amount, series designation, maturity and interest rate as the surrendered Bond.

Section 212. *Ownership of Bonds and Effect of Registration*. The Issuer, the Trustee and any Paying Agent may treat and consider the person in whose name any Bond for the time being shall be registered upon the Bond Register as the Holder and absolute owner thereof, whether or not such Bond shall have matured, for the purpose of receiving payment of the principal or Redemption Price of and interest on such Bond and for all other purposes whatsoever, and neither the Issuer, the Trustee nor any Paying Agent shall be affected by any notice to the contrary, and payment of or on account of the principal or Redemption Price of and interest on such registered Bond shall be made only to or upon the order of such registered owner thereof. All payments made as in this Section 212 provided shall be valid

and effectual to satisfy and discharge the liability upon the several Bonds to the extent of the sum or sums so paid.

Section 213. *Bonds Mutilated, Destroyed, Stolen or Lost*. In the event that any Bond is mutilated, destroyed, stolen or lost, the Issuer shall execute and the Trustee shall authenticate and deliver, in lieu of any such mutilated, destroyed, stolen or lost Bond, a new Bond of like date and denomination as the Bond mutilated, destroyed, stolen or lost, provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any such destroyed, stolen or lost Bond, there shall be first furnished to the Issuer and the Trustee evidence of such destruction, theft or loss satisfactory to the Issuer and the Trustee, together with indemnity satisfactory to them. The Issuer and the Trustee may charge the Holder of such Bond their reasonable fees and expenses in this connection. All such Bonds so surrendered to the Trustee shall be canceled by the Trustee.

In case any such mutilated, destroyed, stolen or lost Bond has become or is about to become due and payable, the Issuer may, instead of issuing a new Bond, cause the Trustee to pay such Bond out of money held by the Trustee and available for such purpose.

The provisions of this Section 213 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, stolen or lost Bonds.

Section 214. *Payment for and Limitations on Exchanges and Transfers*. In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver the Bonds in accordance with the provisions hereof and of the Basic Resolution. The Bonds so delivered shall be in such form or denominations as shall permit the exchange or transfer for the surrendered Bonds in such manner that no gain or loss of interest results from such exchange or transfer. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Trustee. For every such exchange or transfer of Bonds, the Trustee may make a charge sufficient to reimburse the Trustee for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. The cost of preparing each new Bond upon each exchange or transfer and any other expenses (except any applicable tax, fee or other governmental charge) of the Issuer or the Trustee incurred in connection with such exchange or transfer shall be paid by the Tenant pursuant to Section 2.03 of the Agreement. Neither the Issuer nor the Trustee shall be required to register, transfer or exchange Bonds for a period of fifteen (15) days next preceding any Interest Payment Date on Bonds or next preceding any selection of Bonds to be redeemed or thereafter until after the later of the first publication or mailing of notice of redemption of Bonds selected, called or being called for redemption as a whole or the portion being redeemed of any Bonds selected, called or being called for redemption in part.

Section 215. *Delivery of Temporary Bond*. In order to facilitate timely delivery of the Bonds, the Underwriters may elect, with respect to the Bonds, to receive in lieu of definitive Bonds a single temporary registered Bond that may be printed, lithographed, engraved, typewritten, mimeographed or otherwise reproduced, which Bond shall, upon the printing of the appropriate Bonds and the execution and authentication thereof, be exchanged therefor and canceled.

Section 216. *Book Entry Provisions*. Notwithstanding any provision of this Supplemental Bond Resolution to the contrary:

(a) Upon initial issuance of the Bonds the ownership of one fully registered Bond for each maturity of the Bonds shall be registered in the name of Cede & Co. ("Cede"), as nominee of The Depository Trust Company ("DTC"), New York, New York. Payments of interest on, principal of and any premium on the Bonds shall be made to the account of Cede on each payment date at the address indicated for Cede in the Bond Register kept by the Trustee in accordance with arrangements acceptable to DTC and the Trustee. DTC has represented to the Issuer that it will maintain a book-entry system in recording ownership interests of its participants (the "Direct Participants"), and the ownership interests of a purchaser of a beneficial interest in the Bonds (a "Beneficial Holder") will be recorded through book entries on the records of the Direct Participants.

(b) With respect to Bonds registered in the name of Cede, the Issuer and the Trustee shall have no responsibility or obligation to any Direct Participant or to any Beneficial Holder of such Bonds. Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any Direct Participant with respect to any beneficial ownership interest in the Bonds, (ii) the delivery of any Direct Participant, Beneficial Holder or other Person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption, (iii) the payment of any Direct Participant, Beneficial Holder or other Person, other than DTC, of any amount with respect to the principal or redemption price of, or any interest on, the Bonds or (iv) any consent given or other action taken by DTC as Holder of the Bonds. With respect to the Bonds registered in the name of Cede, the Issuer and the Trustee may treat DTC as, and deem DTC to be, the absolute owner of each Bond for all purposes whatsoever including (but not limited to) (i) payment of the principal or redemption price of, and interest on, each such Bond, (ii) giving notices of purchase or redemption and other matters with respect to such Bonds and (iii) registering transfers with respect to such Bonds. The Trustee shall pay the principal or redemption price of, and interest on, all such Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to such principal or redemption price, and interest, to the extent of the sum or sums so paid. Until and unless the services of DTC as depository of the Bonds are terminated or discontinued, no Person other than DTC shall receive a Bond evidencing the obligation of the Issuer to make payments of principal or redemption price of, and interest on, the Bonds pursuant to this Supplemental Bond Resolution. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions hereof, the word "Cede" in this Supplemental Bond Resolution shall refer to such new nominee of DTC.

(c) (i) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving reasonable written notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable law.

(ii) The Trustee shall terminate the services of DTC with respect to the Bonds if the Issuer determines that the continuation of the system of book-entry-only transfers through DTC (or a successor securities depository)

is not in the best interests of the Beneficial Holders of the Bonds or is burdensome to the Trustee, and shall terminate the Services of DTC with respect to the Bonds upon receipt by the Trustee of written notice from DTC to the effect that DTC has received written notice from Direct Participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than 50% of the aggregate principal amount of the Bonds then Outstanding to the effect that; (a) DTC is unable to discharge its responsibilities with respect to the Bonds or (b) a continuation of the requirement that all of the Bonds be registered in the Bond Register in the name of Cede, as nominee of DTC, is not in the best interest of the Beneficial Holders of such Bonds.

(d) Upon the termination of the services of DTC with respect to the Bonds pursuant to subsection (c)(ii)(b) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to subsection (c)(i) or subsection (c)(ii)(a) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found or which, in the opinion of the Trustee, is willing and able to undertake such functions upon reasonable and customary terms, the Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede as nominee of DTC. In such event, the Trustee shall transfer and exchange Bond certificates as requested by DTC or Direct Participants and confirmed by DTC of like principal amount, series and maturity, in Authorized Denominations to the identifiable Beneficial Holders in replacement of such Beneficial Holders' beneficial interests in the Bonds.

