

**INDEPENDENT SCHOOL
DISTRICT #624**



**SPECIAL BOARD
MEETING PACKET**

February 24, 2020

MISSION STATEMENT

The mission of the White Bear Lake Area School District, the community at the forefront of educational excellence, honoring our legacy and courageously building the future, is to ensure each student realizes their unique talents and abilities, and makes meaningful contributions with local and global impact through a vital system distinguished by:

- *Students who design and create their own future*
- *A culture that respects diverse people and ideas*
- *Safe, nurturing and inspiring environments*
- *Exceptional staff and families committed to student success*
- *Abundant and engaged community partners*

To: Members of the School Board

From: Dr. Wayne Kazmierczak
Superintendent of Schools

Date: February 10, 2020

A special meeting of the White Bear Lake Area School Board will be held on **Monday, February 24, 2020**, at **5:00 p.m.** in Community Room 112 at the District Center, 4855 Bloom Avenue, White Bear Lake, MN.

SPECIAL MEETING AGENDA

A. PROCEDURAL ITEMS

1. Call To Order
2. Roll Call

B. OPERATIONAL ITEM

1. Action on Approval of Property Purchase Agreements*
2. Approve the Sale of General Obligation School Building Bonds, Series 2020A

C. ADJOURNMENT

<p><i>*Closed session pursuant to Minn.Stat. 13D.05, subd. 3(c) to consider an offer to purchase property identified as Parcel Number: 143022120012 and Parcel Number 143022240039 located in Ramsey County, State of Minnesota.</i></p>
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AGENDA ITEM: **Action on Approval of Property Purchase Agreements**

MEETING DATE: **February 24, 2020**

SUGGESTED DISPOSITION: **Operational Item**

CONTACT PERSON(S): **Dr. Wayne A. Kazmierczak, Superintendent**
Tim Wald, Assistant Superintendent for Finance and Operations

BACKGROUND:

The School Board has discussed the acquisition of property near the high school site if it is beneficial to the plan and as properties become available. Two property owners near the high school site have approached the district with a proposal to purchase their property.

The two purchase agreements we will discuss in closed session pursuant to Minn. Stat. 13D.05, subd. 3(c) to consider an offer to purchase property identified as PID #143022120012 and PID #143022240039 located in the City of White Bear Lake, Ramsey County, State of Minnesota prior to tonight's vote.

RECOMMENDED ACTION: Move to approve the purchase agreements for the properties described as PID #143022120012 and PID #143022240039 located in the City of White Bear Lake, County of Ramsey, State of Minnesota. The Board authorizes the Superintendent and the Assistant Superintendent for Finance and Operations to sign all documents as necessary to acquire said properties.

Board Chair

Date: February 24, 2020

Clerk:

Date: February 24, 2020

AGENDA ITEM: **Approve the Sale of General Obligation School Building Bonds, Series 2020A**

MEETING DATE: **February 24, 2020**

SUGGESTED DISPOSITION: **Operational Item**

CONTACT PERSON(S): **Dr. Wayne Kazmierczak, Superintendent**
Tim Wald, Assistant Superintendent for Finance and Operations

BACKGROUND:

On November 5, 2019 voters in the White Bear Lake Area School District approved the sale of \$326 million in general obligation bonds for the addition, renovation, and improvement of school district facilities. The bond sale occurred on February 13, 2020 and was approved by School Board Chair Mullin and Superintendent Kazmierczak as authorized by the School Board. The next step in the process is for the School Board to ratify the bond sale.

The low bidder was Citigroup Global Markets, Inc. at 2.4262%, which is a very positive result and will save district taxpayers over \$80 million dollars in interest over the life of the repayment schedule compared to pre-election estimates. The district's municipal advisers from Ehlers, Inc., Greg Crowe and Shelby McQuay, will present an overview of the process and bid results at the School Board meeting on Monday, February 24, and will provide additional context about the historically low interest rate on the bond issuance.

RECOMMENDED ACTION: *Approve the Resolution Ratifying the Award of the Sale, Determining the Form and Details, Authorizing the Execution, Delivery, and Registration, and Providing for the Payment of General Obligation School Building Bonds, Series 2020A as presented.*

February 13, 2020

Sale Day Report for

Independent School District No. 624 (White Bear Lake Area Schools), Minnesota

\$250,000,000 General Obligation School Building Bonds,
Series 2020A



Prepared by:

Greg Crowe, CIPMA
Senior Municipal Advisor

Shelby McQuay, CIPMA
Senior Municipal Advisor

Sale Day Report – February 13, 2020

Independent School District No. 624 (White Bear Lake Area Schools), MN
\$250,000,000 General Obligation School Building Bonds, Series 2020A

Purpose: For the purpose of financing the acquisition and betterment of school sites and facilities in the District, as approved by district voters on November 5, 2019.

Rating: MN Credit Enhancement Rating: S&P Global Ratings "AAA"
Underlying Rating: S&P Global Ratings "AA-"

Number of Bids: 7

Low Bidder: Citigroup Global Markets Inc., New York, New York

Comparison from Lowest to Highest Bid: (TIC as bid)	Low Bid	High Bid	Interest Difference
	2.4262% *	2.5479%	\$6,643,914

Summary of Sale Results:	
Principal Amount:	\$250,000,000
Underwriter's Discount:	\$830,000
Reoffering Premium:	\$13,257,479
True Interest Cost*:	2.43%
Costs of Issuance:	\$593,943
Yield:	0.88% - 2.69%
Total Net P&I	\$362,821,762

* The underwriter offered a net price for the Bonds (principal amount plus reoffering premium minus underwriter's discount) that was greater than estimated in the Pre-Sale report. As a result of this difference, an additional approximately \$3.5 million was deposited into the project construction fund. The structure of the payments was also modified slightly. The change in the individual maturity payments caused a change to the True Interest Cost, compared to the True Interest Cost as bid.

Notes: Interest rates have declined significantly since the debt service estimates were prepared prior to the District's bond election. The True Interest Cost of 2.43% is significantly lower than the 3.95% estimate used prior to the election and the 3.27% estimate used for the Pre-Sale report provided to the Board on January 13th. Total property tax levies for the 2020A bonds, along with projected reductions in tax levies for the 2022 and 2024 bonds result in a reduction in total projected levies for the Voter Approved portion of the capital plan to be \$81.7 million lower than the pre-election estimates.



Closing Date: March 5, 2020

Designated Official Action: Adopt the resolution ratifying the award of the sale of \$250,000,000 General Obligation School Building Bonds, Series 2020A.

Attachments:

- Bid Tabulation
- Estimated Sources and Uses of Funds
- Long Term Financing Plan, Including Estimated Debt Service Schedule for Existing Debt, for the 2020A Issue and for Future Planned Bond Issuances
- Estimated Debt Service Schedule for 2020A Issue
- Interest Rate Trends Graph (Bond Buyer Index)
- Rating Report
- Bond Resolution (Distributed in School Board Packets)

BID TABULATION

\$250,000,000 General Obligation School Building Bonds, Series 2020A

Independent School District No. 624 (White Bear Lake Area Schools), Minnesota

SALE: February 13, 2020

AWARD: CITIGROUP GLOBAL MARKETS INC.

MN Credit Enhancement Rating: S&P Global Ratings "AAA"

Underlying Rating: S&P Global Ratings "AA-"

Tax Exempt - Non-Bank Qualified

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
CITIGROUP GLOBAL MARKETS				\$262,740,984.10	\$100,683,572.22	2.4262%
New York, New York	2021	4.000%	0.880%			
Roosevelt & Cross, Inc.	2022	4.000%	0.900%			
Ramirez & Co., Inc.	2023	4.000%	0.940%			
Drexel Hamilton, LLC	2024	4.000%	0.960%			
Siebert Williams Shank & Co., LLC	2025	4.000%	0.970%			
Loop Capital Markets	2026	4.000%	1.040%			
Amuni Financial	2027	4.000%	1.100%			
Oppenheimer & Co.	2028	4.000%	1.220%			
Dougherty & Company, LLC	2029	4.000%	1.290%			
Intercoastal Capital Markets Inc.	2030	3.000%	1.510%			
AmeriVet Securities	2031	3.000%	1.630%			
Wedbush Securities Inc.	2032	3.000%	1.720%			
Stifel, Nicolaus & Company, Inc.	2033	3.000%	1.820%			
Rice Financial Products Company	2034	3.000%	1.930%			
Bancroft Capital	2035	3.000%	1.980%			
Cabrera Capital Markets, LLC	2036	2.250%	2.300%			
Mesirow Financial Inc.	2037	2.250%	2.360%			
Protective Securities	2038	2.500%	2.450%			
Wiley Brother-Aintree Capital, LLC	2039	2.500%	2.520%			
	2040	2.500%	2.580%			
	2041	2.500%	2.600%			
	2042	3.000%	2.310%			
	2043	3.000%	2.340%			
	2044	3.000%	2.370%			
	2045	2.500%	2.690%			

* Subsequent to bid opening the individual maturity amounts were adjusted.

Adjusted Price - \$262,427,479.45

Adjusted Net Interest Cost - \$100,394,282.63

Adjusted TIC - 2.4302%

BANK OF AMERICA MERRILL LYNCH New York, New York	\$262,940,551.15	\$100,743,851.56	2.4302%
MESIROW FINANCIAL, INC. Chicago, Illinois	\$264,127,207.90	\$101,755,774.74	2.4492%
WELLS FARGO BANK, NA Charlotte, North Carolina	\$265,231,486.55	\$102,485,213.73	2.4537%
MORGAN STANLEY & CO, LLC New York, New York	\$266,663,062.05	\$102,768,942.81	2.4545%
J.P. MORGAN SECURITIES LLC New York, New York	\$270,893,856.10	\$104,363,852.23	2.4675%
BNY MELLON CAPITAL MANAGEMENT Pittsburgh, Pennsylvania	\$270,141,735.25	\$107,327,486.69	2.5479%

RESULTS OF 2020A BOND SALE

White Bear Lake Area Schools, ISD 624

Estimated Sources and Uses of Funds - 2020A School Building Bonds and 2 Future Issues

February 13, 2020

	Pre-Election Estimates	2020A Issue	Future Bond Issues	Total
Estimated Bond Amount	\$326,000,000	\$250,000,000	\$64,000,000	\$314,000,000
Authorized Bond Amount	\$326,000,000	\$326,000,000		\$326,000,000
Dated Date of Bonds	2/1/2020	3/5/2020	2022 & 2024	
Sources of Funds				
Par Amount	\$326,000,000	\$250,000,000	\$64,000,000	\$314,000,000
Estimated Investment Earnings *	3,227,723	6,500,000	632,002	7,132,002
Original Issue Premium **	0	13,257,479	0	13,257,479
Total Sources	\$329,227,723	\$269,757,479	\$64,632,002	\$334,389,482
Uses of Funds				
Estimated Underwriter's Discount	\$2,282,000	\$830,000	\$448,000	\$1,278,000
Estimated Legal and Fiscal Costs **	945,723	593,943	351,780	945,723
Net Funds Available for Project Costs	326,000,000	268,333,536	63,832,223	332,165,759
Total Uses	\$329,227,723	\$269,757,479	\$64,632,002	\$334,389,482
Estimated Deposit to Construction Fund	\$322,772,277	\$261,833,536	\$63,200,220	\$325,033,757

* Estimated investment earnings for the 2020A issue, provided by Ehlers and based on the current draw schedule, assumes an average interest rate of 1.25% and an average life of 2 years, and for the future bond issues are based on an average interest rate of 1.00% and an average life of 12 months.

** The underwriter of the bonds paid a premium (a price in excess of the par amount). Premium may be used to reduce the par amount of the bonds, finance construction expenses or pay a portion of the first year's interest on the bonds.

