

**City of Ramsey**  
**Agenda**  
**Economic Development Authority (EDA)**  
**Thursday May 10, 2012**  
**7:30 am**  
**Lake Itasca Room, 7550 Sunwood Drive NW**

- 1. Call to Order**
- 2. Approve Agenda**
- 3. Approve Minutes**
  1. Approve the Following EDA Meeting Minutes:  
  
EDA meeting minutes dated April 12, 2012
- 4. EDA Business**
  1. Authorization of Termination of Lease Agreement, Ground Lease Agreement and Authorizing Execution of an Escrow Agreement Relating to the Issuance by the City of Ramsey of its \$16,875,000 General Obligation Capital Improvement Plan Bonds, Series 2012A.
  2. Staff Update
  3. COR Update
- 5. Member/Staff Input**
- 6. Adjournment**

**Economic Development Authority (EDA)**

**3. 1.**

**Meeting Date:** 05/10/2012

**By:** Amy Dietl, Administrative Services

---

**Title:**

Approve the Following EDA Meeting Minutes:

EDA meeting minutes dated April 12, 2012

**Background:**

n/a

**Observations:**

**Funding Source:**

**Staff Recommendation:**

**EDA Action:**

Motion to approve the April 12, 2012 EDA minutes

---

**Attachments**

04/12/12 Draft Minutes

---

**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Kurt Ulrich	Amy Dietl	05/04/2012 10:06 AM
Form Started By: Amy Dietl		Started On: 05/04/2012 08:58 AM

Final Approval Date: 05/04/2012

**ECONOMIC DEVELOPMENT AUTHORITY  
CITY OF RAMSEY  
ANOKA COUNTY  
STATE OF MINNESOTA**

The City of Ramsey Economic Development Authority (EDA) conducted an EDA meeting on Thursday, April 12, 2012, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present:     Chairperson Chris Riley  
                          Member Colin McGlone  
                          Member Wayne Skaff  
                          Member Jim Steffen (arrived at 7:38 a.m.)  
                          Member Kristine Williams  
                          Member Jeff Wise

Members Absent:     Member John LeTourneau

Also Present:         Kurt Ulrich, City Administrator  
                          Patrick Brama, Management Intern

**CALL TO ORDER**

Chairperson Riley called the Economic Development Authority meeting to order at 7:35 a.m.

**APPROVE AGENDA**

Motion by Member McGlone, seconded by Member Wise, to approve the agenda with the addition of Business Expo and EDA Staffing.

Motion carried. Voting Yes: Chairperson Riley, Members McGlone, Wise, Skaff, and Williams. Voting No: None. Absent: Members LeTourneau and Steffen.

**APPROVE MINUTES**

Motion by Member Wise, seconded by Member Skaff, to approve the March 8, 2012 minutes as presented.

Motion carried. Voting Yes: Chairperson Riley, Members Wise, Skaff, McGlone, and Williams. Voting No: None. Absent: Members LeTourneau and Steffen.

**EDA BUSINESS**

**Case #1         2012 EDA Work Plan and EDA Staffing**

City Administrator Ulrich presented the Staff Report and introduced Management Intern Brama. He stated Management Intern Brama will be a good asset and resource for the EDA.

Management Intern Brama introduced himself and gave a brief summary of the projects and committees he has worked on for the City of Ramsey.

Members reviewed the highest priorities on 2012 Work Plan.

City Administrator Ulrich stated that EDA Members could play a role in business retention by periodically making site visits to businesses in lieu of a meeting. He stated that he will be the main contact for the EDA Members, that EDA Consultant Mike Mulrooney may be utilized more frequently, Management Intern Brama will help with site selections for new businesses or relocation of existing businesses and Senior Planner Tim Gladhill would be able to help identify appropriate sites as well.

Member Skaff stated he supports the idea of the EDA members visiting with the leaders of businesses over breakfast or coffee break. It is a way to show them that we care and let them know that they are appreciated.

Chairperson Riley stated the EDA has only three events a year that we touch businesses and would want to continue those events, they are low cost.

Member Skaff stated he agreed and the Business Appreciation Day golf event is a great event and a way to meet the employees as well as the CEOs of the businesses.

Discussion ensued regarding membership in Twin Cities Gateway Convention & Visitors Bureau (CVB). Consensus was that this item should be moved down to medium priority; this was completed, however, CVB is not considering a geographic expansion at this time.

Discussion ensued regarding the priority “Develop a plan to recapitalize the Ramsey Revolving Loan Fund” and Members decided to move it up to moderately high priorities.

Consensus was to remove the priority “Review the financial obligations and resources of the City’s TIF districts and submit modifications as necessary” and have Finance Director Diana Lund present a TIF update once a year to the EDA.

