Adopted: June 26, 2017

Revised: October 11, 2021

730 POST-ISSUANCE DEBT COMPLIANCE

I. PURPOSE

The School Board (the "Board") of Special School District No. 6 (South St. Paul Public Schools), Minnesota (the "District") has chosen, by policy, to take steps to help ensure that all obligations will be in compliance with all applicable federal regulations. This policy may be amended, as necessary, in the future.

II. GENERAL STATEMENT OF POLICY

The Internal Revenue Service (IRS) is responsible for enforcing compliance with the Internal Revenue Code (the "Code") and most other regulations promulgated thereunder ("Treasury Regulations") governing certain obligations (As example: tax-exempt obligations, Build America Bonds, Recovery Zone Development Bonds and various "Tax Credit" Bonds). The IRS expects issuers and beneficiaries of these obligations to adopt and implement a post-issuance debt compliance policy and procedures to safeguard against post-issuance violations.

III. SECURITIES AND EXCHANGE COMMISSION (SEC)

The Securities and Exchange Commission (SEC) is responsible for enforcing compliance with the SEC Rule 15c2-12 (the "Rule"). Governments or governmental entities issuing obligations generally have a requirement to meet specific continuing disclosure standards set forth in continuing disclosure agreements ("CDA"). Unless the issuer, obligated person, or a specific obligation is exempt from compliance with CDAs, these agreements are entered into at the time of obligation issuance to enable underwriter(s) to comply with the Rule. The Rule sets forth certain obligations of (i) underwriters to receive, review and disseminate official statements prepared by issuers of most primary offerings of municipal securities, (ii) underwriters to obtain CDAs from issuers and other obligated persons to provide material event disclosure and annual financial information on a continuing basis, and (iii) broker-dealers to have access to such continuing disclosure in order to make recommendations of municipal securities transactions in the secondary market. The SEC encourages issuers and beneficiaries adopt and implement a post issuance debt compliance policy and procedures to safeguard against Rule violations.

When obligations are issued, the CDA commits the issuer or obligated person to provide certain annual financial information and material event notices to the public. Issuers and other obligated persons may also choose to provide periodic, voluntary financial information and filings to investors in addition to fulfilling the specific responsibilities delineated in their CDA. It is important to note that issuers and other

obligated persons should not give any one investor certain information that is not readily available to all market participants by disseminating information to the marketplace, at large. Issuers and other obligated persons should be aware that any disclosure activities determined to be "communicating to the market" can be subject to regulatory scrutiny.

IV. POST-ISSUANCE DEBT COMPLIANCE POLICY OBJECTIVE

The District desires to monitor these obligations to ensure compliance with the IRS Code, Treasury Regulations and the SEC Rule. To help ensure compliance, the District has developed the following policy (the "Post-Issuance Debt Compliance Policy"). The PostIssuance Debt Compliance Policy shall apply to these obligations mentioned above, including bonds, notes, loans, lease purchase contracts, lines of credit, commercial paper or any other form of debt that is subject to compliance.

V. POST-ISSUANCE DEBT COMPLIANCE POLICY

A. The Director of Finance is designated as the District's agent who is responsible for post-issuance compliance of these obligations.

B. The Director of Finance shall assemble all relevant documentation, records and activities required to ensure post-issuance debt compliance as further detailed in corresponding procedures the "Post-Issuance Debt Compliance Procedures". At a minimum, the Post-Issuance Debt Compliance Procedures for each qualifying obligation will address the following:

1. General Post-Issuance Compliance;
2. General Recordkeeping
3. Arbitrage yield restriction and rebate;
4. Expenditure and asset documentation to be assembled and retained;
5. Miscellaneous documentation to be assembled and retained
6. Additional undertakings or activities that support points 1 through 5 above;
7. Continuing Disclosure Obligations
8. Compliance with Future Requirements

C. The Director of Finance shall apply the Post-Issuance Debt Compliance Procedures to each qualifying obligation and maintain a record of the results. Further, the Director of Finance will ensure that the Post-Issuance Debt Compliance Policy and Procedures are updated on a regular and as needed basis.

D. The Director of Finance, or any other individuals responsible for assisting the Director of Finance in maintaining records needed to ensure post-issuance compliance, are authorized to expend funds as needed to attend training or secure use of other educational resources for ensuring compliance such as consulting, publications, and compliance assistance.

E. Most of the provisions of this Post-Issuance Debt Compliance Policy are not applicable to taxable governmental obligations unless there is a reasonable possibility that the District may refund their taxable governmental obligation, in whole or in part, with the proceeds of a tax-exempt governmental obligation. If this refunding possibility exists, then the Finance Director shall treat the taxable governmental obligation as if such issue were an issue of tax-exempt governmental obligations and comply with the requirements of this Post-Issuance Debt Compliance Policy.

VI. PRIVATE ACTIVITY BONDS

A. The District may issue tax-exempt obligations that are "private activity" bonds because either (1) the bonds finance a facility that is owned by the District but used by one or more qualified 501(c)(3) organizations, or (2) the bonds are so called "conduit bonds", where the proceeds are loaned to a qualified 501(c)(3) organization or another private entity that finances activities eligible for tax exempt financing under federal law (such as certain manufacturing projects and certain affordable housing projects). Prior to the issuance of either of these types of bonds, the Finance Director shall take steps necessary to ensure that such obligations will remain in compliance with the requirements of this Post-Issuance Debt Compliance Policy.

B. In a case where compliance activities are reasonably within the control of a private party (i.e., a 501(c)(3) organization or conduit borrower), the Finance Director may determine that all or some portion of compliance responsibilities described in this Post-Issuance Debt Compliance Policy shall be assigned to the relevant party. In the case of conduit bonds, the conduit borrower will be assigned all compliance responsibilities other than those required to be undertaken by the District under federal law. In a case where the Finance Director is concerned about the compliance ability of a private party, the Finance Director may require that a trustee or other independent third party be retained to assist with record keeping for the obligation and/or that the trustee or such third party be responsible for all or some portion of the compliance responsibilities.

C. The Finance Director is additionally authorized to seek the advice, as necessary, of bond counsel and/or its financial advisor to ensure the District is in compliance with this Post-Issuance Debt Compliance Policy.