** Includes fees for municipal advisor, bond counsel, rating agency, paying agent, and county certificates.

RESULTS OF 2020A BOND SALE

White Bear Lake Area Schools, No. 624 Analysis of Possible Structure for Capital and Debt Levies

November 2019 Election
\$326,000,000 Ballot Question
3 Voter Approved Bond Issues
2 Facilities Maintenance Bonds Totalling \$50,000,000

February 13, 2020

	Voter Approved 2020	2021 FM Bond	Voter Approved 2022	Voter Approved 2024	2026 FM Bond
Principal Amount:	\$250,000,000	\$25,000,000	\$50,000,000	\$14,000,000	\$25,000,000
Dated Date:	3/5/2020	2/1/2021	2/1/2022	2/1/2024	2/1/2026
Bond Term	25 Years	9 Years	23 Years	11 Years	14 Years
Avg. Interest Rate:	2.43%	2.90%	3.75%	3.25%	3.50%

Levy		Tax Capa-		Existing Commitments							Other Levies				Proposed Voter Approved Bond (3 Issues)				Facilities Maintenance Bonds (2 Issues)				Combined Totals			
Pay. Year	Fiscal Year	city Value ¹ (\$000s)		Building Bonds ²	Alt Fac./FM Bonds ²	OPEB Bonds ²	Est. Debt Excess ³	Net Levy	Tax Rate	Leases and ED Abatement	Capital Proj. Levy	Long Term Facilities Maint. GF Revenue	Aid	Principal	Interest	Est. Debt Excess ³	Adjusted Debt Levy	Principal	Interest	Est. Debt Excess ³	Adjusted Debt Levy	Adjusted Debt Levy	Other Levies	Net Levy	Tax Rate	
2017	2018	69,385	6.3%	3,640,350	1,344,435	6,514,489	(512,620)	10,986,654	15.83	2,201,117	1,598,135	1,456,680	(189,810)	-	-	-	-	1,185,000	725,000	-	1,895,250	25,598,887	5,702,101	31,300,988	34.90	
2018	2019	76,191	9.8%	3,224,550	2,210,777	6,901,164	(411,934)	11,924,558	15.65	2,429,824	1,704,570	2,191,659	(152,364)	-	-	-	-	4,100,000	690,635	-	5,030,167	26,193,266	6,048,875	32,242,141	34.90	
2019	2020	81,699	7.2%	930,510	4,510,043	10,109,663	(477,776)	15,072,439	18.45	2,434,861	1,866,380	737,551	(92,117)	-	-	-	-	5,200,000	571,735	-	6,060,322	27,096,725	6,112,503	33,209,228	34.90	
2020	2021	87,075	7.1%	871,500	5,075,205	9,602,775	(418,882)	15,130,598	17.38	1,927,951	1,999,175	700,000	(117,093)	3,825,000	6,721,237	-	11,073,549	-	-	-	-	26,204,147	4,510,032	30,714,179	35.27	
2021	2022	89,687	3.0%	9,780,750	5,326,680	-	(621,979)	14,485,451	16.15	1,927,951	2,059,150	1,715,000	-	1,510,000	7,269,225	-	9,218,186	1,185,000	725,000	-	1,895,250	25,598,887	5,702,101	31,300,988	34.90	
2022	2023	92,377	3.0%	-	7,420,380	-	(604,297)	6,816,083	7.38	1,927,951	2,120,925	2,000,000	-	4,580,000	9,083,825	-	14,347,016	4,100,000	690,635	-	5,030,167	26,193,266	6,048,875	32,242,141	34.90	
2023	2024	95,149	3.0%	-	7,117,193	-	(296,815)	6,820,377	7.17	1,927,951	2,184,552	2,000,000	-	5,310,000	8,775,625	(573,881)	14,216,026	5,200,000	571,735	-	6,060,322	27,096,725	6,112,503	33,209,228	34.90	
2024	2025	96,576	1.5%	-	7,427,678	-	(284,688)	7,142,990	7.40	1,927,951	2,217,321	3,500,000	-	5,045,000	9,018,225	(568,641)	14,197,745	2,140,000	420,935	(242,413)	2,446,569	23,787,304	7,645,271	31,432,575	32.55	
2025	2026	98,025	1.5%	-	7,780,726	-	(297,107)	7,483,619	7.63	1,927,951	2,250,580	3,500,000	-	5,350,000	8,819,238	(567,910)	14,309,790	2,055,000	358,875	(97,863)	2,436,706	24,230,115	7,678,531	31,908,646	32.55	
2026	2027	99,495	1.5%	-	2,844,240	-	(311,229)	2,533,011	2.55	1,927,951	2,284,339	3,500,000	-	7,780,000	8,608,163	(572,392)	16,635,179	3,500,000	1,174,280	(97,468)	4,810,526	23,978,716	7,712,290	31,691,006	31.85	
2027	2028	99,495	0.0%	-	2,909,550	-	(113,770)	2,795,780	2.81	1,927,951	2,284,339	3,500,000	-	7,875,000	8,301,238	(665,407)	16,319,642	3,565,000	1,070,050	(192,421)	4,674,381	23,789,804	7,712,290	31,502,094	31.66	
2028	2029	99,495	0.0%	-	2,907,765	-	(116,382)	2,791,383	2.81	1,927,951	2,284,339	3,500,000	(6,928)	8,160,000	7,990,550	(652,786)	16,305,292	3,705,000	963,875	(186,975)	4,715,343	23,812,018	7,705,362	31,517,380	31.68	
2029	2030	99,495	0.0%	-	2,903,775	-	(116,311)	2,787,464	2.80	1,927,951	2,284,339	3,500,000	(71,820)	10,905,000	7,668,650	(652,212)	18,850,121	1,450,000	853,550	(188,614)	2,230,114	23,867,699	7,640,470	31,508,169	31.67	
2030	2031	99,495	0.0%	-	2,913,330	-	(116,151)	2,797,179	2.81	1,927,951	2,284,339	3,500,000	(135,752)	12,270,000	7,330,900	(754,005)	19,826,940	515,000	808,500	(89,205)	1,300,470	23,924,590	7,576,538	31,501,127	31.66	
2031	2032	99,495	0.0%	-	2,925,458	-	(116,533)	2,808,924	2.82	1,927,951	2,284,339	3,500,000	(198,740)	12,695,000	6,947,225	(793,078)	19,831,259	535,000	790,475	(52,019)	1,339,730	23,979,913	7,513,550	31,493,463	31.65	
2032	2033	99,495	0.0%	-	-	-	-	-	-	1,927,951	2,284,339	3,500,000	(198,740)	15,680,000	6,550,338	(793,250)	22,548,604	660,000	771,750	(53,589)	1,449,748	23,998,352	7,513,550	31,511,902	31.67	
2033	2034	99,495	0.0%	-	-	-	-	-	-	1,927,951	2,284,339	3,500,000	(198,740)	16,260,000	6,059,450	(901,944)	22,533,478	685,000	748,650	(57,990)	1,447,343	23,980,821	7,513,550	31,494,371	31.65	
2034	2035	99,495	0.0%	-	-	-	-	-	-	1,927,951	2,284,339	3,500,000	(198,740)	14,745,000	5,550,375	(901,339)	20,408,805	2,725,000	724,675	(57,894)	3,564,265	23,973,070	7,513,550	31,486,619	31.65	
2035	2036	99,495	0.0%	-	-	-	-	-	-	1,927,951	2,284,339	3,500,000	(198,740)	14,560,000	5,091,525	(816,352)	19,817,749	3,460,000	629,300	(142,571)	4,151,194	23,968,943	7,513,550	31,482,493	31.64	
2036	2037	99,495	0.0%	-	-	-	-	-	-	1,927,951	2,284,339	3,500,000	(198,740)	14,950,000	4,726,175	(792,710)	19,867,274	3,555,000	508,200	(166,048)	4,100,312	23,967,586	7,513,550	31,481,136	31.64	
2037	2038	99,495	0.0%	-	-	-	-	-	-	1,927,951	2,284,339	3,500,000	(198,740)	15,370,000	4,352,550	(794,691)	19,913,987	3,655,000	383,775	(164,012)	4,076,701	23,990,688	7,513,550	31,504,238	31.66	
2038	2039	99,495	0.0%	-	-	-	-	-	-	1,927,951	2,284,339	3,500,000	(198,740)	15,805,000	3,938,650	(796,559)	19,934,273	3,750,000	255,850	(163,068)	4,043,074	23,977,347	7,513,550	31,490,897	31.65	
2039	2040	99,495	0.0%	-	-	-	-	-	-	1,927,951	2,284,339	3,500,000	(198,740)	16,615,000	3,531,925	(797,371)	20,356,900	3,560,000	124,600	(161,723)	3,707,107	24,064,007	7,513,550	31,577,557	31.74	
2040	2041	99,495	0.0%	-	-	-	-	-	-	1,927,951	2,284,339	3,500,000	(198,740)	19,755,000	3,095,200	(814,276)	23,178,434	-	-	-	-	23,178,434	7,513,550	30,691,984	30.85	
2041	2042	99,495	0.0%	-	-	-	-	-	-	1,927,951	2,284,339	3,500,000	(198,740)	20,260,000	2,557,625	(927,137)	23,031,369	-	-	-	-	23,031,369	7,513,550	30,544,919	30.70	
2042	2043	99,495	0.0%	-	-	-	-	-	-	1,927,951	2,284,339	3,500,000	(198,740)	20,915,000	1,927,325	(921,255)	23,063,186	-	-	-	-	23,063,186	7,513,550	30,576,736	30.73	
2043	2044	99,495	0.0%	-	-	-	-	-	-	1,927,951	2,284,339	3,500,000	(198,740)	21,550,000	1,276,475	(922,527)	23,045,271	-	-	-	-	23,045,271	7,513,550	30,558,821	30.71	
2044	2045	99,495	0.0%	-	-	-	-	-	-	1,927,951	2,284,339	3,500,000	(198,740)	22,230,000	605,800	(921,811)	23,055,779	-	-	-	-	23,055,779	7,513,550	30,569,329	30.72	
Totals				18,447,660	65,617,235	33,128,091	(4,816,474)	112,376,511		55,264,566	61,403,234	84,300,891	(3,548,244)	314,000,000	145,797,512	(16,901,534)	465,885,854	50,000,000	12,574,710	(2,113,872)	63,479,324	641,741,689	197,420,446	839,162,135		

1 Tax capacity values for taxes payable in 2017 through 2019 are the actual final values, and for taxes payable in 2020 are based on a preliminary estimate from Ramsey County. Estimates for future years are based on the percentage changes as shown above.

2 Initial debt service levies (prior to subtracting debt equalization aid) are set at 105 percent of the principal and interest payments during the next fiscal year.

3 Debt excess adjustments for taxes payable in 2017-2020 are the actual amounts. Debt excess for future years is estimated at 4% of the prior year's initial debt service levy.

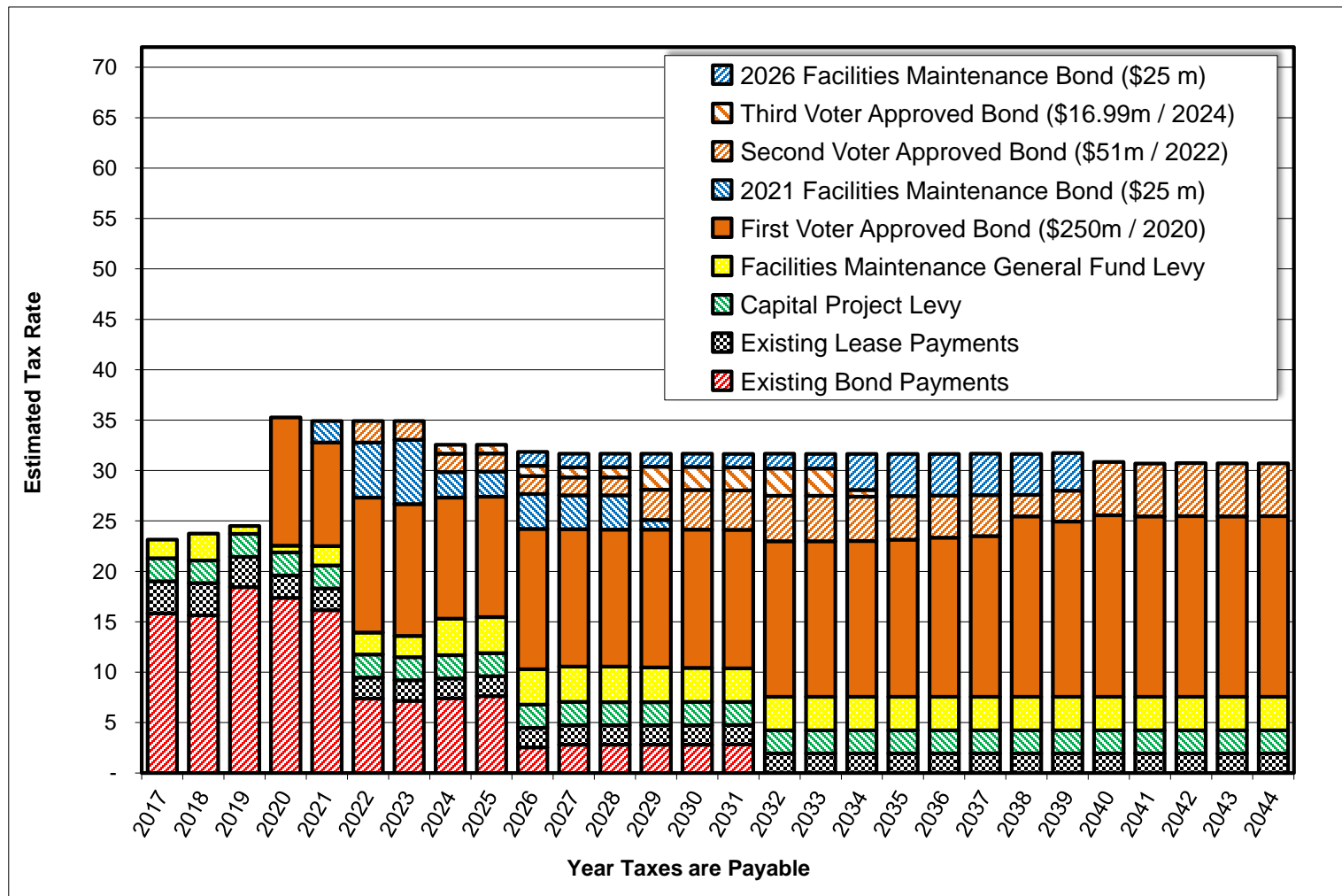
4 These estimates assume that the current Capital Project Levy would be renewed at the same tax rate when it expires.