City Administrator Ulrich stated that the Minnesota Commercial Association of Realtors (MNCAR) Exchange membership is current; Members discussed the membership and decided to see how much it is used this year before removing this from the work plan.

Chairperson Riley stated that with the current staffing level changes he doesn’t want the EDA to be less productive. He would like to know that someone is assigned to getting things done.

Member McGlone stated that it is certainly the wish of the Council to keep this body functioning. Like every other area of the city they want to make it better and less costly, doing the greatest good for the public.

**Case #2: Business Expo Update**

Management Intern Brama presented an update on the 2012 Business Expo. He asked members if they were interested in purchasing table coverings for the event.

Consensus was that the exhibitors should provide their own table coverings.

Members Skaff and Williams volunteered to help with the event.

**Case #3: Staff Update**

City Administrator Ulrich presented the Staff Report that updated the members on projects in The COR, the Boat Launch dedication and the Stoney River project.

City Administrator Ulrich stated that there will be two or three councilmembers, Management Intern Brama, Development Manager Darren Lazan and himself attending the International Conference of Shopping Centers (ICSC) this year. The dates of the conference are May 20<sup>th</sup> through the 23<sup>rd</sup>.

Member Wise stated that Sam from Acapulco Restaurant is interested in attending the ICSC this year along with the City delegation.

City Administrator Ulrich stated that B & B Carpet and Flooring celebrated their 50<sup>th</sup> Anniversary.

**MEMBER/STAFF INPUT**

Member McGlone stated Legacy Services Corporation, 6390 McKinley Street, Suite 120, will be hosting an Alzheimer's benefit on May 18<sup>th</sup> from 1:00 to 5:00 p.m. The EDA and City are invited to attend the event.

**ADJOURNMENT**

Motion by Member Skaff, seconded by Member Williams, to adjourn the meeting.

Motion carried. Voting Yes: Chairperson Riley, Members Skaff, Williams, McGlone, Steffen, Wise Voting No: None. Absent: Member LeTourneau.

The regular meeting of the Economic Development Authority adjourned at 8:49 a.m.

Respectfully submitted,

---

Kurt Ulrich  
City Administrator

ATTEST:

---

JoAnn Shaw  
Planning Division Secretary

**Economic Development Authority (EDA)**

**4. 1.**

**Meeting Date:** 05/10/2012

Submitted For: Kurt Ulrich

By: Amy Dietl, Administrative Services

---

**Title:**

Authorization of Termination of Lease Agreement, Ground Lease Agreement and Authorizing Execution of an Escrow Agreement Relating to the Issuance by the City of Ramsey of its \$16,875,000 General Obligation Capital Improvement Plan Bonds, Series 2012A.

**Background:**

In 2005 bonds were issued in the amount of \$19,200,000 for the construction of the municipal center and that portion of the municipal center parking ramp that pertained to employee parking. Lease Revenue Bonds, via a lease agreement with the EDA, were issued. As part of the 2003 legislative session, Governmental units were allowed to issue what is termed "Capital Improvement Plan (CIP) Bonds" to fund municipal projects such as city halls, fire station, police stations, etc. The issuance of CIP bond allows the City to attain a lower interest rate on the debt.

As the city will be refunding the Lease Revenue Bond with General Obligation Capital Improvement Plan Bonds, the lease agreement that is between the city and the EDA needs to be terminated. As provided in Section 4.6 of the Lease Agreement between the City and the EDA, dated as of June 1, 2005 (the "Lease") to prepay the Purchase Option Price, which is an amount equal to the outstanding principal and interest on the original \$19,200,000 Public Project Lease Revenue Bonds, Series 2005A, the Authority hereby determines and declares that upon the issuance of the Bonds and the funding of an Escrow Deposit as provided in the Escrow Agreement, the Lease, and the Ground Lease shall be terminated and the Authority shall have no further right, title or interest in and to the facilities.

The city is refinancing the debt of the municipal center earlier than the December 2014 call feature on the original 2005 bond issue. The city wants to not only take advantage of the interest rate savings, but to bring the annual debt levy to a more manageable level of \$1.1M versus the current \$1.5M. A public hearing was held on March 13, 2012 and a resolution passed that approved the issuance of General Obligation Capital Improvement Plan Bonds. The bonds were originally scheduled to be sold on March 20, 2012 and brought back to the City Council for acceptance at its regular meeting of March 27, 2012. Due to a change in market conditions, long-term interest rates increased significantly and our finance consultant advised the city to hold back on the sale until market conditions were once again favorable. Within the last couple of weeks, interest rates have turned favorable and a positive present value, comparable to what was originally presented to council was achievable. To take advantage of these factors, the bonds were sold on Monday, April 30, 2012 and the authorization for approval of the sale was on the city council's regular agenda of May 8, 2012.