(e) Notwithstanding any other provision of this Supplemental Bond Resolution to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal or redemption price of, and interest on, such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the representation letter addressed to DTC with respect to the Bonds.

(f) In connection with any notice or other communication to be provided to Holders pursuant to this Supplemental Bond Resolution by the Trustee with respect to any consent or other action to be taken by Holders, the Trustee shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent the Trustee is reasonably able to do so.

(g) Notwithstanding any provision herein to the contrary, the Trustee may agree to allow DTC, or its nominee, Cede, to make a notation on any Bond redeemed in part to reflect, for informational purposes only, the principal amount and date of any such redemption.

ARTICLE III

REDEMPTION OF BONDS

Section 301. *Privileges of Redemption and Redemption Prices*. The Bonds issued pursuant hereto which are redeemable prior to maturity shall be subject to redemption upon notice as and to the extent provided in this Article III, at such time or times, in such order, and on such other terms and conditions, in addition to and consistent with this Article III, as is provided in the form of Bonds set forth herein and as shall be provided in the forms thereof with respect to Additional Common Fund Bonds issued pursuant to Section 206 hereof consistent with the Additional Supplemental Bond Resolution pursuant to which such Additional Common Fund Bonds may be issued (but shall not be redeemed prior to maturity except as so provided). In all cases any such redemption made shall be at a price equal to the principal amount of each Bond or portion thereof to be redeemed, plus such redemption premium or differing redemption premiums, if any, as shall be set forth in said Bonds and applicable upon such redemption, together with interest accrued to the Redemption Date. Except as may be otherwise provided herein, if less than all of the Bonds then Outstanding are to be redeemed, the particular Bonds to be redeemed shall be selected by inverse order of maturity and within a maturity as set forth in Section 302 hereof.

Section 302. *Selection of Bonds to be Redeemed*. In the event of redemption of Bonds of like maturity, the Trustee shall assign a distinctive number for each $5,000 of principal amount of each Bond to be so redeemed and shall select the principal amount to be so redeemed, using such method of selection from the assigned numbers as the Trustee shall deem proper in its discretion. The 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 such 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. For the purposes of this Section 302, Bonds, or portions thereof, which have been selected for redemption shall not be deemed Outstanding, and the order of selection for such Bonds shall remain the same upon exchange or transfer thereof pursuant to Section 211 hereof.

Section 303. *Notice of Redemption*.

(a) In the case of the redemption of any Bonds, the Trustee, in accordance with the terms and provisions of all Bonds and of this Supplemental Bond Resolution, shall select the Bonds to be redeemed and shall give notice of the redemption of such Bonds. However, the Trustee shall not give notice for redemption pursuant to Section 306 hereof prior to deposit of the applicable Redemption Price in the Redemption Fund.

(b) The notice shall specify the maturities of the Bonds to be redeemed, the Redemption Date and the place or places where amounts due upon such redemption shall be payable and, if less than all of the Bonds of any like maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of a Bond to be redeemed in part only, such notice shall also specify the portion of the principal amount thereof to be redeemed. Such notice shall further state that on such Redemption Date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof or the Redemption Price

of the specified portion of the principal thereof in the case of a registered Bond to be redeemed in part only, together with interest accrued to such Redemption Date, and that from and after such date interest thereon shall cease to accrue and be payable. The Trustee shall mail a copy of such notice, first-class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days before such Redemption Date, to the registered owner of each Bond all or a portion of which is to be redeemed, at said owner's last address, if any, appearing upon the Bond Register maintained by the Trustee, but failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of Bonds. Such notice shall additionally be sent to www.emma.msrb.org. Notwithstanding the foregoing, the Trustee shall, to the extent required by law, publish notice of any redemption of Bonds in an Authorized Newspaper.

(c) For the purpose of discharging Bonds as provided in Section 603 of the Basic Resolution greater than 60 days prior to a redemption date for the Bonds, notice of redemption shall be deemed given if the Issuer shall have given the Trustee irrevocable instructions to provide the notice of redemption as required in (b) above.

Section 304. *Payment of Redeemed Bonds*. Notice having been given in the manner provided in Section 303 hereof, the Bonds or portions thereof called for redemption and specified in said notice shall become due and payable on the Redemption Date specified in said notice at the applicable Redemption Prices on such Redemption Date, plus unpaid interest on the Bonds or portions thereof accrued to such Redemption Date, and upon presentation and surrender thereof at the place or places specified in the notice together with a written instrument of transfer duly executed by the registered owner or by his attorney duly authorized in writing, the Bonds or portions thereof shall be paid at the Redemption Prices, plus unpaid interest on the Bonds or portions thereof accrued to the Redemption Date. If there shall be called for redemption less than all of a Bond, the Issuer shall execute and the Paying Agent shall authenticate and cause to be delivered, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, Bonds of like series designation, interest rate and maturity in any of the authorized denominations and registered in such name or names as may be requested. If on such Redemption Date, money for the redemption of all the Bonds of any like maturity to be redeemed, together with interest thereon accrued and unpaid to such Redemption Date, shall have been on deposit with the Paying Agent so as to be available therefor on such Redemption Date and if notice of redemption thereof shall have been given as aforesaid, then from and after such Redemption Date interest on the Bonds or portions thereof of such maturity so called for redemption shall cease to accrue and become payable and said Bonds shall no longer be considered as Outstanding hereunder. All money on deposit with the Paying Agent for the redemption of particular Bonds shall be held in trust for the account of the Holders of the Bonds to be so redeemed. Any Bonds redeemed shall be paid, to the extent available, from funds held by the Trustee other than Preference Funds.

Section 305. *Sinking Fund Redemption*. In the event that the Finance Officer by certification under Section 203 hereof designates one or more term bonds, such term bonds shall be subject to mandatory sinking fund redemption, in part, in integral multiples of $5,000, with the particular Bonds to be redeemed to be selected by the Trustee and notice of redemption to be given by the Trustee in accordance with the provisions of this Supplemental Bond Resolution. Such mandatory sinking fund redemptions shall be at a redemption price equal to one hundred percent (100%) of par, plus accrued interest to the date fixed for mandatory sinking fund redemption (the "Mandatory Sinking Fund Redemption Date").

In the event that Bonds are purchased by the Issuer or the Tenant, or Bonds are redeemed pursuant to Section 306 hereof, the Bonds so purchased, or redeemed, at the option of the purchaser (in the case of purchased Bonds) or the Issuer (in the case of redeemed Bonds), may be applied as a credit against any subsequent mandatory sinking fund redemption payment for the Bonds, and such credit shall be equal to the principal amount of Bonds so purchased or redeemed, provided that notice of such election has been delivered to the Trustee not less than sixty days prior to the date of such mandatory sinking fund redemption. In such case, the principal amount of Bonds to be redeemed on such Mandatory Sinking Fund Redemption Date shall be reduced by the principal amount of Bonds so purchased or redeemed that are delivered to the Trustee on or before the date the notice of such election has been delivered to the Trustee. Any credit given to a mandatory sinking fund redemption pursuant to this paragraph shall not affect any subsequent mandatory sinking fund redemption which shall remain payable in such amounts and on such terms as otherwise set forth herein.