RESULTS OF 2020A BOND SALE

White Bear Lake Area Schools, No. 624
Estimated Tax Rates for Capital and Debt Service Levies
Existing Commitments and Proposed New Debt

November 2019 Election
 \$326,000,000 Ballot Question
 3 Voter Approved Bond Issues
 2 Facilities Maintenance Bonds Totaling \$50,000,000

February 13, 2020



I.S.D. No. 624 (White Bear Lake), MN

\$250,000,000 General Obligation School Building Bonds, Series 2020A

Dated March 5, 2020

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
02/01/2021	3,825,000.00	4.000%	6,721,237.08	10,546,237.08
02/01/2022	1,510,000.00	4.000%	7,269,225.00	8,779,225.00
02/01/2023	4,580,000.00	4.000%	7,208,825.00	11,788,825.00
02/01/2024	5,310,000.00	4.000%	7,025,625.00	12,335,625.00
02/01/2025	4,670,000.00	4.000%	6,813,225.00	11,483,225.00
02/01/2026	4,960,000.00	4.000%	6,626,425.00	11,586,425.00
02/01/2027	7,210,000.00	4.000%	6,428,025.00	13,638,025.00
02/01/2028	7,300,000.00	4.000%	6,139,625.00	13,439,625.00
02/01/2029	7,560,000.00	4.000%	5,847,625.00	13,407,625.00
02/01/2030	7,850,000.00	3.000%	5,545,225.00	13,395,225.00
02/01/2031	8,185,000.00	3.000%	5,309,725.00	13,494,725.00
02/01/2032	8,485,000.00	3.000%	5,064,175.00	13,549,175.00
02/01/2033	10,345,000.00	3.000%	4,809,625.00	15,154,625.00
02/01/2034	10,720,000.00	3.000%	4,499,275.00	15,219,275.00
02/01/2035	11,130,000.00	3.000%	4,177,675.00	15,307,675.00
02/01/2036	11,540,000.00	2.250%	3,843,775.00	15,383,775.00
02/01/2037	11,970,000.00	2.250%	3,584,125.00	15,554,125.00
02/01/2038	12,405,000.00	2.500%	3,314,800.00	15,719,800.00
02/01/2039	14,645,000.00	2.500%	3,004,675.00	17,649,675.00
02/01/2040	14,480,000.00	2.500%	2,638,550.00	17,118,550.00
02/01/2041	15,385,000.00	2.500%	2,276,550.00	17,661,550.00
02/01/2042	15,760,000.00	3.000%	1,891,925.00	17,651,925.00
02/01/2043	16,235,000.00	3.000%	1,419,125.00	17,654,125.00
02/01/2044	16,715,000.00	3.000%	932,075.00	17,647,075.00
02/01/2045	17,225,000.00	2.500%	430,625.00	17,655,625.00
Total	\$250,000,000.00	-	\$112,821,762.08	\$362,821,762.08

Yield Statistics

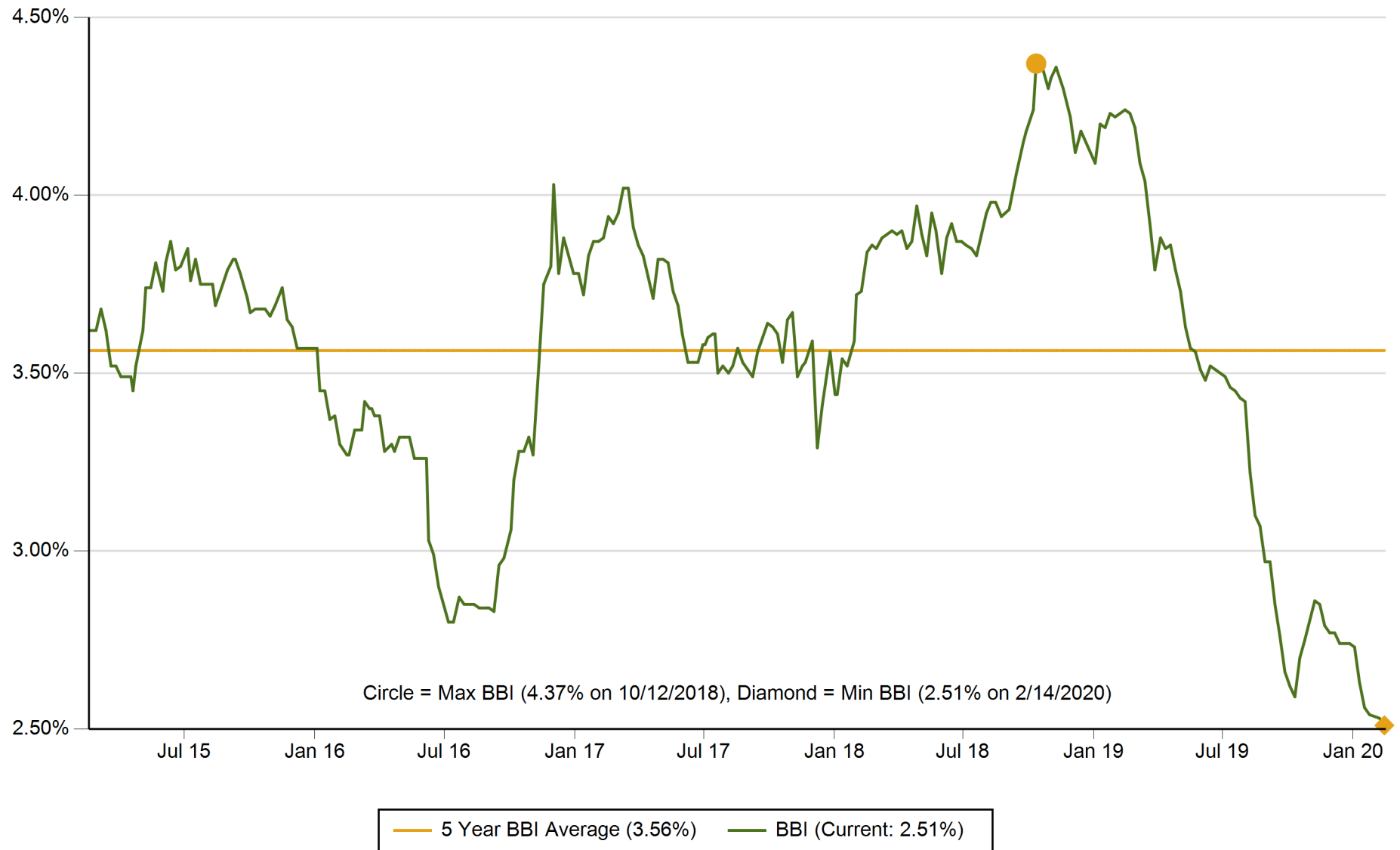
Bond Year Dollars	\$4,024,373.89
Average Life	16.097 Years
Average Coupon	2.8034612%
Net Interest Cost (NIC)	2.4946559%
True Interest Cost (TIC)	2.4302272%
Bond Yield for Arbitrage Purposes	2.2373917%
All Inclusive Cost (AIC)	2.4481625%

IRS Form 8038

Net Interest Cost	2.3937190%
Weighted Average Maturity	15.800 Years

5 YEAR TREND IN MUNICIPAL BOND INDICES

Weekly Rates February, 2015 - February, 2020



The Bond Buyer "20 Bond Index" (BBI) shows average yields on a group of municipal bonds that mature in 20 years and have an average rating equivalent to Moody's Aa2 and S&P's AA.

Source: The Bond Buyer



RatingsDirect®

Summary:

White Bear Lake Independent School District No. 624, Minnesota; School State Program

Primary Credit Analyst:

Scott Nees, Chicago (1) 312-233-7064; scott.nees@spglobal.com

Secondary Contact:

Emily Powers, Chicago + 1 (312) 233 7030; emily.powers@spglobal.com

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Summary:

White Bear Lake Independent School District No. 624, Minnesota; School State Program

Credit Profile

US\$250.0 mil GO sch bldg bnds ser 2020A dtd 03/05/2020 due 02/01/2045

<i>Long Term Rating</i>	AAA/Stable	New
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<i>Underlying Rating for Credit Program</i>	AA-/Stable	New
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White Bear Lake Indpt Sch Dist #624 GO

<i>Long Term Rating</i>	AAA/Stable	Affirmed
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<i>Underlying Rating for Credit Program</i>	AA-/Stable	Downgraded
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Rationale

S&P Global Ratings lowered its underlying rating on White Bear Lake Independent School District (ISD) No. 624, Minn.'s general obligation (GO) debt to 'AA-' from 'AA'. At the same time, we assigned our 'AAA' enhanced long-term rating and 'AA-' underlying rating to the district's series 2020A GO school building bonds. The outlook is stable for all ratings.

The downgrade reflects our view of the district's materially higher debt levels following the issuance of the 2020A bonds and additional debt planned in the coming few years, along with weaker available operating reserves after consecutive budget deficits from fiscal years 2017 through 2019. The series 2020A bonds are the first and largest installment of \$326 million in GO debt approved by district voters in a November 2019 special election.

The bonds are secured by the district's unlimited-tax GO pledge. Officials will use proceeds for district-wide additions and renovations to accommodate projected enrollment growth, the construction of a new K-5 elementary school building, the completion of deferred maintenance projects district-wide, the acquisition and installation of safety and security improvements at district facilities, and a number of other projects.

The 'AAA' long-term rating reflects our view of the additional security provided by the district's eligibility for and participation in Minnesota's School District Credit Enhancement Program, a state standing appropriation program to prevent a default on the district's bond issues as authorized by Minnesota State Statutes, Section 126C.55. Under the program, the state will pay debt service on behalf of the district from the state's general fund if the district fails to meet its debt service obligations for the qualified debt. Payments from the state represent a standing appropriation from the state's general fund. We view this standing appropriation pledge as equivalent to a general fund pledge because the standing appropriation does not require adoption of a budget or any action of the legislature to make payment. Furthermore, the standing appropriation is not subject to executive unallotment authority. Additionally, the credit enhancement program supports projects that are central to the State of Minnesota's operations and purpose. We see no unusual political, timing, or administrative risk related to the debt payment. The rating on obligations that have received enhancement under the program is on par and moves in tandem with the rating on the state.

Credit overview

White Bear Lake ISD No. 624 is headquartered in its namesake city of White Bear Lake, a rapidly growing suburb about 13 miles northeast of the Twin Cities metropolitan area. Following three consecutive general fund deficits in fiscal years 2017 through 2019--which we understand largely reflected higher special education costs without sufficient offsetting state funding--management introduced budget cuts in fiscal 2020 and, we understand, currently projects finishing fiscal 2020 with a small surplus. District voters authorized \$326 million in new GO debt last November, the issuance of which will, in our view, result in debt ratios that are considerably weaker than those of similarly rated peers with comparable economic and financial characteristics.

