

CERTIFICATION OF EXTRACT FROM MINUTES  
RELATING TO \$40,300,000 GENERAL OBLIGATION  
TRANSIT BONDS, SERIES 2008B

Issuer: Metropolitan Council, Minnesota

Governing Body: Council Members

Kind, date, time and place of meeting: A regular meeting held Wednesday, February 13, 2008, at 4:10 o'clock P.M., at 390 North Robert Street, St. Paul, Minnesota.

Members Present: Peter Bell, Chair; Tony Pistilli, Mary Hill Smith, Craig Peterson, Russ Susag, Peggy Leppik, Annette Meeks, Lynette Wittsack, Natalie Steffen, Georgeanne Hilker, Sherry Broecker, Rick Aguilar, Kirstin Sersland Beach, Daniel Wolter

Members Absent: Roger Scherer, Kris Sanda, Brian McDaniel

Documents Attached:

Extract of minutes of said meeting including:

RESOLUTION NO. 2008-02

RESOLUTION TO ISSUE AND SELL \$40,300,000 GENERAL  
OBLIGATION TRANSIT BONDS, SERIES 2008B, FIXING  
THE FORM AND SPECIFICATIONS THEREOF, PROVIDING  
FOR THEIR EXECUTION AND DELIVERY AND LEVYING  
TAXES FOR THEIR PAYMENT

I, the undersigned, being the duly qualified and acting Recording Secretary of the Metropolitan Council, the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been extracted; that said documents are correct and accurate copies of the resolution and related documents approved by the Council at its regular meeting held on February 13, 2008, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such Recording Secretary on February 13, 2008.

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Pat Curtiss, Recording Secretary

After some discussion, Council Member Tony Pistilli introduced the following resolution and moved its adoption:

RESOLUTION 2008-02

TO ISSUE AND SELL \$40,300,000 GENERAL OBLIGATION TRANSIT BONDS, SERIES 2008B, FIXING THE FORM AND SPECIFICATIONS THEREOF, PROVIDING FOR THEIR EXECUTION AND DELIVERY AND LEVYING TAXES FOR THEIR PAYMENT

The motion for the adoption of the foregoing resolution was seconded by Council Member Mary Hill Smith and upon vote being taken thereon, the following voted in favor thereof: Peter Bell, Chair; Tony Pistilli, Mary Hill Smith, Craig Peterson, Russ Susag, Peggy Leppik, Annette Meeks Lynette Wittsack, Natalie Steffen, Georgeanne Hilker, Sherry Broecker, Rick Aguilar, Kirstin Sersland Beach, Daniel Wolter

and the following voted against the same: None

and the following were absent for the vote: Roger Scherer, Kris Sanda, Brian McDaniel

whereupon the resolution was declared duly passed and adopted and was signed by the Chair whose signature was attested by the Recording Secretary.

RESOLUTION 2008-02 TO ISSUE AND SELL \$40,300,000  
GENERAL OBLIGATION TRANSIT BONDS, SERIES 2008B,  
FIXING THE FORM AND SPECIFICATIONS THEREOF,  
PROVIDING FOR THEIR EXECUTION AND DELIVERY AND  
LEVYING TAXES FOR THEIR PAYMENT

BE IT RESOLVED by the Metropolitan Council (the “Council” or the “Issuer”), as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.1 Authorization and Purpose. This Council determines that it is necessary to sell and issue its General Obligation Transit Bonds, Series 2008B, in the approximate principal amount of \$40,300,000 (the “Bonds”), subject to adjustment as provided in the Official Terms and Conditions of Bond Sale referred to in Section 1.2 hereof, pursuant to Minnesota Statutes, Section 473.39 and Chapter 475, to finance capital expenditures as prescribed in the Council’s regional transit master plan and transit capital improvement program.

1.2 Terms of Bond Sale; Notices. The Council has retained Public Financial Management, Inc., Minneapolis, Minnesota (“PFM”) as independent financial advisor, and pursuant to Minnesota Statutes, Section 475.60, subdivision 2, paragraph 9, PFM is hereby authorized to solicit proposals for the Bonds on behalf of the Council on a negotiated basis. The terms of the Bonds and the sale thereof shall be substantially as set forth in the Official Terms and Conditions of Bond Sale attached as Exhibit A hereto, which is hereby approved. The Council hereby determines to sell the Bonds in accordance with the procedures set forth in Exhibit A. The specifications set forth in Exhibit A may be revised by the Chief Financial Officer in consultation with PFM, provided that the principal amount of Bonds authorized and issued hereunder shall not exceed \$40,300,000. The Council hereby delegates to the Chief Financial Officer authority to consider the proposals and award the sale not later than 120 days from the date hereof based upon the best proposal, provided that the true interest cost of the Bonds shall not exceed 5.00% per annum.

SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.1 Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of the date of issuance, shall be in the denomination of \$5,000 each, or any integral multiple thereof, shall mature on March 1 in the respective years and amounts stated in the Official Terms and Conditions of Bond Sale, and shall bear interest from date of issue until paid at the respective annual rates pursuant to Section 1.2 hereof.

The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof shall be payable by check or draft issued by the Registrar described herein; provided that, so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with paragraph 3 of Exhibit C hereto, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.2 Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.6 hereof, and upon any subsequent transfer or exchange pursuant to paragraph 2 of Exhibit C hereto, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. Interest on the Bonds shall be payable on March 1 and September 1 in each year, commencing September 1, 2008, to the owner of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day.

2.3 Redemption. Prospective proposers may designate any portion of the principal of the Bonds to be combined within one or more term Bonds subject to mandatory sinking fund redemption. The Bonds shall be subject to redemption and payment prior to maturity at the option of the Council in such order of maturity as the Council may determine on the dates, at the prices, and for the maturities as provided in Exhibit A hereto. Thirty days mailed notice of any such redemption shall be given to the registered owners of the Bonds pursuant to Minnesota Statutes, Chapter 475.

2.4 Appointment of Initial Registrar. The Issuer hereby appoints the Treasurer of the Council, in St. Paul, Minnesota, as the initial bond registrar, transfer agent and paying agent (the "Registrar"). The Issuer reserves the right to change the Registrar upon thirty (30) days notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar.

2.5 Registration. The effect of registration and the rights and duties of the Issuer and the Registrar with respect thereto are set forth in paragraph 2 of Exhibit C hereto.

2.6 Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the Secretary and shall be executed on behalf of the Issuer by the signatures of the Chair and the Secretary, provided that the signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of the Registrar. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been prepared, executed and authenticated, the Secretary shall deliver them to the purchaser (the "Purchaser") upon payment of the purchase price in accordance with the contract of sale heretofore executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.7 Form of Bonds. The Bonds shall be prepared in substantially the form set forth in paragraph 1 of Exhibit C hereto.

**SECTION 3. USE OF PROCEEDS.** Upon payment for the Bonds by the Purchaser, the Treasurer shall deposit accrued interest directly in the Bond Fund established pursuant to Section 4 hereof and shall deposit the remaining proceeds of the Bonds into a separate Series 2008B

Transit Bond Proceeds Fund (the “Proceeds Fund”). Bond proceeds deposited in the Proceeds Fund and investment income thereon shall be disbursed at the direction of the Council for the purposes specified in subsection 1.1 hereof, including costs of issuance of the Bonds and payment of interest on the Bonds prior to completion of such purposes. Any moneys remaining in the Proceeds Fund after payment of all costs financed by the Bonds shall be transferred to the Bond Fund and used to pay principal and interest coming due on the Bonds.

**SECTION 4. SERIES 2008B TRANSIT BOND SINKING FUND.** The Bonds shall be payable from a separate and special 2008B Transit Bond Sinking Fund (the “Bond Fund”) of the Issuer, which the Issuer agrees to maintain until the Bonds have been paid in full. There is hereby appropriated and shall be paid into the Bond Fund, Bond proceeds to the extent provided in Section 3 hereof, all taxes collected pursuant to Sections 5 and 6 hereof, any other funds appropriated by the Council for the payment of the Bonds, and all investment income on the foregoing. The moneys on hand in the Bond Fund from time to time shall be used only to pay the principal of and interest on the Bonds when due. If the money in the Bond Fund should at any time be insufficient to pay principal and interest due on the Bonds, such amounts shall be paid from other moneys on hand in other funds of the Issuer, which other funds shall be reimbursed therefor when sufficient money becomes available in the Bond Fund.

**SECTION 5. TAX LEVY.** For payment of the principal of and interest on the Bonds when due, there is hereby levied on all taxable property in the metropolitan area as provided in Minnesota Statutes, Sections 473.39 and 473.446, a transit tax, collectible in the years and amounts equal to an amount which is not less than 5% in excess of the principal of and interest on the Note due in each year. Such tax shall be apportioned among the counties in the metropolitan area by the various County Auditors in accordance with state law. The proceeds of the tax, when received, shall be deposited in the Bond Fund. The Council reserves the right to reduce or cancel such tax levy in accordance with Minnesota Statutes, Section 475.61.

