DOCUMENT NO. 15

TAX COMPLIANCE CERTIFICATE

MINNESOTA PUBLIC FACILITIES AUTHORITY

$310,065,000
State Revolving Fund Revenue Bonds,
Refunding Series 2010A

April 1, 2010

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MINNESOTA PUBLIC FACILITIES AUTHORITY

$310,065,000
State Revolving Fund Revenue Bonds,
Series 2010A

In connection with the issuance by the Minnesota Public Facilities Authority (the "Authority") of its $310,065,000, aggregate principal amount, State Revolving Fund Revenue Bonds, Series 2010A Bonds (the "Series 2010A Bonds"), all dated April 1, 2010, as the date of original issue, in furtherance of the representations contained herein, and pursuant to Reg. § 1.148-2(b)(2), the Authority executes this Tax Compliance Certificate certifying in good faith its expectations with respect to the Series 2010A Bonds.

SECTION 1. DEFINITIONS. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth below or in the Resolution or the Regulations (as defined below).

Accounting Method shall mean both the overall method used to account for the Gross Proceeds of the Series 2010A Bonds (*e.g.*, the cash method or a modified accrual method) and the method used to account for or allocate any particular item within that overall accounting method (*e.g.*, accounting for investments, expenditures, allocations to and from different sources and particular items of the foregoing).

Act shall mean Minnesota Statutes, Chapter 446A, as the same may from time to time be amended and supplemented.

Arbitrage Rebate Account shall mean the accounts established pursuant to the Resolution to segregate amounts to be used to pay the Rebate Amount and/or Yield Reduction Amount from all other moneys.

Authority shall mean the Minnesota Public Facility Authority, the issuer of the Series 2010A Bonds.

***Bona Fide* Debt Service Fund** shall mean a fund, which may include proceeds of the Series 2010A Bonds, that is used primarily to achieve a proper matching of revenues and principal and interest payments within each Bond Year and that is depleted at least once a year except for a reasonable carryover amount (not to exceed the greater of (A) the earnings on the fund for the immediately preceding Bond Year, or (B) one-twelfth of the principal and interest payments for the immediately preceding Bond Year). *Bona Fide* Debt Service Fund includes the Revenue Accounts, Principal and Interest Accounts and Debt Service Accounts established pursuant to the Resolution.

Bond Funded Loans shall mean loans funded from the proceeds of the Series 2010A Bonds.

Bond Tax Counsel shall mean Briggs and Morgan, Professional Association, or another law firm, appointed by the Attorney General of the State of Minnesota, having a national reputation in the field of municipal law, whose opinions with respect to the exclusion of interest on state or local governmental obligations from gross income for purposes of federal income taxation are generally accepted by purchasers of state and local governmental obligations.

Bond Year means, in connection with the calculation of the Rebate Amount, each 1-year period that ends on the day that is selected by the Authority. The first and last Bond Years may be short periods. Pursuant to the Resolution, the Authority selects March 1 to be the end of each Bond Year.

Borrower shall have the meaning set forth in the Resolution and shall initially, for purposes of this Tax Compliance Certificate, consist of those Borrowers listed in the Verification Report as to the Series 2010A Bonds.

Clean Water Prior Bonds shall mean bonds issued by the Authority for its Clean Water Program through the Clean Water Prior Bond Resolution.

Clean Water Prior Bond Resolution shall mean the Amended and Restated Basic Bond Resolution, adopted by the Authority on June 6, 1991, as amended and supplemented, and including series resolutions adopted pursuant thereto.

Code shall mean the Internal Revenue Code of 1986, as in effect on the Delivery Date, the applicable Regulations promulgated thereunder and any administrative or judicial interpretations of the same published in a form upon which the Authority may rely as a matter of law.

Commingled Fund shall mean any commingled fund or account containing both Gross Proceeds of the Series 2010A Bonds and amounts in excess of $25,000 that are not Gross Proceeds of the Series 2010A Bonds if the amounts in the commingled fund or account are invested and accounted for collectively, without regard to the source of funds deposited in the commingled fund or account. An open-end regulated investment company under Section 851, however, is not a commingled fund.

Computation Date shall mean an Installment Computation Date, the Final Computation Date or any such earlier Computation Date as may be selected by the Authority.

Consistently Applied shall mean applied uniformly within a fiscal period and between fiscal periods to account for Gross Proceeds of an issue and any amounts that are in a commingled fund.

Current Outlay of Cash shall mean an outlay reasonably expected to occur not later than five banking days after the date as of which the allocation of Gross Proceeds to the expenditure is made.

Delivery Date shall mean April 1, 2010, the date on which the Authority receives the purchase price in exchange for delivery of the Series 2010A Bonds and interest begins to accrue on the Series 2010A Bonds for federal income tax purposes.

De minimis Amount means -

(i) In reference to original issue discount (as defined in Section 1273(a)(1) of the Code) or premium on an obligation -

(A) An amount that does not exceed 2% multiplied by the stated redemption price at maturity; plus

(B) Any original issue premium that is attributable exclusively to reasonable underwriters' compensation; and

(ii) In reference to market discount (as defined in Section 1278(a)(2)(A) of the Code) or premium on an obligation, an amount that does not exceed 2% multiplied by the stated redemption price at maturity.

Drinking Water Prior Bonds shall mean bonds issued by the Authority for its Drinking Water Program through the Drinking Water Prior Bond Resolution.

Drinking Water Prior Bond Resolution shall mean the Basic Bond Resolution adopted by the Authority on Jun 15, 1999, as amended and supplemented, and including series resolutions adopted pursuant thereto.

Escrow Agent shall mean Wells Fargo Bank Minnesota National Association, Minneapolis, Minnesota, a national association organized and existing under the laws of the United States of America.

Escrow Agreement shall mean the Escrow Agreement among the Authority, Minnesota State Board of Investment and Escrow Agent, relating to the Advanced Refunding of Certain Maturities of Various Series of Outstanding Minnesota Public Facilities Authority Water Pollution Control Revenue Bonds dated as of April 1, 2010, as such agreement may be amended and supplemented.

Escrow Fund shall mean the "escrow account" created and established pursuant to the Act, Resolution and Escrow Agreement, to be maintained by the Escrow Agent to defease the Refunded Bonds.

Excess Gross Proceeds shall mean the Excess Gross Proceeds as defined in Section 3.27 of this Tax Compliance Certificate.

Fair Market Value shall mean the price at which a willing buyer would purchase an Investment from a willing seller in a *bona fide*, arm's-length transaction. Fair Market Value generally is determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding (*i.e.*, the trade date rather than the settlement date). Except as otherwise provided in this definition, an Investment that is not of a type traded on an established securities market (within the meaning of Section 1273 of the Code), is rebuttably presumed to be acquired or disposed of for a price that is not equal to its Fair Market Value. The Fair Market Value of a United States Treasury obligation that is purchased directly from the United States

Treasury is its purchase price. The following guidelines shall apply for purposes of determining the Fair Market Value of the obligations described below:

(i) **Certificates of Deposit**. The purchase of certificates of deposit with fixed interest rates, fixed payment schedules and substantial penalties for early withdrawal will be deemed to be an Investment purchased at its Fair Market Value on the purchase date if the yield on the certificate of deposit is not less than:

(A) the yield on reasonably comparable direct obligations of the United States; and

(B) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(ii) **Guaranteed Investment Contracts ("GIC") and Investments Purchased for a Yield Restricted Defeasance Escrow.** The purchase price of a GIC and the purchase price of an Investment purchased for a yield restricted defeasance escrow will be treated as the Fair Market Value of the Investment on the purchase date if:

(A) The Authority makes a *bona fide* solicitation for the purchase of the Investment. A *bona fide* solicitation satisfies all of the following requirements:

(1) The bid specifications are in writing and are timely forwarded to potential providers;

(2) The bid specifications include all material terms of the bid. A term is material if it may directly or indirectly affect the yield or the cost of the investment;

(3) The bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Authority or any other person (whether or not in connection with the bond issue), and that the bid is not being submitted solely as a courtesy to the Authority or any other person;

(4) The terms of the bid specifications are commercially reasonable. A term is commercially reasonable if there is a legitimate business purpose for the term other than to increase the purchase price or reduce the yield of the investment;

(5) For purchases of guaranteed investment contracts only, the terms of the solicitation take into account the Authority's reasonably expected deposit and drawdown schedule for the amounts to be invested;

(6) All potential providers have an equal opportunity to bid. For example, no potential provider is given the opportunity to review other bids (*i.e.*, a last look) before providing a bid;

(7) At least three reasonably competitive providers are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of investments being purchased.

(B) The bids received by the Authority meet all of the following requirements:

(1) The Authority received at least three bids from providers that the Authority solicited under a *bona fide* solicitation and that do not have a material financial interest in the Series 2010A Bonds. A lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the Bonds until 15 days after the issue date of the Series 2010A Bonds. In addition, any entity acting as a financial advisor with respect to the purchase of the investment at the time the bid specifications are forwarded to potential providers has a material financial interest in the Series 2010A Bonds. A provider that is a related party to a provider that has a material financial interest in the Series 2010A Bonds is deemed to have a material financial interest in the Series 2010A Bonds;

(2) At least one of the three bids is from a reasonably competitive provider;

(3) If the Authority uses an agent to conduct the bidding process, the agent did not bid to provide the investment;

(C) The winning bid meets the following requirements:

(1) **GIC.** If the investment is a GIC, the winning bid is the highest yielding *bona fide* bid (determined net of any broker's fees);

(2) **Other investments.** If the investment is not a GIC, the following requirements are met:

(i) The winning bid is the lowest cost *bona fide* bid (including any broker's fees). The lowest cost bid is either the lowest cost bid for the portfolio or, if the Authority compares the bids on an investment-by-investment basis, the aggregate cost of the portfolio comprised of the lowest cost bid for each investment. Any payment received by the Authority from a provider at the time a GIC is purchased (*e.g.*, an escrow float contract) for a yield restricted defeasance escrow under a bidding procedure is taken into account in determining the lowest cost bid;

(ii) The lowest cost *bona fide* bid (including any broker's fees) is not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt. The cost of the most efficient portfolio at State and Local Government Series Securities is to be determined at the time that bids are required to be submitted pursuant to the terms of the bid specifications;

(iii) If State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt are not available for purchase on the day that bids are required to be submitted pursuant to terms of the bid specifications because sales of those securities have been suspended, the cost comparison of paragraph (C)(2)(ii) of this section is not required;

(D) The provider of the Investments or the obligor on the GIC certifies the administrative costs that it pays (or expects to pay, if any) to third parties in connection with supplying the investment;

(iii) **Recordkeeping Obligations.** The Authority shall retain the following records with the Series 2010A Bond documents until three years after the last outstanding Series 2010A Bond is redeemed:

(A) For purchases of GICs, a copy of the contract, and for purchases of investments other than GICs, the purchase agreement or confirmation;

(B) The receipt or other record of the amount actually paid by the Authority for the Investments, including a record of any administrative costs paid by the Authority, and the certification under section (ii)(D) above;

(C) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results;

(D) The bid solicitation form and, if the terms of the purchase agreement or the GIC deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation. For example, if the Authority purchases a portfolio of investments for a yield restricted requirements of Section 148 of the Code, an investment in the winning bid is replaced with an investment with a lower yield, the Authority must retain a record of the substitution and how the price of the substitute investment was determined. If the Authority replaces an Investment in the winning bid portfolio with another investment, the purchase price of the new investment is not covered by the safe harbor unless the investment is bid under the bidding procedure requirements; and

(E) For purchases of investments other than GICs, the cost of the most efficient portfolio of State and Local Government Series Securities, determined at the time that the bids were required to be submitted pursuant to the terms of the bid specifications.

Final Computation Date shall mean the date the last bond that is part of the Series 2010A Bonds is discharged.

Future Value shall mean the future value of a Payment or Receipt at the end of any period determined by using the economic accrual method and equals the value of that Payment or Receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and compounded over the period at a rate equal to the yield on the issue, using the same compounding interval and financial conventions used to compute that yield.

GIC shall have the meaning assigned it under the definition of "Fair Market Value".

Gross Proceeds shall mean any Proceeds and Replacement Proceeds of the Series 2010A Bonds.

Installment Computation Date shall mean the last day of the fifth Bond Year and each succeeding fifth Bond Year.

Invested Securities shall mean the invested securities as described in Section 3.1(c) of this Tax Compliance Certificate.

Investment Proceeds shall mean any amount actually or constructively received from investing Proceeds of the Series 2010A Bonds.

Investment Property shall mean any investment which is (1) a "security" (as defined in Section 165(g)(2)(A) or (B) of the Code, *i.e.*, a share of stock in a corporation or a right to subscribe for or to receive a share of stock in a corporation), or (2) an "obligation" (*i.e.*, any evidence of indebtedness under general federal income tax principles, including time or demand deposits), (3) any annuity contract (as defined in Section 72 of the Code), or (4) any investment-type property (within the meaning of Reg. § 1.148-1), *i.e.*, any property other than property described in clauses (1), (2) or (3) above, that is held principally as a passive vehicle for the production of income. A prepayment for property or services is investment-type property if a principal purpose for prepaying is to receive an investment return from the time the prepayment is made until the time payment otherwise would be made, provided that a prepayment is not investment-type property if (a) the prepayment is made for a substantial business purpose other than investment return and the Authority or Borrowers have no commercially reasonable alternative to the prepayment; (b) prepayments on substantially the same terms are made by a substantial percentage of persons who are similarly situated to the Authority or the Borrowers but who are not beneficiaries of tax-exempt financing; (c) the prepayment is made within 90 days of the reasonably expected date of delivery to the Authority or the Borrowers of all of the property or services for which payment is made; or (d) prepayments to acquire a supply of natural gas or electricity. The term "Investment Property" shall not include (1) any obligation issued by or on behalf of a state or local governmental unit the interest on which is excluded from gross income under Section 103 of the Code (or any obligation that when issued purported to be excluded from gross income under Section 103 of the Code) (a "tax-exempt bond"), unless (if the Series 2010A Bonds are not "specified private activity bonds") such obligation is a "specified private activity bond" (as defined in Section 57(a)(5)(C) of the Code) *i.e.*, a tax-exempt bond the interest on which is subject to the alternative minimum tax imposed on individuals and corporations, or (2) any interest in a "regulated investment company" to the extent that at least 95% of the income to the holder of the interest is interest that is excludable from gross income under Section 103(a) of the Code, unless (if the Series 2010A Bonds are not "specified private activity bonds") such "regulated investment company" invests in tax-exempt bonds which are "specified private activity bonds" to an extent in excess of the percentage permitted by the Internal Revenue Service to enable characterization of interest in such regulated investment company as not constituting Investment Property, (3) any "exempt demand deposit" (demand deposit SLG) (within the meaning of Reg. § 1.148-8(e)(4)), and (4) any qualified temporary investment (within the meaning of Internal Revenue Service Notice 87-22, 1987-10 I.R.B. (March 9, 1987) or successor Regulations) applicable to the Series 2010A Bonds.

Lendable Amount shall have the meaning given such term in Section 3.11.

Loans shall mean the Loans made from proceeds of the Refunded Bonds which become Transferred Proceeds of the Series 2010A Bonds, or Loans made to Borrowers from funds on deposit in the Loan Account pursuant to loan agreements and evidenced by promissory notes of the Borrowers.

Master Bond Resolution means the Authority's Master Clean Water and Drinking Water Bond Resolution originally adopted on January 25, 2010, as amended or supplemented, and including Series Resolution #2, together with together series resolutions adopted pursuant thereto.

Master Resolution Bonds means any "Senior Obligations" issued under the Master Bond Resolution, including the Series 2010A Bond.

Net Proceeds shall mean generally the amount received from the sale of the Series 2010A Bonds to the public, including accrued interest, but reduced by underwriters' discount, and shall include the Net Proceeds as set forth in Section 3.1 hereof.

Nonpurpose Investment shall mean any Investment Property which is not acquired with the Gross Proceeds of the Series 2010A Bonds to carry out the governmental purpose for which the Series 2010A Bonds are being issued (within the meaning of Reg. § 1.148-1), *i.e.*, all Investment Property acquired or otherwise allocated to Gross Proceeds of the Series 2010A Bonds other than the Loans acquired with Gross Proceeds under the Loan Agreements.