Still, we expect that the district's economy should continue to support conditions favorable for ongoing, solid tax base and enrollment growth, in turn supporting stable finances and a stable overall credit profile. We therefore see little downside pressure in our two-year outlook horizon, absent a continuation of the trend of deficit spending of the past three fiscal years. Upside rating movement will likely be conditioned on some combination of substantially stronger reserves and stronger economic ratios, the combination of which would need to be material enough to offset the substantial leverage the district is taking on as part of the current bonding program before we would consider a higher rating.

The 'AA-' rating reflects our view of the district's:

- High per capita debt with carrying charges that we expect will reach elevated levels once the district begins repaying the 2020A bonds, though with pension and other postemployment benefit (OPEB) costs that are modest and not a significant source of medium-term budget pressure;
- Very strong economic fundamentals with a trend of projected enrollment growth supported by a strong local housing market and new home construction; and
- Uneven budgetary performance in recent years reflecting special education costs, though with a surplus projected for fiscal 2020 and an essentially balanced budget projected through the next three years.

Outlook

The stable outlook on the enhanced long-term rating reflects that on the State of Minnesota rating and moves in tandem with the state GO rating and outlook.

Upside scenario

We could raise the rating if the district realizes sustained growth in reserves and improvements in its economic metrics sufficient, in our view, to offset its high overall debt levels, such that its overall credit profile were better aligned with those of more highly rated peers. We expect such movement to take longer than two years and so do not expect a rating change within our outlook horizon.

Downside scenario

We could lower the rating if the district's reserves decline below levels that we consider strong or if it otherwise fails to run a consistently balanced operating budget with reserves remaining below its fund balance policy requirement of 12.5%.

Credit Opinion

New home construction contributes to strong market value growth and growing enrollment

The district encompasses 44 square miles centered on White Bear Lake, a Twin Cities suburb that north-northeast of St. Paul and within easy commuting distance to much of the broader metro region. Economic market value has grown by more than a half-billion dollars, or 6.9%, per year on average over the past three years, which we understand largely reflects a strong local housing market and new home construction. Management indicates that there are approximately 1,500 new residential living units in the current development pipeline and that there is still significant land in the district for new development, so we expect that the district's solid growth trend will continue through at least the next few years.

Enrollment is a key factor for Minnesota school funding, as the state's basic general education revenue funding is based on enrollment count. State funding amounted to 71% of the district's general fund revenues in fiscal 2019. As the district is seeing strong population growth, so, too, is enrollment projected to continue growing, with management's current projections showing enrollment at 9,033 by the 2022-2023 school year. Management further reports that class sizes are not a significant concern and that the present and planned bond projects will alleviate capacity pressures through its medium-term planning horizon under conservative assumptions.

Fiscal 2020 cost-cutting yields projected surplus following a period of deficit spending

The district's operating budget has been imbalanced in each of the past three fiscal years (2017-2019), with deficits ranging in size from 2.3% of expenditures in fiscal 2017 to 4.6% in fiscal 2018 and resulting in a cumulative decline in reserves of \$10.4 million. Management indicates that the deficits largely reflected growth in special education costs that outpaced state funding. After introducing approximately \$2.5 million in budget cuts for the fiscal 2020 budget and seeing increases in general education and special education aid, management's revised fiscal 2020 budget now reflects a small surplus result with an ending fund balance of approximately 12.4%. The district's outyear budget projections for fiscal years 2021 through 2023 show essentially break-even results each year and unassigned reserves remaining between 12.5% and 13% of expenses.

We believe that the district's recent budget adjustments and revenue growth should be enough to close the budget gap seen in prior years, and we expect that ongoing enrollment and tax base growth should lend additional stability to operations. Management has indicated that the board plans to keep reserves in alignment with its fund balance policy's minimum requirement of a 12.5% unassigned fund balance and that the district is prepared to make additional budget adjustments as necessary to remain in compliance with the policy. We expect, then, that operations will likely remain balanced or better in most years, though we note as well that the rating could be pressured further were the district to continue operating at a deficit, resulting in reserves declining materially below its fund balance policy requirement.

Standard financial management policies and practices

We have revised our financial management assessment (FMA) to standard from good because the district is no longer reporting budget-to-actual performance to the board at least quarterly. We understand that the board now receives a semi-annual budget-to-actual report, where it had previously received formal budget-to-actual reports on a quarterly basis. The district's formal fund balance policy requires an unassigned fund balance of between 12.5% and 16.7% of

the annual budget to cover unforeseen expenses and revenue shortfalls, and the unassigned fund balance fell below the minimum requirement in fiscal 2019. We understand, however, that the district expects to be back in compliance with the policy minimum as early as this year, and its revised financial forecast shows reserves remaining in line with the policy through the next three years.

Other highlights to the FMA include:

- Strong revenue and expenditure assumptions for annual budgeting, which reflect an analysis of historical revenue and cost trends and are informed by data from a variety of external sources;
- A three-year financial projection that is updated at least annually along with the budget;
- A rolling, 10-year long-term facilities maintenance plan; and
- A formal investment policy, though without routine reporting to the board on investment holdings.

The district's debt policy governs post-issuance compliance, though it does not include affordability metrics or other restrictions around debt structure.

High debt relative to peers with additional debt plans and with debt service carrying charges to more than double

Following the issuance of the 2020A bonds, the district's direct debt will total \$323.5 million, which, along with \$51.9 million in debt from overlapping entities, will yield a high per capita debt burden of \$5,588. Debt as a share of market value, at 4.4%, will remain in moderate ranges, though still elevated in comparison to that of similarly rated peers. We understand that the district plans to issue approximately \$117 million in new-money debt in annual installments from 2021 through 2026, which will represent the balance of the voter-authorized GO debt from November 2019, along with \$50 million in bonds for deferred maintenance projects that will be supported by the district's facilities maintenance levy. The district plans to amortize all existing and planned debt by 2045, and currently projects its debt service levy more than doubling from fiscal 2019 levels by fiscal 2021. While we expect that population and market value growth could moderate the district's debt ratios in the long run, we expect that the medium-term movement in debt levels and carrying charges from the 2020A bonds and additional planned debt will yield ratios that are outsized relative to those of more highly rated peers.

Minimal pension pressures, though with some potential for cost acceleration, and a fully funded OPEB plan

- We do not believe that pension and OPEB liabilities represent a medium-term credit pressure given that contributions are only a modest share of the budget, though pension plan actuarial assumptions and methods and plan funding practices introduce long-term risk of cost acceleration.
- The district participates in two multiple-employer, defined-benefit pension plans that cover teachers and general employees. Both plans saw have seen recent improvements in funded status, though plan statutory contributions have regularly fallen short of actuarial recommendations. Along with certain plan-specific actuarial assumptions and methods, this introduces some long-term risk of funding volatility and cost acceleration.
- The district's single-employer OPEB plan has been more than fully funded for many years after the issuance of OPEB bonds in 2008, and the district has not needed to contribute to the plan to preserve funding status.

The district participates in the following pension and OPEB plans:

- Teachers' Retirement Association of Minnesota (TRA): 78.2% funded (as of June 30, 2019), with a district proportionate share of the plan's net pension liability of \$60.6 million.
- Minnesota General Employees Retirement Fund (GERF): 80.2% funded (as of June 30, 2019), with a district proportionate share of the plan's net pension liability of \$14.7 million.
- A single-employer, defined-benefit OPEB plan: 185% funded with a net OPEB asset of \$15.1 million.

The district's combined pension contributions were 3.9% of governmental fund expenditures in fiscal 2019. Plan-level contributions to GERF were in excess of our static funding metric in the most recent year, though TRA contributions were not and both fell well short of minimum funding progress. Annual contributions are based on a statutory formula that has typically produced contributions less than the actuarially determined contribution, which we think increases risk of underfunding over time if future funding shortfalls are not met with offsetting adjustments by the state legislature. The plans' 7.5% investment rate of return assumption introduces substantial market risk, and their use of a lengthy 30-year amortization period based on a level percentage of payroll significantly defers contributions into the future, which creates long-term risk of cost acceleration. Still, costs remain only a modest share of total spending and, we think, are unlikely to pressure the district's medium-term operational health.

White Bear Lake Independent School District No. 624, MN -- Financial And Operating Statistics						
		Characterization	Most recent	Historical information		
				2019	2018	2017
Economic indicators						
Population					67,142	66,777
Median household EBI % of U.S.	Very strong				134	134
Per capita EBI % of U.S.	Strong				128	129
MV per capita (\$)	Extremely strong			127,156	118,630	111,678
Top 10 taxpayers as % of NTC	Very diverse			5.0	4.8	4.8
Financial indicators						
Total adjusted fund balance (\$000)				12,947	17,999	22,607
Total adjusted fund balance as % Of operating expenditures	Strong			11.1	16.0	21.3
Governmental funds cash as % of governmental fund expenditures				31.7	38.4	31.1
General fund operating result as % of general fund operating expenditures				(2.39)	(4.58)	(2.32)
FMA	Standard					
Enrollment			8,609	8,495	8,579	8,260
Debt and long-term liabilities						
Overall net debt as % of MV	Moderate		4.4	1.6	1.7	1.7
DS as % of governmental funds expenditures	Moderate			8.9	9.3	9.3
Pension ADC (\$000)				5,665	5,218	4,986
OPEB contribution (\$000)						

White Bear Lake Independent School District No. 624, MN -- Financial And Operating Statistics (cont.)

	Characterization	Most recent	Historical information		
			2019	2018	2017
ADC plus OPEB as % of governmental fund expenditures			3.9	3.8	3.8

EBI--Effective buying income. MV--Market value. NTC--Net tax capacity. FMA--Financial Management Assessment. DS--Debt service. ADC--Actuarially determined contribution. OPEB--Other postemployment benefits.

Related Research

- Criteria Guidance: Assessing U.S. Public Finance Pension And Other Postemployment Obligations For GO Debt, Local Government GO Ratings, And State Ratings, Oct. 7, 2019

Ratings Detail (As Of February 5, 2020)

White Bear Lake Indpt Sch Dist #624 GO alternative facs bnds

<i>Long Term Rating</i>	AAA/Stable	Affirmed
<i>Underlying Rating for Credit Program</i>	AA-/Stable	Downgraded

White Bear Lake Indpt Sch Dist #624 GO sch bldg rfdg bnds

<i>Long Term Rating</i>	AAA/Stable	Affirmed
<i>Underlying Rating for Credit Program</i>	AA-/Stable	Downgraded

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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CERTIFICATION OF MINUTES RELATING
TO
GENERAL OBLIGATION
SCHOOL BUILDING BONDS, SERIES 2020A

ISSUER: INDEPENDENT SCHOOL DISTRICT NO. 624
(WHITE BEAR LAKE AREA SCHOOLS)
WHITE BEAR LAKE, MINNESOTA

BODY: SCHOOL BOARD

KIND, DATE, TIME AND PLACE OF MEETING: A special meeting held on February 24, 2020, at 5:00 o'clock p.m., in the District.

MEMBERS PRESENT:

MEMBERS ABSENT:

Documents Attached: Extract of Minutes of said meeting.

**RESOLUTION RATIFYING THE AWARD OF THE SALE, DETERMINING
THE FORM AND DETAILS, AUTHORIZING THE EXECUTION, DELIVERY, AND
REGISTRATION, AND PROVIDING FOR THE PAYMENT OF GENERAL
OBLIGATION SCHOOL BUILDING BONDS, SERIES 2020A**

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the obligations referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said obligations; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS MY HAND officially as such recording officer this ____ day of February, 2020.

School District Clerk

EXTRACT OF MINUTES OF A MEETING
OF THE SCHOOL BOARD OF
INDEPENDENT SCHOOL DISTRICT NO. 624
(WHITE BEAR LAKE AREA SCHOOLS)
STATE OF MINNESOTA

HELD: FEBRUARY 24, 2020

Pursuant to due call and notice thereof, a special meeting of the School Board of Independent School District No. 624, State of Minnesota, was duly held on February 24, 2020, at 5:00 o'clock p.m., for the purpose in part, of ratifying the award of the General Obligation School Building Bonds, Series 2020A of the District.

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION RATIFYING THE AWARD OF THE SALE, DETERMINING THE FORM AND DETAILS, AUTHORIZING THE EXECUTION, DELIVERY, AND REGISTRATION, AND PROVIDING FOR THE PAYMENT OF GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2020A

BE IT RESOLVED by the School Board of Independent School District No. 624, State of Minnesota, as follows:

Section 1. Authorization and Sale.

