

Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION #13-08-132

**RESOLUTION AUTHORIZING THE ISSUANCE OF
LEASE REVENUE REFUNDING BONDS TO REFINANCE
A PUBLIC (CHARTER) SCHOOL PROJECT PURSUANT TO
MINNESOTA LAW, AND AUTHORIZING THE EXECUTION OF VARIOUS
DOCUMENTS IN CONNECTION THEREWITH
(PACT CHARTER SCHOOL PROJECT)**

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
RAMSEY, ANOKA COUNTY, STATE OF MINNESOTA, as follows:**

1. Authority. The City is, by the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Sections 469.152 to 469.1655, as amended (the “Act”), authorized to issue and sell its revenue bonds for the purpose of financing industrial development within the boundaries of the City and to enter into agreements necessary or convenient in the exercise of the powers granted by the Act.

2. Authorization of Project; Documents Presented. PCS Building Company (the “Company”), a Minnesota nonprofit corporation and an organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, has proposed that the City issue and sell its Lease Revenue Refunding Bonds (PACT Charter School Project), Series 2013A (the “Series 2013A Bonds”) and its Taxable Lease Revenue Refunding Bonds (PACT Charter School Project, Series 2013B (the “Series 2013B Bonds” and together with the Series 2013A Bonds, the “Bonds”) in an aggregate amount not to exceed \$11,500,000 in substantially the form set forth in the hereinafter mentioned Indenture of Trust, pursuant to the Act, and loan the proceeds thereof to the Company in order to (i) advance refund the City’s Lease Revenue Bonds (PACT Charter School Project) Series 2004A (the “Prior Bonds”), the proceeds of which were used to finance the acquisition, construction, and equipping of an approximately 72,000 square foot public elementary and secondary schoolhouse located at 7250 Ramsey Parkway East Northwest in the City (the “Project”), owned by the Company and leased to PACT Charter School (the “School”), a Minnesota nonprofit corporation and an organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended; (ii) fund a debt service reserve fund; and (iii) pay the costs of issuing the Bonds. Forms of the following documents relating to the Bonds have been submitted to the City:

(a) Loan Agreement (the “Loan Agreement”) between the City and the Company, whereby the City agrees to make a loan to the Company of the gross proceeds of sale of the Bonds and the Company agrees to pay amounts in repayment of the loan sufficient to provide for the full and prompt payment of the principal of, premium, if any, and interest on the Bonds; and

(b) Indenture of Trust (the “Indenture”) between the City and Wells Fargo Bank, National Association, as trustee (the “Trustee”), authorizing the issuance of and pledging

certain revenues, including those to be derived from the Loan Agreement, as security for the Bonds, and setting forth proposed recitals, covenants and agreements relating thereto; and

(c) An Amended and Restated Mortgage, Security Agreement and Assignment of Rents (the “Mortgage”), from the Company in favor of the Trustee, by which the Company grants a mortgage lien on and security interest in certain mortgaged property, as described therein, as further security for the payment of the Bonds and assigns its interests in all rents with respect to the mortgaged property; and

(d) Tax Regulatory Agreement (the “Tax Regulatory Agreement”) by and between the City, the Company, and the School; and

(e) Escrow Agreement (the “Escrow Agreement”) between the City, the Company and Wells Fargo Bank, National Association, as escrow agent (the “Escrow Agent”); and

(f) Bond Purchase Agreement (the “Bond Purchase Agreement”), by and between Dougherty & Company LLC (the “Underwriter”), the Company, the School and the City, providing for the purchase of the Bonds from the City by the Underwriter and setting the terms and conditions of purchase; and

(g) Official Statement, which, including all Appendices thereto, is intended to constitute the form of the final Official Statement (the “Official Statement”), describing the offering of the Bonds, and certain terms and provisions of the foregoing documents.

3. Findings. It is hereby found, determined and declared that:

(a) The Project constitutes a Project authorized by and described in the Act.

(b) On the basis of information available to the City it appears, and the City hereby finds, that the Project constitutes properties, real and personal, used or useful in connection with one or more revenue producing enterprises engaged in any business within the meaning of Subdivision 2(b) of Section 469.153 of the Act; that the Project furthers the purposes stated in Minnesota Statutes, Section 469.152; that the availability of the financing under the Act and willingness of the City to furnish such financing will be substantial inducement to the Company to undertake the Project, and that the effect of the Project, if undertaken, will be to encourage the development of economically sound industry and commerce, to assist in the prevention of the emergence of blighted and marginal land, to help prevent chronic unemployment, to help the City retain and improve the tax base and to provide the range of service and employment opportunities required by the population, to help prevent the movement of talented and educated persons out of the state and to areas within the state where their services may be as effectively used, to promote more intensive development and use of land within the City, and, eventually, to increase the tax base of the community.

(c) There is no litigation pending or, to the best of its knowledge, threatened against the City relating to the Bonds, the Loan Agreement, the Bond Purchase Agreement, the Escrow Agreement, or the Indenture or questioning the due organization of the City, or the

powers or authority of the City to issue the Bonds and undertake the transactions contemplated hereby.