Observations:

Funding Source:

Staff Recommendation:

EDA Action:

Authorize Termination of Lease Agreement, Ground Lease Agreement and Authorizing Execution of an Escrow Agreement Relating to the Issuance by the City of Ramsey of its \$16,875,000 General Obligation Capital Improvement Plan Bonds, Series 2012A.

---

Attachments

Termination of Lease Agreement

---

Form Review

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Kurt Ulrich	Kurt Ulrich	05/03/2012 12:12 PM
Form Started By: Amy Dietl		Started On: 04/27/2012 03:54 PM
	Final Approval Date: 05/03/2012	

EXTRACT OF MINUTES OF A MEETING  
OF THE BOARD OF COMMISSIONERS OF THE  
ECONOMIC DEVELOPMENT AUTHORITY OF THE  
CITY OF RAMSEY, MINNESOTA

HELD: May 10, 2012

Pursuant to due call and notice thereof, a regular meeting of the Board of Commissioners of the Economic Development Authority of the City of Ramsey, Anoka County, Minnesota, was duly held at the City Hall on May 10, 2012, at \_\_\_\_\_ o'clock ~~A M.~~, for the purpose, in part, of authorizing termination of documents relating to a refunding.

The following members were present:

and the following were absent:

Member \_\_\_\_\_ introduced the following resolution and moved its adoption:

RESOLUTION AUTHORIZING TERMINATION OF A LEASE AGREEMENT, GROUND  
LEASE AGREEMENT AND AUTHORIZING EXECUTION OF AN ESCROW  
AGREEMENT RELATING TO THE ISSUANCE BY THE CITY OF RAMSEY,  
MINNESOTA, OF ITS \$16,875,000 GENERAL OBLIGATION CAPITAL  
IMPROVEMENT PLAN BONDS, SERIES 2012A

A. WHEREAS, the City of Ramsey, Minnesota (the "City") proposes to issue its \$16,875,000 General Obligation Capital Improvement Plan Bonds, Series 2012A (the "Bonds") to finance the acquisition of the existing city hall and public safety facilities located in the City (the "Facilities") from the Economic Development Authority of the City of Ramsey, Minnesota (the "Authority"); and

B. WHEREAS, the proposed purchase price for the Facilities is an amount equal to the outstanding principal of and interest on the Authority's \$19,200,000 original principal amount Public Project Lease Revenue Bonds, Series 2005A (City of Ramsey, Minnesota Lease Obligation), dated June 1, 2005 (the "Prior Bonds") issued pursuant to a Indenture of Trust adopted by the Authority's Board of Commissioners on June 1, 2005 (the "Indenture").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RAMSEY, MINNESOTA, as follows:

1. Callable Prior Bonds. \$14,585,000 aggregate principal amount of the Prior Bonds which matures on and after December 15, 2015 is callable on December 15, 2014 (the "Callable Prior Bonds"), the refunding of the Callable Prior Bonds is consistent with covenants made with the holders of the Prior Bonds, and is necessary and desirable for the reduction of debt service cost to the City.

2. Noncallable Prior Bonds. \$2,455,000 aggregate principal amount of the Prior Bonds which matures on December 15, 2012, through and including December 15, 2014 (the

"Noncallable Prior Bonds"), are not callable, but the payment of the Noncallable Prior Bonds on December 15, 2012, December 15, 2013 and December 15, 2014, respectively, is also consistent with covenants made with the holders of the Noncallable Prior Bonds.

3. Escrow Agreement. The Noncallable Prior Bonds shall be paid and the Callable Prior Bonds shall be redeemed and prepaid in accordance with the terms and conditions set forth in the Escrow Agreement, dated as of June 7, 2012 (the "Escrow Agreement") by and between the City, the Authority and U.S. Bank National Association (the "Escrow Agent"), in substantially the form submitted to the Board of Commissioners. The terms and conditions of the Escrow Agreement are hereby approved and incorporated herein by reference. The Authority hereby approves the execution by the President and Secretary on behalf of the Authority of the Escrow Agreement.

4. Prepayment of Purchase Option Price. As provided in Section 4.6 of the Lease Agreement between the City and the EDA, dated as of June 1, 2005 (the "Lease") to prepay the Purchase Option Price (as defined in the Lease), the Authority hereby determines and declares that upon the issuance of the Bonds and the funding of the Escrow Deposit as provided in the Escrow Agreement, the Lease, and the Ground Lease shall be terminated and the Authority shall have no further right, title or interest in and to the Facilities.