1.01 Authorization. At a meeting held January 13, 2020, this Board determined to sell and issue general obligation bonds of Independent School District No. 624 (the "Issuer" or the "District") in the total aggregate principal amount of approximately \$250,000,000 (the "Bonds"), which were authorized by the voters of the District at the special election held November 5, 2019, for the acquisition and betterment of school sites and facilities. In the Terms of Proposal, the District reserved the right, after proposals were opened and prior to award, to increase or decrease the principal amount of the Bonds offered for sale or the amount of any individual maturity, with the increase or decrease to occur in multiples of \$5,000 in any of the maturities.

1.02 Sale. The Board, having been advised by Ehlers & Associates, Inc., its independent municipal advisor, has determined that this issue shall be privately sold after receipt of written proposals, as authorized pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, as amended. On February 13, 2020, the Superintendent or Assistant Superintendent for Finance and Operations and a Board officer received and considered all proposals presented in conformity with the Terms of Proposal contained in the Official Statement, which are hereby ratified and confirmed in all respects and are incorporated herein by reference as though fully specified in this paragraph. The proposal of Citigroup Global Markets, New York, New York (the "Purchaser") to purchase the Bonds at a price of \$262,427,479.45, plus interest accrued to settlement, and upon the further terms and conditions set forth in the Terms of Proposal contained in the Official Statement was determined to be the most favorable proposal and was accepted by the Superintendent or Assistant Superintendent for Finance and Operations and a Board officer pursuant to the January 13, 2020 resolution of the Board, and the award of the sale of the Bonds to the Purchaser is hereby ratified by the Board.

1.03 Execution of Documents. The endorsement of the acceptance on both copies of the proposal by the Superintendent or Assistant Superintendent for Finance and Operations and a Board officer is ratified in all respects and they are directed to send one copy of each to the Purchaser.

1.04 Compliance with Law. All acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed precedent to the issuance of the Bonds having been done, having happened and having been performed in regular and due form, time and manner as required by law, it is necessary for this Board to establish the form and terms of the Bonds, to provide for the security thereof, and to provide for the issuance of the Bonds forthwith.

1.05 Minnesota School District Credit Enhancement Program. (a) The District hereby covenants and obligates itself to notify the Commissioner of Education of a potential default in the payment of principal and interest on the Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 to guarantee payment of the principal and interest on the Bonds when due. The District further covenants to deposit with the Bond Registrar or any successor paying agent three (3) days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Commissioner of Education that it will be unable to make all or a portion of that payment. The Bond Registrar for the Bonds is authorized and directed to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal or interest on the Bonds or if, on the day two (2) business days prior to the date a payment is due on the Bonds, there are insufficient funds to make that payment on deposit with the Bond Registrar. The District understands that as a result of its covenant to be bound by the provisions of Minnesota Statutes, Section 126C.55, the provisions of that section shall be binding as long as any Bonds of this issue remain outstanding.

(b) The District further covenants to comply with all procedures now or hereafter established by the Departments of Management and Budget and Education of the State of Minnesota pursuant to Minnesota Statutes, Section 126C.55, subdivision 2(c) and otherwise to take such actions as necessary to comply with that section.

Section 2. Bond Terms.

2.01 Designation; Registration; Denomination; Maturities. The \$250,000,000 aggregate principal amount of general obligation bonds sold on this date shall be designated General Obligation School Building Bonds, Series 2020A, shall be dated March 5, 2020, as the date of original issue, and shall be issued forthwith on or after such date using a global book-entry system. The Bonds shall be issued as fully registered bonds and shall be numbered R-1 upward, in the denomination of \$5,000 each or any integral multiple thereof of a single maturity. The Bonds shall mature on February 1 in the years and amounts set forth below, and shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue until paid or duly called for redemption at the rates per annum set forth below opposite such years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2021	\$3,825,000	4.000%	2034	\$10,720,000	3.000%
2022	1,510,000	4.000%	2035	11,130,000	3.000%
2023	4,580,000	4.000%	2036	11,540,000	2.250%
2024	5,310,000	4.000%	2037	11,970,000	2.250%
2025	4,670,000	4.000%	2038	12,405,000	2.250%
2026	4,960,000	4.000%	2039	14,645,000	2.500%
2027	7,210,000	4.000%	2040	14,480,000	2.500%
2028	7,300,000	4.000%	2041	15,385,000	2.500%
2029	7,560,000	4.000%	2042	15,760,000	3.000%
2030	7,850,000	3.000%	2043	16,235,000	3.000%
2031	8,185,000	3.000%	2044	16,715,000	3.000%
2032	8,485,000	3.000%	2045	17,225,000	2.500%
2033	10,345,000	3.000%			

In the Terms of Proposal, the District reserved the right, after proposals were opened and prior to award, to increase or decrease the principal amount of the Bonds offered for sale or the amount of any individual maturity, with the increase or decrease to occur in multiples of \$5,000 in any of the maturities. The amounts specified above are hereby adopted and approved as so adjusted. The Bonds maturing in the years N/A and N/A are term bonds subject to mandatory redemption in the years and principal amounts as specified in paragraph 2.04(b).

These maturities, together with the maturities of all other outstanding general obligation bonds of the Issuer, meet the requirements of Minnesota Statutes, Section 475.54.

2.02 Interest Payments. Interest shall be payable semiannually on each February 1 and August 1 to maturity (each an "Interest Payment Date"), commencing February 1, 2021. Interest will be calculated on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the MSRB. Interest will be payable in the manner set forth in the form of Global Certificate or Replacement Bond and Paragraph 4.06 of this resolution.

2.03 Use of Global Book-Entry System.

(a) Description of System. In order to issue obligations in "global book-entry form", the obligations are issued in certificated form in large denominations, are registered on the books of the Issuer in the name of a depository or its nominee, and are immobilized and held in safekeeping by the depository. The depository, as part of the computerized National Securities Clearance and Settlement System (the "National System"), registers transfers of ownership interests in the obligations by making computerized book entries on its own books and distributing payments on the obligations to its participants shown on its books as the owners of such interests. These participants, which include financial institutions for whom the depository effects book-entry transfers of securities deposited and immobilized with the

depository, and other banks, brokers and dealers participating in the National System will do likewise if not the beneficial owners of the obligations.

(b) Designation of Depository; Approval of Blanket Issuer Letter of Representations. The Depository Trust Company ("DTC") of New York, New York, a Securities and Exchange Commission designated depository, a limited purpose New York trust company, a member of the Federal Reserve System, and a "clearing corporation" within the meaning of the New York Uniform Commercial Code, is hereby designated as the depository (the "Depository") with respect to the Bonds issued hereunder in global book-entry form. There has been submitted to this Board a form of letter of representations (the "Blanket Issuer Letter of Representations") between the Issuer and the Depository setting forth various matters relating to the Depository and its role with respect to the Bonds. This Blanket Issuer Letter of Representations is hereby approved. The Chair or the Clerk is hereby authorized and directed to execute the Blanket Issuer Letter of Representations in substantially the form attached hereto as EXHIBIT C, if such a letter of representations has not already been executed, with only such variations therein as may be required to complete the Blanket Issuer Letter of Representations, or which are not, in the opinion of Bond Counsel, materially adverse to the interests of the Issuer. Execution of the Blanket Issuer Letter of Representations by such official shall be conclusive evidence as to the necessity and propriety of such changes and their approval by Bond Counsel. So long as DTC is the Depository or it or its nominee is the Holder of any Global Certificate, the District shall comply with the provisions of the Blanket Issuer Letter of Representations, as it may be amended or supplemented by the District from time to time with the agreement or consent of DTC.

(c) Global Certificates. Upon their original issuance, the Bonds will be issued in the form of a single Global Certificate for each maturity which shall represent the aggregate principal amount of the Bonds due on a particular maturity date (the "Global Certificates"). The Global Certificates will be originally issued and fully registered as to principal and interest in the name of Cede & Co., as nominee of DTC. The Global Certificates will be deposited with the Depository by the Purchaser and will be immobilized as further provided herein. No beneficial owners of interest in the Bonds will receive certificates representing their respective interests in the Bonds except as provided below in clause (e) of this Paragraph 2.03. Except as so provided, during the term of the Bonds, beneficial ownership (and subsequent transfers of beneficial ownership) of interests in the Global Certificates will be reflected by book entries made on the records of the Depository and its participants and other banks, brokers, and dealers participating in the National System. The Depository's book entries of beneficial ownership interest are authorized to be in integral increments of \$5,000, despite the larger authorized denominations of the Global Certificates. Payment of principal of, premium, if any, and interest on the Global Certificates will be made to the Bond Registrar as paying agent, and in turn by the Bond Registrar to the Depository or its nominee as registered owner of the Global Certificates. The Depository, according to the laws and rules governing it, will receive and forward such payments on behalf of the beneficial owners of the Global Certificates.

(d) Immobilization of Global Certificates by the Depository. Pursuant to the request of the Purchaser to the Depository, immediately upon the original delivery of the Bonds the Purchaser will deposit the Global Certificates representing all of the Bonds with the Depository. The Global Certificates shall be in typewritten form or otherwise as acceptable to the Depository, shall be registered in the name of the Depository or its nominee and shall be held immobilized from circulation at the offices of the Depository on behalf of the Purchaser and subsequent Bondholders. The Depository or its nominee will be the sole Holder of record of the Global Certificates and no investor or other party purchasing, selling or otherwise transferring ownership of interests in any Bond is to receive, hold or deliver any Global Certificates so long as the Depository holds the Global Certificates immobilized from circulation, except as provided below in clause (e) of this Paragraph 2.03.

(e) Transfer or Exchange of Global Certificates; Substitute Depository; Replacement Bonds.

Global Certificates evidencing the Bonds may not, after their original delivery, be transferred or exchanged except:

(i) Upon exchange of a Global Certificate after a partial redemption, if authorized in Paragraph 2.04 of this resolution;

(ii) To any successor of the Depository (or its nominee) or any substitute depository (a "Substitute Depository") designated pursuant to subclause (iii) of this clause (e); provided that any successor of the Depository or any Substitute Depository must be both a "clearing corporation" as defined in the Minnesota Uniform Commercial Code, Minnesota Statutes, Section 336.8-102, and a qualified and registered "clearing agency" as provided in Section 17A of the Securities Exchange Act of 1934, as amended;

(iii) To a Substitute Depository designated by and acceptable to the Issuer upon (a) the determination by the Depository that the Bonds shall no longer be eligible for its depository services or (b) a determination by the Issuer that the Depository is no longer able to carry out its functions; provided that any Substitute Depository must be qualified to act as such, as provided in subclause (ii) of this clause (e); or

(iv) In the event that (a) the Depository shall resign or discontinue its services for the Bonds or be declared no longer able to carry out its functions and the Issuer is unable to locate a Substitute Depository within two (2) months following the resignation or discontinuance or determination of noneligibility, or (b) the Issuer determines in its sole discretion that (1) the continuation of the book-entry system described herein might adversely affect the interests of the beneficial owners of the Bonds, or (2) it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, then the Issuer shall notify the Holders of its determination and of the availability of Replacement Bonds to Holders. The Issuer, the Bond Registrar and the Depository shall cooperate in providing

Replacement Bonds to Holders requesting the same and the registration, transfer and exchange of such Bonds shall thereafter be conducted as provided in Paragraph 4.04 of this resolution.

In the event of the designation of a Substitute Depository as authorized by this clause (e), the Bond Registrar, upon presentation of the Global Certificates, shall register their transfer to the Substitute Depository, and the Substitute Depository shall be treated as the Depository for all purposes and functions under this resolution. The Blanket Issuer Letter of Representations shall not apply to the Substitute Depository unless the Issuer and the Substitute Depository so agree, and the execution of a similar agreement is hereby authorized.

2.04 Redemption. (a) Optional Redemption. The Issuer may elect on February 1, 2028, and on any date thereafter, to prepay Bonds due on or after February 1, 2029, at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the Issuer shall determine the order of redemption of Bonds; and if only part of the Bonds having a common maturity date are called for prepayment, the Global Certificates to be prepaid may be prepaid in \$5,000 increments of principal and, if applicable, the specific Replacement Bonds to be prepaid shall be chosen by lot by the Bond Registrar as provided below. Bonds or portions thereof called for redemption shall be due and payable on the designated redemption date, and interest thereon shall cease to accrue from and after the redemption date.

