

CERTIFICATION OF MINUTES

RELATING TO

GENERAL OBLIGATION CAPITAL APPRECIATION  
SCHOOL BUILDING BONDS, SERIES 2025A  
(MINNESOTA SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM)

ISSUER: INDEPENDENT SCHOOL DISTRICT NO. 742  
(ST. CLOUD AREA SCHOOLS), STATE OF MINNESOTA

GOVERNING BODY: SCHOOL BOARD

KIND, DATE, TIME AND PLACE OF MEETING: A regular meeting held on June 18, 2025 at 6:30 o'clock p.m., held at the District Administration Office.

MEMBERS PRESENT: \_\_\_\_\_

MEMBERS ABSENT: \_\_\_\_\_

Documents Attached: Extract of Minutes of said meeting.

**RESOLUTION OF THE SCHOOL BOARD OF INDEPENDENT SCHOOL DISTRICT NO. 742 (ST. CLOUD AREA SCHOOLS), MINNESOTA APPROVING THE SALE OF THE DISTRICT'S GENERAL OBLIGATION CAPITAL APPRECIATION SCHOOL BUILDING BONDS, SERIES 2025A TO THE PURCHASER THEREOF; DETERMINING THE FORM AND DETAILS OF SUCH BONDS; AUTHORIZING THE EXECUTION, DELIVERY AND REGISTRATION OF SUCH BONDS; PROVIDING FOR THE PAYMENT OF AND THE SECURITY FOR SUCH BONDS; AND AUTHORIZING AND RATIFYING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH**

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 duly given as required by law.

EXECUTED AND DATED this \_\_\_\_<sup>th</sup> day of June, 2025.

\_\_\_\_\_  
School District Clerk

EXTRACT OF MINUTES OF A MEETING  
OF THE SCHOOL BOARD  
OF INDEPENDENT SCHOOL DISTRICT NO. 742  
(ST. CLOUD AREA SCHOOLS), STATE OF MINNESOTA

HELD: JUNE 18, 2025

Pursuant to due call and notice thereof, a regular meeting of the School Board of Independent School District No. 742 (St. Cloud Area Schools Public Schools), Minnesota, was duly held on June 18, 2025, at 6:30 o'clock p.m., for the purpose, in part, of approving the sale of of the General Obligation Capital Appreciation School Building Bonds, Series 2025A of the District. All proceedings hereafter shown were taken while the meeting was open to the attendance of the public.

Member \_\_\_\_\_ introduced the following resolution and moved its adoption:

**RESOLUTION OF THE SCHOOL BOARD OF INDEPENDENT SCHOOL DISTRICT NO. 742 (ST. CLOUD AREA SCHOOLS), MINNESOTA APPROVING THE SALE OF THE DISTRICT'S GENERAL OBLIGATION CAPITAL APPRECIATION SCHOOL BUILDING BONDS, SERIES 2025A TO THE PURCHASER THEREOF; DETERMINING THE FORM AND DETAILS OF SUCH BONDS; AUTHORIZING THE EXECUTION, DELIVERY AND REGISTRATION OF SUCH BONDS; PROVIDING FOR THE PAYMENT OF AND THE SECURITY FOR SUCH BONDS; AND AUTHORIZING AND RATIFYING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH**

**BE IT RESOLVED** by the School Board (the “Board”) of Independent School District No. 742 (St. Cloud Area Schools Public Schools), Minnesota (the “District”), as follows:

**Article I  
Authorization and Sale**

**Section 1.01 Authorization and Purpose.**

(a) The Board has previously determined that it is necessary that the District expend funds for the purposes of financing the costs of (i) financing the acquisition and betterment of school sites and facilities including, but not limited to, the construction of a safe and secure controlled entrance, the construction of a storm shelter in accordance with new building codes, additional fire and life safety updates, expansion of the kitchen and serving area, renovations to improve career and technical education, music, art, and science classrooms at Apollo High School, and the construction of an indoor multipurpose athletic facility for district educational and community use at the Apollo High School site; and (ii) paying costs of issuance associated with the issuance of the Bonds (collectively, the “**Project**”).

(b) Pursuant to a resolution passed by this Board on November 20, 2024 (the “**Election Resolution**”), there was submitted to the qualified electors of the District, at a special election of the District held on April 8, 2025 (the “**Election**”), the questions of issuing general obligation bonds of the District in an aggregate principal amount not to exceed \$65,000,000 for the purposes of financing the costs of the Project and levying and collecting a special levy of taxes against all the taxable property in the District sufficient in rate and amount to pay the principal of, premium, if any, and interest on said bonds.

(c) Notice of the Election and the submission of such question, and the sample ballot regarding such question, was duly given to the qualified electors of the District by timely publication in a legal newspaper of general circulation within the District.

(d) The Election was held as designated in the Election Resolution and the notice, and at said Election there was submitted to the qualified electors of the District the question of issuing said bonds and levying taxes to pay the same as set out in the Election Resolution.

(e) The Election returns, as certified by the Election Commissioner, provided that a majority of the electors voting on the proposition cast ballots in favor of said bonds and tax.

(f) At a meeting held on May 21, 2025, this Board determined to sell and issue its general obligation bonds of the District, in the total aggregate principal amount of not to exceed \$65,000,000 (as more fully described herein, the “**Bonds**”), which have been authorized by the voters of the District at the Election to be used to finance the costs of the Project.

**Section 1.02 Sale.** The Board, having been advised by David Drown Associates, Inc., Cologne, Minnesota, its independent municipal advisor, has determined that this issue shall be sold after direct negotiation, as authorized pursuant to Minnesota Statutes, Section 475.60, Subdivision 2(9), as amended. The proposal of Robert W. Baird & Co., Incorporated (the “**Underwriter**”) to purchase the Bonds at a price of \$65,116,989.60 (representing the initial stated amount of the Bonds of \$64,999,894.80, plus net original issue premium of \$1,671,094.80 and less underwriter’s discount of \$1,554,000.00) and at a true interest cost 4.8869%, was accepted by the Superintendent or Executive Director of Finance and Business Services and a Board Officer on June 4, 2025 pursuant to the Bond Purchase Agreement between the Underwriter and the Superintendent and a Board Officer. The proposal of the Underwriter and the award of the sale of the Bonds is hereby ratified by the Board.

The Bonds will be issued as capital appreciation bonds. The original principal amount of the Bonds (\$64,999,894.80) will bear compounding interest at the rates set forth in Section 2.02 below, payable at maturity and will have an aggregate final accreted Maturity Value (defined herein) of \$124,320,000.

**Section 1.03 Execution of Documents.** The execution of the Bond Purchase Agreement dated June 4, 2025 between the Underwriter and the District is hereby ratified.

**Section 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, the Board hereby finds and determines that it is necessary for this Board to provide for the issuance, sale and delivery of the Bonds, to establish the form and terms of the Bonds and to provide for the payment and the security thereof.

## **Article II**

### **Authorization; Bond Terms; Registration; Execution and Delivery**

**Section 2.01 Authorization and Designation.** In accordance with the laws of the State of Minnesota, the Board hereby authorizes the issuance of the Bonds in the aggregate principal amount of \$64,999,894.80 to be used to finance the costs of the Project. Such Bonds shall be designated as “General Obligation Capital Appreciation School Building Bonds, Series 2025A”.