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

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

The motion for the adoption of the foregoing resolution was duly seconded by member \_\_\_\_\_ and, after a full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA  
COUNTY OF ANOKA  
ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RAMSEY

I, the undersigned, being the duly qualified and acting Secretary of the Economic Development Authority of the City of Ramsey, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the Board of Commissioners, duly called and held on the date therein indicated, insofar as the minutes relate to authorizing termination of a lease and calling prior bonds.

WITNESS my hand on May 10, 2012.

Secretary

---

**ESCROW AGREEMENT**  
**PUBLIC PROJECT LEASE REVENUE BONDS, SERIES 2005A**  
**(CITY OF RAMSEY, MINNESOTA LEASE OBLIGATION)**  
**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RAMSEY, MINNESOTA**  
**AND**  
**GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BONDS, SERIES 2012A**  
**CITY OF RAMSEY, MINNESOTA**

THIS ESCROW AGREEMENT made as of June 7, 2012, by and between U.S. Bank National Association, in St. Paul, Minnesota (the "Escrow Agent"), the Economic Development Authority of the City of Ramsey, Minnesota (the "EDA") and the City of Ramsey, Minnesota (the "City"),

WITNESSETH THAT:

A. WHEREAS, pursuant to the Indenture of Trust, dated as of June 1, 2005, between U.S. Bank National Association, as trustee (the "Trustee"), and the EDA (the "Indenture"), the EDA has heretofore issued \$19,200,000 original principal amount Public Project Lease Revenue Bonds, Series 2005A (City of Ramsey, Minnesota Lease Obligation), of which the December 15, 2012, and later maturities are being refunded (the "Refunded Bonds"). The Refunded Bonds maturing December 15, 2012, through December 15, 2014, in the aggregate principal amount of \$2,455,000 may be paid at maturity on December 15, 2012, December 15, 2013 and December 15, 2014 (the "Noncallable Prior Bonds"). The Refunded Bonds maturing or subject to mandatory redemption on and after December 15, 2015, in the years and amounts on such dates as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2015	\$885,000	2019	\$ 1,010,000
2016	925,000	2022	3,205,000
2017	960,000	2025	3,740,000
2018	975,000	2027	2,885,000

in the aggregate principal amount of \$14,585,000 (the "Callable Prior Bonds"), may be redeemed and prepaid on December 15, 2014.

B. WHEREAS, pursuant to Section 10.4 of the Lease Agreement, dated as of June 1, 2005, between the EDA and the City (the "Lease"), the City is granted the option to provide for the payment of the Rental Payments for the then applicable Purchase Option Price; and

C. WHEREAS, to provide for a full net advance refunding of the Refunded Bonds in accordance with Minnesota Statutes, Section 475.67 and the exercise of its Purchase Option under the Lease, the City has, pursuant to a resolution adopted on May 8, 2012 (the "Refunding Resolution"), authorized the issuance of its \$16,875,000 General Obligation Capital Improvement Plan Bonds, Series 2012A dated June 1, 2012, as the date of original issue (the "Refunding Bonds") and the City and the EDA have authorized (i) the payment of the Noncallable Prior Bonds on December 15, 2012, December 15, 2013 and December 15, 2014;

(ii) the redemption and prepayment of the Callable Prior Bonds on December 15, 2014; and (iii) the defeasance of the Refunded Bonds pursuant to this Escrow Agreement; and

D. WHEREAS, pursuant to Section 10.01 of the Indenture, the Refunded Bonds may be defeased subject to the conditions set forth therein; and

E. WHEREAS, the Trustee for the Refunded Bonds has on deposit \$1,450,000 in the Reserve Account for the Refunded Bonds and shall transfer such funds to the Escrow Account hereinafter established; and

F. WHEREAS, under the terms of the Refunding Resolution and this Agreement \$17,236,636.86 of Refunding Bonds proceeds and \$1,786,632.50 held by the Trustee in the Reserve Account for the Refunded Bonds (the "Escrow Account") shall be held and invested in accordance with the terms and conditions of this Escrow Agreement as follows: \$18,765,933.81 shall simultaneously be invested in securities (the "Initial Escrowed Obligations") as described in the report of Grant Thornton LLP, dated June 7, 2012, attached hereto as Exhibit D (the "Accountant's Report"), which Initial Escrowed Obligations, together with the balance of cash in the amount of \$209,526.20, shall be used to advance refund the Refunded Bonds. The Initial Escrowed Obligations (or evidence of the investment therein and constructive receipt thereof) and cash are herein called the "Escrow Deposit", provided that the term "Escrow Deposit" may include due bills reflecting Escrowed Obligations not received by the delivery of and payment for the Refunding Bonds (the "Bond Closing") so long as such due bills are secured by the deposit of comparable securities identified as "Substitute Securities" in the Accountant's Report, or by a cashier's check in an amount equal to either the principal and interest due on the Escrowed Obligations so due or any deficiency in principal or interest due on the Substitute Securities (the Initial Escrowed Obligations, said Substitute Securities and any other investments made hereunder, are referred to collectively as the "Escrowed Obligations"); and

