

CERTIFICATION OF EXTRACT FROM MINUTES  
RELATING TO \$8,850,000 GENERAL OBLIGATION  
WASTE WATER REVENUE REFUNDING BONDS, SERIES 2008D

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. 2008-04

RESOLUTION TO ISSUE AND SELL \$8,850,000 GENERAL  
OBLIGATION WASTE WATER REVENUE REFUNDING  
BONDS, SERIES 2008D, 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 TO ISSUE AND SELL \$8,850,000 GENERAL  
OBLIGATION WASTE WATER REVENUE REFUNDING  
BONDS, SERIES 2008D, 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: 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 TO ISSUE AND SELL \$8,850,000 GENERAL  
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BONDS, SERIES 2008D, FIXING THE FORM AND  
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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 hereby authorizes the issuance and sale of its General Obligation Waste Water Revenue Refunding Bonds, Series 2008D, in the approximate principal amount of \$8,850,000 (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 473.541, and Chapter 475, to currently refund the outstanding principal balance of the Issuer’s general obligation promissory note issued to the Minnesota Public Facilities Authority pursuant to a Commitment and Loan Agreement dated as of May 19, 1993 (the “Note”). The issuance of the Bonds to refund the Note will result in a reduction of interest cost and of total debt service on a present value basis on the indebtedness represented by the Note and is, therefore, in the best interests of the Council.

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 \$9,110,000. 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 fifth 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 are not subject to redemption or prepayment prior to their stated maturities.

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 AND REDEMPTION OF NOTE.

3.1 Deposit of Proceeds. Upon payment for the Bonds by the Purchaser, the Treasurer shall deposit Bond proceeds in an amount sufficient to pay the outstanding principal of and interest on the Note with the paying agent for the Note, for redemption and prepayment of the Note on or about March 12, 2008, all in accordance with the provisions of the resolution authorizing the issuance of the Note. Bond proceeds shall also be used to pay costs of issuance of the Bonds, and any remaining Bond proceeds shall be deposited in the Bond Fund created in Section 4 hereof.

3.2 Redemption of Note. The paying agent for the Note is hereby authorized to call the Note for redemption and prepayment on or about March 12, 2008, and to give notice of redemption in accordance with the provisions of the resolution authorizing the issuance of the Note.

SECTION 4. SERIES 2008D WASTE WATER REVENUE REFUNDING BOND FUND: SECURITY AND COVENANTS.

4.1 Bond Fund. The Issuer will create and continue to operate its Waste Water Fund to which will be credited all gross revenues of the waste water disposal system and out of which will be paid all normal and reasonable expenses of current operations of the waste water system. Any balance therein is deemed net revenue and will be transferred, from time to time, together with general taxes hereafter levied, to a General Obligation Waste Water Revenue Refunding Bonds, Series 2008D Bond Fund (the "Bond Fund") hereby created, which fund will be used only to pay principal of and interest on the Bonds and any other bonds similarly authorized. There will also be retained in the Bond Fund a sufficient amount to pay principal of and interest on all the Bonds described in the resolution authorizing the sale of the Bonds, and the Secretary must report any current or anticipated deficiency in the Bond Fund of the Issuer.

4.2 Security and Covenants. The Issuer covenants and agrees with the holders, from time to time, of the Bonds, that so long as any of the Bonds remain outstanding and unpaid, it will keep and enforce the following covenants and agreements:

(a) The Issuer will continue to maintain and efficiently operate the waste water system as public utilities and conveniences free from competition of other like utilities and will cause all revenues therefrom to be deposited in bank accounts and credited to the waste water disposal system accounts as herein above provided, and will make no expenditures from those accounts except for a duly authorized purpose and in accordance with this resolution.

(b) The Issuer will also maintain the Bond Fund as a separate account in the Debt Service Funds of the Issuer and will cause money to be credited thereto from time to time, out of net revenues from the waste water disposal system in sums sufficient to pay principal of and interest on the Bonds when due.

(c) The Issuer will keep and maintain proper and adequate books of records and accounts separate from all other records of the Issuer in which will be complete and correct entries as to all transactions relating to the waste water system and which will be

open to inspection and copying by any bondholder, or the bondholders' agent or attorney, at any reasonable time, and it will furnish certified transcripts therefrom upon request and upon payment of a reasonable fee therefor, and said the Issuer's books will be audited at least annually by a qualified public accountant and statements of such audit and report will be furnished to all bondholders upon request.

(d) The Issuer may cause persons handling revenues of the waste water system to be bonded or insured in reasonable amounts for the protection of the Issuer and the bondholders and will cause the funds collected on account of the operations of the waste water system to be deposited in a bank whose deposits are guaranteed under the Federal Deposit Insurance Law.

(e) The Issuer will keep the waste water system insured at all times against loss by fire, tornado and other risks customarily insured against with an insurer or insurers in good standing, in such amounts as are customary for like plants, to protect the holders, from time to time, of the Bonds and the Issuer from any material loss due to any such casualty and will apply the proceeds of such insurance to make good any such loss.

(f) The Issuer and each and all of its officers will punctually perform all duties with reference to the waste water system as required by law.

(g) The Issuer will impose and collect charges for wastewater disposal services at the times and in the amounts required to produce, with other moneys on hand and lawfully available for the purpose, net revenues adequate to pay all principal and interest when due on the Bonds.

(h) The Issuer will levy general ad valorem taxes on all taxable property in the Minneapolis-St. Paul Metropolitan Area when required to meet any deficiency in net revenues.

**SECTION 5. PLEDGE OF TAXING POWERS.** It is hereby determined that the estimated collections of net waste water disposal system revenues, together with other available monies designated by the Council for such purposes, will produce at least five percent in excess of the amount needed to meet when due, the principal and interest payments on the Bonds and no tax levy is required at this time. However, the Issuer covenants and agrees that if and to the extent necessary to provide moneys sufficient to pay the principal of and interest on the Bonds when due, it will levy on all taxable property in the Minneapolis-St. Paul Metropolitan Area comprising the Counties of Anoka, Carver, Dakota (excluding the City of Northfield), Hennepin (excluding the Cities of Hanover and Rockford), Ramsey, Scott (excluding the City of New Prague), and Washington, a direct, irrevocable ad valorem tax for this purpose, the collections of which shall be deposited in the Bond Fund.

**SECTION 6. 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 7. CERTIFICATION OF PROCEEDINGS.

7.1 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 any tax required for the payment thereof has been levied.

7.2 Authentication of Transcript. The officers of the Issuer and County Auditors of the Counties specified in Section 7.1 are hereby authorized and directed to prepare and furnish to the Purchaser 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.

7.3 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 8. TAX COVENANTS; ARBITRAGE MATTERS AND CONTINUING DISCLOSURE.

8.1 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").

8.2 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 Projects 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.

8.3 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.

8.4 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.

8.5 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 9. 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 10. 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 11. 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