Section 306. *Optional Redemption*. The Bonds maturing after June 1, 2020, are subject to redemption prior to maturity, at the option of the Issuer, in whole or in part and from time to time, on June 1, 2020, and on any Interest Payment Date thereafter, after the notice of redemption given in accordance with the terms of this Supplemental Bond Resolution, at a Redemption Price (expressed as a percentage of the principal amount to be redeemed) set forth below, plus accrued interest to the Redemption Date:

Redemption Date	Redemption Price
June 1, 2020 and thereafter	100%

The terms set forth in this Section 306 are subject to adjustment and modification and if adjusted, such terms shall be finally designated by certification of the Finance Officer of the Issuer delivered in connection with Bond Closing. Such adjustment may include the addition of a redemption premium on certain dates.

Section 307. *Extraordinary Optional Redemption*. The Bonds are subject to redemption prior to maturity, at the option of the Issuer, in whole but not in part, on any date upon notice as provided in Section 303 hereof, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the Redemption Date, following termination of the Agreement and prepayment by the Tenant of all amounts payable thereupon pursuant to Section 7.03 of the Agreement, which termination may occur at the election of Tenant only upon the occurrence of certain events of casualty, condemnation, changes of law, or other occurrences as described in such provision of the Agreement.

Section 308. *Default Redemption*. The Bonds are subject to redemption prior to maturity, at the option of the Issuer, in whole but not in part, on any date upon notice as provided in Section 303 hereof, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the Redemption Date, following the occurrence of all of the following: (i) an Event of Default, as defined in the Agreement, has occurred and is continuing; (ii) the

Issuer has exercised its option to declare an acceleration of all Basic Rent to become due under the Agreement pursuant to Section 8.02(a) of the Agreement; and (iii) the Issuer has determined that sufficient amounts can be derived from the Facility, proceeds of the Bonds (or any refunding bonds) available therefor, sums in the Common Bond Fund available therefor, or any combination of the foregoing amounts or otherwise to discharge the Bonds pursuant to the Basic Resolution.

ARTICLE IV

ADDITIONAL GENERAL COVENANTS AND FUNDS

Section 401. *Maintenance and Repair*. The Issuer covenants that the Issuer shall at all times use its best efforts to cause the Tenant to maintain, preserve and keep the Facility in good condition, repair and working order.

Section 402. *Recording and Filing*. The Trustee shall cause the Agreement or a short form thereof and all related financing statements concerning the Facility to be kept, recorded, and filed in such manner and in such places as may be required by law in order to fully preserve and protect the Issuer's title to and security interest in the Facility and shall cause rerecording and refiling of each financing statement and each supplement thereto as is necessary to maintain, preserve and protect such title and security interest.

Section 403. *Construction Fund*.

(a) There is hereby created and established a separate and special Construction Fund to be held by the Trustee, in which there shall be deposited at the Bond Closing or thereafter, the additional contributions, if any, required by the Agreement and the Disbursing Agreement, all proceeds of the Bonds, including capitalized interest, but excluding proceeds required to be deposited in the Common Bond Fund pursuant to Section 405 hereof and proceeds of the Bonds deposited in the Costs of Issuance Account of the Construction Fund pursuant to this Section 403. Amounts in the Construction Fund shall be withdrawn or disbursed pursuant to Section 3.03 and 3.04 of the Agreement, this Article IV, and the Disbursing Agreement.

(b) Subject to Section 413 hereof, but notwithstanding any other provision herein or in the Agreement, upon the occurrence and continuance of an Event of Default as defined in the Agreement, the Issuer may apply any amounts in the Construction Fund (i) to discharge any obligations of the Tenant under the Agreement, or (ii) to redeem Bonds if the Issuer elects to redeem all outstanding Bonds upon acceleration of the Basic Rent due under the Agreement pursuant to Section 8.02(a) of the Agreement.

(c) Subject to Section 413 hereof, but notwithstanding any other provision herein, any sums transferred from the Construction Fund as Retained Funds shall be credited and be applied by the Issuer in accordance with the applicable requirements of the Agreement.

(d) Subject to Section 413 hereof, upon any purchase of the Facility by Tenant pursuant to Sections 6.09 or 7.04 of the Agreement, amounts in the Construction Fund shall be transferred to the Debt Service Account.

(e) There is hereby created and established a separate and special account in the Construction Fund to be known as the "Costs of Issuance Account" to be held by the Trustee, in which there shall be deposited at the Bond Closing any

money contributed by the Tenant and designated by the Tenant to be deposited in the Costs of Issuance Account, together with proceeds of the Bonds designated by the Tenant for deposit to the Costs of Issuance Account. Amounts in the Costs of Issuance Account shall be withdrawn or disbursed pursuant to the Disbursing Agreement.

(f) There is hereby created a separate and special account in the Construction Fund to be known as the "Equity Account" to be held by the Trustee, in which shall be deposited at the Bond Closing for the Bonds, and thereafter from time to time as may be required by Section 3.02 of the Disbursing Agreement, all money contributed by the Tenant to pay costs related to the Facility, the issuance of the Bonds, or other obligations under the Agreement. Amounts in the Equity Account shall be withdrawn or disbursed pursuant to the Disbursing Agreement and the Agreement, provided however, that to the extent that Facility Costs, Costs of Issuance (as defined in the Disbursing Agreement), or other costs which are the obligation of the Tenant under the Agreement or Disbursing Agreement cannot legally be paid from Bond proceeds, said amounts may be paid from the Equity Account to the extent thereof and to the extent other provision is not made for their payment.

Section 404. *Common Bond Fund*. All accrued interest on the Bonds delivered at Bond Closing, all Net Revenues with respect to the Facility and the Agreement, Basic Rent, interest accruing on past due Basic Rent, all Retained Funds, Collateral Proceeds, Prepaid Net Revenues, and all other sums payable into the Common Bond Fund pursuant hereto or the Agreement, shall be credited to the Common Bond Fund, as received, and, subject to the Tenant' rights (if any) to earnings on the Reserve Deposit pursuant to the terms of the Agreement, are hereby pledged to the Common Bond Fund to the extent and in the manner provided in the Basic Resolution and herein. Subject to Section 413 hereof, amounts deposited in the Common Bond Fund (or any subaccounts therein) shall be credited against installments of Basic Rent or to the benefit of the Tenant only as and to the extent provided in the Agreement; provided that, subject to the Agreement, earnings on sums in the Common Bond Fund (including earnings on money credited to the Debt Service Account, the Common Reserve Account, and all subaccounts therein) shall not be credited against any installments of Basic Rent or otherwise to the benefit of the Tenant, but shall accrue to the benefit of the Issuer and shall be credited and applied in accordance with the Basic Resolution. Except as otherwise set forth in the Agreement, all amounts deposited in the Common Bond Fund pursuant hereto shall secure the payment of Common Fund Bonds to the extent and in the manner provided in the Basic Resolution.

Section 405. *Debt Service Account and Common Reserve Account*.