G. WHEREAS, it is desirable and appropriate that \$35,227.00 of Refunding Bond proceeds and \$0.00 of available City funds to be used to pay issuance expenses be paid by the Escrow Agent for disbursement in accordance with the schedule of disbursements (the "Issuance Expenses") set forth in Exhibit B attached hereto and incorporated herein by reference; and

H. WHEREAS, the Escrow Agent is, and hereby represents that it is a suitable financial institution within or without the State of Minnesota.

NOW, THEREFORE, in consideration of the premises and of the respective agreements on the part of the Escrow Agent, the EDA and the City herein contained, the parties hereto hereby agree as follows:

1. Deposits. The City agrees upon delivery of and payment for the Refunding Bonds at the Bond Closing to forthwith irrevocably deposit with the Escrow Agent the Escrow Deposit, as an appropriation of the Escrowed Obligations and all payments of principal and interest thereon, in trust with the Escrow Agent for the security of the holders and owners of the Refunded Bonds. The City further agrees upon the Bond Closing to deposit with the Escrow Agent the moneys designated above, and the City authorizes the Escrow Agent (and the Escrow Agent agrees) to disburse the moneys to pay Issuance Expenses. The City further authorizes the

Escrow Agent to disburse \$3,297.14 in Refunding Bond proceeds received on Bond Closing and any other residual funds in the Escrow Account to the City for deposit in the Debt Service Account.

2. Acknowledgment of Deposit. Receipt of the Escrow Deposit and Refunding Bond proceeds to pay Issuance Expenses shall be acknowledged on behalf of the Escrow Agent at the Bond Closing by execution of an Acknowledgment in the form attached hereto as Exhibit C by a duly authorized officer of the Escrow Agent.

3. Compensation; Waiver of Lien. The Escrow Agent hereby acknowledges receipt of the sum of \$1,350.00 as and for its full compensation for services to be performed by it as agent under this Agreement. There will be no future billings for services rendered by the Escrow Agent. The Escrow Agent expressly waives any lien upon or claim against the moneys and investments in the Escrow Account.

4. Collection and Remittance; Payment of Interest, Principal and Premium, if any, on Refunded Bonds; Substitute Securities. The Escrow Agent will collect all remittances of interest on the Escrowed Obligations in the Escrow Account as and when such interest becomes due and payable. The Escrow Agent will cause such Escrowed Obligations to be presented for payment and converted into cash on their respective maturity or due dates in accordance with the schedule of cash payments included in the Accountant's Report, and will remit from the Escrow Account to the paying agent for the Refunded Bonds, the funds required from time to time for the payment when due, on each interest and principal payment date for the interest, principal and premium, if any, on the Refunded Bonds. If the delivery of any Escrowed Obligations is secured at the Bond Closing by Substitute Securities and/or a cashier's check as hereinabove provided and delivery of the Initial Escrowed Obligations is not made within thirty days after the Bond Closing, the Escrow Agent shall in accordance with the terms of such security arrangement substitute the Substitute Securities and/or cashier's check for the Initial Escrowed Obligations to assure that such schedule of cash payments can be complied with.

5. Sufficiency of Escrow Deposit; Further Deposits. In reliance upon the Accountant's Report, the City represents, and the Escrow Agent acknowledges, that the Escrow Deposit, if the principal of and interest on the Initial Escrowed Obligations are paid in accordance with their terms, is sufficient to produce cash in such amounts to enable the Escrow Agent to make full and timely payments as provided in paragraph 4. If at any time it shall appear to the Escrow Agent that the money in the Escrow Account allocable for such use hereunder will not be sufficient to make any payment due to the holders of any of the Refunded Bonds, the Escrow Agent shall immediately notify the City. The City thereupon shall immediately deposit in the Escrow Account from funds on hand and legally available such additional funds as may be required to meet fully the amount to become due and payable and, if necessary, levy for such purpose an ad valorem property tax on all real property in the City subject to taxation without limitation as to rate or amount. Included in the Accountant's Report is a statement that such cash and Escrowed Obligations are sufficient to comply with the requirements set forth in paragraph 4.

