



Corporate Trust Services
60 Livingston Avenue
St. Paul, MN 55107-2292

Notice to holders of:

**Economic Development Authority of the City of Vadnais Heights
\$11,655,000 Recovery Zone Facility Lease Revenue Bonds
(Community and Recreational Sports Facilities Project)**

Series 2010A

*CUSIP NOS.: 91873HAQ8, -AR6, -AA3

\$11,305,000 Lease Revenue Bonds

Series 2010B

*CUSIP NOS.: 91873HAB1, -AC9, -AD7, -AE5, -AF2, -AG0,
-AH8, -AJ4, -AK1, -AL9, -AM7, -AN5

\$1,840,000 Taxable Lease Revenue Bonds

Series 2010C

*CUSIP NO.: 91873HAP0

\$2,000,000 Taxable Subordinate Lease Revenue Notes

Series 2010D-1 and 2010D-2

Please forward this notice to beneficial holders.

U.S. Bank National Association serves as trustee (“Trustee”) for holders of the above-referenced obligations (collectively, the “Bonds”) under that certain Indenture of Trust dated as of April 1, 2010 (“Indenture”), between the Trustee and the Economic Development Authority of the City of Vadnais Heights (“Issuer”). The Issuer loaned the proceeds of the Bonds to CFP Vadnais Heights, LLC (“Company”) under a Loan Agreement dated as of April 1, 2010 (“Loan Agreement”). The Company used the proceeds to (a) acquire approximately 10.25 acres of land (“Land”) in the City of Vadnais Heights, Minnesota (“City”), and (b) construct and equip an approximately 100,000 square foot domed multi-sport facility and an approximately 83,500 square foot two-rink indoor ice arena (“Project”) on the Land. The City leases the Project from the Company under a Master Lease Agreement dated as of April 1, 2010 (“Master Lease”), pursuant to which it pays as rent for the Project, among other costs and expenses, amounts necessary to pay principal of and interest on the Bonds. All capitalized terms not otherwise defined in this notice shall have the meanings ascribed to such terms in the Indenture.

As previously advised, Events of Default exist and are continuing under Section 6.01(d) of the Indenture and Section 7.01(b) of the Loan Agreement on account of the Company’s failure to deposit Gross Revenues with the Trustee within 2 business days of receipt as required under Section 4.02(a) of the Loan Agreement and the City’s failure to make Rental Payments when due from and after February 1, 2012, as required under Section 5.1(d) of the Master Lease.

This notice is to advise you that the City has determined not to appropriate money to make Rental Payments due under the Master Lease in 2013 or any subsequent year. In connection therewith, the City has notified the Trustee and the Company of its intent to terminate the Master Lease effective

December 31, 2012. Notwithstanding the foregoing, the Trustee has been advised by the City that it will continue making all Rental Payments due under the Master Lease through December 31, 2012.

As a result of the City's determination not to appropriate funds, Standard & Poor's Ratings Services has lowered its long-term rating on the Series 2010A, Series 2010B and Series 2010C Bonds from 'A-' to 'CC' and indicated that the outlook on the ratings is negative. This rating change constitutes a material event under Section 2(e) of the Continuing Disclosure Agreement.

The Trustee has scheduled a conference call meeting of holders to be held on Thursday, September 27, 2012, at 1:00 p.m. (Central Time). The purpose of the meeting is to discuss the Events of Default and the status of the Project. All holders who would like to participate in the meeting must complete and return a Bondholder Verification Form, a copy of which is attached to this notice. The Trustee will distribute call-in information to holders who have completed a Bondholder Verification Form before the scheduled conference call.

Any questions may be directed, by e-mail to patricia.kapsch@usbank.com or, in writing, to: Patricia Kapsch, 60 Livingston Avenue, St. Paul, MN 55107-2292. Holders may also contact the Trustee either at (800) 934-6802, option #4; or at its web site, located at www.usbank.com/corp_trust/bondholder_contact.html. The Trustee may conclude that a specific response to particular inquiries from individual holders is not consistent with equal and full dissemination of information to all holders. Holders should not rely on the Trustee as their sole source of information. The Trustee makes no recommendations and gives no investment advice.

U.S. BANK NATIONAL ASSOCIATION,
As Trustee

AUGUST 27, 2012

* Trustee is not responsible for selection or use of CUSIP. It is included solely for holder convenience.

BONDHOLDER VERIFICATION FORM

BY FACSIMILE OR E-MAIL:

To: Patricia Kapsch
U.S. Bank National Association
Corporate Trust Services
60 Livingston Avenue,
St. Paul, MN 55107-2292
Facsimile: (651) 466-7401
E-Mail : patricia.kapsch@usbank.com

Re: Economic Development Authority of the City of Vadnais Heights, Minnesota

\$11,655,000 Recovery Zone Facility Lease Revenue Bonds
(Community and Recreational Sports Facilities Project), Series 2010A
(*CUSIP Nos. 91873HAQ8, 91873HAR6, 91873HAA3)

\$11,305,000 Lease Revenue Bonds, Series 2010B
(*CUSIP Nos.: 91873HAB1, 91873HAC9, 91873HAD7, 91873HAE5, 91873HAF2,
91873HAG0, 91873HAH8, 91873HAJ4, 91873HAK1, 91873HAL9, 91873HAM7, 91873HAN5)

\$1,840,000 Taxable Lease Revenue Bonds, Series 2010C
(*CUSIP No.: 91873HAP0)

\$2,000,000 Taxable Subordinate Lease Revenue Notes, Series 2010D-1 & 2010D-2

Please note: This Bondholder Verification Form is sent to you by U.S. Bank National Association in its capacity as trustee (“Trustee”) for holders of the above-referenced obligations (collectively, the “Bonds”) under that certain Indenture of Trust dated as of April 1, 2010 (“Indenture”), between the Trustee and the Economic Development Authority of the City of Vadnais Heights. The Trustee anticipates communicating with you from time to time in connection with the existing and ongoing Events of Default under the Indenture. Accordingly, the Trustee requests that you complete and return this Bondholder Verification Form. The Trustee may place other restrictions on communications as is necessary and appropriate to protect the interests of all holders or as otherwise required by applicable law. If you have any concerns, please contact Ms. Kapsch.

Please complete information on the following page

BONDHOLDER VERIFICATION FORM

The undersigned hereby certifies that the undersigned is a holder, beneficial holder, or a representative of a beneficial holder of the above-referenced Bonds and represents the following information to be true and correct.

Please complete the following information. (Please print or type information)

SECURITIES OWNED: CUSIP Nos. _____

1. Principal Amount of Bonds Owned: _____

2. DTC Participant: _____; Participant Number: _____

3. Name of Beneficial Holder: _____

Mailing Address: _____

Telephone: (_____) _____ Fax: (_____) _____

E-Mail Address: (if available): _____

4. Name of Representative (if different): _____

5. Additional Contact Information: _____

Signature: _____ Date: _____

_____ (Printed Name of Individual Authorized to Sign)

*Trustee is not responsible for selection or use of CUSIP. It is included solely for holder convenience.