(a) At Bond Closing the Issuer shall deposit into the Debt Service Account in the Common Bond Fund proceeds of the Bonds to the extent of interest accrued on the Bonds from their nominal issuance date to the Bond Closing. All Net Revenues with respect to the Facility or the Agreement and Basic Rent (and all interest accruing on past due amounts therefor) shall be deposited in the Debt Service Account in the Common Bond Fund, together with any amounts transferred from the Common Reserve Account which are being credited in accordance herewith or the Agreement to the benefit of the Tenant against installments of Basic Rent or other payments due under the Agreement.

(b) At Bond Closing there shall be deposited in the Common Reserve Account by the Issuer cash in an amount, or a Reserve Letter of Credit drawable in an amount, not less than the Minimum Deposit. Any amounts drawn under a Reserve Letter of Credit shall be deposited in the Common Reserve Account. The Issuer may substitute a Reserve Letter of Credit for all or a portion of the cash deposited in the Common Reserve Account at the Bond Closing by providing a Reserve Letter of Credit for deposit therein in the amount of such withdrawal.

(c) Any funds in the Construction Fund transferred pursuant to Section 3.04 of the Agreement shall be deposited in the Common Reserve Account as Retained Funds, together with any amounts otherwise required hereunder to be deposited in the Common Reserve Account or subaccount thereof. Amounts deposited hereunder or pursuant to the Agreement in a subaccount in the Common Reserve Account shall be credited to the benefit of the Tenant and applied, if at all, only in accordance with Sections 2.02 and 2.03 of the Agreement, and such amounts so credited, to the extent they are or become available therefor, shall be transferred from any such subaccount in the Common Reserve Account into the Debt Service Account as and to the extent such amounts are applied against payments of Basic Rent or other items due and payable under the Agreement.

Section 406. *Property Insurance and Award Fund*.

(a) The proceeds of fire and extended coverage insurance on the Facility received under the Agreement from a claim for loss in excess of $50,000 per occurrence or $100,000 per calendar year in the aggregate and any award in the event of Condemnation of the Facility or any part thereof as referred to in Section 5.02 of the Agreement are to be paid to the Issuer. The Issuer shall deposit all such insurance proceeds and any award received in the Property Insurance and Award Fund to be established and held by the Trustee in the event that the Trustee receives any such insurance proceeds or any such award. Any money deposited in the Property Insurance and Award Fund shall be withdrawn only for the purposes and upon the conditions stated in this Section 406.

(b) The Issuer shall first deduct from any Condemnation Award or insurance proceeds any costs reasonably incurred by the Issuer or the Tenant in connection with the Condemnation proceedings or the collection of the insurance, including, but not limited to, attorneys' fees, witness fees and any extraordinary expenses of the Issuer or the Tenant in connection therewith. The amount remaining after such payments is referred to in this Section 406 as the "Net Proceeds."

(c) In the event that the Tenant exercises its option to terminate the Agreement as provided in Section 7.03 of the Agreement, the Net Proceeds shall be deemed "Prepaid Net Revenues" under Section 101 of the Basic Resolution and shall be deposited in a separate subaccount in the Common Reserve Account and may be applied therein as provided in Section 403(d) of the Basic Resolution.

(d) Subject to Section 5.04 of the Agreement, if the conditions for termination under Section 7.03 of the Agreement do not exist or the option to terminate thereunder is not exercised, the Net Proceeds shall be retained in the Property Insurance and Award Fund, and the Tenant is required under Article V of the Agreement to restore the Facility after any such casualty or Condemnation. The following items shall be deposited with the Issuer and the Trustee before any

disbursement is made from the Property Insurance and Award Fund to pay such cost of restoration:

(i) plans and specifications reasonably satisfactory to the Issuer for restoration of the Facility, which restoration the Tenant is required to effect in accordance with Section 5.01 or Section 5.02 of the Agreement, as the case may be;

(ii) a contract or contracts for the furnishing of work and materials required for restoration in accordance with the plans and specifications, with a payment and performance bond or bonds (unless otherwise agreed by the Issuer) in an aggregate amount at least equal to the total cost of restoration under the contract or contracts conditioned for the completion thereof in accordance with the plans and specifications and for the payment of all claims for labor and materials to be incorporated in the Facility in the course of restoration;

(iii) a certificate of a member of the Issuer's staff approving: (A) the plans and specifications for such restoration, (B) the contract or contracts, and (C) the payment and performance bond or bonds, if any, which approval the Issuer has agreed shall not be unreasonably withheld, provided that upon the passage of fifteen (15) days from the receipt of such plans and specifications, contracts, and bonds during which the Issuer has not given such certificate, the requirement of this subparagraph (iii) need not be satisfied; and

(iv) cash or a certified check (or a letter of credit in form and substance reasonably acceptable to the Issuer) for any amount by which the total cost of restoration as then ascertained or estimated exceeds the balance then on hand in the Property Insurance and Award Fund.

(e) After compliance with Section 406(d) hereof, where applicable, the Trustee shall pay costs of restoration to the Tenant or other persons entitled thereto, subject to customary restrictions on disbursement, as such restrictions are deemed applicable or appropriate by the Issuer; provided that, unless waived by the Issuer, not more than ninety percent (90%) of the total cost of restoration as so certified pursuant to Section 3.03 of the Agreement shall be paid until receipt by the Issuer of (i) an Opinion of Independent Counsel stating that all filings and other steps necessary to perfect the security interests and title created by the Agreement in all personal property which constitutes part of the Facility as a result of such restoration, as against third party creditors of or purchasers for value from the Tenant, have been completed and that the personal property which constitutes part of the Facility is subject to no liens and encumbrances except Permitted Encumbrances or such other encumbrances consented to by the Issuer and the Tenant, and (ii) an endorsement to the title insurance policy delivered under Section 205(b)(iv) hereof with respect to the real property constituting part of the Facility in form and substance acceptable to the Issuer. In the event that the restoration of the Facility to substantially the condition existing before a taking by Condemnation would require the furnishing of land or rights or interests in land additional to or in substitution for any part or all of the Facility Premises, the cost thereof may be added to the cost of restoration to be paid under the provisions of this Section 406 if such acquisition is authorized by the Issuer and there are filed with the Issuer evidence of the acquisition of such land or an interest therein, together with an endorsement to the title insurance policy delivered under Section 205(b)(iv) hereof in relation to such additional or substituted land and rights or

interests therein, all in form and manner acceptable to the Issuer. Any additional property or rights or interest therein so acquired shall be and become part of the Facility as fully as though originally set forth and described in Exhibits A and B of the Agreement.

(f) Any Net Proceeds not used for such restoration shall, upon completion of such restoration, be credited to a separate subaccount of the Common Reserve Account in the Common Bond Fund and applied and credited in accordance with the Basic Resolution and the Agreement.

(g) All earnings on sums in the Property Insurance and Award Fund shall be credited to such fund for the purposes permitted in this Section 406.

Section 407. *Prepayment of Basic Rent*. Any prepayment by the Tenant of Basic Rent as provided in Section 7.02 of the Agreement shall be deposited in a separate subaccount of the Common Reserve Account for Retained Funds and credited and applied as provided in such Section 7.02 of the Agreement.