Payment or **Payments** shall mean any payments that are (i) amounts actually or constructively paid to acquire a Nonpurpose Investment (or treated as paid to a commingled fund); (ii) for a Nonpurpose Investment that is first allocated to an issue on a date after it is actually acquired (*e.g.*, an investment that becomes allocable to transferred proceeds or to replacement proceeds) or that becomes subject to the rebate requirement on a date after it is actually acquired (*e.g.*, an investment allocated to a reasonably required reserve or replacement fund for a construction issue at the end of the 2-year spending period), the value of that investment on that date; (iii) for a Nonpurpose Investment that was allocated to an issue at the end of the preceding computation period, the value of that investment at the beginning of the computation period; (iv) on the last day of each bond year during which there are amounts allocated to gross proceeds of an issue that are subject to the rebate requirement, and on the final maturity date, a computation credit of $1,000; and (v) yield reduction payments on Nonpurpose Investments made pursuant to Reg. § 1.148-5(c).

Plain Par Investment means an investment that is an obligation -

(i) Issued with not more than a De minimis Amount of original issue discount or premium, or, if acquired on a date other than the issue date, acquired with not more than a De minimis Amount of market discount or premium;

(ii) Issued for a price that does not include accrued interest other than preissuance accrued interest;

(iii) That bears interest from the issue date at a single, stated, fixed rate or that is a variable rate debt instrument under Section 1275 of the Code, in each case with interest unconditionally payable at least annually; and

(iv) That has a lowest stated redemption price that is not less than its outstanding stated principal amount.

Prepayments shall have the meaning given such term in the Resolution.

Prior Bonds shall collectively mean the Clean Water Prior Bonds and the Drinking Water Prior Bonds.

Prior Bond Resolutions shall collectively mean the Clean Water Prior Bond Resolution and the Drinking Water Prior Bond Resolution.

Proceeds shall mean any Sale Proceeds and any Investment Proceeds and any Transferred Proceeds of the Series 2010A Bonds.

Program shall mean the Authority's revolving fund program, which provides loan financing for (1) certain costs of wastewater treatment facilities, (2) other environmental infrastructure undertaken by the Borrowers or (3) supplying public water supplies.

Project or **Projects** shall generally mean those particular wastewater treatment system projects and other environmental infrastructure projects being financed or refinanced by the Borrowers with proceeds of the Loans described in the application packages and Loan Agreements submitted by the Borrowers.

Purpose Investment means an investment that is acquired to carry out the governmental purpose of the Series 2010A Bonds, *i.e.*, the Loans.

Qualified Administrative Costs shall mean with respect to a Nonpurpose Investment such term as defined in Reg. § 1.148-5(e)(2) or successor regulations applicable to the Series 2010A Bonds. Qualified Administrative Costs are reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody, and similar costs. General overhead costs and similar indirect costs of the Authority or the Borrowers such as employee salaries and office expenses and costs associated with computing the Rebate Amount under Section 148(f) of the Code are not Qualified Administrative Costs. In general, administrative costs are not reasonable unless they are comparable to administrative costs that would be charged for the same investment or a reasonably comparable investment if acquired with a source of funds other than gross proceeds of tax-exempt bonds.

Ratable Allocation Method shall mean that method of allocating a ratable portion of each Nonpurpose Investment and Purpose Investment of proceeds of the Refunded Bonds to Transferred Proceeds of the Series 2010A Bonds.

Rebate Amount shall mean the amount required to be paid to the United States in accordance with Section 148(f) of the Code.

Rebate Requirement shall mean the requirements related to payment of the Rebate Amount as provided in Section 6 of this Tax Compliance Certificate and Section 148(f) of the Code.

Receipt or **Receipts** shall mean receipts that are (i) amounts actually or constructively received from a Nonpurpose Investment (including amounts treated as received from a commingled fund), such as earnings and return of principal; (ii) for a Nonpurpose Investment that ceases to be allocated to an issue before its disposition or redemption date (*e.g.*, an investment that becomes allocable to transferred proceeds of another issue or that ceases to be allocable to the issue pursuant to the universal cap under Reg. § 1.148-6) or that ceases to be subject to the rebate requirement on a date earlier than its disposition or redemption date (*e.g.*, an investment allocated to a fund initially subject to the rebate requirement but that subsequently qualifies as a *bona fide* debt service fund), the value of that Nonpurpose Investment on that date; and (iii) for a Nonpurpose Investment that is held at the end of a computation period, the value of that investment at the end of that period.

Refunded Bonds shall mean, collectively, the following:

PLAN OF FINANCE

A portion of the proceeds of the Series 2010A Bonds will be used to fund or purchase Clean Water Loans and a portion of such proceeds will be used to refund the following maturities of the following series of Clean Water Prior Bonds previously issued under the Clean Water Prior Bond Resolution:

Series	Original CUSIP	Maturity	Redemption Date	Coupon	Principal Amount
Current refunding:					
1998A	604114HP6	03/01/12	04/23/10	5.000%	$ 8,635,000
1998A	604114HQ4	03/01/13	04/23/10	5.000%	8,755,000
1998A	604114HR2	03/01/14	04/23/10	5.000%	12,755,000
1998A	604114HS0	03/01/15	04/23/10	5.000%	8,575,000
1998A	604114HT8	03/01/16	04/23/10	4.750%	7,895,000
1998A	604114HU5	03/01/17	04/23/10	4.750%	1,585,000
1998A	604114HV3	03/01/18	04/23/10	4.750%	1,620,000
1998A	604114HW1	03/01/19	04/23/10	4.750%	1,645,000
				Subtotal	51,465,000
Advance refunding:					
2004C	604114NV6	3/1/2017	3/1/2014	5.00%	3,500,000
2004C	604114NW4	3/1/2018	3/1/2014	4.00%	4,000,000
2004C	604114NX2	3/1/2019	3/1/2014	4.00%	3,000,000
2004C	604114NY0	3/1/2020	3/1/2014	5.00%	18,000,000
2004C	604114NZ7	3/1/2021	3/1/2014	5.00%	24,000,000
2004C	604114PA0	3/1/2022	3/1/2014	5.00%	30,000,000
2004C	604114PB8	3/1/2023	3/1/2014	5.00%	17,000,000
2004C	604114PC6	3/1/2024	3/1/2014	5.00%	10,500,000
				Subtotal	110,000,000
2005C	604114RC4	3/1/2018	3/1/2015	5.00%	8,000,000
2005C	604114RD2	3/1/2019	3/1/2015	5.00%	9,000,000
2005C	604114RE0	3/1/2020	3/1/2015	5.00%	8,000,000
2005C	604114RF7	3/1/2021	3/1/2015	5.00%	8,000,000
2005C	604114RG5	3/1/2022	3/1/2015	5.00%	6,000,000
2005C	604114RH3	3/1/2023	3/1/2015	5.00%	5,000,000
2005C	604114RJ9	3/1/2024	3/1/2015	5.00%	5,000,000
2005C	604114RK6	3/1/2025	3/1/2015	5.00%	7,000,000
				Subtotal	56,000,000
2007A	60411KAN2	3/1/2020	3/1/2017	5.00%	5,000,000
2007A	60411KAP7	3/1/2021	3/1/2017	5.00%	5,000,000
2007A	60411KAQ5	3/1/2022	3/1/2017	5.00%	6,000,000
2007A	60411KAR3	3/1/2023	3/1/2017	5.00%	7,000,000
2007A	60411KAS1	3/1/2024	3/1/2017	5.00%	8,000,000
2007A	60411KAT9	3/1/2025	3/1/2017	5.00%	12,000,000
2007A	60411KAU6	3/1/2026	3/1/2017	5.00%	13,000,000
2007A	60411KAV4	3/1/2027	3/1/2017	5.00%	12,000,000
				Subtotal	68,000,000
2007B	60411KBH4	3/1/2020	3/1/2017	5.00%	7,500,000

2007B	60411KBJ0	3/1/2021	3/1/2017	5.00%	7,500,000
2007B	60411KBK7	3/1/2022	3/1/2017	4.50%	6,500,000
2007B	60411KBN1	3/1/2025	3/1/2017	4.75%	5,000,000
				Subtotal	26,500,000
				Subtotal	260,500,000
				Total	$ 311,965,000

Regulations shall mean the final Treasury Regulations under Section 148 of the Code (Sections 1.148-0 through 1.148-11, 1.149(d)-1, 1.149(g)-1 and 1.150-1 through 1.150-2, inclusive), which were published in the C.F.R., as amended through the date hereof.

Replacement Proceeds shall mean amounts that have a sufficiently direct nexus to the Series 2010A Bonds or to the governmental purpose of the Series 2010A Bonds to conclude that the amounts would have been used for that governmental purpose if the Proceeds of the Series 2010A Bonds were not used or to be used for that governmental purpose. For this purpose, governmental purposes include the expected use of amounts for the payment of debt service on a particular date. The mere availability or preliminary earmarking of amounts for a governmental purpose, however, does not in itself establish a sufficient nexus to cause those amounts to be Replacement Proceeds. Replacement Proceeds include, but are not limited to, sinking funds, pledged funds and certain other replacement proceeds described below, to the extent that those funds or amounts are held by or derived from a substantial beneficiary of the Series 2010A Bonds. For this purpose, a substantial beneficiary of the Series 2010A Bonds includes the Authority and any related party to the Authority. A person is not a substantial beneficiary of the Series 2010A Bonds solely because it is a guarantor under a qualified guarantee (as defined in Reg. § 1.148-4(f)).

A sinking fund includes a debt service fund, redemption fund, reserve fund, replacement fund, or other similar fund, to the extent reasonably expected to be used, directly or indirectly, to pay principal or interest on the Series 2010A Bonds.

A pledged fund is any amount that is directly or indirectly pledged to pay principal of or interest on the Series 2010A Bonds, provided that there is reasonable assurance that the amount will be available to pay principal of or interest on the Series 2010A Bonds even if the Authority encounters financial difficulty. A pledge to a guarantor of the Series 2010A Bonds is an indirect pledge to secure payment of principal of or interest on the Series 2010A Bonds. Certain amounts held under negative pledge agreements may be treated as a pledged fund under Reg. § 1.148-1(c)(3)(ii).

Other Replacement Proceeds are described in Reg. § 1.148-1(c)(4) and generally include amounts which are available during the period that the Series 2010A Bonds remain outstanding longer than is reasonably necessary for their governmental purposes, subject to certain safe harbors.

Resolution shall mean collectively or individually, as the case may be, the Master Bond Resolution and the Prior Bond Resolutions.

Sale Proceeds shall mean any amount actually or constructively received from the sale of the Series 2010A Bonds, including amounts used to pay underwriter's discount or compensation and accrued interest other than pre-issuance accrued interest.

Series 2010A Bonds shall have the meaning given in the first paragraph of this Tax Compliance Certificate.

Tax Compliance Certificate shall mean this Tax Compliance Certificate concerning compliance with the provisions of Sections 103 and 141 through 150 of the Code, as such Tax Compliance Certificate may be amended from time to time.

Transferred Proceeds shall mean any Proceeds of the Refunded Bonds that become Proceeds of the Series 2010A Bonds and cease to be proceeds of the Refunded Bonds pursuant to allocation rules provided in Reg. § 1.148-9(b).

Generally, when Proceeds of the Series 2010A Bonds discharge any of the outstanding principal amount of any series of the Refunded Bonds, the proceeds of the applicable series of the Refunded Bonds become Transferred Proceeds of the Series 2010A Bonds in an amount equal to the proceeds of the applicable series of the Refunded Bonds on the date of that discharge, multiplied by a fraction (i) the numerator of which is the principal amount of the applicable series of the Refunded Bonds discharged with the Proceeds of the Series 2010A Bonds on the date of that discharge, and (ii) the denominator of which is the total outstanding principal amount of the applicable series of the Refunded Bonds on the date immediately before the date of that discharge.

Value of Nonpurpose Investment (other than a yield restricted investment) shall mean using one of the following valuation methods:

(i) (A) Plain Par Investment - principal amount. A Plain Par Investment may be valued at its outstanding stated principal amount, plus any accrued interest on that date.

(B) Fixed rate investment - present value. A fixed rate investment may be valued at its present value on that date.

(C) Any investment (other than yield restricted investments) - Fair Market Value. Any investment may be valued at its Fair Market Value on that date.

(ii) Yield restricted investments - present value. Any yield restricted investment must be valued at present value.

(iii) Notwithstanding paragraph (i) above, a Nonpurpose Investment must be valued at Fair Market Value on the date it is first allocated to an issue or first ceases to be allocated and an issue as a consequence of a deemed acquisition or deemed disposition, except as provided in paragraph (ii) above or in Reg. § 1.148-5(d)(3)(ii) and -5(d)(4).

Value of the Series 2010A Bonds shall mean, in the case of the Series 2010A Bonds which are Plain Par Bonds on any determination date, the outstanding stated principal amount of such bonds at that time, plus accrued unpaid interest and, in the case of the Series 2010A Bonds which are not Plain Par Bonds, the present value of such bonds on the determination date. The present value is computed under the economic accrual method taking into account all the unconditionally payable payments of principal, interest, and fees for a qualified guarantee to be paid on or after that date and using the yield on that bond as the discount rate, except that for purposes of Reg. § 1.148-6(b)(2) (relating to the Universal Cap) these values may be determined by consistently using the Yield on the Series 2010A Bonds of which such bonds are a part.

Verification Report shall mean the Verification Report prepared by Grant Thornton, LLP, certified public accountants, relating to the Clean Water Series 2010A Bonds as required pursuant to the Prior Bond Resolutions.

Yield on the Series 2010A Bonds shall mean the Yield on the Series 2010A Bonds computed in accordance with Section 3.7 of this Tax Compliance Certificate, which is 2.990550%. The Yield on the Series 2010A Bonds on the date hereof shall not be recomputed as a result of subsequent events since (i) there will be no transfer, waiver, modification, or similar transaction with respect to any right that is part of the terms of the Series 2010A Bonds or otherwise associated with the Series 2010A Bonds in a transaction that is separate and apart from the original sale of the Series 2010A Bonds, in accordance with Reg. § 1.148-4(b)(4), and (ii) no payments will be made or received by the Authority under a "qualified hedge", in accordance with Reg. § 1.148-4(h)(2).

Yield Reduction Amount shall mean any amount paid to reduce the yield on Investment Property for yield restriction purposes pursuant to Reg. § 1.148-5(c) at the same time and in the same manner as Rebate Amounts are required to be paid to the United States.

SECTION 2. REPRESENTATIONS OF THE AUTHORITY. The Authority expects and intends to be able to comply with and will, to the extent permitted by law, comply with the provisions and procedures set forth in this Tax Compliance Certificate and will do and perform all acts and things necessary or desirable in order to assure that, under the Code as presently in force, interest on the Series 2010A Bonds shall, for purposes of federal income taxation, be excludable from gross income of the recipient thereof. In rendering this Tax Compliance Certificate, the undersigned has relied upon: (i) the representations and certifications contained in the Issue Price Certificate provided by J.P. Morgan Securities, Inc., as underwriter (the "Underwriter") (attached hereto as Exhibit "B"); (ii) the representations and certifications contained in the Certificate of the Financial Advisor (attached hereto as Exhibit "C"); and (iii) the Verification Report.

The Authority has not been advised and is not aware of any impediment under Minnesota law, either constitutional or statutory, to the Authority's compliance with the provisions and procedures set forth in this Tax Compliance Certificate. The Authority has been informed that, in the opinion of Bond Tax Counsel, compliance with the provisions and procedures of this Tax Compliance Certificate will constitute compliance with the Code.

2.1 **Authorization**. The Series 2010A Bonds are being issued pursuant to the Act and under and pursuant to the Resolution.

2.2 **Purpose**. The Series 2010A Bonds are being issued for the purposes of (i) establishing an escrow fund to pay interest, principal and any redemption premium on the Refunded Bonds, (ii) providing additional funds to be used in the Program and (iii) paying certain costs of issuance of the Series 2010A Bonds.