(d) The execution, delivery and performance of the City's obligations under the Bonds, the Indenture, the Bond Purchase Agreement, the Escrow Agreement, and the Loan Agreement do not and will not violate any order of any court or other agency of government of which the City is aware or in which the City is a party, or any indenture, agreement or other instrument to which the City is a party or by which it or any of its property is bound, or be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement or other instrument.

(e) It is desirable that the Bonds be issued by the City upon the terms set forth in the Indenture, under the provisions of which the City's interest in the Loan Agreement will be pledged to the Trustee as security for the payment of principal of, premium, if any, and interest on the Bonds.

(f) The Loan Agreement provides for payments by the Company to the Trustee for the account of the City of such amounts as will be sufficient to pay the principal of, premium, if any, and interest on the Bonds when due. The Loan Agreement obligates the Company to pay for all costs of operation and maintenance of the Project facilities, including adequate insurance, taxes and special assessments. A reserve fund has been established under the provisions of the Indenture in connection with the issuance of the Bonds.

(g) Under the provisions of the Act, and as provided in the Loan Agreement and Indenture, the Bonds are not to be payable from nor charged upon any funds other than amounts payable pursuant to the Loan Agreement and moneys in the funds and accounts held by the Trustee which are pledged to the payment thereof; the City is not subject to any liability thereon; no owners of the Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay any of the Bonds or the interest thereon, nor to enforce payment thereof against any property of the City; the Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City (other than the interest of the City in the Loan Repayments to be made by the Company under the Loan Agreement); and each Bond issued under the Indenture shall recite that such Bond, including interest thereon, shall not constitute or give rise to a charge against the general credit or taxing powers of the City.

4. Approval and Execution of Documents. The forms of the documents referred to in paragraph 2, are approved. The Loan Agreement, Indenture, Tax Regulatory Agreement, the Escrow Agreement, and Bond Purchase Agreement shall be executed in the name and on behalf of the City by the Mayor and the Administrator, or executed or attested by other officers of the City, in substantially the form on file, but with all such changes therein, not inconsistent with the Act or other law, as may be approved by the officers executing the same, which approval shall be conclusively evidenced by the execution thereof; and then shall be delivered to the Trustee. Modifications to the forms of documents to which the City is not a party may be made at the discretion of the parties thereto.

5. Approval, Execution and Delivery of Bonds. The City shall proceed forthwith to issue the Bonds, in an aggregate principal amount of not to exceed \$11,500,000 in the forms and

upon the terms set forth in the Indenture, which terms are for this purpose incorporated in this resolution and made a part hereof; provided, however, that the initial aggregate principal amount of and the maturities of the Bonds, the interest rates thereon, and any provisions for the optional or mandatory redemption thereof shall all be as set forth in the final form of the Indenture to be approved, executed, and delivered by the officers of the City authorized to do so by the provisions of this Resolution, which approval shall be conclusively evidenced by such execution and delivery. The Underwriter has agreed pursuant to the provisions of the Bond Purchase Agreement, and subject to the conditions therein set forth, to purchase the Bonds at the purchase price set forth in the Bond Purchase Agreement, and said purchase price is hereby accepted. The Mayor, Administrator, and other City officers are authorized and directed to prepare and execute the Bonds as prescribed in the Indenture and to deliver them to the Trustee, together with a certified copy of this Resolution and the other documents required by the Indenture, for authentication, registration, and delivery to the Underwriter. As provided in the Indenture, each Bond shall contain a recital that it is issued pursuant to the Act, and such recital shall be conclusive evidence of the validity and regularity of the issuance thereof.

6. Official Statement. The City hereby approves the form of and consents to the circulation by the Underwriter of the Official Statement in offering the Bonds for sale; provided, however, that the City has not participated in the preparation of the Official Statement or independently verified the information in the Official Statement, except under the headings “THE ISSUER” or “LITIGATION” (insofar as it relates to the City) and takes no responsibility for, and makes no representations or warranties as to, the accuracy or completeness of such information.

7. Certificates, etc. The Mayor, Administrator, and other officers of the City are authorized and directed to prepare and furnish to bond counsel and the purchaser of the Bonds, when issued, certified copies of all proceedings and records of the City relating to the Bonds, and such other affidavits and certificates as may be required to show the facts appearing from the books and records in the officers custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the City as to the truth of all statements contained therein.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember _____ and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

and the following abstained:

and the following were absent:

Whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this the 13th day of August, 2013.

Mayor

ATTEST:

City Clerk

STATE OF MINNESOTA
COUNTY OF ANOKA
CITY OF RAMSEY

I, the undersigned, being the duly qualified and acting Administrator 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 City Council of said City, duly called and held on the date therein indicated, insofar as such minutes related to a resolution approving the PACT Charter School Project.

WITNESS my hand this _____ day of _____, 2013.

Administrator