Section 408. *[Intentionally Omitted].*

Section 409. *[Intentionally Omitted].*

Section 410. *[Intentionally Omitted]*.

Section 411. *Redemption Fund*.

(a) There is hereby created and established a separate and special Redemption Fund, to be held by the Trustee as a fund separate from the Common Bond Fund and the IDB Account. Amounts deposited therein, other than Rebate Amounts, are hereby pledged solely to the payment of the Redemption Price on the Bonds duly called for redemption or repayment to the Issuer as provided herein.

(b) There shall be deposited in the Redemption Fund, all amounts to be paid as the Redemption Price on any Bonds to be called for redemption pursuant to Sections 306, 307 and 308 hereof. Such amounts shall be deposited prior to notice of such redemption being given pursuant to Section 303 hereof. Earnings on the investment of amounts deposited in the Redemption Fund shall also be deposited in such fund.

(c) Subject to Section 413 hereof, amounts in the Redemption Fund shall be applied to payment when due of the Redemption Price payable on any Bonds duly called for redemption by transfer thereof to the Paying Agent on the date when due. Amounts remaining in the Redemption Fund and not required for the payment of any Redemption Price of Bonds duly called for redemption, shall be transferred by the Trustee at the direction of the Issuer.

(d) Amounts in the Redemption Fund shall be invested solely in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the Government National Mortgage Association, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Land Banks, the Export-Import Bank of the United States or the Federal Home Loan Bank; provided, however, no amounts may be invested for a period expiring later than the earlier of ninety-one (91) days or the next succeeding Interest Payment Date on which Bonds will be redeemed.

Section 412. *Draws on the Reserve Letter of Credit*. The following shall be applicable only if there is a Reserve Letter of Credit for the Bonds:

(a) if (i) the Tenant shall fail at any time or times to pay when due (including any applicable grace period) any Basic Rent (including amounts due by acceleration), or (ii) any Basic Rent previously paid is required by law to be disgorged by the Issuer, the Trustee, or holders because of the bankruptcy or insolvency of the Tenant, or (iii) any amount is then drawable under the Basic Resolution from the applicable subaccount for Reserve Deposits established in the Common Reserve Account, then to the extent of amounts drawable the Trustee may submit a draw under the Reserve Letter of Credit, and shall provide a notice of such draw to the Tenant. Amounts so drawn shall be deposited in the Common Reserve Account, subject to withdrawal pursuant to the Basic Resolution.

(b) The Trustee shall submit a draft to fully draw under the Reserve Letter of Credit no more than forty-five (45) days and no less than thirty (30) days prior to its expiration unless (i) such expiration is on or after the date on which all principal of, premium, if any, and interest on the Bonds is paid in full, or (ii) prior to such draw an Approved Substitute Letter of Credit drawable in an amount not less than the amount drawable under the expiring Reserve Letter of Credit shall have been delivered to the Trustee, or immediately available funds (in United States currency) in an amount equal to the amount drawable under the expiring Reserve Letter of Credit shall be delivered to the Trustee for deposit in a subaccount in the Common Reserve Account. Amounts so drawn shall be deposited in a subaccount in the Common Reserve Account.

Section 413. *[Intentionally Omitted].*

Section 414. *[Intentionally Omitted].*

Section 415. *Tax Reserve Fund*. Whenever all amounts in the Common Reserve Fund and the IDB Account have been expended and all amounts have been drawn under the Letter of Credit or further draws thereunder are for any reason unavailable (or if the Letter of Credit is no longer outstanding) and the Trustee has determined that without receipt of amounts from the Tax Reserve Fund principal, interest or the Redemption Price of the Bonds would not be paid when due under the terms of the Bonds or would continue past due, the Trustee shall certify the same to the Finance Officer and shall further certify to the Finance Officer the amount then required to be received and applied to the payment of the principal, interest or Redemption Price of Outstanding Designated Common Fund Bonds in order to prevent the Issuer from defaulting on any such payment. Funds received by the Trustee from the Finance

Officer shall be applied only to the payment of principal, interest or Redemption Price of Outstanding Designated Common Fund Bonds. Except as otherwise provided herein, the Issuer is under no obligation to provide money to the Trustee except from amounts in the Tax Reserve Fund that have been deposited in the Tax Reserve Fund pursuant to the terms of Chapter 424. If the amount received, together with all other amounts available to the Trustee, is not sufficient to pay all principal or Redemption Price of and interest then due on Designated Common Fund Bonds, the Trustee shall apply the balance first to pay pro rata the interest then due on all such Designated Common Fund Bonds and the Trustee shall apply any remaining balance first to the pro rata payment of principal of the then matured (but unaccelerated) Outstanding Designated Common Fund Bonds and then to the payment of all other principal due on Common Fund Bonds and other items payable from the Common Bond Fund in respect of such Outstanding Designated Common Fund Bonds.

Section 416. *Earnings Pledge*. The Issuer agrees that it shall irrevocably pledge all earnings on the IDB Account to the repayment of Common Fund Bonds on the same terms as other funds in the IDB Account (irrespective of whether, at such time or any time thereafter, the sum in the IDB Account may exceed $10,000,000); provided, however, that no sums in the IDB Account in excess of $20,000,000 need be pledged by reason of this Section 416.

Section 417. *Investments by Issuer*. All sums held in the funds or accounts established hereunder, to the extent practicable and permitted by the Act, will be invested as provided in Section 501 of the Basic Resolution. The Issuer, at its discretion, may allow the Tenant to direct the investment of the Reserve Deposit with respect to the Bonds. In such event, the Trustee shall value the investments in the Reserve Deposit on each January 1, April 1, July 1 and October 1, at the lower of cost or fair market value. If, pursuant to such valuation, the Reserve Deposit is less than the Minimum Deposit, the Trustee shall immediately notify the Tenant and the Issuer.

ARTICLE V

POSSESSION, USE AND RELEASE OF PROPERTY

Section 501. *Possession and Use*. Subject to the terms of this Supplemental Bond Resolution and the Agreement, until the occurrence of an "Event of Default" as defined in the Agreement, the Tenant shall be permitted to possess, use and enjoy the Facility (except cash or other personal property deposited or pledged or determined by the terms hereof to be deposited or pledged to the Issuer) as permitted under the Agreement and to receive and use the issues and profits of the Facility.

Section 502. *Conveyance for Access or Other Easement*. Subject to the terms of the Agreement, the Tenant is authorized, without consent of or notice to the Holders of any Bonds, to grant such conveyance or easement as the Issuer deems necessary to give adequate ingress or egress to and from the Facility Premises and to grant any other easement on the Facility Premises as the Issuer deems appropriate so long as the Issuer determines that such easement shall not materially impair the structural integrity of the Facility.

Section 503. *Release of Encumbered Facility Equipment*. The Issuer is authorized, without consent or notice to the Holders of any Bonds, to permit the Tenant to remove Facility Equipment from time to time in accordance with the terms and conditions set forth in Section 4.04 of the Agreement and release the same from the Issuer's security interest therein or on such other terms as the Issuer deems appropriate, so long as the Issuer determines that such removal and release shall not materially impair the structural integrity of the Facility.