2.3 **Refunding Plan**. A portion of the Proceeds of the Series 2010A Bonds will be used on the Delivery Date to current refund and to advance refund, in a net cash refunding, the Refunded Bonds for the purpose of realizing net present value debt service savings.

2.4 **The Series 2010A Bonds as Subordinate Bonds under the Prior Bond Resolutions.** So long as any Clean Water Prior Bonds are Outstanding, the Series 2010A Bonds shall be Subordinate Bonds pursuant to, and as defined in, the Clean Water Prior Bond Resolution and payable from and secured by 1991 Clean Water Bond Program Revenues and 1991 Clean Water Bonds Program Assets as set forth in the Clean Water Prior Bond Resolution. So long as any Drinking Water Prior Bonds are Outstanding, the Series 2010A Bonds authorized in the Resolution shall be Subordinate Bonds pursuant to, and as defined in, the Drinking Water Prior Bond Resolution and payable from and secured by 1999 Drinking Water Bond Program Revenues and 1999 Drinking Water Bonds Program Assets as set forth in the Drinking Water Prior Bond Resolution.

So long as any Clean Water Prior Bonds or Drinking Water Prior Bonds remain outstanding, all proceeds and revenues relating to the Clean Water and Drinking Water portions of the Series 2010A will be deposited in the accounts established under the applicable Prior Bond Resolution. At the time Clean Water Prior Bonds or Drinking Water Prior Bonds are no longer outstanding, the Clean Water or Drinking Water assets and revenues, as the case may be, will be transferred to, and deposited in, the appropriate accounts established under the Master Bond Resolution. Thus, references to a particular account in this certificate shall be to each or all such account so designated and established under any of the Resolutions, as applicable.

2.5 **Responsible Person**. The undersigned is a person charged, together with others, with the responsibility for issuance of the Series 2010A Bonds, and has made due inquiry with respect to and is fully informed as to the matters set forth in Section 3.

SECTION 3. REASONABLE EXPECTATIONS OF THE AUTHORITY AS TO FACTS, ESTIMATES AND CIRCUMSTANCES. The Authority does not intend, so long as any of the Series 2010A Bonds remain outstanding and unpaid, to use any of the moneys on deposit under the Resolution or any other Gross Proceeds of the Series 2010A Bonds (whether derived from the sale of the Series 2010A Bonds or from any other source) in a manner which will cause the Series 2010A Bonds to be "arbitrage bonds" under Section 148 of the Code. In accordance with Reg. § 1.148-2(b)(2), this Tax Compliance Certificate sets forth the expectations of the Authority regarding the amount and use of the Gross Proceeds of the Series 2010A Bonds and the facts and circumstances that form the basis for the Authority's expectations. The statements regarding expectations set forth in this Tax Compliance Certificate are made in good faith and to the best of the knowledge and belief of the undersigned officer of the Authority, and the Authority's expectations are reasonable.

3.1 **Application of Net Proceeds of the Series 2010A Bonds.**

(a) **Total Net Proceeds.** The amount of Net Proceeds received by the Authority from the sale of the Series 2010A Bonds (consisting of the original principal amount of $310,065,000 plus accrued interest of $-0-, plus net original issue premium of $51,302,698, less underwriter's discount of $741,062) is $360,626,636 (the "Net Proceeds" of the Series 2010A Bonds).

(b) **Loan Account.** $17,100,000 of Net Proceeds of the Series 2010A Bonds will be deposited in the Loan Account established under the Clean Water Prior Bond Resolution.

(c) **Escrow Fund for the Refunded Bonds**. An amount of Net Proceeds of the Series 2010A Bonds equal to $343,031,679 will be deposited on the date hereof in the Escrow Fund for the Refunded Bonds established pursuant to the Escrow Agreement. $343,027,378 will be used to purchase government obligations and State and Local Government Securities at the times, interest rates, principal amounts and maturing dates set forth in Exhibit "D" of the Escrow Agreement, and an amount equal to $4,301 will remain uninvested in cash. The foregoing invested amounts are hereinafter referred to as the Invested Securities.

(d) **Intentionally Omitted.**

(e) **Expenses of Issuance.** An amount of the Net Proceeds of the Series 2010A Bonds equal to $494,957 will be deposited in the Series 2010A Subaccount of the Costs of Issuance Account and will be used to provide for the payment of the expenses incurred in connection with the issuance of the Series 2010A Bonds. $24,095 will be deposited under the Clean Water Prior Bond Resolution and $470,863 will be deposited under the Resolution.

(f) **Underwriters' Discount.** An amount of the proceeds of the Series 2010A Bonds equal to $741,062 will be retained by the Underwriter on the date hereof.

(g) **Debt Service Reserve Account.** No Proceeds of the Series 2010A Bonds will be deposited into the Debt Service Reserve Account established under the Master Bond Resolution or into the Debt Service Reserve Fund Account established under the Clean Water Prior Bond Resolution. All amounts, if any, in such reserve accounts are from the Authority's own funds and not from Proceeds. No amounts are on deposit in the Debt Service Reserve Account under the Master Bond Resolution. Amounts on deposit in the Debt Service Reserve Fund Account established under the Clean Water Prior Bond Resolution do not secure and are not available to pay debt service of the Series 2010A Bonds.

3.2 **Investment Earnings.** Investment earnings on amounts deposited in the Escrow Fund will be retained therein and used to pay interest on and maturing principal of the Refunded Bonds. Investment earnings on amounts deposited in the other funds described above will be deposited into the applicable Revenue Account and then to the applicable Principal and Interest Account or Debt Service Account to be used to pay debt service on the Series 2010A Bonds.

3.3 **No Overburdening of the Tax-Exempt Market.** The total of the Net Proceeds and Investment Proceeds (exclusive of Rebate Amounts and Yield Reduction Amounts) of the Series 2010A Bonds is not expected to exceed the amount reasonably necessary for the purposes for which the Series 2010A Bonds are being issued. There are no moneys related to the Refunded Bonds which on the date hereof are available to contribute to the Escrow Fund, and the Series 2010A Bonds are the sole source of the Escrow Fund to pay the Refunded Bonds.

3.4 **Allocation and Accounting Rules.** The Authority shall use a Consistently Applied Accounting Method to account for Gross Proceeds, Purpose Investments, Nonpurpose Investments and expenditures of the Series 2010A Bonds (the "Overall Accounting Method"). The Authority shall additionally use a reasonable Consistently Applied Accounting Method for allocating Proceeds of the Series 2010A Bonds to expenditures, subject to the Current Outlay of Cash rule. Reasonable accounting methods for allocating funds from different sources to expenditures for the same governmental purpose include a "specific tracing" method, a "gross-proceeds-spent-first" method, a "first-in-first-out" method or a ratable allocation method. The Authority may use a different accounting method to account for a particular expenditure, provided that the use of a different method is for a *bona fide* purpose and is not an artifice or device to avoid or minimize rebate or private business use.

(a) **Choice of Accounting Methods.** The Authority shall use the cash method of accounting as its Overall Accounting Method. The Authority shall use the specific tracing method to allocate Gross Proceeds to expenditures, except as provided in Section 3.9.

(b) **No Commingled Funds.** The Authority shall not establish or maintain a Commingled Fund. Through the establishment of subaccounts for each bond issue, various accounts established under the Resolution are not commingled funds.

(c) **Books and Records.** The Authority shall maintain books and records sufficient to establish the accounting method used and the allocation of Gross Proceeds to expenditures. The Authority must retain records of the expenditures of Gross Proceeds until six years after the retirement of the last obligation of the Series 2010A Bonds or for such other period as the Treasury Department may, by regulations or rulings, provide.

(d) **Timing.** As provided in Section 1.148-6(d)(1)(iii) of the Regulations, the Authority shall account for the allocation of Gross Proceeds to expenditures not later than 18 months after the later of the date the expenditure is paid or the date the Project is placed in service. However, in no event may the allocation be made later than 60 days after the fifth anniversary of the Issue Date of the Series 2010A Bonds or the date 60 days after the redemption or retirement (not including a defeasance) of all Series 2010A Bonds, if earlier.

3.5 **No Contingent Early Redemption.** The Series 2010A Bonds do not include any bond which is subject to expected contingent early redemption. For this purpose contingent early redemption includes redemption using certain excess revenues, in the event such revenues are available, but does not include excess proceeds calls, calamity calls and refundings, in accordance with Reg. § 1.148-4(b)(2).

3.6 **Special Yield Calculation Due to Optional Early Redemption, Etc.** Except for the Series 2010A Bonds maturing on March 1, 2025, 2026 and 2027 (the "Special Yield Bonds"), none of the Series 2010A Bonds (1) are subject to optional redemption within five years of the date hereof, (2) are issued at an issue price that exceeds the stated redemption price at maturity by more than one-fourth of one percent (.25%) multiplied by the product of the stated redemption price at maturity and the number of complete years to the first optional redemption date of the bond, or (3) bears interest at increasing interest rates (*i.e.*, a stepped coupon bond). Accordingly, except for the Special Yield Bonds, the Yield on the Series 2010A Bonds is not subject to the special yield calculation rule contained in Reg. § 1.148-4(b)(3) relating to assumed optional redemptions of bonds producing the lowest yield on the issue.

3.7 **Yield.** For purposes of this Tax Compliance Certificate, yield is and shall be calculated in the manner set forth in Section 148 of the Code and applicable Regulations. Thus, generally, yield on an investment allocated to the Series 2010A Bonds is the discount rate that when used in computing, as of the date the investment is first allocated to the Series 2010A Bonds, all unconditionally payable receipts from the investment produces an amount equal to the present value of all unconditionally payable payments for the investment. For this purpose "payments" mean amounts to be actually or constructively paid to acquire an investment and "receipts" means amounts to be actually or constructively received from an investment.

The yield on the Series 2010A Bonds is the discount rate that when used in computing the present value as of the date hereof of all unconditionally payable payments of principal, interest and fees for a "qualified guarantee" on the Series 2010A Bonds and amounts reasonably expected to be paid as fees for a qualified guarantee on the Series 2010A Bonds produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of the Series 2010A Bonds as of the date hereof. For these purposes, the Special Yield Bonds of the Series 2010A Bonds (which are issued at an issue price that exceeds the stated redemption price at maturity by more than one-fourth of one percent multiplied by the product of the stated redemption price at maturity and the number of complete years to the first optional redemption date for the Series 2010A Bonds) are treated as redeemed at their stated redemption price on the optional redemption date that would produce the lowest yield. The issue price of each maturity of the Series 2010A Bonds is the initial offering price of such Series 2010A Bonds to the public, as shown on the inside cover page of the Official Statement with respect to the Series 2010A Bonds. The aggregate of the issue price of the Series 2010A Bonds is $361,367,698, as indicated on Exhibit "B" attached hereto, being the par amount of $310,065,000, plus accrued interest of $-0- plus original issue premium of $51,302,698. For purposes hereof, yield is and shall be calculated on a 30 days per month/360 days per year basis with interest compounded semiannually. The Yield on the Series 2010A Bonds on the date hereof calculated in the manner described in this paragraph is 2.990550%.

3.8 **No Yield Recomputation.** No transfer, waiver, modification, or similar transaction will occur with respect to any right that is part of the terms of the Series 2010A Bonds or otherwise associated with the Series 2010A Bonds in a transaction that is separate and apart from the original sale of the Series 2010A Bonds, in accordance with Reg. § 1.148-4(b)(4). No payments will be made or received by the Authority under a "qualified hedge", in accordance with Reg. § 1.148-4(h)(3). Accordingly, the Yield on the Series 2010A Bonds on the date hereof shall not be recomputed as a result of subsequent events.

3.9 **Flow of Funds and Accounting Methods.** Revenues derived from Loans (excluding certain Prepayments which are required to be directly deposited in the applicable Redemption Account) and investment earnings on all accounts allocable to the Series 2010A Bonds will be deposited in the applicable Revenue Account and will be applied in the following manner:

(i) first, to the Principal and Interest Account and the Debt Service Account, as the case may be, established under the Prior Bond Resolutions on or prior to each Interest Payment Date and each Principal Installment Date in amounts sufficient to pay the interest and principal due and payable on the Prior Bonds and thereafter the Series 2010A Bonds and other Master Resolution Bonds on such Interest Payment Date or Principal Installment Date and after Clean Water Prior Bond or Drinking Water Prior Bonds are no longer Outstanding, to the Debt service Account established under the Master Bond Resolution to pay interest and principal due on Master Resolution Bonds;

(ii) second, to the applicable Debt Service Reserve Account or Debt Service Reserve Fund Account established under the Prior Bond Resolutions or, if applicable, the Master Bond Resolution, in the amount, if any, needed to increase the amount therein to the applicable Debt Service Reserve Requirement;

(iii) third, with respect to the Drinking Water Prior Bond Resolution or the Master Bond Resolution, if applicable, to the Supplemental Reserve Account on or before each Debt Service Payment Date, the amount, if any, needed to increase the amount therein to the Supplemental Reserve Requirement;

(iv) fourth, with respect to all Resolutions, to the Redemption Account, the amount, if any, needed to redeem Series 2010A Bonds at any time subject to redemption which have been called for redemption; and

(v) fifth, with respect to the Master Bond Resolution, if applicable, to the Debt Service Account, on or before each Debt Service Payment Date, the amount needed to increase the balance therein for the Subordinate Debt Service due and payable after payment of all Senior Debt Service due and payable on or before such Debt Service Payment Date

(vi) sixth, with respect to the Master Bond Resolution, if applicable, to the Redemption Account, at any time, from amounts on hand in the Revenue Account in excess of the amounts needed to make the applicable above mentioned transfers on the next Debt Service Payment Date therefor, the amount if any, needed to redeem Subordinate Obligations subject to redemption which have been called for redemption;

(vii) seventh, with respect to the Master Bond Resolution, if applicable, to the extent permitted, at any time to the Loan Account or the Operating Account any Loan Prepayment or portions thereof that the Authority has determined to use to make new Pledged Loans; and

(viii) eighth, with respect to all Resolutions, on March 2 or the second Business Date of March, as applicable, all amounts remaining in the Revenue Account will be transferred to the Operating Account.

For purposes of accounting for the applicable Revenue Account and the applicable Principal and Interest Account, the Authority hereby adopts the following reasonable accounting methods:

(i) Investment earnings derived from the investment of Net Proceeds (and investment earnings thereon) of the Series 2010A Bonds deposited in any account established under the applicable Resolution shall first be applied to pay debt service on the Series 2010A Bonds to the extent thereof.

(ii) Revenues derived from Loans made from Net Proceeds (and investment earnings thereon) of the Series 2010A Bonds (which shall include Loans which become Transferred Proceeds of the Series 2010A Bonds) shall next be applied to the extent thereof to the payment of debt service on the Series 2010A Bonds. To the extent to which a Loan is made from Net Proceeds and other sources, Revenues shall be allocated on a percentage basis, using the aggregate principal amount of the Loan made from Net Proceeds as the numerator and using the aggregate principal amount of the Loan as the denominator.

(iii) Revenues derived from Loans made from sources other than proceeds of the Series 2010A Bonds and proceeds of any other tax-exempt bonds of the Authority, and investment earnings from the investment of such amounts, shall then be applied to the extent needed to pay debt service on the Series 2010A Bonds.

(iv) Deficiencies in the Debt Service Reserve Account or Debt Service Reserve Fund Account shall be funded first with Revenues derived from Loans made from sources other than Proceeds of the Series 2010A Bonds and proceeds of any other tax-exempt bonds of the Authority, and to the extent Revenues derived from Loans made from Net Proceeds are deposited in this account, they will be segregated and invested at a yield not greater than the yield on the Series 2010A Bonds to the extent that the Size Limitation is exceeded.

(v) If any amounts are transferred to the Redemption Account, the order of transfer shall follow the order prescribed in (i) through (iii) in this paragraph.