**Section 2.02 Maturities, Interest Rates and Denominations.** The Bonds shall be originally dated their date of original issue and delivery (July 1, 2025), shall be issued and sold in denominations corresponding to a Maturity Value of \$5,000 or any integral multiple thereof within a single maturity. The Bonds shall mature on February 1 in the years and amounts set forth below and shall accrete interest at the rates per annum set forth below, shall be numbered R-1 upwards, shall be issued in the specified original principal amount shown below for each \$5,000 Maturity Value or any integral multiple thereof, shall bear interest from the date of original delivery thereof until maturity at the rate which, when accreted and compounded on each February 1 and August 1 (the “Interest Compounding Date”), commencing August 1, 2025, results in an accreted value at maturity (the “Maturity Value”) as shown below:

<u>Year</u>	<u>Initial Principal Amount per \$5,000 Maturity Value</u>	<u>Total Initial Principal Amount</u>	<u>Yield to Maturity</u>	<u>Total Accreted Value at Maturity</u>
2027	\$4,640.30	\$2,334,070.90	3.310%	\$2,515,000
2028	4,426.60	2,244,286.20	3.330	2,535,000
2029	4,222.75	2,136,711.50	3.370	2,530,000
2030	4,028.30	2,034,291.50	3.450	2,525,000
2031	3,842.75	1,944,431.50	3.530	2,530,000
2032	3,665.80	1,854,894.80	3.640	2,530,000
2033	3,496.95	1,772,953.65	3.750	2,535,000
2034	3,335.90	1,687,965.40	3.870	2,530,000
2035	3,182.30	1,610,243.80	4.060	2,530,000
2036	3,035.75	2,361,813.50	4.210	3,890,000
2037	2,895.90	2,255,906.10	4.390	3,895,000
2038	2,762.55	6,715,759.05	4.510	12,155,000
2039	2,635.30	6,406,414.30	4.610	12,155,000
2040	2,513.95	6,108,898.50	4.720	12,150,000
2041	2,376.65	4,819,846.20	4.830	10,140,000
2042	2,225.90	4,514,125.20	4.940	10,140,000
2043	2,091.00	4,240,548.00	5.020	10,140,000
2044	1,968.30	3,226,043.70	5.080	8,195,000
2045	1,854.25	3,467,447.50	5.130	9,350,000
2046	1,745.05	3,263,243.50	5.180	9,350,000

The maturities set forth above, together with the maturities of all other outstanding general obligation bonds of the District, meet the requirements of Minnesota Statutes, Section 475.54.

**Section 2.03 Compound Interest Payments at Maturity; Capital Appreciation Bonds.** The Bonds will be issued as capital appreciation bonds, with interest compounding semiannually at the rates set forth in Section 2.02 hereof and payable at maturity. For each

\$5,000 Maturity Value, the accreted amount for each Bond, as of the Interest Compounding Dates between the date of original authentication and delivery and its maturity, shall be the amount set forth in the table printed on each such Bond and shown in Exhibit E attached hereto. The accreted amount as of any date between an Interest Compounding Date shall be computed on the assumption that the accreted amount increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months. All payments shall be at the accreted value as of the date of redemption.

#### **Section 2.04 Redemption.**

(a) **Optional Redemption.** The District may elect on February 1, 2033, and on any day thereafter, to prepay Bonds due on or after February 1, 2034. Redemption may be in whole or in part and if in part at the option of the District and in such manner as the District shall determine. All Bonds shall be redeemed at a price equal to 100% of the accreted amount thereof as of the date of redemption in accordance with Section 2.03. Bonds subject to redemption shall be redeemed in whole multiples of \$5,000 Maturity Value. If any Bond is in a denomination in excess of \$5,000, portions of the principal amount thereof in installments of \$5,000 Maturity Value or any whole multiple thereof may be redeemed, and if less than all of the principal amount thereof is to be redeemed, in such case upon the surrender of such Bonds there shall be issued to the registered owner thereof without charge therefor, for the then unredeemed balance of the principal amount thereof, Bonds of like series, maturity and interest rates in any of the authorized denominations provided by this Resolution. If less than all Bonds of any maturity are to be called for redemption pursuant to this Resolution, the Registrar shall select the particular Bonds of such maturity to be redeemed by lot.

(b) **Reserved.**

(c) **Notice of Redemption.** Notice of redemption of Bonds stating their designation, date, maturity, principal amounts and the redemption date shall be given by the Registrar by mailing such notice by first class mail, postage prepaid, not less than 30 days prior to the date fixed for redemption (or such shorter period as may be acceptable to the then registered owner of the Bonds) to the registered owners at their most recent addresses appearing upon the books of the Registrar. Failure to give notice to any particular registered owner or any defect in the notice given to such owner shall not affect the validity of the proceedings calling the Bonds or the redemption of any Bonds for which proper notice has been given. Notice of redemption need not be given to the holder of any Bonds, whether registered or not, who has waived notice of redemption. Notice of redemption having been given as provided above or notice of redemption having been waived by the owners of Bonds called for redemption to whom such notice has not been given as provided above, the Bonds so called for redemption shall become due and payable on the designated redemption date. The District shall give written notice to the Registrar of its election to redeem Bonds at least 45 days prior to the said redemption date, or such shorter period as shall be acceptable to the Registrar. If on or before the said redemption date funds sufficient to pay the Bonds so called for redemption at the applicable redemption price and accrued interest to said date have been deposited or caused to have been deposited by the District with the Registrar for the purposes of such payment and notice of redemption thereof has been given or waived as hereinbefore provided, then from and after the date fixed for redemption interest on such Bonds so called shall cease to accrue and become payable. If such funds shall

not have been so deposited with the Registrar as aforesaid no later than the date fixed for redemption, such call for redemption shall be revoked and the Bonds so called for redemption shall continue to be outstanding the same as though they had not been so called; such Bonds shall continue to bear interest until paid at such rate as they would have borne had they not been called for redemption and shall continue to be protected by this Bond Resolution and entitled to the benefits and security hereof.

**Section 2.05. Appointment of Initial Registrar.** The District hereby appoints U.S. Bank Trust Company, National Association in St. Paul, Minnesota, as the initial bond registrar, transfer agent and paying agent (the “**Registrar**”). The Chair of the Board and the Clerk of the District are authorized to execute and deliver, on behalf of the District, a contract with the Registrar (the “**Registrar Agreement**”). The Registrar shall have only such duties and obligations as are expressly specified by this Resolution and the Registrar Agreement, and no other duties or obligations shall be implied to the Registrar, except as may be set forth in a written agreement between the District and a successor Registrar.

The District agrees to pay the reasonable and customary charges of the Registrar for the services performed. The Registrar shall notify the District in writing of any changes in its principal corporate trust office as set forth in this Section.

Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar.

The District reserves the right to remove the Registrar upon thirty (30) days’ notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar. The Chair of the Board and the Clerk of the District is each authorized to remove the Registrar as provided herein if he or she determines such removal is in the best interest of the District. Upon such removal, such officer is authorized to appoint a successor Registrar and to execute a Registrar Agreement with such successor Registrar in a form substantially similar to that approved by the Board pursuant to this Resolution, but with such changes as he or she shall deem appropriate or necessary.

**Section 2.06. Registration.** The effect of registration and the rights and duties of the District and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a bond register in which the 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.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or

more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after any Record Date and until the immediately succeeding Interest Payment Date.

(c) Exchange of Bonds. Whenever any Bonds are surrendered by the registered owner for exchange the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity, as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the District.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the 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 Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The District and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the 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 destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the District and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the District. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1.