ARTICLE VI

SUPPLEMENTAL AND AMENDATORY RESOLUTIONS

Section 601. *Supplemental and Amendatory Resolutions Not Requiring Consent of Holders*. The Issuer may, from time to time and at any time, without the consent of or notice to any of the Holders of any Bonds, and, when so required by this Supplemental Bond Resolution, shall adopt a resolution or resolutions supplemental hereto or amendatory hereof so as to thereby:

(a) permit the issuance of Additional Common Fund Bonds as provided in Section 202 and Section 311(d) of the Basic Resolution;

(b) cure any ambiguity, formal defect, omission or error herein or in any other supplemental bond resolution concerning Common Fund Bonds;

(c) grant for the benefit of the Holders of any Common Fund Bonds or any Holders of the Bonds herein authorized any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon such Holders;

(d) substitute or add additional equipment, machinery or land or release land or property in the manner, if any, specifically provided herein or more precisely identify any machinery forming a part of the Facility;

(e) make any other change deemed by the Issuer necessary to reconcile this Supplemental Bond Resolution with the Agreement or any amendment thereto; or

(f) make any change to this Supplemental Bond Resolution which, in the reasonable judgment of the Issuer, is not to the prejudice of any Holders of Bonds.

Section 602. *Supplemental and Amendatory Resolutions Requiring Consent of Holders*. Exclusive of supplemental and amendatory resolutions covered by Section 601 hereof and subject to the terms and provisions contained in this Section 602 and not otherwise, the Issuer, upon receipt of an instrument evidencing the consent to the below-mentioned supplemental or amendatory resolution by the Holders of not less than fifty-one percent (51%) of the aggregate principal amount of the Bonds then outstanding, such consent being secured in accordance with the provisions of Sections 801 and 802 hereof, shall adopt such other resolution or resolutions supplemental or amendatory thereto as shall be deemed necessary and desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein or in any other supplemental or amendatory resolution; provided, however, that nothing herein contained shall permit or be construed as permitting:

(a) any amendment which is inconsistent with the terms and conditions of the Basic Resolution and the provisions relating to the IDB Account established by the IDB Account Resolution;

(b) an extension of the maturity of the principal of any Bond or an extension of the interest on any Bond not held by a consenting Holder;

(c) a reduction in the principal amount of any Bond or a reduction in the rate of interest due on any Bond not held by a consenting Holder;

(d) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, except as otherwise provided herein; or

(e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental or amendatory resolution (except as otherwise provided herein or in the Agreement or any amendment thereto made without Holder consent under Section 601 hereof), without the consent of the Holders of one hundred percent (100%) of the principal amount of the Bonds (or, in the case of an amendment described in Section 602(a) hereof, all Common Fund Bonds) then Outstanding, such consent being secured in accordance with Section 801 hereof.

Anything herein to the contrary notwithstanding, a supplemental or amendatory resolution under this Article VI which adversely affects the rights of the Tenant under the Agreement shall not become effective unless and until the Tenant shall have consented in writing to the adoption and delivery of such resolution. In this regard, the Issuer shall cause notice of the proposed adoption of any such Additional Supplemental Bond Resolution, together with a copy of the proposed Additional Supplemental Bond Resolution, to be mailed by certified or registered mail to the Tenant at least twenty (20) days prior to the proposed date of adoption of any such Additional Supplemental Bond Resolution. The Tenant shall be deemed to have consented to the adoption of any such Additional Supplemental Bond Resolution if the Issuer does not receive a letter of protest or objection thereto, signed by an authorized representative of the Tenant, on or before 4:30 p.m., Central Standard or Central Daylight Time, whichever is then in effect, on the fifteenth (15th) day after the mailing of said notice and a copy of the proposed Additional Supplemental Bond Resolution to the Tenant, unless such fifteenth (15th) day falls on a Sunday or legal holiday, in which event, the letter of objection must be received on the next succeeding Business Day.

ARTICLE VII

AMENDMENT TO AGREEMENT

Section 701. *Amendments Without Holder Consent*. The Issuer and the Tenant may, without the consent of or notice to any of the Holders of Bonds, consent to any amendment to or change or modification of the Agreement to effect any change therein which, in the reasonable judgment of Bond Counsel, is consistent with the terms and conditions of the Basic Resolution and this Supplemental Bond Resolution (without amendment pursuant to Section 601(e) hereof), including, but not limited to, changes for the following purposes:

(a) to facilitate the issuance of Additional Common Fund Bonds without the consent of any Holders of Bonds as provided by Sections 202 and 311(d) of the Basic Resolution;

(b) to meet the requirements of the provisions hereof or of the Agreement;

(c) to cure any ambiguity, formal defect, omission or error;

(d) in connection with any property or equipment acquired and which constitutes a part of the Facility so as to more precisely identify the same;

(e) to reconcile the Agreement with any supplement or amendment to this Supplemental Bond Resolution; or

(f) to effect any other change therein which, in the reasonable judgment of the Issuer, is not to the prejudice of any Holders of the Bonds.

Section 702. *Amendments Requiring Holder Consent*. Neither the Issuer nor the Tenant shall consent to any amendment to or change or modification of the Agreement which, in the reasonable judgment of the Bond Counsel, is inconsistent with the terms and conditions of the Basic Resolution. If at any time the Tenant shall request the consent of the Issuer to any proposed amendment to or change or modification of the Agreement requiring Holder consent, the Issuer shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be published in the same manner as provided in Section 802 hereof.

ARTICLE VIII

MISCELLANEOUS

Section 801. *Consent of Holders*. Any consent, request, direction, approval, objection or other instrument required hereby to be signed and executed by any Holders of Bonds may be in any number of concurrent writings of similar tenor and must be in writing and signed. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes hereof and shall be conclusive in favor of the Issuer or the Trustee with regard to any action taken by the Issuer or Trustee under such request or other instrument, namely:

(a) The fact and date of the execution by any Person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the Person signing such writing acknowledged before him the execution thereof or by an affidavit of any witness to such execution.

(b) The fact of the holding by any Person of Bonds and the amounts and numbers of such Bonds and the date of the holding of the same may be proved by a certificate executed by any trust company, bank or banker, wherever situated, stating that at the date thereof the party named therein did exhibit to an officer of such trust company or bank or to such banker, as the property of such party, the Bonds if such certificate shall be deemed by the Issuer or the Trustee, as the case may be, to be satisfactory. The Issuer or Trustee may, in its discretion, require evidence that such Bonds shall have been deposited with a trust company, bank or banker before taking any action based on such ownership.