(vi) Any Revenues derived from Loans made from Net Proceeds (which shall include Loans which become Transferred Proceeds of the Series 2010A Bonds) and investment earnings derived from the investment of Net Proceeds (and investment earnings thereon) remaining after the application of such amounts, pursuant to (i) through (v) in this paragraph, deposited in the Operating Reserve Account shall be segregated and invested at a yield not greater than the yield on the Series 2010A Bonds to the extent that the Size Limitation is exceeded or transferred from the Operating Reserve Account to the Loan Account to make Loans.

(vii) For purposes of the foregoing flow of funds with respect to each source of funds, the Authority will apply such funds on a first-in-first-out basis.

Further, the Authority will consistently, at least once each Bond Year, make the necessary entries on its books and records to allocate Revenues and investment earnings derived from Net Proceeds and other sources in accordance with the foregoing accounting methods.

3.10 **Debt Service Funds.** Except for the applicable Principal and Interest Account or Debt Service Account and the applicable Revenue Account, the Authority has not created or established, and does not expect to create or establish, any fund or account in connection with the Series 2010A Bonds that is reasonably expected to be used to pay debt service on the Series 2010A Bonds. The applicable Principal and Interest Account or Debt Service Account and the applicable Revenue Account are accounts that will at all times while the Series 2010A Bonds are outstanding be used primarily to achieve a proper matching of revenues and principal and interest payments on the Series 2010A Bonds within each Bond Year and will be depleted at least annually on or about March 2 or the second Business Day of March each year, as the case may be. Moneys deposited in such accounts will be used to pay debt service on the Series 2010A Bonds within 13 months of deposit therein. Any income received from the investment of such amounts will be used to pay debt service on the Series 2010A Bonds within one year of receipt.

3.11 **Debt Service Reserve Account.** The Debt Service Reserve Account has not been funded on the date hereof pursuant to the Master Bond Resolution. Amounts on deposit in the debt service reserve funds accounts under the Prior Bond Resolutions equal to the debt service requirements of those Prior Bond Resolutions are not available to pay or secure the Series 2010C Bonds.

Transfers may be made out of the Debt Service Reserve Fund Account or Debt Service Reserve Account to the Loan Account or the Operating Reserve Account or Operating Account upon submission of the required Projected Revenue Certificate at the times permitted by the applicable Prior Bond Resolution to the extent there is an amount on deposit in the Debt Service Reserve Fund Account in excess of the Debt Service Reserve Fund Requirement and the Coverage Requirement after taking into account amounts to be transferred into the Loan Account to make loans to Borrowers and the Minimum Balance, if any, in the Operating Reserve Account. The Total amount available for such Transfers are referred to as the "Lendable Amount." At any time upon submission of a Projected Revenue Certificate, the Lendable Amount may be transferred to the Loan Account.

In light of the anticipated reduction or elimination of federal Capitalization Grants and other sources of funding, the Authority reasonably expects that the Lendable Amount, as calculated from time to time, will be needed to meet the current and projected demands for Program loans. The Authority currently projects a need for such Loans far in excess of the Lendable Amounts. Due to the subsidized interest rate on the Authority's Program loans, it is reasonably expected that potential Borrowers will take out Loans from the Program prior to utilizing other funding sources.

The Lendable Amount, calculated as of the date hereof and from time to time by the Authority, is not expected to be used to pay debt service on the Prior Bonds or any other outstanding bonds of the Authority. In addition, there is no reasonable assurance that such Lendable Amount will be available to pay principal or interest on the Prior Bonds or any other outstanding bonds of the Authority in the event the Authority encounters financial difficulty. The Authority has current loan demand and/or loan programs of a sufficient magnitude to utilize such funds if so directed by the Authority. Therefore, the Lendable Amount, as calculated from time to time by the Authority, is not Gross Proceeds and is not subject to yield restriction or the Rebate Requirement.

3.12 **Operating Account.** On March 2 or the second Business Day of March each year, as the case may be, there shall be deposited to the applicable Operating Account the amount required to be transferred from the applicable Revenue Account. The Authority may from time to time deposit other funds of the Authority to the Operating Account.

The Authority may withdraw at any time from the applicable Operating Account the following amounts for the following purposes:

(i) such amounts as the Authority determines in its sole discretion at anytime to transfer to the Loan Account for the making or purchasing of Pledged Loans;

(ii) such accounts equal to the insufficiency for deposit to the applicable Debt Service Account on each Interest Payment Date and Principal Payment Date, if moneys on deposit in the applicable Debt Service Account are insufficient to pay amounts due on the Outstanding Senior Obligations on such date after the transfer from the applicable Revenue Account and any applicable Capitalized Interest Account;

(iii) with respect to the Master Bond Resolution such amounts for deposit to the Debt Service Account required to meet the Authority's obligations with respect to Outstanding Subordinate Obligations or to itself to pay expenses relating to the Bond Program provided that the amount then on deposit in the Revenue Account is sufficient to pay Senior Debt Service due and payable in the then current Bond Year;

(iv) such amounts as the Authority determines in its sole discretion for deposit to the applicable Debt Service Reserve Account to establish additional reserves therein;

(v) such amounts as the Authority determines in its sole discretion for deposit to the applicable Supplemental Reserve Account to establish additional reserves therein.

(vi) such amounts (A) for deposit to the applicable Arbitrage Rebate Account as required to be transferred to the Arbitrage Rebate Account, and (B) for transfer to the State Board of Investment, as required to pay the charges of the State Board of Investment in fulfilling its duties hereunder or in investing amounts held in any fund or account established hereunder; and

(vii) such amounts as the Authority determines in its sole discretion for any transfers to itself or to another party as directed by the Authority, free and clear of the pledge, security interest and lien of the Resolution, for any lawful purpose, including, without limitation the expenditure thereof upon the filing of a Projected Revenue Certificate showing Coverage required by the applicable Resolution.

It is not anticipated that there will be any amounts on deposit in the Operating Account established under the Master Bond Resolution until there are no Prior Bonds Outstanding.

Amounts deposited in the Operating Reserve Account or Operating Account (in excess of the Minimum Balance with respect to the Clean Water Prior Bond Resolution) are not expected to be used to pay debt service on the Series 2010A Bonds or any other outstanding bonds of the Authority. In addition, there is no reasonable assurance that such excess amounts will be available to pay principal or interest on the Series 2010A Bonds or any other outstanding bonds of the Authority in the event the Authority encounters financial difficulty. The Authority has current loan demand and/or loan programs which are of a sufficient magnitude to utilize such funds if so directed by the Authority. Therefore, such excess funds are not Gross Proceeds, are not subject to yield restriction or the Rebate Requirement and will be part of the Lendable Amount.

The Debt Service Reserve Account and Operating Account together constitute a reasonably required reserve or replacement fund.

3.13 **Redemption Account.** The Authority will deposit to the Series 2010A Subaccount of the applicable Redemption Account all Revenues derived from Prepayments of Loans (i) by Borrowers in whole or in part from the proceeds of debt obligations of such Borrowers, the interest on which was intended by such Borrowers to be excluded from gross income of the recipient thereof for federal income tax purposes, issued for the purpose of prepaying such Loans, and (ii) which the Authority has contractually obligated itself to apply to the redemption of bonds. Other amounts deposited in the Redemption Account for the purposes of calling bonds, if not used to purchase, pay or redeem the Series 2010A Bonds, may be transferred to the Loan Account for the making of the Loans.

Reg. § 1.150-1(d)(2)(iii)(A) provides to the effect that the use of proceeds from the Prepayments (described in the preceding paragraph) to purchase, pay or redeem the Series

2010A Bonds will constitute a refunding of a portion of the Series 2010A Bonds. *See* Yield Limitations § 3.19(vi). However, Reg. § 1.150-1(d)(2)(iii)(E) provides to the effect that the Series 2010A Bonds will not be treated as refunded to the extent that the Authority reasonably expects as of the date of receipt of the Prepayment to use those amounts within six months (or, if greater, during the applicable temporary period for those amounts under applicable prior law) to make a new Loan. Any new Loan made from Prepayments will be treated as made from Proceeds of the Series 2010A Bonds.

While the Authority has generally reserved the option to recycle Prepayments, the Authority generally does not do so.

3.14 **Costs of Issuance Account.** The Authority shall use the amounts deposited to the Series 2010A Subaccount of the applicable Costs of Issuance Account from Net Proceeds of the Series 2010A Bonds to pay Costs of Issuance on the Series 2010A Bonds.

3.15 **Arbitrage Rebate Account.** The Authority reasonably expects to make deposits to the Series 2010A Subaccount of the applicable Arbitrage Rebate Account when, as and if required, from amounts on deposit in the Operating Reserve Account which are not derived from Net Proceeds and investment earnings on Net Proceeds of the Series 2010A Bonds.

3.16 **Borrower Funds.** The Borrowers may establish funds or accounts pledged to the payment of debt service on their Loans or that are expected to pay such debt service. The Borrowers have covenanted that any such sums which would constitute Gross Proceeds of the Bonds shall not be invested at a yield in excess of the Yield on the Series 2010A Bonds. In addition, disbursements of proceeds of a Loan shall not be reinvested by the Borrower.

3.17 **No Other Funds.** Other than the funds and accounts specifically described in this Tax Compliance Certificate, no fund or account which secures or otherwise relates to the Series 2010A Bonds has been established, nor are any funds or accounts expected to be established, pursuant to any instrument.

3.18 **Single Issue.** The Series 2010A Bonds constitute a single issue for arbitrage purposes. There are no other issues of governmental obligations which are exempt from taxation under Section 103 of the Code: (a) sold at substantially the same time as the Series 2010A Bonds; (b) sold pursuant to the same plan of financing as the Series 2010A Bonds; and (c) reasonably expected to be paid from substantially the same source of funds, determined without regard to guarantees from unrelated parties. For purposes of this paragraph, bonds are sold at substantially the same time if they are sold less than 15 days apart. Bonds to finance a single facility or related facilities are part of the same plan of financing and short-term bonds to finance working capital expenditures and long-term bonds to finance capital projects are not part of the same plan of financing.

3.19 **The Yield Limitations as to Series 2010A Bonds.**

(i) **Debt Service Reserve Fund Account.** Amounts deposited in the Debt Service Reserve Fund Account, to the extent needed to maintain the Debt Service Reserve Fund Requirement and the Coverage Requirement as determined at least annually, will be invested without regard to yield restriction (subject to the payments of a Yield Reduction Amount to achieve yield restriction, if necessary).

(ii) **Debt Service Reserve Fund Account — Lendable Amount.** The Lendable Amount, as determined at least annually, is not Gross Proceeds of the Series 2010A Bonds and, accordingly, may be invested without regard to yield restriction.

(iii) **Operating Reserve Account — Minimum Balance.** Amounts deposited in the Operating Reserve Account to maintain the Minimum Balance will be invested without regard to yield restriction (subject to the payment of a Yield Reduction Amount to achieve yield restriction, if necessary).

(iv) **Operating Reserve Account — Excess.** Amounts deposited in the Operating Reserve Account above the Minimum Balance are not Gross Proceeds of the Series 2010A Bonds and, accordingly, may be invested without regard to yield restriction.

(v) **Operating Reserve Account — Investment Earnings on Net Proceeds.** Any investment earnings derived from investments of Net Proceeds (and investment earnings thereon) deposited in the Operating Reserve Account shall be segregated and invested at a yield not greater than the yield on the Series 2010A Bonds until transferred to the Loan Account for making new Loans.

(vi) **Redemption Account.** Prepayments and other amounts deposited in the Series 2010A Subaccount of the Redemption Account not reasonably expected to be used to make Loans may be invested without regard to yield restriction for a period of 30 days beginning on the date of receipt unless an opinion of Bond Tax Counsel otherwise directs. Any disposition proceeds from the sale of a Loan not reasonably expected to be used to make Loans will be yield restricted to the lower of the Yield on the Series 2010A Bonds or the yield on the Loan sold (treating the sale price of the Loan sold as the issue price and the date of sale as the issue date). Such disposition proceeds from a Loan will be used to retire the Series 2010A Bonds on or before their earliest call date as directed by an opinion of Bond Tax Counsel.

(vii) **Arbitrage Rebate Account.** Amounts deposited in the Series 2010A Subaccount of the Arbitrage Rebate Account may be invested without regard to yield restriction.

(viii) **Revenue Account — Revenues.** Revenues deposited in the Revenue Account will be invested without regard to yield restriction.

(ix) **Intentionally Omitted.**

(x) **Debt Service Account.** Amounts periodically deposited into and held in the Debt Service Account or Principal and Interest Account (other than the accrued interest described above) which are set aside for the payment of the principal of and interest on the Series 2010A Bonds will be invested without regard to yield restriction. Investment earnings on amounts in such Accounts, to the extent not used to pay debt service within 13 months of receipt, if any, will be invested at a yield not in excess of the Yield on the Series 2010A Bonds.

(xi) **Costs of Issuance Account — Expenses of Issuance.** Net Proceeds deposited in a Costs of Issuance Account for payment of expenses of issuance of the Series 2010A Bonds will be invested, subject to the Rebate Requirement, without regard to yield restrictions for a period not to exceed 6 months from the Delivery Date and thereafter, to the extent unexpended, will be invested at a yield not in excess of the Yield of the Series 2010A Bonds or transferred to the Loan Account.

(xii) **Loan Account — Net Proceeds.** Net Proceeds deposited in a Subaccount for the Series 2010A in a Loan Account for the purpose of financing the Projects are expected to be expended to pay costs of the Projects by June 30, 2010 and are reasonably expected to be loaned to Borrowers over such period. After reasonable investigation and due inquiry, the Authority has been informed and is satisfied that each of the Borrowers has done or will do each of the following:

(A) enter into binding contracts (not subject to contingencies within the control of the Borrower or a related party), within six months of the Delivery Date for the expenditure of the costs of their respective Project proceeds involving the expenditure in an amount in excess of 5% of the "net sale proceeds" of the Series 2007B Bonds within the meaning of Reg. § 1.148-1(b) (the Sale Proceeds allocable to the Loan of the Borrower);

(B) proceed with due diligence to work on the construction and acquisition of their Project to the completion thereof;

(C) expend at least 85% of the "net sale proceeds" of the Series 2010A Bonds allocable to the Loan of the Borrower, within the meaning of Reg. § 1.148-1(b), within three years of the Delivery Date.

Based upon the information provided by the Borrowers to the Authority and this subparagraph, the amounts deposited in the Series 2010A Subaccount of the Loan Account to pay costs of the Projects may be invested without regard to yield restriction (subject to the payment of a

Yield Reduction Amount to achieve yield restriction for amounts not loaned within six months of the Delivery Date).

(xiii) **Loan Account — Non-Gross Proceeds.** Amounts deposited in a Series 2010A Subaccount of a Loan Account from amounts which are not Gross Proceeds of the Series 2010A Bonds may be invested without regard to yield restriction. Such amounts shall be deposited in a segregated account (designated the "Equity Subaccount") within the Loan Account and are not subject to allocation among the series of bonds outstanding. Such amounts are not Gross Proceeds since they are not expected to be used to pay debt service on the Series 2010A Bonds or any other outstanding bonds of the Authority. In addition, there is no reasonable assurance that such amounts will be available to pay principal or interest on the Series 2010A Bonds or any other outstanding bonds of the Authority in the event the Authority encounters financial difficulty. Therefore, such amounts are not Gross Proceeds and are not subject to yield restriction or the Rebate Requirement.

(xiv) **Investment Earnings.** All investment earnings on all Net Proceeds may be invested without regard to yield restrictions for a period of one year beginning on the date of receipt (subject to the Rebate Requirement).

(xv) **Loan Account – Recycled Amounts.** Amounts deposited in a Loan Account from the sale of Loans will be deposited in a segregated account and may be invested at an unrestricted yield until 90 days from the date of deposit.

(xvi) **Escrow Fund.** Amounts deposited in the Escrow Fund may be invested at an unrestricted yield until 30 days from the date hereof.

3.20 **Additional Investment Restrictions.** All Nonpurpose Investments acquired with Gross Proceeds of the Series 2010A Bonds will be acquired or disposed of pursuant to Section 8 of this Tax Compliance Certificate.