6. No Repeal of Refunding Resolution. The City will not repeal, revoke or amend the resolution calling the Noncallable Prior Bonds for payment on December 15, 2012,

December 15, 2013 and December 15, 2014, or for the prepayment of the Callable Prior Bonds on the redemption date of December 15, 2014, in accordance with the Notice of Call for Redemption attached hereto as Exhibit A.

7. Notice of Redemption. The Escrow Agent shall cause the Notice of Call for Redemption attached hereto as Exhibit A to be given to the paying agent for the Callable Prior Bonds (if other than the Escrow Agent), by first class mail (postage prepaid) not more than sixty and not less than forty-five days before said redemption date and therefor to the registered owner of each Callable Prior Bond at the address shown on the registration books kept by the registrar for the Refunded Bonds; failure to give notice by mail to any registered owner, or any defect therein, will not affect the validity of any proceedings for the redemption of the Refunded Bonds.

8. Title to Moneys; Trust; Remission of Remaining Moneys. It is recognized that title to the Escrowed Obligations and money held in the Escrow Account from time to time shall remain vested in the City and the EDA, as their interests may appear, but subject always to the prior charge and lien thereon of this Escrow Agreement and the use thereof required to be made by the provisions of the Indenture and this Escrow Agreement. The Escrow Agent shall hold all such money and obligations in a special trust fund and account (herein the "Escrow Account") separate and wholly segregated from all other funds and securities of the Escrow Agent or deposited with the Escrow Agent, and shall never commingle such money or securities with other money or securities, provided that nothing herein contained shall be construed as requiring the Escrow Agent to keep the identical moneys, or any part thereof, received for the Escrow Account, on hand, but moneys of an equal amount, except to the extent such are investments permitted under this Escrow Agreement, shall always be maintained on hand as funds held by the Escrow Agent as trustee, belonging to the City, and a special account thereof evidencing such fact shall at all times be maintained on the books of the Escrow Agent, together with such investments. In the event of the Escrow Agent's failure to account for any money or obligations held by it in the Escrow Account, such money and obligations shall be and remain the property of the City and the EDA, as their interests may appear, and if for any reason such money or obligations cannot be identified, all other assets of the Escrow Agent shall be impressed with a trust for the amount thereof and the City and the EDA, as their interests may appear, shall be entitled to a preferred claim upon such assets. All moneys remaining in the Escrow Account after payment therefrom of all sums required to be paid under this Agreement shall be promptly remitted to the City.

9. Sale and/or Reinvestment. The Escrow Agent may sell and/or reinvest all or a part of the Escrowed Obligations, or the proceeds thereof in direct, non-callable United States obligations or obligations unconditionally guaranteed by the United States government, or any governmental bond which bears the highest or next highest rating of Moody's Investor's Services, Standard and Poor's Corporation, or a similarly nationally recognized rating agency, if and only if (a) such sales and/or reinvestment is approved by the City and otherwise permitted by the laws of Minnesota; (b) an opinion of a certified public accounting firm is first obtained to the effect that such sale and/or reinvestment will not prevent the Escrow Agent from making all of the payments to the paying agent for the Refunded Bonds as required in paragraph 4; and (c) an opinion of nationally recognized bond counsel or tax counsel recognized as having an expertise in the area of tax exempt bonds is first obtained to the effect that such sale and/or reinvestment

will not cause the interest on the Refunded Bonds or the Refunding Bonds to become includable in the gross income of the owners thereof for federal income tax purposes.

Any excess funds created in the Escrow Account as a result of such sale and/or reinvestment (i.e., funds not required to pay when due principal of and interest on, the Refunded Bonds, as shown on the certified public accountants' opinion required in subsection 9(b)) shall be withdrawn from the Escrow Account and paid by the Escrow Agent to the City, free of any lien of this Escrow Agreement, within ten business days of receipt of the City's written request to withdraw such excess funds.

10. Annual Statement. For as long as any of the Refunded Bonds are outstanding, in January of each year until termination of this Escrow Agreement, commencing January 1, 2013, the Escrow Agent shall render a statement for the preceding year to the City, which statement shall set forth the cash on hand and Escrowed Obligations which have matured and the amounts received by the Escrow Agent by reason of such maturity, the interest earned on any of such Escrowed Obligations, a list of any investments or reinvestments made by the Escrow Agent in other Escrowed Obligations and the interest and/or principal derived therefrom, the amounts of cash paid for the interest, principal and premium, if any, on the Refunded Bonds as said payments became due and payable, and any other transactions of the Escrow Agent pertaining to its duties and obligations as set forth herein.