(j) Valid Obligations. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the District, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

**Section 2.07. Execution; Authentication and Delivery.** The Bonds shall be prepared under the direction of the Clerk of the District and shall be executed on behalf of the District by the signatures of the Chair of the Board and the Clerk of the District, provided that all signatures may be printed, engraved, or lithographed facsimiles of the originals. In case any officer whose signature, or a facsimile of whose signature, shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Bond has been duly executed by the manual signature of the Registrar. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so executed and authenticated, they shall be delivered by the Clerk of the District to the Underwriter upon payment of the purchase price in accordance with the contract of sale heretofore made and executed.

**Section 2.08. Securities Depository.**

(a) For purposes of this section the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Representation Letter” shall mean the Representation Letter pursuant to which the District agrees to comply with DTC’s Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this Resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the District shall be affected by any notice to the contrary. Neither the Registrar nor the District shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this Resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC's Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the District to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the District determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of bond certificates, the District may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the District and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC, in substantially the form attached hereto as Exhibit B, by the Chair of the Board or the Clerk of the District, if not previously filed with DTC, is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this Resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for

DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this Resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of bond certificates and the method of payment of principal of and interest on such Bonds in the form of bond certificates.

### **Article III Form of Bonds**

The Bonds shall be issued in substantially the form of bond attached as Exhibit A hereto.

### **Article IV Deposit and Application of Bond Proceeds**

Upon payment for the Bonds by the Underwriter, proceeds of the Bonds shall be applied to pay costs and expenses of the Project and deposited in accounts established on the books and records of the District as follows:

- (i) \$65,000,285.58 shall be deposited in the Project Fund (as defined herein) for payment of the costs of the Project.
- (ii) \$116,704.02 shall be disbursed by the District to pay the costs of issuing the Bonds. The District may also pay such costs from other legally available moneys.

### **Article V Creation of Funds; Tax Levies; Investments**

**Section 5.01. General Obligation Capital Appreciation School Building Bonds, Series 2025A Project Fund.** The District shall hereby establish and maintain on the official books and records of the District a “General Obligation Capital Appreciation School Building Bonds, Series 2025A Project Fund” (the “**Project Fund**”). All proceeds of the Bonds deposited in the Project Fund in accordance with Article IV hereof shall be expended solely for the payment of the costs of the Project as approved by the voters at the Election as required pursuant to Minnesota Statutes, Section 475.58, Subdivision 4. The District shall maintain the Project Fund until all costs and expenses incurred in connection with the Project have been paid. Amounts in the Project Fund shall be applied to pay the costs and expenses of acquiring, constructing, equipping and furnishing the Project. Project Fund moneys may be applied to pay the costs of issuing the Bonds; the District may also pay such costs from other legally available moneys. After payment of all Project costs and expenses, the Project Fund shall be discontinued and any Bond proceeds remaining therein shall be credited to the Debt Service Fund established by Section 5.02 hereof.

**Section 5.02. General Obligation Capital Appreciation School Building Bonds, Series 2025A Debt Service Fund.** The principal of and the interest on the Bonds shall be paid from a separate General Obligation Capital Appreciation School Building Bonds, Series 2025A Debt Service Fund (the “**Debt Service Fund**”) which shall be created and maintained on the books of the District as a separate debt redemption fund until the Bonds, and all interest thereon,

are fully paid. All ad valorem taxes levied and collected as hereinafter specified shall be credited to the Debt Service Fund, as well as any other funds appropriated by the Board for the payment of the Bonds and any moneys received pursuant to the Credit Enhancement Act (as defined in Article IX herein). If any payment of principal of or interest on the Bonds shall become due when there is not sufficient money in the Debt Service Fund to make such payment, the Clerk of the District shall pay the same from any other available fund of the District, and such other fund shall be reimbursed for such advances out of the proceeds of the taxes levied for the payment of the Bonds when available. If the District does not have other moneys available to pay scheduled debt service on the Bonds, the District shall take all necessary actions pursuant to Article IX hereof.

**Section 5.03. Pledge of Full Faith and Credit; Tax Levies.** The Board hereby irrevocably pledges the full faith, credit and taxing power of the District to the prompt and full payment of the principal of and interest on the Bonds as the same respectively become due. To provide moneys for the payment of principal of and interest on the Bonds as required by Minnesota Statutes, Section 475.61, the Board hereby represents, warrants and covenants that it shall cause to be levied and collected annually on all taxable property in the District a direct, annual ad valorem tax which shall be spread upon the tax rolls for collection in the years and amounts as follows, as a part of other general taxes of the District, as follows:

<u>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>
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(See Exhibit C hereto for levy computation)

Such tax shall be in excess of and in addition to all other taxes now or hereafter authorized to be levied by the District. The special tax described herein and all receipts therefrom are pledged to the payment of debt service on the Bonds. Such tax shall be irrepealable as long as any of the Bonds are outstanding and unpaid; provided that the District reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61. It is estimated that the ad valorem taxes will be collected in amounts not less than five percent (5%) in excess of the amounts needed to meet when due the payments of the accreted amounts on the Bonds. If, as of the date tax levies are certified in any year, the sum of the balance in the Debt Service Fund plus any ad valorem taxes theretofore levied for the payment of Bonds payable therefrom and collectible through the end of the following calendar year is not sufficient to pay when due all principal and interest to become due on all Bonds payable therefrom in said following calendar year, or the Debt Service Fund has incurred a deficiency in the manner provided in Section 5.01 hereof or amounts are owing to the State in the manner provided in Article IX hereof, an additional direct, irrepealable, ad valorem tax shall be levied on all taxable property within the corporate limits of the District for the purpose of restoring such accumulated or anticipated deficiency in accordance with the provisions of this Resolution.

**Section 5.04. Investments.** Moneys in each of the funds and accounts created and established by this Resolution shall be deposited, invested and secured in accordance with State law. Moneys held in such funds and accounts may be invested by the District or at its direction in such amounts and maturing at such times as shall reasonably provide for moneys to be available when required in the accounts or funds; provided, however, that no such investment

shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund or account was created; and provided further that such investments shall be subject to the covenants and provisions of the Article VII hereof. All interest on any authorized investment held in any fund or account shall accrue to and become a part of such fund or account. All money held in the funds created by this Resolution shall be kept separate and apart from all other funds of the District so that there shall be no commingling of such funds with any other funds of the District.

## **Article VI**

### **Certification of Proceedings**

**Section 6.01. Filing with County Auditors.** The Clerk of the District is hereby authorized and directed to file with the County Auditor of each county in which the District is located in whole or in part a certified copy of this Resolution together with such other information as the County Auditors shall require and to obtain from the County Auditors a certificate that the Bonds have been entered upon the bond registers and that the tax for the payment of the Bonds has been levied as required by law.

**Section 6.02. Certification of Proceedings.** The officers of the District and the County Auditors are hereby authorized and directed to prepare and furnish to the Underwriter and to Kutak Rock LLP, Bond Counsel, certified copies of all proceedings and records of the District relating to the Bonds and to the financial condition and affairs of the District, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds as they appear from the books and records under the officer's custody and control or as otherwise known to the them. All such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the District to the correctness of all statements contained herein.