3.21 **Program Investments.** The Loans which become Transferred Proceeds of the Series 2010A Bonds were made with Proceeds of the Refunded Bonds. Loans made from Proceeds of the Refunded Series 1998B Bonds are taxable and are subject to yield restriction, but do not exceed the 1.5% spread identified in this section. The Loans made from proceeds of the other Refunded Bonds are tax-exempt and are <u>not</u> subject to yield restriction. The Loans will be part of a program meeting the requirements necessary for "Program Investments" (within the meaning of Reg. § 1.148-1(b)) in that: (a) the Program involves the acquisition by the Authority of obligations of the Borrowers authorized to construct, operate and maintain wastewater treatment systems or other environmental infrastructure, which are investments acquired by the Authority to carry out the governmental purpose of the Series 2010A Bonds; (b) at least 95% of the cost of the Loans will be obligations of such Borrowers; (c) at least 95% of the amounts received by the Authority with respect to such Loans will be used to pay principal, interest or redemption prices on the Series 2010A Bonds, to make additional Loans or to reimburse or to pay for administrative costs of issuing the Series 2010A Bonds or administrative costs directly related to the Program; (d) the Program documents prohibit any obligor on a Loan or any related party from purchasing any Series 2010A Bonds in an amount related to the amount of the Loan acquired from the obligor; and (e) the Authority has not waived the right to treat the Loans as a "program investment". The Borrowers will pay to the Authority a Service Charge pursuant to Section 402(f) of the Resolution. The Authority may sell the Loans from time to time to pay any shortfalls in debt service, to raise additional moneys for the Program, or to retire or defease the Series 2010A Bonds. The yield on the Loans in the Series 2010A Subaccount of the Loan Account taking into account the Service Charge will not exceed the Yield of the Series 2010A Bonds by more than one and one-half percent (1-1/2%).

3.22 **No Replacement.** No portion of the Project will be Investment Property. No portion of the amounts received from the sale of the Series 2010A Bonds will be used as a substitute for other funds which were otherwise to be used as a source of financing for the Project. The Proceeds of the Series 2010A Bonds will not be used to finance either "restricted working capital expenditures" or a "working capital reserve" (within the meaning of Reg. § 1.148-1). The weighted average maturity of the Series 2010A Bonds does not exceed 120% of the average reasonably expected economic life of the Projects financed or refinanced by the Series 2010A Bonds, determined in the same manner as under Section 147(b) of the Code. Accordingly, the term of the Series 2010A Bonds is not longer than is reasonably necessary for the governmental purposes of the Series 2010A Bonds and no "other replacement proceeds" will arise which are allocable to the Series 2010A Bonds under Reg. § 1.148-1(c)(4).

3.23 **Universal Cap.** The Authority reasonably expects on the date hereof that the Universal Cap will not reduce the amount of Gross Proceeds allocable to the Series 2010A Bonds during the term of the Series 2010A Bonds. Accordingly, the Universal Cap need not be applied on any date on which each of the following characteristics apply to the Series 2010A Bonds:

(a) No Replacement Proceeds are allocable to the Series 2010A Bonds, other than replacement proceeds in a *Bona Fide* Debt Service Fund, the Debt Service Reserve Fund Account or the Minimum Balance in the Operating Reserve Account;

(b) The Net Sale Proceeds of the Series 2010A Bonds –

(i) Qualified for one of the temporary periods available for capital projects, restricted working capital expenditures, or pooled financings under Reg. § 1.148-2(e)(2), (e)(3), or (e)(4), and those net sales proceeds were in fact allocated to expenditures prior to the expiration of the longest applicable temporary period; or

(ii) were deposited in a refunding escrow and expended as originally expected;

(c) The Series 2010A Bonds do not refund a prior issue that has unspent proceeds allocable to it on any date Proceeds of the Series 2010A Bonds pay principal on such prior issue;

(d) None of the Series 2010A Bonds are retired prior to the date on which those Series 2010A Bonds are treated as retired in computing the Yield on the Series 2010A Bonds; and

(e) No proceeds of the Series 2010A Bonds are invested in qualified student loans or qualified mortgage loans.

Except as provided below, amounts that would otherwise be Gross Proceeds of the Series 2010A Bonds are allocated to, and remain allocated to, the Series 2010A Bonds to the extent that the Value of Nonpurpose Investments does not exceed the Value of all outstanding Series 2010A Bonds ("Universal Cap"). It is important to note that Loans do not constitute Nonpurpose Investments for purposes of the Universal Cap. For this purpose, Gross Proceeds allocable to cash and tax exempt investments are treated as Nonpurpose Investments. Except as hereinafter provided, beginning with the first Bond Year commencing after the second anniversary of the date hereof, the Authority shall determine the Value of all outstanding Series 2010A Bonds and the Value of all Nonpurpose Investments as of the first day of each Bond Year and the dates that, but for the Universal Cap, proceeds of any series of Refunded Bonds would become Transferred Proceeds of the Series 2010A Bonds. All values are determined as of the close of business on each determination date, after giving effect to all payments on the Series 2010A Bonds and Payments for and Receipts on Nonpurpose Investments on that date, in accordance with Reg. § 1.148-6(b)(2). If the Value of the Nonpurpose Investments allocated to the Gross Proceeds of the Series 2010A Bonds exceeds the Universal Cap for the Series 2010A Bonds on a date as of which the Universal Cap is determined, Nonpurpose Investments allocable to Gross Proceeds necessary to eliminate that excess cease to be allocated to the Series 2010A Bonds, in the following order of priority –

(i) First, Nonpurpose Investments allocable to replacement proceeds;

(ii) Second, Nonpurpose Investments allocable to transferred proceeds; and

(iii) Third, Nonpurpose Investments allocable to sale proceeds and investment proceeds.

Except in the case of transferred proceeds, which can be reallocated to refunded bonds in the event the Universal Cap is exceeded, as provided in Reg. § 1.148-9(b)(3), amounts that cease to be allocated to the Series 2010A Bonds as a result of the application of the Universal Cap may only be allocated to another issue as replacement proceeds.

Portions of Nonpurpose Investments which must be reallocated as a result of the Universal Cap are allocated under either the ratable method or the representative method in the same manner as allocations of portions of investments to transferred proceeds under Reg. § 1.148-9(c).

Nonpurpose Investments allocated to Gross Proceeds in a *Bona Fide* Debt Service Fund for the Series 2010A Bonds are not taken into account in determining the Value of the Nonpurpose Investments and those Nonpurpose Investments remain allocated to the Series 2010A Bonds.

3.24 **Escrow Fund**. The amount deposited in the Escrow Fund on the date hereof will be sufficient to pay the interest on and the maturing principal of the Refunded Bonds. Amounts on deposit in the Escrow Fund shall be invested in accordance with the Escrow Agreement. The Invested Securities credited to the Escrow Fund were purchased at Fair Market Value and have a yield of 0.112% for the current refunding portion of the Escrow Fund and a yield of 2.643552% for the advanced refunding portion of the Escrow Fund, which are not materially higher than the Yield of the Series 2010A Bonds. The Escrow Fund is not a "mixed escrow" within the meaning of Section 1.148-9(c)(2) of the Regulations.

3.25 **Extraordinary Mandatory Redemptions.** In May 2006, Congress enacted and the President signed into law the Tax Increase Prevention and Reconciliation Act of 2005 (the "2006 Tax Act"). The 2006 Tax Act imposes new requirements and conditions for the interest on bonds issued by the Authority for pooled financing programs to be and remain exempt from federal income taxation. Among those requirements are provisions requiring the redemption of bonds if certain amounts of the bond proceeds are not used for loans within one-year and three-year periods following the issuance of the bonds. In particular, the 2006 Tax Act requires the following:

(a) With respect to the one-year period, (i) as of the date of issuance of an issue of bonds, the issuer must reasonably expect that within the one-year period beginning on the date of issuance, at least 30 percent of the net proceeds of the issue will be used directly or indirectly to make or finance loans to ultimate borrowers; and (ii) to the extent that less than 30 percent of the proceeds of the issue are actually used as described in clause (i) the issuer must use an amount of proceeds equal to the excess of 30 percent of the proceeds over the amount actually used to make loans by the close of such one-year period to redeem outstanding bonds within 90 days after the end of such period.

(b) With respect to the three-year period, (i) as of the date of issuance of an issue of bonds, the issuer must reasonably expect that within the three-year period beginning on the date of issuance, at least 95 percent of the net proceeds of the issue would be used directly or indirectly to make or finance loans to ultimate borrowers, and (ii) to the extent that less than 95 percent of the proceeds of the issue are actually used as described in clause (i) the issuer must use an amount of proceeds equal to the excess of 95 percent of the proceeds over the amount actually used to make loans by the close of such three-year period to redeem outstanding bonds within 90 days after the end of such period.

The Authority reasonably expects to expend more than 30 percent and 95 percent of the proceeds of the Series 2010A Bonds during the one-year and three-year periods, respectively, as required by the 2006 Tax Act. In addition, in order to enable the Authority to comply with the potential application of the above-described provisions of the 2006 Tax Act, the Series 2010A Bonds are being made subject to one-year extraordinary mandatory redemption and three-year extraordinary mandatory redemption.

3.26 **Multipurpose Issue Allocations**. For purposes of determining applicable temporary periods, Transferred Proceeds and the Section 149(d)(3)(A)(i) limitation on the number of advance refunding issues, the following allocation procedures are applied to determine the allocations of bonds, proceeds and investments among the separate governmental purposes of the Series 2010A Bonds and Refunded Bonds.

(a) **Separate Issue Treatment of the Refunded Bonds**. The Series 2010A Bonds are being issued to advance refund portions of the Authority's State Revolving Fund Revenue Bonds, Series 1998A, Series 2004C, Series 2005C, Series 2007A and Series 2007B.

(1) **Series 1998A Bonds**. The Series 1998A Bonds were (a) new money bond issue and (b) a refunding bond issue. The Series 2010A Bonds will currently refund the Refunded Series 1998A Bonds, which are certain of the bonds of the Series 1998A Bonds that are subject to early redemption. Accordingly, the Refunded 1998A Bonds will be treated as a separate issue separate from the balance of the Series 1998A Bonds.

(2) **Series 2004C Bonds**. The Series 2004C Bonds were a refunding bond issue. The Series 2010A Bonds will advance refund for the first time the Refunded Series 2004C Bonds, which are certain of the bonds of the Series 2004C Bonds that are subject to early redemption. Accordingly, the Refunded Series 2004C Bonds will be treated as a separate issue (separate from the balance of the Series 2004C Bonds).

(3) **Series 2005C Bonds**. The Series 2005C Bonds were (a) a new money bond issue and (b) a current refunding certain maturities of previously issued series of Clean Water Bonds. The Series 2010A Bonds will advance refund for the first time the Refunded Series 2005C Bonds that are subject to early redemption. Accordingly, the Refunded 2005C Bonds will be treated as a separate issue (separate from 2005C Bonds).

(4) **Series 2007A Bonds**. The Series 2007A Bonds were a new money bond issue. The Series 2010A Bonds will advance refund for the first time the Refunded Series 2007A Bonds that are subject to early redemption. Accordingly, the Refunded Series 2007A Bonds will be treated as a separate issue (separate from the balance of the Series 2007A Bonds).

(5) **Series 2007B Bonds.** The Series 2007B Bonds were a new money bond issue. The Series 2010A Bonds will advance refund for the first time the Refunded Series 2007B Bonds, which are certain of the bonds of the Series 2007B Bonds that are subject to early redemption. Accordingly, the Refunded Series 2007B Bonds will be treated as a separate issue (separate from the balance of the Series 2007B Bonds).

(b) **Allocation of Proceeds and Investments to the Refunded Bonds**. There are no proceeds and investments allocable to the Refunded Bonds except for Loans made from the proceeds of each series of Refunded Bonds.

Loans which are made from proceeds of each series of Refunded Bonds shall be allocated to Transferred Proceeds of the Series 2010A Bonds under the Ratable Allocation Method.

(c) **No Separate Issue Treatment of the Series 2010A Bonds**. The Series 2010A Bonds are being issued to advance refund bonds of four different issues. Though the refunding of bonds of each of the four prior issues could be treated as a separate issue, the Authority chooses to treat them as a single purpose because the refundings are eligible for the same initial temporary period under Section 148(c) of the Code as provided in Section 1.148-9(h)(3)(i) of the Regulations.

3.27 **Transferred Proceeds of Refunded Bonds**. Loans made with proceeds of the Refunded Bonds will become Transferred Proceeds of the Series 2010A Bonds according to the Ratable Allocation Method.

3.28 **Excess Proceeds**. Pursuant to Reg. § 1.148-10(c), all Gross Proceeds deposited or retained in the Escrow Fund allocable to the Refunded Bonds, other than amounts used to pay principal and interest on the Refunded Bonds, will be excess gross proceeds ("Excess Gross Proceeds"). Excess Gross Proceeds of the Series 2010A Bonds shall not exceed 1% of the Sale Proceeds allocable to the Series 2010A Bonds.

3.29 **Refunded Bonds Not Hedge Bonds**. The Authority reasonably expected, as of the respective issue dates of each of the series of Refunded Bonds, that 85% of the Net Sale Proceeds (as defined in Reg. § 1.148-1) of each of such issues would be expended for the governmental purposes within three years from their respective dates of issue. In addition, not more than 50% of the proceeds of each series of Refunded Bonds was invested in nonpurpose investments having a substantially guaranteed yield for four years or more.

3.30 **Advance Refunding**. The advance refunding of the Refunded Bonds meets all the requirements of Section 149(d) of the Code, as demonstrated in this paragraph. The Refunded Bonds are not private activity bonds. The Series 2010A Bonds are only the first advance refunding of the Refunded Bonds, all of which were issued after 1985. The Refunded Bonds are redeemed not later than the earliest date on which such bonds may be redeemed. The initial temporary period under Section 148(c) of the Code ends with respect to the refunding Proceeds of the Series 2010A Bonds not later than 30 days after the date hereof, and with respect to the Proceeds of the Refunded Bonds on the date hereof (but there are no unexpended Proceeds of the Refunded Bonds to be impacted by this). Section 148(e) of the Code applied to the Refunded Bonds. The Authority realizes present value debt service savings (determined without regard to administrative expenses) in connection with the Series 2010A Bonds. The multipurpose issue rules of §1.148-9(h) of the Regulations apply for purposes of the savings test, and the "separate issues" in the multipurpose issue each increase the aggregate present value debt service savings in the entire multipurpose issue. The Refunded Bonds are redeemed more than 90 days after the date hereof. No device is employed in connection with the issuance of the Series 2010A Bonds to obtain a material financial advantage (based on arbitrage) apart from savings attributable to lower interest rates.

3.31 **Minor Portion**. The Series 2010A Bonds are entitled to a $100,000 minor portion, which the Authority may utilize for any moneys otherwise subject to yield restriction or to the payment of a Yield Reduction Amount.

SECTION 4. NO WORKING CAPITAL. No portion of the Net Proceeds of the Series 2010A Bonds or investment earnings thereon will be used to pay expenditures or be allocated to the reimbursement of expenditures other than expenditures which are (i) "capital expenditures" within the meaning of Reg. § 1.150-1 (*i.e.*, any cost of a type that is properly chargeable to capital account, or which would be so chargeable with proper election, under general federal income tax principles); (ii) costs of issuance, carrying and repaying the Series 2010A Bonds, purchasing, carrying, selling or retiring the Borrower's Loan made by the Authority, or Qualified Administrative Costs; (iii) fees for a "qualified guarantee" (within the meaning of Reg. § 1.148-4(f); (iv) interest on the Series 2010A Bonds for a period commencing on the issue date and ending on the date that is the later of three years from the issue date or one year after the date on which the Project is placed in service; (v) amounts paid to the United States under Reg. §§ 1.148-3, 1.148-7 and 1.148-5(c) as rebate payments, payments of the 1-1/2% penalty in lieu of arbitrage rebate or yield reduction payments; and (vi) payment of principal, interest, or redemption premium on a refunded issue, and for a crossover refunding issue, interest on that issue. Accordingly, no portion of the Net Proceeds of the Series 2010A Bonds or investment earnings thereon will be used to pay expenditures which are "restricted working capital expenditures" within the meaning of Reg. § 1.148-1(b).