11. Trust; Safekeeping. All Escrowed Obligations, moneys and investment income deposited with or received by the Escrow Agent pursuant to this Escrow Agreement shall be subject to the trust created by this Escrow Agreement, and the Escrow Agent shall be liable for the preservation and safekeeping thereof; provided, however, that it shall not be responsible for any depreciation in value of any of the Escrowed Obligations or for the reinvestment of the same except as herein provided.

12. Duties, Obligations and Liabilities. The duties and obligations of the Escrow Agent shall be as prescribed by the provisions of this Escrow Agreement, and the Escrow Agent shall not be liable hereunder except for failure to perform its duties and obligations as specifically set forth herein or to act in good faith in the performance thereof, and no implied duties or obligations shall be incurred by the Escrow Agent other than those specified herein. The Escrow Agent may consult with counsel of its choice, and except as provided in paragraph 9, the opinion of such counsel shall be full and complete authorization and protection with respect to any action taken or not taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

13. Resignation; Successor. The Escrow Agent may at any time resign and be discharged of its obligations hereunder by giving to the Administrator of the City written notice of such resignation and by refunding to the City a pro rata portion of the escrow fee set forth in paragraph 3, not less than sixty days before the date when the same is to take effect. Such resignation shall take effect upon the appointment and qualification of a successor agent. In the event of receipt of notice of such resignation, a successor shall promptly be appointed by the City, and the Administrator of the City shall immediately give written notice thereof to the predecessor agent. If in a proper case no appointment of a successor agent is made within forty-five days after the receipt by the City of notice of such resignation, the Escrow Agent or the

Holders of a majority in aggregate principal amount of the Refunded Bonds, by an instrument or concurrent instruments in writing signed by such Holders, or by their attorney in fact duly authorized, may appoint a successor Escrow Agent. Any successor agent appointed hereunder shall execute, acknowledge and deliver to its predecessor agent and to the Administrator of the City a written acceptance of such appointment, and shall thereupon without any further act, deed or conveyance become fully vested with all moneys, properties, duties and obligations of its predecessor, but the predecessor shall nevertheless pay over, transfer, assign and deliver all moneys, securities or other property held by it to the successor agent, shall execute, acknowledge and deliver such instruments of conveyance and do such other things as may reasonably be required to vest and confirm more fully and certainly in the successor agent all right, title and interest in and to the property held by it hereunder. Any bank into which the Escrow Agent may be merged or with which it may be consolidated or any bank resulting from any merger or consolidation to which it shall be a party or any bank to which it may sell or transfer all or substantially all of its corporate trust business shall, if the City approves, be the successor agent without the execution of any document or the performance of any further act.

14. Successors and Assigns; Beneficiaries. This Escrow Agreement shall be irrevocable and binding upon and shall inure to the benefit of the City, the EDA and the Escrow Agent and their respective successors and assigns. In addition, this Escrow Agreement shall constitute a third party beneficiary contract for the benefit of the holders at any time of the Refunded Bonds. Said third party beneficiaries shall be entitled to enforce performance and observance by the City, the EDA and the Escrow Agent of the respective agreements and covenants herein contained as fully and completely as if said third party beneficiaries were parties hereto.

15. Supplemental Agreements. For any one or more of the following purposes, the City, the EDA and Escrow Agent may enter into any supplemental agreements to this Escrow Agreement as shall not adversely affect the rights of the holder or holders of the Refunded Bonds and as shall not be inconsistent with the terms and provisions of this Escrow Agreement, without the consent of or notice to the holder or holders of the Refunded Bonds:

- (a) To cure any ambiguity or formal defect or omission in this Escrow Agreement;
- (b) To grant to, or confer upon, the Escrow Agent for the benefit of the holder or holders of the Refunded Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holder or holders; and
- (c) To provide additional funds, securities or properties under this Escrow Agreement.

16. Consent Otherwise to Amendments. Except as expressly provided in paragraph 14, this Escrow Agreement may not be repealed, revoked, altered or amended without the unanimous written consent of the City, the EDA and the holder or holders of the Refunded Bonds, and the written consent of the Escrow Agent.

17. Headings. Headings in this Escrow Agreement are for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

IN WITNESS WHEREOF, the City, the EDA and Escrow Agent have caused this Escrow Agreement to be executed in their respective names, and have caused this Escrow Agreement to be dated as of the date above first written.