**Section 6.03. Official Statement.** The Preliminary Official Statement relating to the Bonds, as of its date May 30, 2025 prepared and distributed by the Underwriter, including any amendments or supplements thereto, is hereby ratified, approved and deemed "final" for purposes of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934, as amended ("**Rule 15c2-12**"). The Underwriter is hereby authorized on behalf of the District to prepare and distribute to the purchasers within seven business days from the date hereof, a Final Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule 15c2-12. The use and public distribution of the final Official Statement by the Underwriter in connection with the offering of the Bonds is hereby authorized. The officers of the District are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

## **Article VII**

### **Covenants and Arbitrage Matters.**

**Section 7.01. Restrictive Action.** The Board covenants and agrees with the registered owners of the Bonds, that it will not take or permit to be taken by any of its officers, employees or agents any actions that would cause interest on the Bonds to become includable in gross

income of the recipient under the Code and applicable Regulations, and covenants to take any and all actions within its powers to ensure that the interest will not become includable in gross income of the recipient under the Code and the Regulations. It is hereby certified that the proceeds of the Refunded Bonds were used to finance the acquisition and betterment of school facilities owned and operated by the District and the District covenants and agrees that, so long as the Bonds are outstanding, the District shall not enter into any lease, management agreement, use agreement or other contract with any nongovernmental entity relating to the school facilities so financed which would cause the Bonds to be considered “private activity bonds” or “private loan bonds” pursuant to Section 141 of the Code.

**Section 7.02. Arbitrage Certification.** The Chair of the Board and the Clerk of the District, being the officers of the District charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code and applicable Regulations stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of the Code and the Regulations.

**Section 7.03. Arbitrage Rebate.** The Board acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code and covenants to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no “gross proceeds” of the Bonds (other than amounts constituting a “bona fide debt service fund”) arise during or after the expenditure of the original proceeds thereof.

**Section 7.04. Post-Issuance Compliance Procedures.** The Board has previously adopted the Post-Issuance Tax Compliance Procedures attached to this Resolution as Exhibit D to ensure that the District satisfies and meets all applicable post-issuance requirements of federal income tax law needed to preserve the tax-exempt status of the Bonds. The District reserves the right to use its discretion as necessary and appropriate to make exceptions or request additional provisions as it may determine. The District also reserves the right to change these policies and procedures from time to time, without notice.

**Section 7.05. Reserved.**

## **Article VIII Continuing Disclosure**

**Section 8.01. Continuing Disclosure Undertaking.** The Board (a) authorizes and directs any District officer to execute and deliver, on the date of the issuance of the Bonds, a continuing disclosure undertaking (the “**Undertaking**”) in such form that satisfies the requirements of Rule 15c2-12 and is acceptable to the Underwriter and bond counsel and (b) covenants that it will comply with and carry out all of the provisions of the Undertaking. A

description of this undertaking is set forth in the Official Statement. Notwithstanding any other provisions of this Resolution or the Undertaking, failure of the District to comply with the Undertaking will not be considered a default under this Resolution or the Bonds; however, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this subparagraph and the Undertaking. For purposes of this subparagraph, “**Beneficial Owner**” means any person who (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Bonds for federal income tax purposes.

## **Article IX**

### **Credit Enhancement Act**

The Board hereby covenants and obligates the District to be bound by and to use the provisions of Minnesota Statutes, Section 126C.55 (the “**Credit Enhancement Act**”) to guarantee payment of the principal of, the premium, if any, and the interest on the Bonds when due. The District shall comply with all procedures now or hereafter established by the Minnesota Department of Management and Budget and the Minnesota Department of Education pursuant to subdivision 2(c) of the Credit Enhancement Act and to take such actions as necessary to comply with the Credit Enhancement Act. The Chair of the Board, the Clerk of the District, and the superintendent and the business manager of the District are each authorized to execute any applicable forms of the Minnesota Department of Management and Budget or the Minnesota Department of Education. The Board understands and acknowledges that the provisions of the Credit Enhancement Act shall be binding on the District as long as any Bonds are outstanding.

The Board further covenants to deposit with the Registrar, at least three (3) business days prior to the date on which any payment of principal of, premium, if any, or interest on the Bonds is due, an amount sufficient to pay such payment. If the District believes it may be unable to pay the principal of, the premium, if any or the interest on the Bonds on the date any such payment is due, the District shall notify the Commissioner of the Department of Education as soon as possible, but not less than 15 business days before the date such payment is due. The District shall authorize and direct the Registrar to notify the Commissioner of the Department of Education if (i) the Registrar becomes aware of a potential payment default with respect to the Bonds or (ii) two (2) business days prior to the date a payment is due on the Bonds the Registrar does not have sufficient funds to make the payment due on such date.

## **Article X**

### **Defeasance**

The District may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The District may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Registrar on or before that date an

amount equal to the principal, interest and redemption premium, if any, which are then due, provided that notice of such redemption has been duly given as provided herein. The District may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited, bearing interest payable at such time and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal and interest to become due thereon to maturity or earlier designated redemption date. If any deposit is made more than ninety days before the maturity date or specified redemption date of the Bonds to be discharged, the District shall have received a written opinion of Bond Counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity dates or earlier designated redemption date. When all of the Bonds have been discharged as provided in this Article, all pledges, covenants and other rights granted by this Resolution to the registered owners of the Bonds shall cease.

## **Article XI**

### **Authorization of Officers**

Without in any way limiting the power, authority, or discretion elsewhere herein granted or delegated, the Board hereby (a) authorizes and directs each officer, employee and agent of the District to carry out, or cause to be carried out, and to perform such obligations of the District and such other actions as they, or any one of them shall consider necessary, advisable, desirable, or appropriate in connection with this Resolution and the issuance, sale, and delivery of the Bonds, including, without limitation and whenever applicable, the execution and delivery thereof and of all other related documents, instruments, certificates, and opinions; and (b) delegates to each such officer, employee and agent the right, power, and authority to exercise her or his own independent judgment and absolute discretion in determining and finalizing the terms, provisions, form and contents of each of the foregoing. The execution and delivery by any such officer, employee or agent of the District of any such documents, instruments, certifications, and opinions, or the doing by them of any act in connection with any of the matters which are the subject of this Resolution, shall constitute conclusive evidence of both the District's and their approval of all changes, modifications, amendments, revisions, and alterations made therein, and shall conclusively establish their absolute, unconditional, and irrevocable authority with respect thereto from the District and the authorization, approval, and ratification by the District of the documents, instruments, certifications, and opinions so executed and the action so taken.

\* \* \* \* \*

The motion was duly seconded by \_\_\_\_\_.

Upon vote taken on the foregoing resolution, the following voted in favor thereof:

\_\_\_\_\_  
\_\_\_\_\_;

the following voted against the same: \_\_\_\_\_;

and the following were absent or did not vote: \_\_\_\_\_.

Said Resolution having been voted upon favorably by a majority of the members of the Board,  
the same was by the Chairperson declared passed and adopted.

**EXHIBIT A**

**(FORM OF BOND)**

**UNITED STATES OF AMERICA  
STATE OF MINNESOTA**

**INDEPENDENT SCHOOL DISTRICT NO. 742  
(ST. CLOUD AREA SCHOOLS)**

**GENERAL OBLIGATION CAPITAL APPRECIATION SCHOOL BUILDING BONDS,  
SERIES 2025A**

R-\_\_\_\_\_

ORIGINAL PRINCIPAL AMOUNT:  
ACCRETED AMOUNT AT MATURITY:

INTEREST  
RATE

MATURITY  
DATE

DATE OF  
ORIGINAL ISSUE

CUSIP

\_\_\_\_\_%

February 1, 20\_\_

July 1, 2025

**REGISTERED OWNER:** CEDE & CO.

**ORIGINAL PRINCIPAL  
AMOUNT:** \_\_\_\_\_ DOLLARS

**ACCRETED AMOUNT  
AT MATURITY:** \_\_\_\_\_ DOLLARS

**INDEPENDENT SCHOOL DISTRICT NO. 742 (ST. CLOUD AREA SCHOOLS),  
STATE OF MINNESOTA**, a duly organized and existing independent school district, whose administrative offices are located in St. Cloud Area Schools, Minnesota (the “District”), promises to pay to the registered owner specified above, or registered assigns, the accreted amount at maturity 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, said accreted amount being the original principal amount hereof with interest from the date of original issue stated above, accreted and payable with principal at maturity, at a rate which, when compounded on each February 1 and August 1 (the “interest compounding date”), commencing August 1, 2025, results in the accreted amount set forth for each such date in the table printed herein for the specified amount per \$5,000 accreted amount at maturity. Payment is subject to provisions for redemption of this Bond referred to below. The accreted amount is payable upon presentation and surrender hereof at the principal office of the Registrar described below, the accreted amount at maturity hereof, is payable in lawful money of the United States of America by check or draft drawn on U.S. Bank Trust Company, National Association in St. Paul,

Minnesota, as bond registrar, transfer agent and paying agent, or its successor designated under the resolution described herein (the “Registrar”).