(b) Mandatory Redemption. (1) The Bonds maturing in the year N/A shall be subject to mandatory redemption at a redemption price equal to the principal amount of the Bonds to be so redeemed plus interest accrued thereon to the date fixed for redemption, on February 1 in the years and principal amounts set forth below:

<u>Year</u>	<u>Amount</u>
N/A	N/A

The procedures for such mandatory redemption shall be the same as specified in this Paragraph 2.04 for optional redemption.

In the event that any Bonds maturing in the year N/A are optionally redeemed pursuant to Paragraph 2.04(a) above and cancelled by the Bond Registrar and not reissued, the Bonds maturing in the year N/A so redeemed and cancelled may be applied by the Issuer as a credit against the Bonds to be mandatorily redeemed pursuant to this Paragraph 2.04(b), such credit to be equal to the principal amount of the Bonds maturing in the year N/A so optionally redeemed or cancelled. The Issuer may apply these Bonds so optionally redeemed and cancelled as a credit against the Bonds to be mandatorily redeemed pursuant to this Paragraph 2.04 only if it has notified the Bond Registrar not less than thirty-five (35) days prior to the applicable mandatory redemption date of its election to apply such Bonds as a credit and designating the redemption date to which it is to apply.

(2) The Bonds maturing in the year N/A shall be subject to mandatory redemption at a redemption price equal to the principal amount of the Bonds to be so redeemed plus interest accrued thereon to the date fixed for redemption, on February 1 in the years and principal amounts set forth below:

<u>Year</u>	<u>Amount</u>
N/A	N/A

The procedures for such mandatory redemption shall be the same as specified in this Paragraph 2.04 for optional redemption.

In the event that any Bonds maturing in the year N/A are optionally redeemed pursuant to Paragraph 2.04(a) above and cancelled by the Bond Registrar and not reissued, the Bonds maturing in the year N/A so redeemed and cancelled may be applied by the Issuer as a credit against the Bonds to be mandatorily redeemed pursuant to this Paragraph 2.04(b), such credit to be equal to the principal amount of the Bonds maturing in the year N/A so optionally redeemed or cancelled. The Issuer may apply these Bonds so optionally redeemed and cancelled as a credit against the Bonds to be mandatorily redeemed pursuant to this Paragraph 2.04 only if it has notified the Bond Registrar not less than thirty-five (35) days prior to the applicable mandatory redemption date of its election to apply such Bonds as a credit and designating the redemption date to which it is to apply.

(c) Redemption of Global Certificates. Upon a partial redemption in the aggregate principal amount of a Global Certificate which results in the stated amount thereof being reduced, the Holder may in its discretion make a notation of such redemption on the panel provided on the Global Certificate stating the amount so redeemed, or may return the Global Certificate to the Bond Registrar in exchange for a new Global Certificate authenticated by the Bond Registrar, in proper principal amount. Such notation of redemption, if made by the Holder, shall be for reference only, and may not be relied upon by any other person as being in any way determinative of the principal amount of such Global Certificate outstanding, unless the Bond Registrar has signed the appropriate column of the panel.

(d) Redemption of Replacement Bonds. To effect a partial redemption of Replacement Bonds having a common maturity date, the Bond Registrar, prior to giving a notice of redemption, shall assign to each Replacement Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Replacement Bond. The Bond Registrar shall then select by lot from the numbers so assigned to such Replacement Bonds, using such method of selection as it shall deem proper in its discretion, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Replacement Bonds to be redeemed. The Replacement Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal

amount of each such Replacement Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 of principal amount for each number assigned to it and so selected. If a Replacement Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or the Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and the Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of such Replacement Bond, without service charge, a new Replacement Bond or Bonds of the same series having the same stated maturity and interest rate and of any authorized denomination or denominations, as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Replacement Bond so surrendered.

(e) Notice of Redemption of Global Certificates and Replacement Bonds. The Bond Registrar shall call Bonds for redemption and payment as herein provided upon receipt by the Bond Registrar of a request of the Issuer. The request shall be in written form. The request shall specify the principal amount of Bonds to be called for redemption, the redemption date and the redemption price.

Published notice of redemption shall in each case be given in accordance with law, and mailed notice of redemption shall be given to the paying agent and to each affected Holder. If and when the Issuer shall call any of the Bonds for redemption and payment prior to the stated maturity thereof, the Bond Registrar shall give written notice in the name of the Issuer of its intention to redeem and pay such Bonds at the office of the Bond Registrar. The Notice of Redemption shall be given by first class mail, postage prepaid, mailed not less than thirty (30) nor more than sixty (60) days prior to the redemption date, to each Holder of Bonds to be redeemed, at the address appearing in the records of the Bond Registrar. For the purpose of giving notice of the redemption of Global Certificates, the Holder of the Global Certificates shall be the Depository or its nominee. In connection with any such notice, the "CUSIP" numbers assigned to the Bonds shall be used. All notices of redemption shall state:

- (i) The redemption date;
- (ii) The redemption price;
- (iii) If less than all outstanding Bonds are to be redeemed, the identification (and, if the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (iv) That on the redemption date, the redemption price will become due and payable upon each such Bond, and that interest thereon shall cease to accrue from and after said date; and
- (v) The place where such Bonds are to be surrendered for payment of the redemption price (which shall be the office of the Bond Registrar).

Section 3. Form of Bonds.

The Bonds to be issued hereunder shall be in the form of Global Certificates unless and until Replacement Bonds are made available as provided herein.

3.01 Global Certificates. The Global Certificates to be issued hereunder, together with the Bond Registrar's Certificate of Authentication, the Register of Partial Payments, the form of Assignment, and the registration information thereon, shall be in substantially the form set forth in EXHIBIT A hereto, which exhibit is incorporated herein by reference as though fully specified in this paragraph, and may be typewritten rather than printed.

3.02 Replacement Bonds. If the Issuer has notified Holders that Replacement Bonds have been made available as provided in Paragraph 2.03(e) of this resolution, then for every Bond thereafter transferred or exchanged (including an exchange to reflect the partial prepayment of a Global Certificate not previously exchanged for Replacement Bonds), the Bond Registrar shall deliver a bond in the form of a Replacement Bond rather than a Global Certificate, but the Holder of a Global Certificate shall not otherwise be required to exchange the Global Certificate for one or more Replacement Bonds since the Issuer recognizes that some Holders may prefer the convenience of the Depository's registered ownership of the Bonds even though the entire issue is no longer required to be in global book-entry form. The Replacement Bonds, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereto, shall be in substantially the form set forth in EXHIBIT B hereto, which exhibit is incorporated herein by reference as though fully specified in this paragraph.

Section 4. Execution; Delivery; Registration.

4.01 Appointment of Registrar. Bond Trust Services Corporation in Roseville, Minnesota, is appointed to act as the bond registrar and transfer agent (the "Bond Registrar") and shall do so until a successor Bond Registrar is duly appointed, all pursuant to a contract the Issuer and the Bond Registrar shall execute which is consistent herewith and which the chair and clerk are hereby authorized to execute and deliver. A successor Bond Registrar shall be a bank or trust company eligible for designation as bond registrar pursuant to Minnesota Statutes, Chapter 475. The terms of the appointment of the successor Bond Registrar and its duties shall be specified in a contract between the Issuer and such successor Bond Registrar that is consistent herewith and that the Chair and Clerk are hereby authorized to execute and deliver. The Bond Registrar, which may act through an agent, shall also serve as paying agent until and unless a successor paying agent is duly appointed. The Bond Registrar shall pay principal and interest on the Bonds to the registered Holders (or record Holder) of the Bonds in the manner set forth in the form of Global Certificate or Replacement Bond, as applicable, and Paragraph 4.06 of this resolution. The Issuer agrees to pay the reasonable and customary charges for the services of such Bond Registrar.

4.02 Execution of Bonds. The Bonds shall be executed on behalf of the Issuer by the manual signatures of the Chair and Clerk of the School Board; provided, however that both of such signatures may be printed facsimiles, in which event the Bonds shall also be executed manually by the authenticating agent as provided in Minnesota Statutes, Section 475.55. In the event of disability or resignation or other absence of either such officer, the Bonds may be signed by the manual or facsimile signature of that officer who may act on behalf of such absent or disabled officer. In case either such officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if that officer had remained in office until delivery. If the Issuer has adopted a corporate seal, it shall be omitted on the Bonds as permitted by law.

4.03 Authentication; Date of Registration. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless and until a Certificate of Authentication on such Bond, substantially in the form set forth in the form of Global Certificate or Replacement Bond, shall have been duly executed by the manual signature of an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate each Bond by execution of the Certificate of Authentication on the Bond and shall date each Bond in the space provided as of the date on which the Bond is registered. For purposes of delivering the original Bonds (Global Certificates) to the Purchaser, the Bond Registrar shall insert as the date of registration the date of original issue; and the executed Certificate of Authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

4.04 Transfer or Exchange. The Issuer will cause to be kept at the principal office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged as herein provided.

A Global Certificate shall be registered in the name of the payee on the books of the Bond Registrar by presenting the Global Certificate for registration to the Bond Registrar, whose representative will endorse his or her name and note the date of registration opposite the name of the payee in the certificate of registration on the Global Certificate. Thereafter a Global Certificate may be transferred by delivery with an assignment duly executed by the Holder or the Holder's legal representative, and the Issuer and Bond Registrar may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until a Global Certificate is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted thereon by the Bond Registrar, all subject to the terms and conditions provided in this resolution and to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the Issuer shall execute (if necessary), and the Bond Registrar shall authenticate, date (in the space designated Date of Registration) and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any authorized denomination or denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

When any Bond is presented to the Bond Registrar for transfer, the Bond Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Bond Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

At the option of the Holder of a Replacement Bond, Replacement Bonds may be exchanged for Replacement Bonds of any authorized denomination or denominations of a like aggregate principal amount and stated maturity, upon surrender of the Replacement Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Replacement Bonds are so surrendered for exchange, the Issuer shall execute (if necessary), and the Bond Registrar shall authenticate, date (in the space designated Date of Registration) and deliver the Replacement Bonds which the Holder making the exchange is entitled to receive. Global Certificates may not be exchanged for Global Certificates of smaller denominations.

All Bonds surrendered upon any exchange or transfer provided for in this resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the Issuer.

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the Issuer evidencing the same debt, shall be entitled to the same benefits under this resolution as the Bonds surrendered for such exchange or transfer, and shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bonds.

Transfer of a Bond may be made on the Issuer's books by the registered owner in person or by the registered owner's attorney duly authorized in writing. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the registered owner thereof, with signature guaranteed, or by the registered owner's attorney duly authorized in writing, and shall include written instructions as to the details of the transfer of the Bond.

The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers and lost bonds.

Transfers shall also be subject to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates.

4.05 Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be lost, stolen or destroyed, the Bond Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond lost, stolen or destroyed, upon payment of the reasonable expenses and charges of the Bond Registrar in connection therewith; and, in the case of a Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Bond Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the Issuer and the Bond Registrar shall be named as obligees. All Bonds so surrendered to the Bond Registrar shall be canceled by it and evidence of such cancellation shall be given to the District. If the mutilated, lost, stolen or destroyed Bond has already matured, it shall not be necessary to issue a new Bond prior to payment.

4.06 Interest Payments; Record Dates. Interest on any Global Certificate shall be paid as provided in the first paragraph thereof and interest on any Replacement Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the Issuer maintained by the Bond Registrar and in each case at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date fixed for the payment of such defaulted interest (the "Special Record Date"). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The term "Holder" shall also include those lawfully entitled to take actions on behalf of the beneficial owners of the Bonds for purposes of any consent or approvals given by Holders.

If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

4.07 Persons Deemed Owners. The Issuer and the Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in Paragraph 4.06 above), on such Bond and for all other purposes whatsoever, whether or not such Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

For the purposes of all actions, consents and other matters affecting Holders of Bonds issued under this Resolution as from time to time supplemented, other than payments, redemptions, and purchases, the Issuer may (but shall not be obligated to) treat as the Holder of a Bond the beneficial owner of the Bond instead of the person in whose name the Bond is registered. For that purpose, the Issuer may ascertain the identity of the beneficial owner of the Bond by such means as the Bond Registrar in its sole discretion deems appropriate, including but not limited to a certificate from the Depository or other person in whose name the Bond is registered identifying such beneficial owner.