CITY OF RAMSEY, MINNESOTA

By \_\_\_\_\_  
Its Mayor

And By \_\_\_\_\_  
Its Administrator

ECONOMIC DEVELOPMENT AUTHORITY  
OF THE CITY OF RAMSEY, MINNESOTA

By \_\_\_\_\_  
Its President

And By \_\_\_\_\_  
Its Secretary

U.S. BANK NATIONAL ASSOCIATION

By \_\_\_\_\_  
Its \_\_\_\_\_

EXHIBIT A  
NOTICE OF CALL FOR REDEMPTION

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RAMSEY, MINNESOTA  
PUBLIC PROJECT LEASE REVENUE BONDS, SERIES 2005A  
(CITY OF RAMSEY, MINNESOTA LEASE OBLIGATION)

NOTICE IS HEREBY GIVEN that by order of the Board of Commissioners of the Economic Development Authority of the City of Ramsey, Minnesota (the "EDA"), there have been called for redemption and prepayment on

December 15, 2014

those outstanding bonds of the EDA designated Public Project Lease Revenue Bonds, Series 2005A (City of Ramsey, Minnesota Lease Obligation), dated June 1, 2005, having stated maturity dates, or subject to mandatory redemption, in the years and amounts, totaling \$14,585,000 in principal amount, and having the CUSIP numbers, all as listed below:

<u>Year</u>	<u>CUSIP Number*</u>	<u>Year</u>	<u>CUSIP Number*</u>
2018	751816AK5	2025	751816AS8
2019	751816AL3	2027	751816AU3
2022	751816AP4		

The Bonds are being called at a price of par plus accrued interest to December 15, 2014, on which date all interest on the Bonds will cease to accrue. Holders of the Bonds hereby called for redemption are requested to present their Bonds for payment, at the U.S. Bank National Association, Attn: Corporate Trust Services, 60 Livingston Avenue, Third Floor, St. Paul, Minnesota 55107.

Dated: May 10, 2012.

BY ORDER OF THE BOARD OF COMMISSIONERS

/s/ \_\_\_\_\_  
Secretary

\*The EDA shall not be responsible for the selection of or use of the CUSIP numbers, nor is any representation made as to their correctness indicated in the notice. They are included solely for the convenience of the holders.

EXHIBIT B  
Issuance Expenses

**COSTS OF ISSUANCE DETAIL**

---

Bond Counsel	\$15,000.00
Rating Agency Fee	\$9,377.00
Registrar / Paying Agent	\$4,500.00
CPA / Verification	\$3,000.00
Escrow Agent	\$1,350.00
Pricing Opinion	\$2,000.00
<b>TOTAL</b>	<b>\$35,227.00</b>

EXHIBIT C  
ACKNOWLEDGMENT

The undersigned, being duly authorized to execute this acknowledgment on behalf of U.S. Bank National Association (the "Escrow Agent"), as Escrow Agent, hereby acknowledges that the City of Ramsey, Minnesota (the "City"), has this date irrevocably deposited with the Escrow Agent in trust for the security of the holders and owners of the Public Project Lease Revenue Bonds, Series 2005A (City of Ramsey, Minnesota Lease Obligation) of the Economic Development Authority of the City of Ramsey, Minnesota (the "EDA"), dated June 1, 2005, as the date of original issue, that certain Escrow Deposit required to be deposited with the Escrow Agent at the Bond Closing in accordance with the Escrow Agreement, dated June 7, 2012, by and between the Escrow Agent, the EDA and the City; and the city has in addition deposited \$0.00 to pay a portion of the Issuance Expenses set forth on Exhibit B to the Escrow Agreement.

Dated: June 7, 2012.

U.S. BANK NATIONAL ASSOCIATION

By \_\_\_\_\_  
Its \_\_\_\_\_

EXHIBIT D  
Accountant's Report

[to be supplied by Grant Thornton LLP]

**Economic Development Authority (EDA)**

**4. 2.**

**Meeting Date:** 05/10/2012

Submitted For: Kurt Ulrich

By: Amy Dietl, Administrative Services

---

Title:

Staff Update

Background:

A staff update will be provided at the meeting.

Observations:

Funding Source:

Staff Recommendation:

EDA Action:

---

**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Kurt Ulrich	Amy Dietl	05/04/2012 10:06 AM
Form Started By: Amy Dietl		Started On: 05/04/2012 09:19 AM
		Final Approval Date: 05/04/2012

**Economic Development Authority (EDA)**

**4.3.**

**Meeting Date:** 05/10/2012

Submitted For: Kurt Ulrich

By: Amy Dietl, Administrative Services

---

Title:

COR Update

Background:

A COR update will be provided at the meeting.

Observations:

Funding Source:

Staff Recommendation:

EDA Action:

---

**Form Review**

**Inbox**

Kurt Ulrich

Form Started By: Amy Dietl

**Reviewed By**

Amy Dietl

**Date**

05/04/2012 10:06 AM

Started On: 05/04/2012 09:21 AM

Final Approval Date: 05/04/2012