This Bond is one of an issue in the aggregate original principal amount of \$64,999,894.80 (the “Bonds”), issued by the District to be used for the purposes of financing the costs of acquisition and betterment of school sites and facilities including, but not limited to, the construction of a safe and secure controlled entrance, the construction of a storm shelter in accordance with new building codes, additional fire and life safety updates, expansion of the kitchen and serving area, renovations to improve career and technical education, music, art, and science classrooms at Apollo High School, and the construction of an indoor multipurpose athletic facility for district educational and community use at the Apollo High School site (collectively, the Project”), and is issued pursuant to and in full conformity with resolution adopted by the School Board on June 18, 2025 (the “Resolution”) and is issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapter 475. The Bonds are issuable only in fully registered form, in denominations corresponding to Maturity Values of \$5,000 or any integral multiple thereof, of single maturities.

The Bonds are direct, general obligations of the District, to which the full faith, credit and resources and the taxing power of the District are irrevocably pledged. Pursuant to the Resolution, the District has covenanted to cause to be made annually a special levy of taxes on all the taxable property in the District, in addition to all other taxes, sufficient in rate and amount to produce sums not less than five percent in excess of the principal of and interest on the Bonds when due. The District has pledged such tax levy and all receipts therefrom to all payments due on the Bonds. The District has further covenanted to be bound by and to use the provisions of Minnesota Statutes, Section 126C.55 (the “Credit Enhancement Act”) to guarantee payment of the principal of and the interest on the Bonds when due.

The District may elect on February 1, 2033, and on any day thereafter, to prepay Bonds due on or after February 1, 2034 at a price equal to 100% of the accreted amount thereof as of the date of redemption. Redemption may be in whole or in part and if in part at the option of the District and in such manner as the District shall determine. All Bonds shall be redeemed at a price equal to the accreted value as of the date of redemption.

Notice of redemption of this Bond shall be given to the Registered Owner hereof by first class mail, postage prepaid, not less than thirty (30) days prior to the date fixed for redemption (or such shorter period as may be acceptable to the then registered owner of the Bonds), all as more particularly set forth in the Bond Resolution; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceeding for the redemption of any Bond with respect to which no such failure has occurred. Notice of redemption having been given as provided in the Bond Resolution, or notice of redemption having been waived, and funds for the payment thereof having been deposited with the Registrar, this Bond shall cease to bear interest from and after the date fixed for redemption.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the District at the principal office of the Registrar, by the

registered owner hereof in person or by the owner's attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's attorney, and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange, the District will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The District and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the District nor the Registrar shall be affected by any notice to the contrary.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the District.

**IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED** that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the District in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond, together with all other indebtedness of the District outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the District to exceed any constitutional or statutory limitation of indebtedness.

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

**IN WITNESS WHEREOF**, Independent School District No. 742 (St. Cloud 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 of the Board and Clerk of the District, the District having no seal or said seal having been intentionally omitted as permitted by law.

**INDEPENDENT SCHOOL DISTRICT NO. 742  
(ST. CLOUD AREA SCHOOLS), MINNESOTA**

/s/ (Facsimile)  
Chair of the Board

/s/ (Facsimile)  
School District Clerk

**BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION**

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

Date of Authentication: July \_\_\_\_, 2025

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**  
as Registrar and Paying Agent

By \_\_\_\_\_  
Authorized Signature

The accreted amounts of the Bonds of this issue maturing on February 1 in the years 2027 through 2046, together with the original principal amounts per \$5,000 accreted amounts at maturity are set forth below. The accreted amount as of any other date is the prorated amount between the next prior and next succeeding February 1 and August 1, being the dates of semiannual compounding of interest on the Bonds.

[BOND ACCREDITED VALUE TABLE TO BE ATTACHED – SEE EXHIBIT E]

## 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

### BLANKET ISSUER LETTER OF REPRESENTATIONS

#### The Depository Trust Company

A subsidiary of the Depository Trust & Clearing Corporation

#### BLANKET ISSUER LETTER OF REPRESENTATIONS

(To be completed by Issuer and Co-Issuer(s), if applicable)

\_\_\_\_\_  
(Name of Issuer and Co-Issuer(s), if applicable)

\_\_\_\_\_  
(Date)

**The Depository Trust Company**  
570 Washington Blvd, 4th FL  
Jersey City, NJ 07310  
Attention: Underwriting Department

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request to be made eligible for deposit by The Depository Trust Company ("DTC").

Issuer is: **(Note: Issuer shall represent one and cross out the other.)**

[incorporated in] [formed under the laws of] \_\_\_\_\_.

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Very truly yours,

Note:  
Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

\_\_\_\_\_  
(Issuer)

By: \_\_\_\_\_  
(Authorized Officer's Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
(City) (State) (Country) (Zip Code)

\_\_\_\_\_  
(Phone Number)

\_\_\_\_\_  
(E-mail Address)

**DTCC**

BLOR 06-2013

## EXHIBIT C

### LEVY COMPUTATION SHEET

<u>Levy Year</u>	<u>Collection Year</u>	<u>Amount</u>
2025	2026	\$2,640,750.00
2026	2027	2,661,750.00
2027	2028	2,656,500.00
2028	2029	2,651,250.00
2029	2030	2,656,500.00
2030	2031	2,656,500.00
2031	2032	2,661,750.00
2032	2033	2,656,500.00
2033	2034	2,656,500.00
2034	2035	4,084,500.00
2035	2036	4,089,750.00
2036	2037	12,762,750.00
2037	2038	12,762,750.00
2038	2039	12,757,500.00
2039	2040	10,647,000.00
2040	2041	10,647,000.00
2041	2042	10,647,000.00
2042	2043	8,604,750.00
2043	2044	9,817,500.00
2044	2045	9,817,500.00

## EXHIBIT D

### POST-ISSUANCE TAX COMPLIANCE PROCEDURES

Independent School District No. 742 (St. Cloud Area Schools) (the “Issuer”) hereby adopts this policy (this “Policy”) as its written policy for post-issuance tax compliance applicable to tax-advantaged loans, bonds, notes, leases, certificates of participation or similar obligations (collectively, “Obligations”) heretofore and hereafter issued or executed and delivered by it or on its behalf. This Policy is intended to supplement any previous post-issuance tax compliance policy that may have been adopted by the Issuer and any procedures evidenced in writing by any tax document for any Obligations heretofore or hereafter issued, entered into or executed and delivered by it or on its behalf, the related information returns filed in connection with any Obligations and the instructions to such information returns.