Section 802. *Notice of Amendments*. If at any time the Issuer desires to adopt any supplemental or amendatory resolution hereto or to amend the Agreement as herein provided without consent of all of the Holders of Outstanding Bonds, unless consent of and notice to any of the Holders is not required hereunder, the Issuer shall cause notice of the proposed resolution or amendment to be published at least once in a financial periodical or newspaper of general circulation published in the City of Minneapolis, Minnesota, and shall, in addition, cause such notice to be mailed by registered mail, return receipt requested, to the Holders of all Bonds as such Holders' names and addresses appear on the Bond Register. Such notice shall set forth the nature of the proposed resolution or amendment and shall state that copies thereof are on file at the office of the Issuer for inspection by all Holders. The Issuer shall not, however, be subject to any liability to any Holder by reason of its failure to publish or mail such notice, and any such failure shall not affect the validity of such resolution or amendment when consented to and approved as herein provided. If the Holders of not less than the requisite percentage in aggregate principal amount of Bonds Outstanding at the time have consented to and approved the adoption thereof as provided in this Supplemental Bond Resolution, no Holders of any Bonds shall have any right to object to any of the terms and provisions contained therein or the operation thereof or in any manner question the propriety of the adoption thereof or enjoin or restrain the Issuer or the Tenant from adopting or executing the same or from taking any action pursuant to the provisions thereof.

Section 803. *Severability*. If any provision hereof shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions of any Constitution, statute, rule or public policy or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatsoever and shall not affect the remaining portions of this Supplemental Bond Resolution or any part hereof.

Section 804. *Limitation of Liability*. No provision, covenant or agreement contained herein shall give rise to or impose any pecuniary liability upon the Issuer or any of either of its officers, employees or agents.

Section 805. *Authentication of Transcript*. The officers of the Issuer are directed to furnish to Bond Counsel certified copies of this Supplemental Bond Resolution and all documents referred to herein and affidavits or certificates as to all other matters which are reasonably necessary to evidence the validity and marketability of the Bonds. All such certificates and affidavits, including any heretofore furnished, shall constitute recitals of the Issuer as to the correctness of all statements contained therein made by or on behalf of such officers or the Issuer.

Section 806. *Approval of Tenant*. The Tenant has examined and given approval of this Supplemental Bond Resolution and all terms hereof and approves the sale of the Bonds as provided for herein for the price and terms set forth herein.

Section 807. *Authorization to Execute Agreement and Incidental Documents*.

(a) The Agreement, the Disbursing Agreement and the Underwriting Agreement are hereby approved in substantially the forms now on file in the offices of the Issuer, and the Finance Officer of the Issuer is authorized to execute, in the name of and on behalf of the Issuer, those documents (and all other agreements required therein or in this Supplemental Bond Resolution) in substantially the forms hereby approved, subject to changes thereto approved by the Finance Officer executing the same (which approval shall be conclusively presumed upon execution thereof) and such other documents as Bond Counsel shall consider appropriate for Bond Closing. In the event of the disability or the resignation or other absence of the Finance Officer of the Issuer, such other officers of the Issuer who may lawfully act in the Finance Officer's behalf shall, without further act or authorization of the Issuer, do all things and execute all instruments and documents required to be done or to be executed by such absent or disabled official. The Finance Officer of the Issuer is hereby authorized to deliver this Supplemental Bond Resolution and such certificates attesting to its authenticity as may be required by and to Bond Counsel, the Holders of the Bonds, the Underwriters and such other persons as the Finance Officer may deem appropriate.

(b) The delivery of the certifications referenced in Sections 203, 305 and 306 is hereby authorized and upon delivery of such certifications, if any, the terms thereof shall be conclusive as to the matters therein addressed and shall be deemed to be a part of this Supplemental Bond Resolution as if set forth fully herein.

Section 808. *Schedules*. Schedule A hereto is hereby incorporated by reference and made a part hereof as though the same shall have been set forth in full herein. Such Schedule A shall control over any contrary provisions herein not contained in such Schedule A.

Adopted on April 30, 2010.

SCHEDULE A

BOND FORM

UNITED STATES OF AMERICA

STATE OF MINNESOTA

COUNTY OF HENNEPIN

CITY OF MINNEAPOLIS

No. R-___ $_____

TAXABLE LIMITED TAX SUPPORTED DEVELOPMENT REVENUE BOND,

Common Bond Fund Series 2010-1

Interest Rate	Maturity Date	Nominal Date of Original Issue	CUSIP
		_____ 1, 2010	

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the City of Minneapolis (the "Issuer"), a municipal corporation of the State of Minnesota, for value received hereby promises to pay to the Registered Owner specified above or registered assigns, upon presentation and surrender hereof, the principal amount specified above on the maturity date specified above, solely from the Common Bond Fund (the "Common Bond Fund") held by Wells Fargo Bank, National Association, as Trustee, or its successor or successors as trustee (the "Trustee"), as provided in the Amended and Restated Basic Resolution and Indenture adopted by the Issuer on June 18, 2004, as amended (the "Basic Resolution") and from the IDB Account as defined in the Basic Resolution (the "IDB Account"), or if this Bond is subject to redemption prior to maturity as stated below, on a prior date on which this Bond shall have

been duly called for redemption (the "Redemption Date"), and to pay to the registered owner hereof solely from the Common Bond Fund and IDB Account interest on said principal sum from the date hereof until the principal sum is paid, at the rate per annum specified above, payable on December 1, 2010, and semiannually thereafter on June 1 and December 1 in each year. Overdue principal or redemption price and (to the extent legally enforceable) interest on this Bond shall bear interest at the rate borne by this Bond. This Bond, as to principal or redemption price, when due, shall be payable at the principal office of Wells Fargo Bank, National Association, in Minneapolis, Minnesota, as Paying Agent, or a successor Paying Agent duly designated by the Issuer (the "Paying Agent"). Interest on this Bond is payable by check or draft drawn upon the Paying Agent or any successor Paying Agent duly designated by the Issuer, mailed on each interest payment date to the person who was the registered holder hereof at the close of business on the 15th day of the month immediately preceding each such interest payment date at the address of such holder as it appears on the Bond Register maintained by the Trustee. Principal, premium, and interest on this Bond is payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The Bonds have been designated by the City Council of the Issuer as an issue to which Chapter 424 of the Minneapolis Code of Ordinances applies.

This Bond is one of a duly authorized issue of obligations of the Issuer issued in accordance with the Basic Resolution (such Bonds, together with other Limited Tax Supported Development Revenue Bonds of the Issuer being referred to as "Common Fund Bonds"). This Bond is one of the series of Common Fund Bonds designated as "Taxable Limited Tax Supported Development Revenue Bonds, Common Bond Fund Series 2010-1" (the "Bonds"), issued in the aggregate principal amount of $_____, under and pursuant to *Minnesota Statutes,* Section 469.152 *et seq*. and any acts amendatory thereof and supplemental thereto in effect on the date of delivery of the Supplemental Bond Resolution and Indenture adopted by the Issuer with respect to the Bonds (the "Supplemental Bond Resolution"), all of like date and tenor, except as to serial number, interest rate, maturity and redemption privilege, in accordance with the Basic Resolution and the Supplemental Bond Resolution, setting forth the terms and conditions upon which such Bonds are issued and describing the security therefor. The Bonds are issued by the Issuer for the purpose of financing the acquisition, improvement and equipping of a facility located in the City of Medina, which facility (the "Facility") is leased to Arrowhead Holdings, LLC, a Minnesota limited liability company, or an affiliate thereof (the "Tenant"), pursuant to a Lease Agreement, dated as of the first day of the month of the date of issuance hereof (the "Agreement"), thereby assisting activities in the public interest and for the public welfare of the Issuer. As provided in the Basic Resolution and the Supplemental Bond Resolution, Additional Common Fund Bonds (as defined in the Basic Resolution), equally and ratably secured by the pledge and covenants made in the Basic Resolution and the Supplemental Bond Resolution, may be issued by the Issuer which shall be equally and ratably payable from the Common Bond Fund and the IDB Account and secured by such pledge and covenants for any purpose authorized in accordance with the terms provided in Section 202 of the Basic Resolution.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Paying Agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY

PERSONS IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Supplemental Bond Resolution, until the termination of the system of book-entry-only transfers through DTC (or any successor security depository appointed pursuant to the Supplemental Bond Resolution), and notwithstanding any other provision of the Supplemental Bond Resolution to the contrary, this Bond may be transferred, in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

This Bond is transferable, as provided in the Supplemental Bond Resolution, only upon the Bond Register kept for such purpose at the office of the Trustee, by the registered owner hereof in person or by his attorney duly authorized in writing upon surrender hereof, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such duly authorized attorney, and thereupon the Issuer shall execute and issue and the Trustee shall authenticate and deliver in the name of the designated transferee a new Bond or Bonds of the same aggregate principal amount and series designation, maturity and interest rate as the surrendered Bond as provided in the Supplemental Bond Resolution and upon the payment of any charges therein prescribed. The Issuer, the Trustee and any Paying Agent may treat and consider the person in whose name this Bond is registered as the holder and absolute owner hereof for the purpose of receiving payment of or on account of the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever.

The Bonds are issuable in the form of fully registered Bonds without coupons in the denomination of $5,000 or any integral multiple thereof. Subject to such conditions and upon the payment of such charges provided for in the Supplemental Bond Resolution, Bonds may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same series designation, maturity and interest rate, in any of the authorized denominations and registered in such name or names as may be requested upon surrender thereof at the office of the Trustee with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner thereof or by his attorney duly authorized in writing.

The Bonds maturing _____ are subject to mandatory sinking fund redemption on the dates and in the principal amounts as provided in the Supplemental Bond Resolution.

The Bonds maturing after June 1, 2020 are subject to redemption prior to maturity, at the option of the Issuer, in whole or in part and from time to time, on June 1, 2020 and any interest payment date thereafter, at a redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth below, plus accrued interest to the redemption date:

Redemption Date	Redemption Price
June 1, 2020 and thereafter	100%

The Bonds are also subject to optional redemption in whole and without premium in accordance with the terms of the Supplemental Bond Resolution, upon certain events of casualty, condemnation, changes of law or other occurrences as provided in the Agreement, or upon a default by the Tenant under the Agreement.

If less than all of the Bonds outstanding under the provisions of the Basic Resolution and the Supplemental Bond Resolution at any time are to be redeemed, the particular Bonds to be redeemed shall be selected by inverse order of maturity and by lot within a maturity as provided in the Supplemental Bond Resolution. Notice of any redemption shall be given to holders of Bonds by mail to such holders' addresses as such appear in the Bond Register, all pursuant to the Supplemental Bond Resolution. If notice of redemption shall have been given as aforesaid, the Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the Redemption Date therein designated, and if on or before said Redemption Date money for the payment of the redemption price of all the Bonds to be redeemed, together with interest to the Redemption Date, is on deposit with the Paying Agent for such payment on said date, then from and after the Redemption Date interest on such Bonds shall cease to accrue and become payable. Less than all of a Bond in a denomination in excess of $5,000 may be so redeemed, and in such case, upon surrender of such Bond, there shall be issued to the registered owner thereof, without charge therefor, for the unredeemed balance of the principal amount of such Bond, a Bond or Bonds, of the same series designation, maturity and interest rate in any of the authorized denominations and registered in such name or names as may be requested, all as more fully set forth in the Supplemental Bond Resolution.

The Bonds, together with other Common Fund Bonds of the Issuer issued pursuant to Section 202 of the Basic Resolution, are payable from the Common Bond Fund established and maintained pursuant to the Basic Resolution. The Bonds and such other Common Fund Bonds are further secured by the IDB Account and are further secured by the Issuer under Chapter 424 of the Issuer's Code of Ordinances. Reference is made to the Basic Resolution, the Supplemental Bond Resolution, and Chapter 424 of the Issuer's Code of Ordinances for a complete statement of: (a) the terms and conditions upon which the Bonds have been issued; (b) the provisions made for their security and for the issuance of other Common Fund Bonds payable on a parity therewith; and (c) the rights, duties and obligations of the Issuer and the holders from time to time of all Common Fund Bonds. The principal, redemption price of or interest on the Bonds do not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation and do not constitute or give rise to a charge against the general credit and taxing powers of the Issuer except as provided in Chapter 424 of the Issuer's Code of Ordinances and neither the full faith and credit nor the taxing powers of the Issuer are pledged to the payment of the Bonds or the interest thereon except as provided in Chapter 424 of the Issuer's Code of Ordinances. No holder of the Bonds will ever have the right to enforce payment of the principal, redemption price or interest thereof against any property of the Issuer other than the funds specifically pledged to the payment thereof, nor shall the Bonds constitute any charge, lien or encumbrance upon any property of the Issuer pledged and appropriated thereto or the Tax Reserve Fund of the Issuer created by Chapter 424 of the Issuer's Code of Ordinances.

Neither the councilmembers of the Issuer nor any person executing the Bonds for the Issuer shall be liable personally on said Bonds by reason of the issuance thereof.

It is hereby certified and recited that the Facility constitutes a project as defined in *Minnesota Statutes,* Section 469.153, Subdivision 2, and that all conditions, acts and things required by the Constitution or statutes of the State of Minnesota or the Basic Resolution or the Supplemental Bond Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this Bond do exist, have happened and have been performed and that the issuance of this Bond and the issue of which it forms a part are within every debt and other limit prescribed by said Constitution and statutes.

This Bond and the interest hereon shall not be entitled to any security, right or benefit under the Basic Resolution or the Supplemental Bond Resolution hereinafter defined or be valid or obligatory for any purpose unless the certificate of authentication hereon has been duly executed by the Trustee.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Finance Officer.

CITY OF MINNEAPOLIS, MINNESOTA

By _____

Finance Officer

"Certificate of Authentication"

This Bond is one of the Common Fund Bonds described in the within-mentioned Basic Resolution and Supplemental Bond Resolution and is one of the Bonds of the City of Minneapolis, Minnesota referred to herein.

WELLS FARGO BANK,
NATIONAL ASSOCIATION,
as Trustee

Dated:_____ By_____

Authorized Signature

(Form of Transfer)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ (Tax Identification or Social Security No. _____), the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____, his attorney, to transfer the within Bond on the Bond Register with full power of substitution.

Dated: _____

_____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm which is a member of a major stock exchange.