4.08 Delivery. The Bonds when so prepared and executed shall be delivered by the Treasurer of the Issuer to the Purchaser thereof upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

Section 5. Debt Redemption Fund and Tax Levies.

5.01 Debt Redemption Fund. The Bonds and the interest thereon shall be payable from the Debt Redemption Fund of the Issuer, which shall be maintained by the Treasurer separate and apart from all other funds of the Issuer so long as any Bonds issued hereunder may be outstanding and unpaid. Money in the Debt Redemption Fund shall be used for no purpose other than payment of principal and interest on obligations of the Issuer, including Bonds issued pursuant to this resolution. If any payment of principal or interest on the Bonds shall become due when there is not sufficient money in the Debt Redemption Fund to make such payment, the Treasurer shall pay the same from the General Fund of the Issuer, and the General Fund shall be reimbursed for such advances out of the proceeds of the taxes levied for the payment of such Bonds. The proceeds of all taxes levied pursuant to this resolution, \$0 of premium received from the Purchaser of the Bonds, and all other moneys received for or appropriated to the payment of the Bonds and interest thereon shall be paid into the Debt Redemption Fund.

5.02 Pledge of Full Faith and Credit; Tax Levies. For the prompt and full payment of the principal of and interest on the Bonds as the same respectively become due, the full faith and credit and taxing powers of the Issuer shall be and are hereby irrevocably pledged. In order to provide the moneys for the payment thereof required by Minnesota Statutes, Section 475.61, there is hereby levied upon all of the taxable property in the Issuer a direct annual ad valorem tax which shall be spread upon the tax rolls, as a part of other general taxes of the Issuer, for collection in the years and in the amounts as specified on the levy computation sheet attached hereto as EXHIBIT D and incorporated herein by reference as though fully specified

in this paragraph. The tax levies provided in this paragraph are such that, if collected in full they, together with estimated collections of other revenues pledged for the payment of the Bonds, will produce at least five percent (5%) in excess of the amounts needed to meet when due the principal and interest payments on the Bonds.

Said tax levies shall be irrevocable as long as any of said Bonds are outstanding and unpaid, provided that the Issuer reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61.

5.03 Investment Restrictions. No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued and (2) in addition to the above in an amount not greater than the lesser of five percent (5%) of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Construction Fund or Debt Redemption Fund (or any other District account which will be used to pay principal or interest to become due on the Bonds payable therefrom) in excess of amounts which under then applicable federal arbitrage restrictions may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in those funds shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

5.04 Construction Fund. The proceeds of the bonds not appropriated to the Debt Redemption Fund as provided in Paragraph 5.01 shall be credited to the Issuer's Construction Fund and be used to pay costs incurred in the acquisition and betterment of the school sites and facilities authorized by the electors.

Section 6. Rebate to the United States.

6.01 Calculation and Payment. The Issuer acknowledges and confirms that maintenance of the tax-exempt status of interest on the Bonds is dependent, among other things, on compliance with the arbitrage requirements set forth in Section 148 of the Code and regulations promulgated thereunder. The Issuer agrees to make such calculations and to make such rebate payments to the United States as and when required by said Section 148 and the regulations promulgated thereunder. In construing this Section 6, all terms used herein shall have the meanings provided in Section 148 of the Code and the regulations promulgated thereunder.

6.02 Opinion of Counsel. Notwithstanding any other provision of this Section 6, any requirement imposed hereunder or under Paragraph 5.03 hereof may be deemed inapplicable and of no force or effect if an opinion of Counsel is rendered to the Issuer by nationally recognized bond counsel to the effect that the failure to impose such requirement will not adversely affect the tax-exempt status of interest on the Bonds.

Section 7. Certifications, Designations, Defeasance, Arbitrage, Reporting.

7.01 Filing of Resolution; County Auditor Certificate. The Clerk is hereby authorized and directed to file with the County Auditor of each county in which the Issuer is located in whole or in part a certified copy of this resolution, together with such other information as said County Auditor shall require, and to obtain from said County Auditor a certificate that the tax required by law for the payment of said Bonds has been levied, and that said Bonds have been entered upon the County Auditor's Bond Register.

7.02 Defeasance. When all of the Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution shall cease. The Issuer may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The Issuer may also discharge all Bonds of said issue at any time by irrevocably depositing in escrow with the Bond Registrar, for the purpose of paying all principal and interest due on such Bonds to maturity, or if prepayable, to an earlier date on which they may be called for redemption, a sum of cash or securities of the types described in Minnesota Statutes, Section 475.67, as amended, in such aggregate amount, bearing interest at such rates and maturing or callable at the Issuer's option on such dates as shall be required to provide funds sufficient for this purpose.

7.03 Nondesignation as Qualified Tax-Exempt Obligations. The Board finds that the reasonably anticipated amount of qualified tax-exempt obligations (other than private activity bonds) which will be issued by the Issuer during calendar year 2020 will exceed \$10,000,000. Thus, the Bonds of this issue are not designated as "Qualified Tax-Exempt Obligations" for the purposes of Section 265 of the Code relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

7.04 Authentication of Transcript. The officers of the Issuer and each said County Auditor are hereby authorized and requested to prepare and furnish to the Purchaser of said Bonds, and to the attorneys approving legality of the issuance thereof, certified copies of all proceedings and records of the Issuer relating to said Bonds and to the financial condition and affairs of the Issuer, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of said Bonds as they appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the Issuer as to the facts recited therein.

7.05 Covenant to Continue Tax Exemption. The Issuer covenants and agrees with the Holders from time to time of the Bonds herein authorized, that it will not take, or permit to be taken by any of its officers, employees or agents, any action which would cause the interest payable on the Bonds to become subject to taxation under the United States Internal Revenue Code, the regulations promulgated thereunder, or any other applicable federal tax law or regulation; and that it will take, or it will cause its officers, employees or agents to take, all affirmative actions within its powers which may be necessary to ensure that such interest will not become subject to taxation under the Internal Revenue Code. The term "Internal Revenue Code" or "Code" as used herein includes the Internal Revenue Code of 1986, as amended, and all regulations, amended regulations and proposed regulations issued thereunder, as now existing or as hereafter amended or proposed.

7.06 Arbitrage Certification. The Chair and School District Clerk, being the officers of the Issuer charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver to the Purchaser an arbitrage certification in order to satisfy the provisions of the Code and the regulations promulgated thereunder.

7.07 Official Statement. The Official Statement relating to the Bonds, on file with the Clerk and presented to this meeting, is hereby approved and deemed final, and the furnishing thereof to prospective purchasers of the Bonds is hereby ratified and confirmed, insofar as the same relates to the Bonds and the sale thereof.

7.08 Information Reporting. For purposes of compliance with the provisions of Section 149(e) of the Code, the Issuer shall submit to the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, a statement concerning the Bond issue which meets the requirements of Section 149(e) (2).

7.09. Payment of Issuance Expenses. The District authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to Old National Bank, Evansville, Indiana, on the closing date for further distribution as directed by the District's municipal advisor, Ehlers & Associates, Inc.

7.10 Temporary Period. The board hereby determines and declares that a period longer than the three year temporary period authorized by Treas. Reg. 1.148-2(e)(2)(i) is necessary to complete the capital projects funded by the Bonds. The School District has received a letter from the project architect certifying to this fact. Therefore, pursuant to Treas. Reg. 1.148-2(e)(2)(ii), the board declares that a five year temporary period is necessary and shall be applicable to the expenditure of Bond proceeds from this issue.

7.11 Continuing Disclosure. The Chair and the School District Clerk are authorized and directed to execute and deliver a Continuing Disclosure Certificate to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5) for full disclosure (The "Rule"). The Continuing Disclosure Certificate shall be entered into for the benefit of the Holders of the Bonds and shall constitute the written undertaking required by the Rule to provide or cause to be provided to the MSRB, in an electronic format through the use of the Electronic Municipal Market Access system ("EMMA"), the annual financial information specified therein and to give notice of the occurrence of the Listed Events specified therein, each in the manner specified therein, as required by the Rule. The provisions of the Continuing Disclosure Certificate are incorporated herein as though fully specified in this paragraph.

7.12 Nonbook-Entry Option. Notwithstanding any contrary provision of this resolution, if the option to allow the Bonds to be issued in a nonbook-entry format was included in the Terms of Proposal and if the Purchaser specified on the proposal form that the Bonds are not to be issued in global book-entry form, they shall then be issued in nonbook-entry format in registered form in the name of the Purchaser.

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

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

EXHIBIT A

(FORM OF GLOBAL CERTIFICATE)

UNITED STATES OF AMERICA
STATE OF MINNESOTA
RAMSEY, ANOKA AND WASHINGTON COUNTIES
INDEPENDENT SCHOOL DISTRICT NO. 624
(WHITE BEAR LAKE AREA SCHOOLS)

R- \$ _____

GENERAL OBLIGATION SCHOOL BUILDING BOND, SERIES 2020A

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>CUSIP</u>
--------------------------	--------------------------	-----------------------------------	--------------

MARCH 5, 2020

REGISTERED OWNER: CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST
COMPANY, NEW YORK, NEW YORK

PRINCIPAL AMOUNT: _____ DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that Independent School District No. 624, State of Minnesota, a duly organized and existing independent school district, whose administrative offices are located in White Bear Lake, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above or on the Certificate of Registration attached hereto, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above or, if this Bond is redeemable as stated below, on a date prior thereto on which it shall have been duly called for redemption, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date") commencing February 1, 2021, at the rate per annum specified above, calculated on the basis of a 360-day year of twelve 30-day months, until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable by wire transfer (or other agreed means of payment) on each payment date no later than 12:00 noon (New York, New York time) upon presentation and surrender hereof at the principal office of Bond Trust Services Corporation in Roseville, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer; provided, however, that upon a partial redemption of this Bond which results in the stated amount hereof being reduced, the Holder may in its discretion be paid without presentation of this Bond, and may make a notation on the panel provided herein of such redemption, stating the amount so redeemed, or may return

the Bond to the Bond Registrar in exchange for a new Bond in the proper principal amount. Such notation of redemption, if made by the Holder, shall be for reference only, and may not be relied upon by any other person as being in any way determinative of the principal amount of this Bond outstanding, unless the Bond Registrar has signed the appropriate column of the panel. Interest on this Bond will be paid on each Interest Payment Date (by 12:00 noon, New York, New York time) by wire transfer (or other agreed means of payment) to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date fixed for the payment of such defaulted interest (the "Special Record Date"). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

Date of Payment Not Business Day. If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

Optional Redemption. The Issuer may elect on February 1, 2028, and on any date thereafter, to prepay Bonds due on or after February 1, 2029, at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the Issuer shall determine the order of redemption of Bonds; and if only part of the Bonds having a common maturity date are called for prepayment, Bonds shall be prepaid in \$5,000 increments of principal. Bonds or portions thereof called for redemption shall be due and payable on the designated redemption date, and interest thereon shall cease to accrue from and after the redemption date.

Mandatory Redemption. The Bonds maturing in the year N/A shall be subject to mandatory redemption, pursuant to the procedures specified herein and at a redemption price equal to the principal amount of the Bonds so redeemed plus interest accrued on the principal amount to be redeemed to the date fixed for mandatory redemption, on February 1 in the years and in the principal amounts set forth below (subject to certain credits as provided in the Resolution):

<u>Year</u>	<u>Amount</u>
N/A	N/A

The Bonds maturing in the year N/A shall be subject to mandatory redemption, pursuant to the procedures specified herein and at a redemption price equal to the principal amount of the Bonds so redeemed plus interest accrued on the principal amount to be redeemed to the date fixed for mandatory redemption, on February 1 in the years and in the principal amounts set forth below (subject to certain credits as provided in the Resolution):

<u>Year</u>	<u>Amount</u>
N/A	N/A

Notice of Redemption. Published notice of redemption shall in each case be given in accordance with law, and mailed notice of redemption shall be given to the paying agent and to each affected Holder of the Bonds. For this purpose, the Depository shall be the "Holder" as to Bonds registered in the name of the Depository or its nominee. In the event any of the Bonds are called for redemption, written notice thereof will be given by first class mail, postage prepaid, mailed not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each Holder of Bonds to be redeemed, at the address appearing in the records of the Bond Registrar. In connection with any such notice, the "CUSIP" numbers assigned to the Bonds shall be used.