1. **Responsible Person.** The Issuer has assigned to the Executive Director of Finance and Business Services of the Issuer (the “Responsible Person”) the responsibility for ensuring post-issuance tax and remedial action compliance with the requirements of any tax and financing documents for Obligations. This responsibility is included in the job description for the Responsible Person, and such person has or will review any prior post-issuance tax compliance policy, this Policy, any tax documents for any Obligations heretofore or hereafter issued, entered into or executed and delivered by it or on its behalf, the related information returns, if any, filed in connection with any Obligations (such as IRS Forms 8038 and 8038-G) and the instructions to such information returns, and consult with bond or tax counsel and other professionals as needed.

2. **Succession Planning.** The Issuer will ensure that, when the current Responsible Person leaves such person’s current position at the Issuer, the responsibility for financing and tax covenant compliance will be explained in detail to such person’s successor and such successor will be provided compliance training (as further described in the following section).

3. **Training.** Compliance training for the Responsible Person should include, among other things, annual meetings with bond counsel to discuss monitoring compliance with applicable tax laws and attendance at post-issuance tax compliance trainings organized by bond counsel or applicable industry associations.

4. **Procedures for Timely Expenditure of Proceeds.** The Issuer understands that at least 85 percent of the net sale proceeds of new money Obligations must be spent to carry out the projects financed with the proceeds of the Obligations within three years of the date such Obligations are originally issued, entered into or executed and delivered. The Issuer will treat as “sale proceeds” any amounts actually or constructively received by the Issuer from issuance or execution and delivery of the Obligations, including amounts used to pay accrued interest other than pre-issuance accrued interest. “Net sale proceeds” means the sale proceeds less any amounts deposited into reasonably required reserve or replacement or rental payment reserve funds. The Issuer has established or will establish reasonable accounting procedures for tracking and reporting to the Responsible Person the expenditure of net sale proceeds.

5. **Compliance with Arbitrage Yield Restriction and Rebate Requirements.** The Responsible Person will create a system to ensure that for all applicable Obligations, not less than

six months prior to each five-year anniversary of the closing date for Obligations, the Issuer will retain an arbitrage rebate consultant to prepare a report determining the yield of the Obligations under the Internal Revenue Code of 1986 (the “Code”) and whether there is any amount owed to the Internal Revenue Service under Section 148 of the Code.

6. **Ongoing Policy.** The Responsible Person will review any prior policy, this Policy, tax and financing documents relating to Obligations, information returns for obligations and related instructions to such information returns, and the status and use of the property financed or refinanced by the Obligations (the “Financed Property”) *on at least an annual basis and at the following intervals:* (a) six months prior to each five-year anniversary of the issue or execution and delivery date of the Obligations; (b) within 30 days of the date the Obligations are finally retired, defeased, refunded or terminated; (c) when any rebate payment is made; (d) when the Financed Property is “Placed in Service” (which means the date on which, based on all facts and circumstances, the property reaches a degree of completion that will permit its operation at substantially its design level and the property is, in fact, in operation at such level); (e) if the Issuer determines that the Financed Property will not be completed; and (f) if any of the representations, statements, circumstances or expectations of the Issuer that are set forth in the tax or financing documents for Obligations are no longer true, have changed or have not come to pass as described in such documents. This review will be made for the purposes of identifying any possible violation of federal tax requirements related to Obligations and to ensure the timely correction of those violations pursuant to the remedial action provisions outlined below or through the Voluntary Closing Agreement Program. If any possible violation is identified, the Responsible Person will notify the Issuer and the Issuer’s counsel or the Issuer’s bond counsel so that any existing or expected violation can be corrected.

7. **Final Allocation.** With respect to any new money Obligations, once the Financed Property relating to the new money Obligations has been Placed in Service, the Responsible Person will identify all investment earnings from any investment of proceeds of the Obligations (such proceeds together with such investment earnings are hereinafter referred to as “Proceeds”), compile and reconcile all expenditures of such Proceeds to identify the specific costs paid from such Proceeds and the dates such costs were paid, identify the economic useful lives of each asset financed by the Proceeds and identify the payee or payees who received the Proceeds. The Responsible Person will retain such information with its books and records for the Obligations in the manner and for the duration required by Section 9 below.

8. **Additional Policies and Procedures.** The Issuer acknowledges that certain types of Obligations, such as tax credit obligations, may have special rules regarding the timely expenditure of proceeds, arbitrage yield restriction and rebate requirements and remediation requirements, all of which will be described in the tax certificates for the Obligations. Such rules are incorporated herein (except to the extent that this Policy been revised to incorporate any of such rules), and the Issuer agrees to follow such rules with respect to Obligations, if applicable.

9. **Recordkeeping.** The Responsible Person will develop and implement a system for maintaining records relating to this Policy. Such records must be kept and maintained for the life of the related Obligations, and any Obligations that refund or refinance such obligations, plus at least four years (or such longer period as may be required in related tax documents for such

obligations). These records may be maintained on paper, by electronic media or by any combination thereof.

10. **Procedures to Comply with Remediation Requirements.** The Responsible Person will establish and maintain a system for tracking and monitoring the use of the Financed property to ensure that the use of all such property will not violate the private business tests or the private loan financing test under Section 141 of the Code. If, after the issuance or execution and delivery of Obligations, the use of the Financed Property changes so that the private business tests or the private loan financing test would be met, or if another violation of this Policy occurs which requires correction, the Issuer will, in connection with consulting bond counsel, undertake a closing agreement through the Voluntary Closing Agreement Program of the Internal Revenue Service or take one of the remedial actions described in the next section, if available.

11. **Remedial Action Procedures.** If a deliberate action is taken with respect to the Obligations and the Financed Property subsequent to the issuance or execution and delivery of the Obligations which action is not in compliance with the tax requirements of the Code or Regulations (a “Deliberate Action”), then the Responsible Person should consult with bond counsel regarding permissible remedial actions that may be taken to remediate the effect of any such Deliberate Action upon the federal tax status of the Obligations. Possible remedial actions, and the conditions to taking any such remedial actions, include (but are not necessarily limited to) the actions described below.

(a) Conditions to Remedial Actions. None of the remedial actions described in (b) below are available to remediate the effect of any Deliberate Action with respect to the Obligations and the Financed Property unless the following conditions have been satisfied and unless bond counsel advises otherwise:

(i) the Issuer reasonably expected on the date the Obligations were originally issued or executed and delivered that the Obligations would meet neither the private business tests nor the private loan financing test of Section 141 of the Code and the Regulations thereunder for the entire term of the Obligations (such expectations may be based on the representations and expectations of the applicable conduit borrower, if there is one);

(ii) the average weighted maturity of the Obligations did not, as of such date, exceed 120 percent of the average economic life of the Financed Property;

(iii) unless otherwise excepted under the Regulations, the Issuer delivers a certificate, instrument or other written records satisfactory to bond counsel demonstrating that the terms of the arrangement pursuant to which the Deliberate Action is taken is bona fide and arm’s-length, and that the non-exempt person using either the Financed Property or the proceeds of the Obligations as a result of the relevant Deliberate Action will pay fair market value for the use thereof;

(iv) any disposition must be made at fair market value and any Disposition Proceeds (defined below) actually or constructively received by the Issuer as a result of the Deliberate Action must be treated as gross proceeds of the Obligations and may not be

invested in obligations bearing a yield in excess of the yield of the Obligations subsequent to the date of the Deliberate Action; and

(v) Proceeds of the Obligations affected by the remedial action must have been allocated to expenditures for the Financed Property or other allowable governmental purposes before the date on which the Deliberate Action occurs (except to the extent that redemption or defeasance, if permitted, is undertaken, as further described in (b)(i) below).