**SECTION 6. GENERAL OBLIGATION PLEDGE.** The full faith, credit and unlimited taxing powers of the Council shall be and are hereby irrevocably pledged for the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, and the Council covenants and agrees that if and to the extent necessary, it will levy on all taxable property in the metropolitan area that is subject to taxation by the Council, a direct, irrevocable ad valorem tax for this purpose, the collections of which shall be deposited in the Bond Fund.

**SECTION 7. DEFEASANCE.** When all of the Bonds have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the registered owners of the Bonds shall cease. The Issuer may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The Issuer may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited, bearing interest payable at such time and at such rates and

maturing or callable at the holder's option on such dates as shall be required to pay all principal, interest and redemption premiums to become due thereon to maturity or said redemption date.

## SECTION 8. CERTIFICATION OF PROCEEDINGS.

8.1 Registration of Bonds and Certification as to Tax Levy. The Treasurer is hereby authorized and directed to file a certified copy of this resolution and such additional certificates as may be required with the County Auditors of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties and to obtain from each County Auditor a certificate, prepared in substantially the form set forth respectively in Exhibit D hereto, that the Bonds have been duly entered upon the Auditor's bond register and that the tax required for the payment thereof has been levied.

8.2 Authentication of Transcript. The officers of the Issuer and County Auditors of the Counties specified in Section 8.1 are hereby authorized and directed to prepare and furnish to the Purchaser of the Bonds and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records relating to the Bonds and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise known to them, and all such certified copies, affidavits and certificates, including any heretofore furnished, shall be deemed representations of the Issuer as to the correctness of all statements contained therein.

8.3 Official Statement. The Council staff, in cooperation with PFM, is hereby authorized and directed to prepare on behalf of the Council an official statement (the "Official Statement") to be distributed to potential purchasers of the Bonds. The Official Statement shall contain the Official Terms and Conditions of Bond Sale for the Bonds, as set forth in Exhibit A hereto, and such other information as shall be deemed advisable and necessary to describe adequately the Council and the security for, and terms and conditions of, the Bonds. The final Official Statement shall be in the form approved by the Treasurer.

## SECTION 9. TAX COVENANTS; ARBITRAGE MATTERS AND CONTINUING DISCLOSURE.

9.1 No Designation as Qualified Tax-Exempt Obligations. The Bonds are not designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

9.2 General Tax Covenant. The Issuer covenants and agrees with the registered owners of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any action which would cause the interest payable on the Bonds to become subject to taxation under the Code and applicable Treasury Regulations (the "Regulations"), and covenants to take any and all actions within its powers to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. The improvements financed with the proceeds of the Bonds will be owned and maintained by the Issuer so long as the Bonds are outstanding and will be publicly available. The Issuer will not enter into any lease, use agreement, management agreement or other agreement or contract with

any non-governmental person relating to the use of the Improvements which might cause the Bonds to be considered “private activity bonds” or “private loan bonds” pursuant to Section 141 of the Code.

9.3 Arbitrage Certification. The Chair and Treasurer, being the officers of the Issuer charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be arbitrage bonds within the meaning of the Code and Regulations.

9.4 Arbitrage Rebate. The Issuer acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The Issuer covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no “gross proceeds” of the Bonds (other than amounts constituting a “bona fide debt service fund”) arise during or after the expenditure of the original proceeds thereof.

9.5 Continuing Disclosure. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the original Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the “Rule”), which will enhance the marketability of the Bonds, the Issuer hereby makes the covenants and agreements in Exhibit B hereto for the benefit of the Owners (as defined in Exhibit B) from time to time of the outstanding Bonds. The Treasurer shall have overall responsibility for compliance with the Undertaking of Continuing Disclosure and other similar undertakings hereafter made by the Council under Rule 15c2-12(b)(5), and the Treasurer shall implement the dissemination of reports and notices thereunder. Amendments permitted by the undertakings necessitated by a change in circumstances that arises from a change in legal requirements, or change in law may be made by the Treasurer.

**SECTION 10. BOND RATINGS.** The Treasurer is authorized and directed to obtain ratings of the Bonds from up to three nationally recognized credit rating services, to pay the reasonable and customary charges of such rating services, and to take such other action as may be required so that the Bonds may be issued and sold as contemplated hereby.

**SECTION 11. SEVERABILITY.** If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

SECTION 12. HEADINGS. Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

Adopted: February 13, 2008.

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Pat Curtiss, Recording Secretary

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Peter Bell, Chair