SECTION 5. NO COMMINGLING. All Gross Proceeds of the Series 2010A Bonds will be held by the Authority in accounts established under the Master Bond Resolution which are separate from any other funds and accounts, including the funds and accounts established under the Master Bond Resolution for any other series of bonds (other than amounts deposited in the Revenue Account and the Principal and Interest Account). Such accounts will hold only amounts which are Gross Proceeds of the Series 2010A Bonds, and will be invested separately in specifically identified investments which are directly traceable to the Gross Proceeds of the Series 2010A Bonds. Thus no account established under the Resolution (i) will contain both Gross Proceeds of the Series 2010A Bonds and other amounts in excess of $25,000 that are not Gross Proceeds of the Series 2010A Bonds, and (ii) that will be invested collectively without regard to source of funds deposited in the account. Accordingly, no such account will be a "commingled fund" within the meaning of Reg. § 1.148-1(b).

SECTION 6. REBATE REQUIREMENT CALCULATIONS AND PAYMENT. The Authority has been advised by Bond Tax Counsel that the following provisions and procedures also apply with respect to the Gross Proceeds of the Series 2010A Bonds:

6.1 **Generally.** The Rebate Amount to be paid pursuant to the Rebate Requirement, as of any Computation Date, is an amount net of any allowable credits equal to the excess of –

(a) the Future Value of all Receipts on Nonpurpose Investments allocated to Gross Proceeds of the Series 2010A Bonds; over

(b) the Future Value, as of that date, of all Payments on Nonpurpose Investments allocated to Gross Proceeds of the Series 2010A Bonds.

6.2 **Relationship to Yield Restriction.** The Rebate Requirement applies to all Gross Proceeds, regardless of whether such amounts are subject to yield restriction or are unrestricted as to yield. Thus, an amount of Gross Proceeds may be "unrestricted as to yield" but will, notwithstanding that characterization, be subject to the Rebate Requirement. Similarly, an amount of Gross Proceeds may be "restricted as to yield" and subject to yield reduction payments but will, notwithstanding that characterization, also be subject to the Rebate

Requirement. The definition of Payments in Section 1 includes the payment of Yield Reduction Amounts made pursuant to Reg. § 1.148-5(c).

6.3 ***Bona Fide* Debt Service Fund.** The weighted average maturity of the Series 2010A Bonds (determined in accordance with Section 147(b)(2)(A) of the Code) is at least five years and the rates of interest on bonds which are part of the Series 2010A Bonds do not vary during the term of the Series 2010A Bonds. Accordingly, any amounts earned on amounts contributed to a *Bona Fide* Debt Service Fund for the Series 2010A Bonds shall not be taken into account in calculating the Rebate Requirement.

6.4 **Spending Exceptions**. The Authority hereby elects to have the spending exceptions to rebate contained in Reg. § 1.148-7 applied separately to each Loan financed by the Series 2010A Bonds. The Authority does not make any other election applicable to the spending exceptions to rebate, as set forth in Section 1.148-7(b)(6)(ii) of the Regulations.

6.5 **Calculation and Deposit Dates.** The Authority shall deposit into the Rebate Account on the Delivery Date the sum of $0. Thereafter, the Authority shall deposit amounts into the Authority Rebate Account sufficient to satisfy payment of the Rebate Amount pursuant to the Rebate Requirement and/or the payment of the Yield Reduction Amount.

6.6 **Payment of Rebate Amount and/or Yield Reduction Amount.** The Authority shall pay the Rebate Amount and/or the payment of the Yield Reduction Amount from the Arbitrage Rebate Account in installments as follows:

The first payment of the Rebate Amount and/or Yield Restriction Amount with respect to the Series 2010A Bonds must be made for a Computation Date that is not later than five years after the issue date of the Series 2010A Bonds. Each succeeding installment payment of the Rebate Amount and/or Yield Restriction Amount must be made for a Computation Date that is not later than five years after the preceding Computation Date. Each rebate installment payment must be in an amount that when added to the Future Value, as of the Computation Date, of previous rebate payments paid to the United States with respect to the Series 2010A Bonds equals at least 90% of the Rebate Amount as of that date. The final Computation Date shall be the date the Series 2010A Bonds are discharged, *i.e.*, the date of the retirement of the last obligation of the Series 2010A Bonds. The final payment of the Rebate Amount shall be an amount that, when added to the Future Value of previous rebate payments paid to the United States with respect to the Series 2010A Bonds equals 100% of the Rebate Amount as of the final Computation Date.

6.7 **Procedure for Remittance.** Each rebate and/or yield reduction payment must be paid to the United States no later than 60 days after the Computation Date to which it relates and, if paid during such 60-day period, may be treated as paid to the United States on the Computation Date to which it relates. A rebate payment and yield reduction payment is paid to the United States when it is filed with the Internal Revenue Service at the place or places designated by the Commissioner of the Internal Revenue Service. A payment must be accompanied by the form provided by the Commissioner for this purpose.

6.8 **Recordkeeping Obligation.** The Authority will maintain or cause to be maintained records adequate to determine the Rebate Amount pursuant to the Rebate Requirement and the Yield Reduction Amount. Such records will include, but are not necessarily limited to, information regarding each expenditure made which is allocated to the Gross Proceeds of the Series 2010A Bonds and the following with respect to each and every Nonpurpose Investment acquired with or otherwise allocated to Gross Proceeds of the Series 2010A Bonds (other than Revenues of the Authority in a *Bona Fide* Debt Service Fund for the Series 2010A Bonds):

(a) the purchase price including any constructive Payments, or in the case of a Payment constituting a deemed acquisition of a Nonpurpose Investment (*e.g.*, a Nonpurpose Investment first allocated to Gross Proceeds of the Series 2010A Bonds after it is actually acquired because it is deposited in a sinking fund for the Series 2010A Bonds), the Fair Market Value of the Nonpurpose Investment on the date first allocated to the Gross Proceeds of the Series 2010A Bonds;

(b) nominal rate of interest;

(c) amount of accrued interest (included in purchase price);

(d) par or face amount;

(e) purchase date;

(f) maturity date;

(g) amount of original issue discount or premium (if any);

(h) type of Investment Property;

(i) frequency of periodic payments;

(j) period of compounding;

(k) yield to maturity;

(l) date of disposition;

(m) amount actually or constructively received on disposition (or in the case of a Receipt constituting a deemed disposition of a Nonpurpose Investment which ceases to be allocated to the Gross Proceeds of the Series 2010A Bonds because it is removed from a sinking fund for the Series 2010A Bonds, the Fair Market Value of the Nonpurpose Investment on the date it ceases to be allocated to the Gross Proceeds of the Series 2010A Bonds); and

(n) market price data sufficient to establish the Fair Market Value of such property on the purchase date and disposition date (or deemed purchase or disposition date).

The purchase price, disposition date and the date of determination of Fair Market Value shall be the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding, *i.e.*, the trade date rather than the settlement date. For purposes of the calculation of purchase price and disposition price, brokerage or selling commissions, administrative expenses or similar expenses shall not increase the purchase price of an item and shall not reduce the amount actually or constructively received upon disposition of an item except to the extent such costs constitute Qualified Administrative Costs.

SECTION 7. INVESTMENTS AND DISPOSITIONS. The Authority has been advised by Bond Tax Counsel that the following provisions and procedures apply to the Proceeds of the Series 2010A Bonds.

7.1 **Fair Market Value.** Gross Proceeds of the Series 2010A Bonds may not be allocated to a Payment for the purchase of a Nonpurpose Investment in an amount greater than the Fair Market Value of the Nonpurpose Investment as of the purchase date. Gross Proceeds of the Series 2010A Bonds may not be allocated to a Receipt from the sale of a Nonpurpose Investment in an amount less than the Fair Market Value of the Nonpurpose Investment as of the sale date.

7.2 **Qualified Administrative Costs.** An allocation of Gross Proceeds of the Series 2010A Bonds to a Payment or a Receipt with respect to a Nonpurpose Investment will not be adjusted to take into account any costs or expenses paid, directly or indirectly to purchase, carry, sell, or retire the Nonpurpose Investment ("Administrative Costs") unless such Administrative Costs are Qualified Administrative Costs. Qualified Administrative Costs increase the Payments for, or decrease the Receipts from the Nonpurpose Investments.

7.3 **Bond Tax Counsel.** For purposes hereof, the Authority shall not invest Gross Proceeds of the Series 2010A Bonds at a price other than Fair Market Value unless it obtains an opinion of Bond Tax Counsel to the effect that such investment shall not adversely affect the exclusion from gross income of interest on the Series 2010A Bonds.

SECTION 8. INVESTMENT LIMITATIONS FOR THE PROCEEDS OF THE SERIES 2010A BONDS. The Authority has been advised by Bond Tax Counsel that the following provisions and procedures apply to the proceeds of the Series 2010A Bonds:

8.1 **Generally.** Except as provided in this Section 8, no portion of the Gross Proceeds of the Series 2010A Bonds may be invested, directly or indirectly, in any Investment Property which has a yield higher than the Yield of the Series 2010A Bonds. Gross Proceeds of the Series 2010A Bonds may be invested at a yield higher than the Yield of the Series 2010A Bonds as part of a reasonably required reserve or replacement fund or as part of the $100,000 minor portion, in addition to the temporary periods set forth in Section 8.2.

8.2 **Temporary Periods.** Gross Proceeds of the Series 2010A Bonds invested during any applicable temporary period may be invested without regard to the restrictions of this subsection 8.2 (subject to the Rebate Requirement) and the payment of Yield Reduction Amounts. For purposes of this subsection, the terms below are used in the manner that they are used in Reg. § 1.148-9, and the applicable temporary period shall be:

(a) for amounts deposited in the Escrow Fund – 30 days;

(b) for amounts deposited in the Loan Account – up to six months from the Delivery Date;

(c) for Investment Proceeds of the Series 2010A Bonds, excluding amounts deposited in the Escrow Fund - one year beginning on the date of receipt;

(d) for a *Bona Fide* Debt Service Fund (*i.e.*, the Principal and Interest Account and the Revenue Account) – 13 months from the date of receipt;

(e) for amounts of Net Proceeds which consist of up to six months' accrued interest on the Series 2010A Bonds – 13 months from the Delivery Date;

(f) for amounts of Net Proceeds used to pay costs of issuance of the Series 2010A Bonds, up to 13 months;

(g) for amounts of Prepayments and repayments to be used to make new Loans – up to three months from the date of receipt; and

(h) for all other amounts excluding amounts deposited in the Escrow Fund – 30 days from the Delivery Date or date of receipt.

Gross Proceeds of the Series 2010A Bonds not invested during one of the permitted temporary periods, or not invested as part of the minor portion or as part of a reasonably required reserve or replacement fund, will not be invested at a yield in excess of the Yield on the Series 2010A Bonds.

For purposes of the preceding paragraph, in determining yield on (i) any Nonpurpose Investment allocable to amounts in the Debt Service Reserve Fund Account to the extent of the Debt Service Reserve Requirement and the Coverage Requirement and to amounts in the Operating Reserve Account to the extent of the Minimum Balance; (ii) any Nonpurpose Investments allocable to the Net Proceeds of the Series 2010A Bonds; (iii) investment earnings on Net Proceeds which qualified for the six month temporary period; (iv) Prepayments and investment proceeds which qualified for the three month temporary period for recycling; or (v) other Investment Proceeds of the Series 2010A Bonds which qualified for the one year temporary period, any amount paid to the United States at the same time and in the same manner as rebate amounts are required to be paid (or at such other time or manner as the Internal Revenue Service may prescribe) is treated as a payment for that Nonpurpose Investment that reduces the yield on that investment.

8.3 **No Federal Guarantee.** The Authority shall not invest five percent or more of the Proceeds of the Series 2010A Bonds in federally insured deposits or accounts or otherwise invest such proceeds in any obligation the payment of principal or interest on which is (in whole or in part) a direct obligation of or guaranteed by the United States (or any agency or instrumentality thereof). Notwithstanding the foregoing, the Authority may invest the Proceeds of the Series 2010A Bonds in any of the following:

(a) Any investment guaranteed by the following agencies of the United States:

(i) Federal Housing Administration;

(ii) Veterans Administration;

(iii) Federal National Mortgage Association;

(iv) Federal Home Loan Mortgage Corporation; or

(v) Government National Mortgage Association.

(b) Any investment described in the following subparagraphs:

(i) investment during an initial temporary period until such proceeds are needed for the purpose for which the Series 2010A Bonds were issued;

(ii) investments of amounts in the *Bona Fide* Debt Service Funds, including the Revenue Account; or

(iii) investments in obligations issued by the United States Treasury.

(c) Nothing in this Section shall be deemed to modify or affect the definition of the Rebate Requirement or its application under Section 6 herein.

SECTION 9. GROSS PROCEEDS CONTROLLED BY BORROWERS. The Authority is aware that certain amounts held by the Borrowers may constitute Gross Proceeds. Each Borrower has covenanted not to invest Gross Proceeds in excess of the Yield on the Series 2010A Bonds. Disbursements of proceeds of the Loan shall not be reinvested by the Borrower. Each Borrower has also covenanted not to do anything that would cause the Series 2010A Bonds to be "federally guaranteed bonds", or otherwise use the Proceeds of the Series 2010A Bonds in a manner which would cause the Series 2010A Bonds to lose the exclusion of interest on the Series 2010A Bonds from gross income for purposes of federal income taxation. Each Borrower has covenanted to comply with the rebate requirements of the Code. This will involve keeping adequate records and making certain calculations and remitting certain amounts, if necessary, to the Authority in furtherance of the Rebate Requirement. The Authority, at such times as it deems necessary to ensure compliance with the Rebate Requirement (and in all events prior to each Computation Date), shall take the necessary steps to solicit and obtain the requisite information from the respective Borrowers.

SECTION 10. RESTRICTIONS ON NONGOVERNMENTAL USE. The Authority does not reasonably expect, as of the date hereof, that the Series 2010A Bonds will meet either the private business tests or the private loan financing test. These tests and related provisions are set forth in Regulation Sections 1.141-1 through 1.141-16. The private business tests consist of the private business use test and the private security or payment test and are described in Exhibit "A" to this Tax Compliance Certificate. In addition, the Authority will not take a deliberate action subsequent to the date hereof that causes the private business tests or private loan financing test to be met without a written opinion of Bond Tax Counsel to the effect that any such deliberate action will not adversely affect the exclusion of interest on the Series 2010A Bonds from gross income for federal income tax purposes.

SECTION 11. MANAGEMENT CONTRACT LIMITATIONS. Neither the Authority nor the Borrowers shall enter into, materially modify or extend a management or service agreement with respect to any portion of the improvements or projects financed or refinanced with Proceeds of the Series 2010A Bonds with any entity other than a state or a local governmental unit unless such agreement complies with Rev. Proc. 97-13 issued January 10, 1997, and Rev. Proc. 2001-39 issued June 18, 2001, or any successor revenue procedure or regulation thereto.

SECTION 12. RESTRICTIONS ON POOLED FINANCING BONDS. More than $5,000,000 of the Proceeds of the Series 2010A Bonds will be used to make or finance the Loans. Accordingly, the Series 2010A Bonds will be "pooled financing bonds" within the meaning of Section 149(f) of the Code and must meet certain requirements set forth in Section 149(f) of the Code. As of the close of the one-year period beginning on the date hereof, at least 30% of the net proceeds of the issue (as of the close of such period) must have been used directly or indirectly to make or finance Loans. Also, as of the close of the three-year period beginning on the date hereof, at least 95% of the net proceeds of the issue (as of the close of such period) must have been used directly or indirectly to make or finance Loans. There must also be provisions requiring the redemption of the bonds if these requirements are not met. As set forth in Section 3.24 hereof, the Authority reasonably expects to expend more than 30 percent and 95 percent of the proceeds of the Series 2010A Bonds during the one-year and three-year periods, and the Series 2010A Bonds are being made subject to one-year extraordinary mandatory redemption and three-year extraordinary redemption. Additionally, Section 149(f) of the Code sets forth certain costs of issuance payment requirements that the Series 2010A Bonds will satisfy because the payment of legal and underwriting costs associated with the issuance of the Series 2010A Bonds is not contingent, and because at least 95% of the reasonably expected legal and underwriting costs associated with the issuance of the Series 2010A Bonds will be paid not later than the 180th day after the date of issuance on the Series 2010A Bonds. As of the close of the three-year period beginning on the date hereof, at least 95% of the net proceeds of the issue (as of the close of such period) will have been usedirectly or indirectly to make or finance Loans. As to the refunding accomplished by the Series 2010A Bonds, each Series of the Refunded Bonds met the requirements applicable to pooled financing bonds.