“Disposition Proceeds,” as such term is used in this section 11, means any amounts (including property, such as an agreement to provide services) derived from the sale, exchange or other disposition of property (other than investments) financed with the proceeds of the Obligations.

(b) Types of Remedial Action. Subject to the conditions described in (a) above, and only if the Issuer obtains an opinion of bond counsel prior to taking any of the actions below to the effect that such actions will not adversely affect the excludability of interest on the Obligations from gross income for federal income tax purposes, remedial actions including but not limited to those listed below may be available to remediate a Deliberate Action subsequent to the issuance of the Obligations:

(i) *Redemption or Defeasance of Obligations.*

(A) If the Deliberate Action causing either the private business use test or the private loan financing test of Section 141 of the Code and the Regulations thereunder to be satisfied consists of a fair market value disposition of any portion of the Financed Property exclusively for cash, then the Issuer may allocate the Disposition Proceeds to the redemption of Nonqualified Obligations (defined below) *pro rata* across all the then-outstanding maturities of the Obligations at the earliest call date of such maturities of the Obligations after the taking of the Deliberate Action. If any of the maturities of the Obligations outstanding at the time of the taking of the Deliberate Action are not callable within 90 days of the date of the Deliberate Action, the Issuer may (subject generally to the limitations described in (C) below) allocate the Disposition Proceeds to the establishment of a Defeasance Escrow (defined below) for any such maturities of the Obligations within 90 days of the taking of such Deliberate Action.

(B) If the Deliberate Action consists of a fair market value disposition of any portion of the Financed Property for other than exclusively cash, then the Issuer may use any funds (other than proceeds of the Obligations or proceeds of any obligation the interest on which is excludable from gross income for federal income tax purposes) for the redemption of all Nonqualified Obligations within 90 days of the date that such Deliberate Action was taken. In the event that insufficient maturities of the Obligations are callable by the date which is within 90 days after the date of the Deliberate Action, then such funds may be used for the establishment of a Defeasance Escrow within 90 days of the date of the Deliberate Action for all the maturities of the Nonqualified Obligations not callable within 90 days of the date of the Deliberate Action.

(C) If a Defeasance Escrow is established for any maturities of Nonqualified Obligations that are not callable within 90 days of the date of the Deliberate Action, written notice must be provided to the Commissioner of Internal Revenue Service at the times and places as may be specified by applicable regulations, rulings or other guidance issued by the Department of the Treasury or the Internal Revenue Service. Note that the ability to create a Defeasance Escrow applies only if the Obligations to be defeased and redeemed all mature or are callable within ten and one-half (10.5) years of the date the Obligations are originally issued or executed and delivered. If the Obligations are not callable within ten and one-half years, and none of the other remedial actions described below are applicable, the remainder of this section 11 is for general information only, and bond counsel must be contacted to discuss other available options.

“Nonqualified Obligations,” as such term is used in this section 11, means that portion of the Obligations outstanding at the time of a Deliberate Action in an amount that, if the outstanding Obligations were issued or executed and delivered on the date on which the Deliberate Action occurs, the outstanding Obligations would not satisfy the private business use test or the private loan financing test, as applicable. For this purpose, the amount of private business use is the greatest percentage of private business use in any one-year period commencing with the Deliberate Action.

“Defeasance Escrow,” as such term is used in this section 11, means an irrevocable escrow established to redeem Obligations on their earliest call date in an amount that, together with investment earnings thereon, is sufficient to pay all the principal of, and interest and call premium on, obligations from the date the escrow is established to the earliest call date. A Defeasance Escrow may not be invested in higher yielding investments or in any investment under which the obligor is a user of the proceeds of the obligations.

(ii) *Alternative Use of Disposition Proceeds.* Use of any Disposition Proceeds in accordance with the following requirements may be treated as a Remedial Action with respect to the Obligations:

(A) the Deliberate Action consists of a disposition of all or any portion of the Financed Property for not less than the fair market value thereof for cash;

(B) the Issuer reasonably expects to expend the Disposition Proceeds resulting from the Deliberate Action within two years of the date of the Deliberate Action;

(C) the Disposition Proceeds are treated as Proceeds of the Obligations for purposes of Section 141 of the Code and the Regulations thereunder, and the use of the Disposition Proceeds in the manner in which such Disposition Proceeds are in fact so used would not cause the Disposition Proceeds to satisfy the private activity bond tests;

(D) no action is taken after the date of the Deliberate Action to cause the private activity bond tests to be satisfied with respect to the Obligations, the Financed Property or the Disposition Proceeds (other than any such use that may be permitted in accordance with the Regulations); and

(E) Disposition Proceeds used in a manner that satisfies the private activity bond tests or which are not expended within two years of the date of the Deliberate Action must be used to redeem or defease Nonqualified Obligations in accordance with the requirements set forth in (i) above.

(iii) *Alternative Use of Facilities.* The Issuer may be considered to have taken sufficient remedial actions to cause the Obligations to continue their applicable treatment under federal tax law if, subsequent to taking any Deliberate Action with respect to all or any portion of the Financed Property:

(A) the portion of the Financed Property subject to the Deliberate Action is used for a purpose that would be permitted for qualified tax-exempt obligations;

(B) the disposition of the portion of the Financed Property subject to the Deliberate Action is not financed by a person acquiring the Financed Property with proceeds of any obligation the interest on which is exempt from gross income under Section 103 of the Code for purposes of federal income taxation; and

(C) any Disposition Proceeds other than those arising from an agreement to provide services (including Disposition Proceeds arising from an installment sale) resulting from the Deliberate Action are used to pay the debt service on the Obligations on the next available payment date or, within 90 days of receipt thereof, are deposited into an escrow that is restricted as to the investment thereof to the yield of the Obligations to pay debt service on the Obligations on the next available payment date.

Absent an opinion of bond counsel, no Remedial Actions are available to remediate the satisfaction of the private security or payment test regarding the same with respect to the Obligations. Nothing herein is intended to prohibit Remedial Actions not described herein that may become available subsequent to the date the Obligations are originally issued or executed and delivered to remediate the effect of a Deliberate Action taken with respect to the Obligations, the proceeds thereof or the Financed Property.