Replacement or Notation of Bonds after Partial Redemption. Upon a partial redemption of this Bond which results in the stated amount hereof being reduced, the Holder may in its discretion make a notation on the panel provided herein of such redemption, stating the amount so redeemed. Such notation of redemption, if made by the Holder, shall be for reference only, and may not be relied upon by any other person as being in any way determinative of the principal amount of this Bond outstanding, unless the Bond Registrar has signed the appropriate column of the panel. Otherwise, the Holder may surrender this Bond to the Bond Registrar (with, if the Issuer or the Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and the Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of this Bond, without service charge, a new Bond of the same Issue having the same stated maturity and interest rate and of the authorized denomination in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

Issuance; Purpose. This Bond is one of an issue in the total aggregate principal amount of \$250,000,000. The Bonds are all of like date of original issue and tenor, except as to number, denomination, maturity, redemption privilege and interest rate. All are issued to finance the acquisition and betterment of school sites and facilities, and all are issued pursuant to resolutions duly adopted by the School Board and authority conferred by more than the requisite majority vote of the qualified electors of the Issuer voting on the question of their issuance at an election duly and legally called and held therein on November 5, 2019, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling.

General Obligation. This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of the principal and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Minnesota School District Credit Enhancement Program. The Issuer has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 and to use the provisions of that statute to guarantee the payment of the principal and interest on the Bonds when due.

Denominations; Exchange; Resolution. The Bonds are issuable originally only as Global Certificates in the denomination of the entire principal amount of the issue maturing on a single date. Global Certificates are not exchangeable for fully registered Bonds of smaller denominations except in the event of a partial redemption as above provided or in exchange for Replacement Bonds if then available. Replacement Bonds, if made available as provided below, are issuable solely as fully registered Bonds in the denomination of \$5,000 and integral multiples thereof of a single maturity and are exchangeable for fully registered Bonds of other denominations in equal aggregate principal amounts and in authorized denominations at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

Replacement Bonds. Replacement Bonds may be issued by the Issuer in the event that (a) The Depository Trust Company ("DTC") of New York, New York (the "Depository") shall resign or discontinue its services for the Bonds or be declared no longer able to carry out its functions and the Issuer is unable to locate a Substitute Depository within two (2) months following the resignation or discontinuance or determination of noneligibility, or (b) the Issuer determines in its sole discretion that (1) the continuation of the book-entry system described in the Resolution might adversely affect the interests of the beneficial owners of the Bonds, or (2) it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds. The Issuer shall notify the Holders of its determination and of the availability of Replacement Bonds to Holders.

Transfer. This Bond shall be registered in the name of the payee on the books of the Issuer by presenting this Bond for registration to the Bond Registrar, whose representative will endorse his or her name and note the date of registration opposite the name of the payee in the certificate of registration attached hereto. Thereafter this Bond may be transferred by delivery with an assignment duly executed by the Holder or the Holder's legal representative, and the Issuer and Bond Registrar may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until this Bond is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar.

Fees Upon Transfer or Loss. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

Treatment of Registered Owner. The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes whatsoever, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Authentication hereon shall have been executed by the Bond Registrar by the manual signature of one of its authorized representatives.

Not Qualified Tax-Exempt Obligations. The Bonds of this issue have not been designated by the Issuer as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the Issuer enforceable in accordance with its terms, have been done, have happened and have been performed in regular and due form, time and manner as required by law, and this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its actual original issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, Independent School District No. 624 (White Bear Lake Area Schools), State of Minnesota, by its School Board, has caused this Bond to be executed in its behalf by the facsimile signatures of the Chair and Clerk, the Issuer having no seal or said seal having been intentionally omitted as permitted by law.

Date of Registration:

March 5, 2020

Registrable by:

BOND TRUST SERVICES CORPORATION
ROSEVILLE, MINNESOTA

BOND REGISTRAR'S
CERTIFICATE OF
AUTHENTICATION

This Bond is one of
the Bonds described
in the within mentioned
Resolution.

Payable at:

BOND TRUST SERVICES CORPORATION
ROSEVILLE, MINNESOTA

INDEPENDENT SCHOOL DISTRICT NO. 624
(WHITE BEAR LAKE AREA SCHOOLS)
WHITE BEAR LAKE, MINNESOTA

BOND TRUST SERVICES
CORPORATION
Bond Registrar

/s/ (Facsimile) _____
Chair

By _____
Authorized Signature

/s/ (Facsimile) _____
Clerk

CERTIFICATE OF REGISTRATION

The transfer of ownership of the principal amount of the attached Bond may be made only by the registered owner or the registered owner's legal representative last noted below.

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of Bond Registrar</u>
<u>March 5, 2020</u>	Cede & Co. P.O. Box 222 Bowling Green Station <u>New York, NY 10274</u>	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

REGISTER OF PARTIAL PAYMENTS

The principal amount of the attached Bond has been prepaid on the dates and in the amounts noted below:

<u>Date</u>	<u>Amount</u>	<u>Signature of Bondholder</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

If a notation is made on this register, such notation has the effect stated in the attached Bond. Partial payments do not require the presentation of the attached Bond to the Bond Registrar, and a Holder could fail to note the partial payment here.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common
UTMA	-	<div><div>_____ CUSTODIAN _____</div><div>(Cust) (Minor)</div></div>

Under Uniform Transfers to Minors Act

(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto
the within Bond and does hereby irrevocably constitute and appoint
_____ attorney to transfer the Bond on the books kept for
the registration thereof, with full power of substitution in the premises.

Dated _____

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution" as defined in 17 CFR 240 Ad-15(a)(2).

The Bond Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address:

(Include information for all joint owners if
the Bond is held by joint account.)

Please insert Social Security or
other Tax Identification Number
of Transferee.

--

EXHIBIT B

(FORM OF REPLACEMENT BOND)

UNITED STATES OF AMERICA
STATE OF MINNESOTA
RAMSEY, ANOKA AND WASHINGTON COUNTIES
INDEPENDENT SCHOOL DISTRICT NO. 624
(WHITE BEAR LAKE AREA SCHOOLS)

R- _____ \$ _____

GENERAL OBLIGATION SCHOOL BUILDING BOND, SERIES 2020A

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>CUSIP</u>
		MARCH 5, 2020	

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that Independent School District No. 624, State of Minnesota, a duly organized and existing independent school district, whose administrative offices are located in White Bear Lake, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above or, if this Bond is redeemable as stated below, on a date prior thereto on which it shall have been duly called for redemption, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date") commencing February 1, 2021, at the rate per annum specified above, calculated on the basis of a 360-day year of twelve 30-day months, until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of Bond Trust Services Corporation in Roseville, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the

fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date fixed for the payment of such defaulted interest (the "Special Record Date"). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten days prior thereto. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security until the Certificate of Authentication hereon shall have been executed by the Bond Registrar by the manual signature of one of its authorized representatives.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the Issuer enforceable in accordance with its terms, have been done, have happened and have been performed in regular and due form, time and manner as required by law, and this Bond, together with all other debts of the Issuer outstanding on the date of original issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness.

[Remainder of this page left blank intentionally]

IN WITNESS WHEREOF, Independent School District No. 624 (White Bear Lake Area Schools), State of Minnesota, by its School Board, has caused this Bond to be executed in its behalf by the facsimile signatures of the Chair and the Clerk, the Issuer having no seal or said seal having been intentionally omitted as permitted by law.

Date of Registration:

BOND REGISTRAR'S
CERTIFICATE OF
AUTHENTICATION

This Bond is one of
the Bonds described
in the within mentioned
Resolution.

Registrable by:

BOND TRUST SERVICES CORPORATION
ROSEVILLE, MINNESOTA

Payable at:

BOND TRUST SERVICES CORPORATION
ROSEVILLE, MINNESOTA

INDEPENDENT SCHOOL DISTRICT NO. 624
(WHITE BEAR LAKE AREA SCHOOLS)
WHITE BEAR LAKE, MINNESOTA

BOND TRUST SERVICES
CORPORATION
Bond Registrar

/s/ (Facsimile)

Chair

By: _____
Authorized Signature

/s/ (Facsimile)

Clerk

Issuance; Purpose. This Bond is one of an issue in the total aggregate principal amount of \$250,000,000. The Bonds are all of like date of original issue and tenor, except as to number, denomination, maturity, redemption privilege and interest rate. All are issued to finance the acquisition and betterment of school sites and facilities, and all are issued pursuant to resolutions duly adopted by the School Board and authority conferred by more than the requisite majority vote of the qualified electors of the Issuer voting on the question of their issuance at an election duly and legally called and held therein on November 5, 2019, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling.

General Obligation. This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of the principal and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Minnesota School District Credit Enhancement Program. The Issuer has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 and to use the provisions of that statute to guarantee the payment of the principal and interest on the Bonds when due.

Date of Payment Not Business Day. If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

Optional Redemption. The Issuer may elect on February 1, 2028, and on any date thereafter, to prepay Bonds due on or after February 1, 2029, at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the Issuer shall determine the order of redemption of Bonds; and if only part of the Bonds having a common maturity date are called for prepayment, Bonds shall be prepaid in \$5,000 increments of principal. Bonds or portions thereof called for redemption shall be due and payable on the designated redemption date, and interest thereon shall cease to accrue from and after the redemption date. Published notice of redemption shall, in each case, be given in accordance with law, and mailed notice of redemption shall be given to the paying agent and to each Registered Holder of the Bonds.

To effect a partial redemption of the Bonds having a common maturity date, the Bond Registrar, prior to giving a notice of redemption, shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot from the numbers so assigned to such Bonds, using such method of selection as it shall deem proper in its discretion, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed.

The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or the Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and the Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute and the Bond Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same series having the same stated maturity and interest rate and of any authorized denomination or denominations, as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

Mandatory Redemption. The Bonds maturing in the year N/A shall be subject to mandatory redemption, pursuant to the procedures specified herein and at a redemption price equal to the principal amount of the Bonds so redeemed plus interest accrued on the principal amount to be redeemed to the date fixed for mandatory redemption, on February 1 in the years and in the principal amounts set forth below (subject to certain credits as provided in the Resolution):

<u>Year</u>	<u>Amount</u>
N/A	N/A

The Bonds maturing in the year N/A shall be subject to mandatory redemption, pursuant to the procedures specified herein and at a redemption price equal to the principal amount of the Bonds so redeemed plus interest accrued on the principal amount to be redeemed to the date fixed for mandatory redemption, on February 1 in the years and in the principal amounts set forth below (subject to certain credits as provided in the Resolution):

<u>Year</u>	<u>Amount</u>
N/A	N/A

Not Qualified Tax-Exempt Obligations. The Bonds of this issue have not been designated by the Issuer as "qualified tax-exempt obligations" for purposes of Section 265(b) (3) of the Internal Revenue Code of 1986, as amended, relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

Denominations; Exchange; Resolution. The Bonds are issuable solely as fully registered Bonds in the denomination of \$5,000 and integral multiples thereof of a single maturity and are exchangeable for fully registered bonds of other denominations in equal aggregate principal amounts and in authorized denominations at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

Transfer. This Bond is transferable by the Holder in person or by the Holder's attorney duly authorized in writing at the principal office of the Bond Registrar upon presentation and surrender hereof to the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Bond Registrar. Thereupon the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered bonds in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an authorized denomination, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity, and bearing interest at the same rate.

Fees Upon Transfer or Loss. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds.

Treatment of Registered Owner. The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes whatsoever, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common
UTMA	-	<div><div>_____ CUSTODIAN _____</div><div>(Cust) (Minor)</div></div>

Under Uniform Transfers to Minors Act

(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated _____

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution" as defined in 17 CFR 240 Ad-15(a)(2).

The Bond Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address:

(Include information for all joint owners if the Bond is held by joint account.)

Please insert Social Security or other Tax Identification Number of Transferee.

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EXHIBIT C

DTC Letter of Representations

EXHIBIT D
LEVY COMPUTATION SHEET

<u>Levy Year</u>	<u>Collection Year</u>	<u>Amount</u>
2019	2020	\$
2020	2021	
2021	2022	
2022	2023	
2023	2024	
2024	2025	
2025	2026	
2026	2027	
2027	2028	
2028	2029	
2029	2030	
2030	2031	
2031	2032	
2032	2033	
2033	2034	
2034	2035	
2035	2036	
2036	2037	
2037	2038	
2038	2039	
2039	2040	
2040	2041	
2041	2042	
2042	2043	
2043	2044	