SECTION 13. RESTRICTIONS ON HEDGE BONDS. The Series 2010A Bonds do not constitute an issue of hedge bonds because the Refunded Bonds were not hedge bonds. The Refunded Bonds were not hedge bonds because the Authority reasonably expected that 85% of the spendable proceeds of each series of the Refunded Bonds would be spent within three years of their respective issuance dates. In addition, none of the proceeds of each series of the Refunded Bonds other than the amounts invested in the Debt Service Reserve Accounts and Operating Reserve Accounts was, directly or indirectly, invested in Nonpurpose Investments having a term of four years or more. Accordingly, not more than 50% of the proceeds of each series of Refunded Bonds was invested in Nonpurpose Investments having a "substantially guaranteed yield" (within the meaning of Section 149(g) of the Code), and each series of the Refunded Bonds was not an issue of "hedge bonds" within the meaning of Section 149(g) of the Code.

SECTION 14. SEGREGATION OF PROCEEDS. In order to perform the calculations required by the Code, it is necessary to separately account for or cause to be separately accounted for all of the Gross Proceeds and each specific item of Investment Property acquired therewith (including Investment Property acquired by the Borrowers with Gross Proceeds). To that end, the Authority will establish separate sub-accounts or take other accounting measures in order to account fully and with specificity for all Gross Proceeds and each item of Investment Property acquired therewith.

SECTION 15. ACCOUNTING AND SUBSTANTIATION REQUIREMENTS. The Authority must maintain records of the calculations required by all of the Sections of this Tax Compliance Certificate. In particular, the Authority must maintain all evidence necessary to exhibit timely compliance with the payment and calculations required by Section 6.

SECTION 16. SURVIVAL OF DEFEASANCE OR PAYMENT. Notwithstanding anything in this Tax Compliance Certificate or the Resolution to the contrary, the obligation of the Authority to remit the Rebate Amount and Yield Reduction Amounts to the United States Treasury Department and to comply with all other requirements contained in this Tax Compliance Certificate shall survive the defeasance of the Series 2010A Bonds.

SECTION 17. INFORMATION REPORTING. The Authority has reviewed the Internal Revenue Service Form 8038-G to be filed in connection with the issuance of the Series 2010A Bonds, a copy of which is attached hereto as Exhibit "C", and all of the information contained therein is, to the best of the Authority's knowledge, true and complete.

SECTION 18. AMENDMENTS. This Tax Compliance Certificate has been executed in order to maintain the exclusion of interest on the Series 2010A Bonds from gross income for purposes of federal income taxation. This Tax Compliance Certificate sets forth the information, representations, and procedures necessary in order for Bond Tax Counsel to render their opinion regarding the exclusion of interest on the Series 2010A Bonds from gross income for purposes of federal income taxation and may be amended or supplemented from time to time to maintain the tax exemption only with the approval of Bond Tax Counsel.

Notwithstanding any other provision herein, the provisions and procedures contained herein may be and shall be deemed modified to the extent the Authority secures an opinion of Bond Tax Counsel that any action required hereunder is no longer required or that some further action is required in order to maintain the exclusion of interest on the Series 2010A Bonds from gross income for purposes of federal income taxation.

SECTION 19. SUPPLEMENTATION OF THIS TAX COMPLIANCE CERTIFICATE. The Authority understands the need to supplement this Tax Compliance Certificate periodically to reflect further developments in the federal income tax laws governing the exclusion from federal gross income of interest on the Series 2010A Bonds and will periodically seek the advice of its Bond Tax Counsel as to the propriety of seeking the review of, and supplements to, this Tax Compliance Certificate from Bond Tax Counsel.

IN WITNESS WHEREOF, I have hereunto set my hand to this Tax Compliance Certificate this 1st day of April, 2010.

MINNESOTA PUBLIC FACILITIES AUTHORITY

By: ______________________________
Terry Kuhlman
Executive Director

EXHIBIT "A"

PRIVATE BUSINESS TEST

1. **Private Business Use Test.** In general, the private business use test is met if private business use exceeds 10% of the proceeds of the issue over the measurement period (defined in paragraph (b) below). Use of facilities by natural persons (not using the facilities in a trade or business) and use by state or local governments is not treated as private business use. Likewise, use by private business persons of the financed property on the same basis as the general public is not treated as meeting private business use test. However, use pursuant to special legal entitlements is treated as private business use unless the exceptions discussed in paragraph (c) below apply. In addition, use by private business users receiving "a special economic benefit" is also private business use if the financed facility is not available for general public use. Under the Regulations, special legal entitlements to use property can result from ownership, a lease, a management or incentive contract, a take or pay contract, an output contract, a research agreement, or any other arrangement which conveys special legal entitlements comparable to the foregoing, *e.g.*, arrangements conveying priority rights to the use or capacity of a facility.

   (a) **Special Economic Benefit.** If the financed property is not available to the general public then any "special economic benefit" should be counted as private business use. The Regulations provide that special economic benefit is to be determined based on all the facts and circumstances including one or more of the following factors:

      (i) the functional relationship and physical proximity of the property financed to other property used by a nongovernmental person;

      (ii) a small number of nongovernmental persons receive the special economic benefit; and

      (iii) a nongovernmental person depreciates the financed property.

   (b) **Measurement of Private Business Use.**

      (i) **General Rule.** In general, the private business use test is met if private business use exceeds 10% of the proceeds of the issue over the measurement period. As a general rule the amount of private business use of property is determined according to the average percentage of private business use of the property during the measurement period. Reg. § 1.141-3(g). The measurement period is the period beginning on the later of the issue date of the issue or the date the property is placed in service and ends on the earlier of the last date of the reasonably expected economic life of the property or the latest maturity of any bond or note, as applicable, of the issue financing the property. The average percentage of private business use is the average of the percentages of private business use during the 1-year periods within the measurement period. The percentage of private business use for any 1-year period is the average private business use during that year calculated and expressed as the ratio of private business use during the year to the total private business use and non-private business use ("governmental use") during that year. An anti-abuse rule prevents the establishment of an unreasonably long term of an issue for a principal purpose of increasing the permitted amount of private business use. Reg. § 1.141-3(g)(2)(v).

(ii) **Special Rule for Private Ownership.** The amount of private business use resulting from private ownership is calculated differently. In cases of private business ownership a special rule provides that the amount of private business use is determined according to the greatest percentage of private business use in any one-year period. Reg. § 1.141-3(g)(2)(iv).

(iii) **Other Rules.** Other significant special measurement rules eliminate the consideration of facility downtime in calculating the average percentage of private use, but permit under certain circumstances a discrete portion of a facility to be treated as a separate facility. Reg. § 1.141-3(g)(4)(i). In addition, if private business use as of the issue date is reasonably expected to have a significantly greater fair market value than governmental use, the average amount of private business use must be determined according to relative reasonably expected fair market values of use rather than be another measure, such as average time of use. Reg. § 1.141-3(g)(4)(v). Further, if private business use and actual governmental use of a facility is on the same basis and occurs simultaneously, the average amount of private business use may be determined on a reasonable basis that reflects the proportionate benefits to each user. Reg. § 1.141-3.

(c) **Exceptions.** There are a number of exceptions for certain types of private business use that may have otherwise been counted toward satisfaction of the private business use test. These exceptions include private business use resulting from:

(i) certain management or service contracts involving expense reimbursement, incidental services or de minimus services;

(ii) use of facilities by nongovernmental persons solely in their capacity as agents of a government person;

(iii) certain incidental private business users;

(iv) contracts not reasonably available to natural persons with rates set by general tariffs and a term not longer than 90 days;

(v) negotiated arm's-length contracts with terms not longer than 30 days;

(vi) use under arrangements on the same basis as natural persons not engaged in a trade or business; and

(vii) use of a developer during the development period under certain conditions.

Revenue Procedures 97-13, 97-14 and 2001-36 provide exceptions for management agreements, service agreements and research agreements meeting certain safe harbor guidelines.

2. **Private Security or Payment Test.** In general, the private security or payment test is satisfied if the present value of the payments to be taken into account exceeds 10% of the present value of the debt service to be paid over the term of the issue. The private payment portion of the test generally takes into account payment of debt service derived from payments (whether or not to the Authority or a related party) in respect of property or borrowed money used or to be used for a private business use. The private security portion of the test generally takes into account payment of debt service directly or indirectly secured by an interest in property used or to be used for a private business use, or payments in respect of such property.

The security for an issue and the payment of debt service on the issue are determined from both the issue or note documents and on the basis of an underlying arrangement between the parties. An underlying arrangement can result from separate agreements between the parties or may be inferred from all the facts and circumstances in connection with the issuance of the bonds or notes, as applicable.

(a) **Measurement of Private Security and Payment.**

(i) **General Rule.** In general, the private security or payment test is satisfied if the present value of the payments to be taken into account exceeds 10% of the present value of the debt service to be paid over the term of the issue. The private payment portion of the test generally takes into account payment of debt service derived from payments (whether or not to the Authority or a related party) in respect of property or borrowed money used or to be used for a private business use. The private security portion of the test generally takes into account payment of debt service directly or indirectly secured by an interest in property used or to be used for a private business use, or payments in respect of such property. Reg. § 1.141-4(a)(i).

For purposes of the private security or payment test, payments taken into account as private payments and payments taken into account as private security are aggregated. However, the same payments are not taken into account as both private payments and private security. Reg. § 1.141-4(a)(2).

(ii) **Present Value.** Present values are determined by using the yield on the issue as the discount rate for a fixed yield issue. Variable yield issues may assume the then current interest rate to be the discount rate over the term of the issue. A subsequent deliberate action will cause a recalculation of the variable yield. Adjustments to debt service may be made to take into account payments and receipts that adjust the yield on an issue for purposes of Section 148(f). Reg. § 1.141-4(b)(2).

(b) **Payments Taken Into Account.** Generally, payments made by any nongovernmental person that is treated as using proceeds of the issue are taken into account. Payments are taken into account only for the period of time the property is being used for the private business use. Payments for use of the financed property include payments in respect of such property even if not made by a private business user (only to the extent available to be used directly or indirectly for debt service). Payments are not made in respect of financed property if those payments are directly allocable to other property being directly used by the person making the payment and those payments represent fair market compensation for that other use. Reg. § 1.141-4(c)(2).

Payments from a nongovernmental person are not counted to the extent such payments exceed the present value of debt service allocable to the proceeds used by such private business user. Payments for use of proceeds do not include the portion of any payment properly allocable to the payment of direct operating expenses of the financed property used by the private business user. A special rule generally characterizes payments of debt service on a refinanced issue as private payments in the same proportion as private payments bear to total payments on the refunding issues. Reg. § 1.141-4(c)(2).

There are special rules for allocating private payments when property is financed from multiple funding sources (*e.g.*, taxable, tax-exempt or equity). As a general rule, payments for the use of property are allocated to the source or different sources of funding of property based on all the facts and circumstances, including whether an allocation is consistent with the purposes of Section 141. In general, a private payment for the use of property is allocated to a source of funding based on the nexus between the payment and both the financed property and the source of funding. Reg. § 1.141-4(c)(3).

Payments for the use of a discrete facility (or discrete portion of a facility) are allocated to the source or sources of funding of that discrete property. Payments made for the use of property financed with two or more sources of funding are allocated in a manner that reasonably corresponds to the relative amounts expended on the property by each source. If an issuer has not kept records of expenditures, an issuer may use reasonable estimates of amounts expended on property. Costs of issuance and other neutral costs are allocated ratably among expenditures for this purpose. Allocations may be made according to relative amounts of debt service if such allocation method reasonably reflects the economic substance of the arrangement. Reg. § 1.141-4(c)(3).

Two other special allocations rules are in the nature of anti-abuse rules. Under the one rule, private payments under an arrangement entered into in connection with the issuance of the bond or note, as applicable, are generally allocated to that issue. Whether an arrangement is entered into in connection with the issuance of the issue is determined under the facts and circumstances. An arrangement is ordinarily entered into in connection with the issuance of the issue if (i) the issuer entered into the arrangement during the three-year period beginning 18 months before the issue date and (ii) the amount of payments reflects all or a portion of the debt service on the issue. Reg. § 1.141-4(c)(3)(iv). Under the other rule an issuer may not allocate a private payments to reimburse itself for equity contributions unless, not later than 60 days after the date of expenditure of those amounts, the issuer adopts an official intent resolution comparable to that required by Reg. § 1.150-2(e) and reimburses itself not later than 18 months after the later of the date the expenditure is made or the date the project is placed in service. Reg. § 1.141-4(c)(3)(v).

(c) **Security Taken Into Account.** As a general rule private security consists of financed property used by a private business user as well as payments in respect of that property if any interest in that property or payments secures the payment of debt service on the bond or note, as applicable. Under this rule the payments in respect, as applicable, of privately used property can be counted even if they are from the general public (only to the extent available to be used directly or indirectly for debt service). Reg. § 1.141-4(d)(3).

A special rule provides that private security which is not bonds or notes, as applicable, financed is taken into account only to the extent it is provided by a user of the proceeds of the issue. Reg. § 1.141-4(d)(2). Generally, proceeds of a bond or note, as applicable, issue are not taken into account prior to expenditure or loan to the private user. Reg. § 1.141-4(d)(3).

Consistent with the rules concerning payments, private security is not taken into account (i) for the period of time the property is not being used for private business use or is not serving as security, and (ii) to the extent it exceeds the amount of allocable private business use. Reg. § 1.141-4(d)(5). Private security is generally taken into account with respect to refunded issues in the same proportion as private security bears to total payments on the refunding issue. Reg. § 1.141-4(d)(5).

Finally, a special rule provides for the allocation of private security or payments (from the disposition of such property securing the issue) among multiple issues secured by such property or payments. The rule provides that such security or payments are allocated on a reasonable basis that takes into account bondholders' rights to the payments or property on default. Reg. § 1.141-4(d)(6).

(d) **Generally Applicable Taxes.** For purposes of the private security or payment test, taxes of general application are not taken into account. The Treasury Regulations say that a "generally applicable tax is an enforced contribution exacted pursuant to legislative authority in the exercise of the taxing power . . ." to raise revenue for governmental purposes. The tax must have uniform rate applicable to all persons of the same class in the jurisdiction and a generally applicable manner of determination and collection. A special rule permits payments in lieu of taxes to constitute generally applicable taxes under certain circumstances.

3. **Private Loan Financing Test.** Bonds or notes, as applicable, meet the private loan financing test if more than the lesser of 5% or $5 million of the proceeds of the issue is to be used (directly or indirectly) to make or finance loans to persons other than governmental persons. The Authority's reasonable expectations and subsequent deliberate actions are taken into account. The amount actually loaned to a nongovernmental person is not discounted to reflect the present value of loan payments.

   For purposes of this test, a private loan is any transaction characterized as a loan for federal tax purposes. In addition, a loan can arise from the direct lending of bonds or notes, as applicable, proceeds or from transactions that convey indirect benefits that are the economic equivalent of a loan. Loans that are Nonpurpose Investments do not cause the private loan financing test to be met.

   Certain prepayments for property or services are also treated as loans for purpose of the private loan financing test if the principal purpose of such prepayments is to provide a benefit of tax-exempt financing to the seller. A prepayment is not treated as a loan for purposes of this test if either (i) the prepayment is made for a substantial business purpose other than providing tax benefits to the seller and the Authority has no commercially reasonable alternative to the prepayment or (ii) substantially similar prepayments are made by a substantial percentage of persons similarly situated to the Authority who do not use tax-exempt financing.

