

**CITY OF FALCON HEIGHTS
COUNCIL RESOLUTION**

July 23, 2014

No. 14-13

**RESOLUTION AUTHORIZING THE EXECUTION OF AN ESCROW
AGREEMENT IN CONNECTION WITH THE ADVANCE REFUNDING
OF THE CITY'S LEASE REVENUE BONDS (KALEIDOSCOPE CHARTER
SCHOOL PROJECT) SERIES 2007A**

WHEREAS, at the request of KCS Building Company (the "Company"), the City of Falcon Heights, Minnesota (the "City") issued its Lease Revenue Bonds (Kaleidoscope Charter School Project) Series 2007A (the "Series A Bonds") in an aggregate amount not to exceed \$8,110,000 and lent the proceeds thereof to the Company, in order to finance the acquisition, renovation, and equipping of an approximately 40,000 square foot public elementary schoolhouse, to be located at Kalland Avenue west of County Road 19 in the City of Otsego, Minnesota ("Otsego") (the "Project") to be owned by the Company and leased to Kaleidoscope Charter School, a Minnesota nonprofit corporation and an organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "School");

WHEREAS, the Company has requested of the City and of Otsego that the Series A Bonds be advance refunded on November 1, 2015 using proceeds of lease revenue bonds to be issued by Otsego (the "Otsego Bonds") and amounts on deposit under the Indenture of Trust with respect to the Series A Bonds (the "Falcon Heights Indenture");

WHEREAS, in order to provide for the redemption of the Series A Bonds on November 1, 2015, it is necessary for the City to enter into an Escrow Agreement with the Company and Wells Fargo Bank, National Association, as escrow agent (the "Escrow Agent"), (the "Escrow Agreement") and a form of the Escrow Agreement has been submitted to the City; and.

WHEREAS, upon the issuance of the Otsego Bonds and the deposit of amounts pursuant to the Escrow Agreement, the Series A Bonds shall be defeased and the Falcon Heights Indenture shall be discharged by the trustee for the Series A Bonds.

NOW, THEREFORE, the City Council of the City of Falcon Heights, Minnesota hereby resolves:

1. Consent to Issuance of Otsego Bonds. In accordance with Minnesota Statutes, Section 469.155, subd. 12, the City hereby consents to the issuance of the Otsego Bonds by Otsego for the purpose of refunding the Series A Bonds.

2. Approval and Execution of Escrow Agreement. The form of the Escrow Agreement is approved. The Escrow Agreement shall be executed in the name and on behalf of the City by the Mayor and the City 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 Escrow Agent. Modifications to the form of the Escrow Agreement to which the City is not a party may be made at the discretion of the parties thereto.

3. Certificates, etc. The Mayor, City Administrator and other officers of the City are authorized and directed to prepare and furnish to bond counsel and the Escrow Agent, certified copies of all proceedings and records of the City relating to the Series A Bonds and the Escrow Agreement, 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.

Adopted by the City Council of the City of Falcon Heights, Minnesota this 23rd day of July, 2014.

Moved by: Long

Approved by: Peter Lindstrom
Peter Lindstrom
Mayor
July 23, 2014

LINDSTROM 5 In Favor
GOSLINE
HARRIS 0 Against
LONG
MERCER-TAYLOR

Attested by: Bart Fischer
Bart Fischer
City Administrator
July 23, 2014