# EXHIBIT E

Date	Premium Capital Appreciation Bonds 02/01/2027 3.31%	Premium Capital Appreciation Bonds 02/01/2028 3.33%	Premium Capital Appreciation Bonds 02/01/2029 3.37%	Premium Capital Appreciation Bonds 02/01/2030 3.45%	Premium Capital Appreciation Bonds 02/01/2031 3.53%	Premium Capital Appreciation Bonds 02/01/2032 3.64%	Premium Capital Appreciation Bonds 02/01/2033 3.75%	Premium Capital Appreciation Bonds 02/01/2034 3.87%	Premium Capital Appreciation Bonds 02/01/2035 4.06%	Premium Capital Appreciation Bonds 02/01/2036 4.21%	Premium Capital Appreciation Bonds 02/01/2037 4.39%	Premium Capital Appreciation Bonds 02/01/2038 4.51%	Premium Capital Appreciation Bonds 02/01/2039 4.61%	Premium Capital Appreciation Bonds 02/01/2040 4.72%	Capital Appreciation Bonds 02/01/2041 4.83%	Capital Appreciation Bonds 02/01/2042 4.94%	Capital Appreciation Bonds 02/01/2043 5.02%	Capital Appreciation Bonds 02/01/2044 5.08%	Capital Appreciation Bonds 02/01/2045 5.13%	Capital Appreciation Bonds 02/01/2046 5.18%
7/1/2025	4,746.70	4,591.10	4,435.70	4,274.45	4,112.60	3,943.05	3,772.30	3,598.20	3,401.60	3,217.15	3,023.50	2,852.60	2,692.15	2,532.20	2,376.65	2,225.90	2,091.00	1,968.30	1,854.25	1,745.05
8/1/2025	4,759.70	4,603.75	4,448.05	4,286.65	4,124.65	3,954.90	3,784.00	3,609.70	3,413.00	3,228.35	3,034.50	2,863.20	2,702.40	2,542.05	2,386.15	2,235.00	2,099.65	1,976.55	1,862.05	1,752.50
2/1/2026	4,838.50	4,680.40	4,523.00	4,360.60	4,197.45	4,026.90	3,854.95	3,679.55	3,482.30	3,296.30	3,101.10	2,927.75	2,764.70	2,602.05	2,443.75	2,290.20	2,152.35	2,026.75	1,909.85	1,797.90
8/1/2026	4,918.55	4,758.30	4,599.20	4,435.80	4,271.50	4,100.20	3,927.25	3,750.75	3,553.00	3,365.70	3,169.15	2,993.80	2,828.45	2,663.45	2,502.80	2,346.75	2,206.40	2,078.25	1,958.80	1,844.45
2/1/2027	5,000.00	4,837.55	4,676.70	4,512.35	4,346.90	4,174.80	4,000.90	3,823.30	3,625.10	3,436.55	3,238.70	3,061.30	2,893.60	2,726.35	2,563.20	2,404.70	2,261.75	2,131.05	2,009.05	1,892.25
8/1/2027		4,918.10	4,755.50	4,590.15	4,423.65	4,250.80	4,075.90	3,897.30	3,698.70	3,508.85	3,309.80	3,130.35	2,960.30	2,790.65	2,625.10	2,464.10	2,318.55	2,185.15	2,060.60	1,941.25
2/1/2028		5,000.00	4,835.65	4,669.35	4,501.70	4,328.15	4,152.30	3,972.70	3,773.80	3,582.75	3,382.45	3,200.95	3,028.55	2,856.55	2,688.50	2,525.00	2,376.70	2,240.70	2,113.45	1,991.50
8/1/2028			4,917.10	4,749.90	4,581.15	4,406.95	4,230.20	4,049.60	3,850.40	3,658.15	3,456.70	3,273.10	3,098.35	2,923.95	2,753.45	2,587.35	2,436.40	2,297.60	2,167.65	2,043.10
2/1/2029			5,000.00	4,831.85	4,662.00	4,487.15	4,309.50	4,127.95	3,928.55	3,735.15	3,532.60	3,346.90	3,169.80	2,992.95	2,819.95	2,651.25	2,497.55	2,355.95	2,223.25	2,096.00
8/1/2029				4,915.20	4,744.30	4,568.80	4,390.30	4,207.80	4,008.30	3,813.80	3,610.15	3,422.40	3,242.85	3,063.60	2,888.05	2,716.75	2,560.20	2,415.80	2,280.30	2,150.30
2/1/2030				5,000.00	4,828.05	4,651.95	4,472.60	4,289.25	4,089.65	3,894.05	3,689.35	3,499.55	3,317.60	3,135.90	2,957.80	2,783.85	2,624.50	2,477.15	2,338.80	2,206.00
8/1/2030					4,913.25	4,736.60	4,556.50	4,372.25	4,172.70	3,976.05	3,770.35	3,578.50	3,394.05	3,209.90	3,029.20	2,852.60	2,690.35	2,540.05	2,398.75	2,263.15
2/1/2031					5,000.00	4,822.85	4,641.90	4,456.85	4,257.40	4,059.75	3,853.10	3,659.20	3,472.30	3,285.65	3,102.40	2,923.05	2,757.90	2,604.60	2,460.30	2,321.75
8/1/2031						4,910.60	4,728.95	4,543.10	4,343.80	4,145.20	3,937.70	3,741.70	3,552.35	3,363.20	3,177.30	2,995.25	2,827.10	2,670.75	2,523.40	2,381.90
2/1/2032						5,000.00	4,817.60	4,631.00	4,432.00	4,232.45	4,024.10	3,826.05	3,634.20	3,442.55	3,254.05	3,069.25	2,898.05	2,738.60	2,588.15	2,443.55
8/1/2032							4,907.95	4,720.60	4,522.00	4,321.55	4,124.45	3,912.35	3,718.00	3,523.80	3,332.60	3,145.05	2,970.80	2,808.15	2,654.50	2,506.85
2/1/2033							5,000.00	4,811.95	4,613.75	4,412.50	4,202.70	4,000.55	3,803.70	3,606.95	3,413.10	3,222.75	3,045.40	2,879.50	2,722.60	2,571.80
8/1/2033								4,905.05	4,707.45	4,505.40	4,294.95	4,090.80	3,891.35	3,692.10	3,495.55	3,302.35	3,121.80	2,952.60	2,792.45	2,638.40
2/1/2034								5,000.00	4,803.00	4,600.25	4,389.25	4,183.05	3,981.05	3,779.25	3,579.95	3,383.90	3,200.20	3,027.60	2,864.05	2,706.75
8/1/2034								4,900.50	4,697.05	4,485.60	4,277.35	4,072.80	3,868.40	3,666.40	3,467.50	3,280.50	3,104.50	2,937.55	2,776.85	
2/1/2035									5,000.00	4,795.95	4,584.05	4,373.80	4,166.70	3,959.70	3,754.95	3,553.15	3,362.85	3,183.35	3,012.90	2,848.75
8/1/2035										4,896.90	4,684.65	4,472.45	4,262.75	4,053.15	3,845.65	3,640.90	3,447.25	3,264.25	3,090.15	2,922.55
2/1/2036										5,000.00	4,787.50	4,573.30	4,361.00	4,148.85	3,938.50	3,730.85	3,533.80	3,347.15	3,169.45	2,998.25
8/1/2036											4,892.60	4,676.45	4,461.50	4,246.75	4,033.60	3,823.00	3,622.50	3,432.15	3,250.75	3,075.90
2/1/2037											5,000.00	4,781.90	4,564.35	4,346.95	4,131.05	3,917.40	3,713.40	3,519.35	3,334.10	3,155.55
8/1/2037												4,889.70	4,669.55	4,449.55	4,230.80	4,014.20	3,806.60	3,608.75	3,419.65	3,237.30
2/1/2038												5,000.00	4,777.20	4,554.55	4,332.95	4,113.35	3,902.15	3,700.40	3,507.35	3,321.15
8/1/2038													4,887.30	4,662.05	4,437.60	4,214.95	4,000.10	3,794.40	3,597.30	3,407.15
2/1/2039														5,000.00	4,772.05	4,544.80	4,319.05	4,100.50	3,890.75	3,689.60
8/1/2039															4,884.70	4,654.55	4,425.70	4,203.45	3,989.60	3,784.20
2/1/2040																5,000.00	4,766.95	4,535.05	4,308.95	4,090.90
8/1/2040																	4,882.05	4,647.05	4,417.10	4,194.85
2/1/2041																		5,000.00	4,761.85	4,527.95
8/1/2041																			4,879.45	4,641.60
2/1/2042																				5,000.00
8/1/2042																			4,877.55	4,637.55
2/1/2043																				5,000.00
8/1/2043																			4,876.10	4,634.15
2/1/2044																				5,000.00
8/1/2044																				
2/1/2045																				5,000.00
8/1/2045																				
2/1/2046																				