   A special rule affirms that a grant is not a loan. Whether a transaction is characterized as a grant or a loan is determined based on all the facts and circumstances. Generally, a grant made from proceeds of an issue secured by generally applicable taxes attributable to improvements made with the grant is not treated as a loan. Certain impermissible agreements entered into with the grantee, however, could cause a grant to be treated as a loan, e.g., an agreement to be personally liable on a tax that does not generally impose personal liability.

4. **Unrelated or Disproportionate Use Test.** Under this test, an issue satisfies the private business tests if the amount of private business use and private security or payments attributable to unrelated or disproportionate private business use exceeds 5% of the proceeds of the issue. Application of the test requires a three step analysis. The first step is to determine whether the private use or uses are related to a governmental use. The second step is to examine the private business use to determine whether it is disproportionate to its related governmental use. Third, all unrelated private business uses and disproportionate related uses are aggregated to determine whether the 5% threshold has been exceeded.

   Unrelated use is determined on a case by case basis emphasizing the operational relationship between the government use and the private business use. In general, a related privately used facility is required to be located within, or adjacent to, the governmentally used facility. Two other special rules provide some additional guidance. The first rule provides that a private business use is related to a governmental use if the uses of the facility are for the same purpose and the government use is not insignificant. The second rule provides that use of a facility in the same manner for both related and unrelated private business uses will not result in unrelated private business use if the related use is not insignificant.

EXHIBIT "B"

ISSUE PRICE CERTIFICATE

DOCUMENT NO. 20

April 1, 2010

Minnesota Public Facilities Authority
First National Bank Building, Suite E200
332 Minnesota Street
St. Paul, Minnesota 55101-1351

Briggs and Morgan
Professional Association
2200 IDS Center
80 South 8th Street
Minneapolis, Minnesota 55402

Re: Issue Price Certification with Respect to Minnesota Public Facilities Authority State Revolving Fund Revenue Bonds, Series 2010A

Ladies and Gentlemen:

We have served as underwriter in connection with the sale by the Minnesota Public Facilities Authority ("Authority") and the purchase by the underwriter of $310,065,000.00 aggregate principal amount of Minnesota Public Facilities Authority, State Revolving Fund Revenue Bonds, Series 2010A (the "Series 2010A Bonds") as a result of being the winning bidder for the Series 2010A Bonds. Based upon our records and other information available to us which we have no reason to believe to be incorrect, we hereby certify as follows:

1. (i) Each maturity of the Series 2010A Bonds has been the subject of a *bona fide* initial offering to the public (excluding bond houses, brokers, or similar person or organizations acting in the capacity of underwriters or wholesalers) at the respective initial public offering prices set forth in the Official Statement relating to the Series 2010A Bonds ("Official Statement").

(ii) At least 10% of the principal amount of each maturity of the Series 2010A Bonds was sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at not greater than the initial reoffering prices set forth in the Official Statement. In addition, we reasonably expected on March 23, 2010 to sell at least 10% of each maturity of the Series 2010A Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at the initial reoffering prices set forth in the Official Statement.

(iii) At the time we submitted our Bid, based upon then prevailing market conditions, the initial offering price of each maturity of the Series 2010A Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) represented their fair market value.

2. The aggregate offering price of the Series 2010A Bonds based on the initial offering prices or yields to the public set forth in the Official Statement for the Series 2010A Bonds is $361,367,698.00. There was no accrued interest.

We understand that the representations contained herein may be relied upon by the Authority in making certain of the representations contained in the Tax Compliance Certificate executed by the Authority in connection with the issuance of the Series 2010A Bonds, and we further understand that Briggs and Morgan, Professional Association, Bond Counsel to the Authority, may rely upon this certificate, among other things, in providing an opinion with respect to the exclusion from gross income of the interest on the Series 2010A Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended.

Very truly yours,

J.P. MORGAN SECURITIES, INC.,
as Underwriter

By: ____________________

Name: Robert C Stevens

Title: Executive Director

2460984v4

EXHIBIT "C"

CERTIFICATE OF THE FINANCIAL ADVISOR

DOCUMENT NO. ~~25~~ 23

April 1, 2010

Minnesota Public Facilities Authority
First National Bank Building, Suite E200
332 Minnesota Street
St. Paul, Minnesota 55101-1351

Briggs and Morgan
Professional Association
2200 IDS Center
Minneapolis, Minnesota 55402

Re: Minnesota Public Facilities Authority, State Revolving Fund Revenue Bonds, Series 2010A

Ladies and Gentlemen:

The undersigned, financial advisor to the Minnesota Public Facilities Authority ("Authority") with respect to the above-captioned bonds (the "Series 2010A Bonds"), hereby represents as follows:

1. We have reviewed the Tax Compliance Certificate executed by the Authority on the date hereof;

2. Except for the Series 2010A Bonds maturing on March 1, 2025, 2026 and 2027 ("Special Yield Bonds"), none of the Series 2010A Bonds that have an optional redemption (a) are subject to optional redemption within five years of the date hereof, (b) are issued at an issue price that exceeds the stated redemption price at maturity by more than one-fourth of one percent (.25%) multiplied by the product of the stated redemption price at maturity and the number of complete years to the first optional redemption date of the bond, or (c) bears interest at increasing interest rates (*i.e.*, a stepped coupon bond). Based on the foregoing, we have been advised by Bond Counsel that for the purposes of calculating the yield on the Series 2010A Bonds, the Special Yield Bonds are treated as redeemed at their stated redemption price on the optional redemption date that would produce the lowest yield.

3. The Series 2010A Bonds do not include any bond which is subject to expected contingent early redemption. For this purpose contingent early redemption includes redemption using certain excess revenues, in the event such revenues are available, but does not include excess proceeds calls, calamity calls and refundings.

4. The Arbitrage Yield on the Series 2010A Bonds is 2.990550%, or that percentage which when used in computing the present worth of all payments of the revised principal (taking into account the adjustments pursuant to paragraph 2 above) and interest on the Series 2010A Bonds produces an amount equal to the issue price of the Series 2010A Bonds of $361,367,698.00

(being par of $310,065,000.00, plus net original issue premium of $51,302,698.00). There was no accrued interest. For purposes hereof, the Arbitrage Yield on the Series 2010A Bonds has been calculated on a 360-day basis with interest compounded semi-annually.

5. The true interest cost on the awarded bid without modification of the Series 2010A Bonds, as calculated by us as set forth below, is less than the 6% per annum true interest cost limit set forth in the Authority's Series Resolution #1 with respect to the issuance of the Series 2010A Bonds. The true interest cost on the awarded bid has been determined by doubling the semi-annual interest rate, compounded semi-annually, necessary to discount the revised principal and interest amounts from the debt service payment dates to April 1, 2010, the dated date and issue date of the Series 2010A Bonds. Such true interest cost was 3.095521%.

6. The final true interest cost on the Series 2010A Bonds, as calculated by us, is 3.140034 percent per annum, which is less than the 6% per annum true interest cost limit set forth in the Authority's Series Resolution #1 with respect to the issuance of the Series 2010A Bonds. The final true interest cost has been determined by doubling the semi-annual interest rate, compounded semi-annually, necessary to discount the revised principal and interest amounts from the debt service payment date to April 1, 2010, the issue date of the Series 2010A Bonds.

7. We have calculated the cost of the escrow securities purchased entirely from the proceeds of the Series 2010A Bonds (the "Escrow Securities") to advance refund selected maturities of previously issued and outstanding bonds of the Authority and the cost of the most efficient portfolio comprised exclusively of State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt ("SLG's") with the cost of the SLG's determined at the time that bids were required to be submitted pursuant to the terms of the bid specification. The cost of the Escrow Securities was not greater than the cost of the most efficient portfolio of SLG's.

Very truly yours,

PUBLIC FINANCIAL MANAGEMENT, INC.

By: Lisa L. Daniel

Lisa L. Daniel, Managing Director

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EXHIBIT "D"

DEBT SERVICE RESERVE FUND ACCOUNT SIZE LIMIT CALCULATION

EXHIBIT "C"
SIZE LIMITATION
Debt Service Reserve Fund Account Size Limit Calculation

Minnesota Public Facilities Authority
Drinking Water Revenue Bonds [1]
Aggregate Debt Service by Bond Year
As of April 1, 2010 (Closing, Series 2010A and 2010B Subordinate Bonds)

Bond Year Ending March 1,	Annual Interest	Annual Principal	Total Annual Debt Service
2011	$ 6,182,507.50	$ 7,080,000.00	$ 13,262,507.50
2012	5,884,932.50	8,065,000.00	13,949,932.50
2013	5,551,038.76	7,885,000.00	13,436,038.76
2014	5,170,538.76	8,650,000.00	13,820,538.76
2015	4,753,788.76	9,020,000.00	13,773,788.76
2016	4,324,788.76	9,165,000.00	13,489,788.76
2017	3,888,538.76	9,415,000.00	13,303,538.76
2018	3,417,788.76	11,195,000.00	14,612,788.76
2019	2,887,038.76	12,250,000.00	15,137,038.76
2020	2,308,538.76	11,730,000.00	14,038,538.76
2021	1,757,138.76	9,775,000.00	11,532,138.76
2022	1,303,588.76	9,670,000.00	10,973,588.76
2023	892,613.76	9,125,000.00	10,017,613.76
2024	491,138.76	8,720,000.00	9,211,138.76
2025	108,718.76	2,485,000.00	2,593,718.76
totals	$ 48,922,698.88	$ 134,230,000.00	$ 183,152,698.88

1	10% of outstanding par	$ 13,423,000
2	Maximum annual debt service	15,137,039
3	125% Average annual debt service	15,262,725
	Debt Service Reserve Fund Requirement: & tax code limitation (minimum 1, 2, 3)	$\boxed{\$ 13,423,000}$

[1] Includes only outstanding bonds issued under the 1999 Basic Bond Resolution.

EXHIBIT "C"
SIZE LIMITATION
Debt Service Reserve Fund Account Size Limit Calculation

Minnesota Public Facilities Authority
Water Pollution Control (Clean Water) Revenue Bonds [1]
Aggregate Debt Service by Bond Year
As of April 1, 2010 (Closing, Series 2010A and 2010B Subordinate Bonds) [1]

Bond Year Ending March 1,	Annual Interest	Annual Principal	Total Annual Debt Service
2011	$ 22,112,537.50	$ 37,280,000.00	$ 59,392,537.50
2012	20,289,437.50	38,680,000.00	58,969,437.50
2013	18,408,625.00	39,325,000.00	57,733,625.00
2014	16,438,625.00	37,560,000.00	53,998,625.00
2015	14,553,625.00	46,980,000.00	61,533,625.00
2016	12,160,625.00	53,370,000.00	65,530,625.00
2017	9,485,500.00	48,985,000.00	58,470,500.00
2018	7,036,250.00	43,720,000.00	50,756,250.00
2019	4,850,250.00	44,665,000.00	49,515,250.00
2020	2,617,000.00	16,905,000.00	19,522,000.00
2021	1,771,750.00	9,285,000.00	11,056,750.00
2022	1,307,500.00	-	1,307,500.00
2023	1,307,500.00	6,500,000.00	7,807,500.00
2024	1,023,125.00	7,500,000.00	8,523,125.00
2025	695,000.00	-	695,000.00
2026	695,000.00	3,000,000.00	3,695,000.00
2027	552,500.00	5,000,000.00	5,552,500.00
2028	315,000.00	7,000,000.00	7,315,000.00
totals	$ 135,619,850.00	$ 445,755,000.00	$ 581,374,850.00

1	Maximum annual debt service	$ 65,530,625
2	Average annual debt service	32,298,603
3	110% of average annual debt service	35,528,463
4	125% of average annual debt service	40,373,253
5	10% of outstanding par	44,575,500
	Debt Service Reserve Fund Requirement:	$ 65,530,625
	(if 1>3, 1; else 2)	
	tax code limitation (minimum 1, 4, 5):	$ 40,373,253

[1] Includes only outstanding bonds issued under the 1991 Basic Bond Resolution.

EXHIBIT "E"

FORM 8038-G

BRIGGS
BRIGGS AND MORGAN

2200 IDS Center
80 South 8th Street
Minneapolis MN 55402-2157
tel 612.977.8400
fax 612.977.8650

August 4, 2010

M. Brigid McDonough, Esq.
(612) 977-8121
bmcdonough@briggs.com

BY CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Internal Revenue Service Center
Ogden, UT 84201

Re: Minnesota Public Facilities Authority State Revolving Fund Bonds, Series 2010~~B~~A

To whom it may concern:

In connection with the above-referenced matter, enclosed please find a completed Form 8038-G for filing with your office. In addition, kindly date stamp the additional 8038-G and return it to me in the enclosed self-addressed, postage-paid envelope.

Thank you for your assistance in this matter.

Yours truly,

M. Brigid McDonough

M. Brigid McDonough, Esq.

MM/pmr
Enclosures
Cc: Terry Kuhlman, Executive Director
Minnesota Public Facilities Authority
Paul H. Tietz

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Form **8038-G** (Rev. May 2010) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)

▶ See separate instructions.

Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here ▶ ☐

1 Issuer's name: Minnesota Public Facility Authority

2 Issuer's employer identification number (EIN): 41 : 6007162

3 Number and street (or P.O. box if mail is not delivered to street address): First National Bank Building, 332 Minnesota Street

Room/suite: 200-E

4 Report number (For IRS Use Only): 3

5 City, town, or post office, state, and ZIP code: Saint Paul, Minnesota 55101

6 Date of issue: 04-01-2010

7 Name of issue: State Revolving Fund Revenue Bonds, Series 2010A

8 CUSIP number: 604115 AS4

9 Name and title of officer of the issuer or other person whom the IRS may call for more information: Terry Kuhlman, Executive Director

10 Telephone number of officer or other person: (651) 296-4704

Part II Type of Issue (enter the issue price) See instructions and attach schedule

11	Education	11		
12	Health and hospital	12		
13	Transportation	13		
14	Public safety	14		
15	Environment (including sewage bonds)	15	361,367,698	00
16	Housing	16		
17	Utilities	17		
18	Other. Describe ▶	18		

19 If obligations are TANs or RANs, check only box 19a ▶ ☐

If obligations are BANs, check only box 19b ▶ ☐

20 If obligations are in the form of a lease or installment sale, check box ▶ ☐

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	03/01/2027	$ 361,367,698	$ 310,065,000	10.6071 years	2.990550 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	0	00
23	Issue price of entire issue (enter amount from line 21, column (b))			23	361,367,698	00
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	1,236,019 00			
25	Proceeds used for credit enhancement	25	0 00			
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0 00			
27	Proceeds used to currently refund prior issues	27	51,832,089 00			
28	Proceeds used to advance refund prior issues	28	291,199,590 00			
29	Total (add lines 24 through 28)			29	344,267,698	00
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	17,100,000	00

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31 Enter the remaining weighted average maturity of the bonds to be currently refunded ▶ 4.2289 years

32 Enter the remaining weighted average maturity of the bonds to be advance refunded ▶ 12.0398 years

33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ▶ 03/01/2017

34 Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY) 03/01/98, 10/21/04, 12/07/05, 07/11/07, 10/25/07

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Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . .	35	0	00
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) . . .	36a	0	00
b	Enter the final maturity date of the GIC ▶ ______			
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units . . .	37a	17,100,000	00

b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the name of the issuer ▶ ______ and the date of the issue ▶ ______

38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . ▶ ☐

39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . ▶ ☐

40 If the issuer has identified a hedge, check box . . . . ▶ ☐

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

▶ Terry Kuhlman Aug 3, 2010 ▶ Terry Kuhlman; Executive Director

Signature of issuer's authorized representative | Date | Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ Catherine J. Courtney	Date 8/3/10	Check if self-employed ☐	Preparer's SSN or PTIN P01077657
Firm's name (or yours if self-employed), address, and ZIP code ▶ Briggs & Morgan, P.A., 2200 IDS Center, 80 S. 8th St., Minneapolis, MN 55402		EIN 41 : 0954702	Phone no. (612) 977-8420

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