

REFUNDING ESCROW AGREEMENT

Relating to:

\$38,930,000

**INDEPENDENT SCHOOL DISTRICT NO. 832
(MAHTOMEDI PUBLIC SCHOOLS)
WASHINGTON COUNTY, MINNESOTA
GENERAL OBLIGATION SCHOOL BUILDING REFUNDING BONDS
SERIES 2014A**

THIS REFUNDING ESCROW AGREEMENT (the “Escrow Agreement”), is made and entered on February 12, 2025, pursuant to Minnesota Statutes, Chapter 475, as amended (the “Act”), including Minnesota Statutes, Section 475.67, as amended (“Section 475.67”), by and between the Independent School District No. 832 (Mahtomedi Public Schools), Washington County, Minnesota (the “District”), and Zions Bancorporation, National Association, Chicago, Illinois (the “Escrow Agent”).

The District and the Escrow Agent hereby recite and, in consideration of the mutual covenants contained herein, hereby covenant and agree as follows:

1. On February 6, 2014, the District issued its General Obligation School Building Refunding Bonds, Series 2014A (the “Series 2014A Bonds”), in the original aggregate principal amount of \$38,930,000, pursuant to the Act, including Section 475.67, to: (i) effect a current refunding of the 2019 through 2031 maturities of the District’s Taxable General Obligation School Building Bonds, Series 2010B (Build America Bonds), dated July 8, 2010 (the “Series 2010B Bonds”); and (ii) refund in advance of their stated maturities, portions of the 2016 and 2017 maturities of the District’s General Obligation School Building Bonds, Series 1995B (Capital Appreciation Bonds), dated June 8, 1995 (the “Series 1995 Bonds”). The Series 2014A Bonds are currently outstanding in the principal amount of \$22,065,000, of which \$22,065,000 is subject to optional redemption and prepayment on or after February 1, 2025.

2. On January 6, 2025, the School Board of the District (the “Board”) adopted a resolution in which the Board determined that it is necessary and desirable for the reduction of debt service costs of the District to issue its General Obligation School Building Refunding Bonds, Series 2025A pursuant to the Act, including Section 475.67, to redeem and prepay all or a portion of the Series 2014A Bonds (the “Bonds”).

3. Pursuant to a resolution adopted by the Board on January 27, 2025 (the “Resolution”), the District has sold the Bonds and has received a purchase price for the Bonds of \$22,257,107.17 (par amount of the Bonds of \$20,850,000, plus original issue premium of \$1,437,203, less an underwriter’s discount of \$30,095.83). A portion of the proceeds of the Bonds will be applied to establish an escrow fund (the “Escrow Fund”) created pursuant to the Resolution in the name of the District pursuant to this Escrow Agreement to provide for the optional redemption and prepayment of the Series 2014A Bonds by prepaying on March 19, 2025 (the “Redemption Date”), the Series 2014A Bonds maturing on February 1 of the years 2026 through 2031 (the “Refunded Bonds”).

4. On the date hereof, the District shall receive the purchase price of the Bonds in the amount of \$22,257,107.17 (as calculated in Section 3 hereof) and apply such proceeds as follows: (i) sale proceeds in the amount of \$22,118,565 shall be irrevocably deposited in the Escrow Fund established herein and invested in securities which are general obligations of the United States (collectively, the “Federal Securities”); (ii) sale proceeds in the amount of \$.074 shall be irrevocably deposited in the Escrow Fund and shall be held by the

Escrow Agent in the Escrow Fund as an initial uninvested cash deposit; (iii) sale proceeds in the amount of \$4,541.43 shall be deposited in the Debt Service Fund established under the terms of the Resolution; and (iv) sales proceeds of \$134,000 shall be applied to pay the costs of issuance with respect to the Bonds. It is understood and agreed that the principal and interest on the Federal Securities deposited in the Escrow Fund, together with the initial cash deposit, will provide the funds required to pay the principal amount of the Refunded Bonds subject to optional redemption and prepayment on the Redemption Date.

5. The Escrow Agent acknowledges receipt of the cash and Federal Securities and agrees that it will hold such cash and Federal Securities in the Escrow Fund and will collect and receive on behalf of the District all payments of principal of and interest on the Federal Securities. The District hereby authorizes and directs the Escrow Agent to remit from the Escrow Fund to Bond Trust Services Corporation, the paying agent for the Refunded Bonds (the “Paying Agent”), the funds required for payment of the principal of the outstanding Refunded Bonds on the Redemption Date. After provision for payment of such amounts, the Escrow Agent will remit any remaining funds to the District.

6. In order to ensure continuing compliance with the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder (collectively, the “Code”), the Escrow Agent agrees that it will not invest any cash deposits or reinvest any cash received in payment of the principal of and interest on the Federal Securities held in the Escrow Fund unless and until an opinion is received by Escrow Agent from nationally-recognized bond counsel that investments or reinvestments, as specified in said opinion, may be made in a manner consistent with the Code. Investment or reinvestment, if any, of amounts in the Escrow Fund made pursuant to this paragraph may be made only at the further direction of the Superintendent or Director of Business Services of the District and in securities maturing or callable at the option of the holder on such dates and bearing interest at such rates as will be required to provide sufficient funds, together with any cash or other funds retained in the Escrow Fund, to pay when due the amounts set forth in Section 4. Securities purchased from the money in the Escrow Fund will be limited to securities specified in Section 475.67, subdivision 8. The Escrow Agent, as agent for the District, shall purchase any such securities for and on behalf of the District and in its name.

7. The Escrow Agent expressly waives any lien upon or claim against the money and investments in the Escrow Fund.

8. If at any time it shall appear to the Escrow Agent that the money in the Escrow Fund allocable for such use hereunder will not be sufficient to make any payment set forth in Section 5 that is due and payable to the holders of any of the Refunded Bonds, the Escrow Agent shall immediately notify the District. The District thereupon shall forthwith deposit in the Escrow Fund from funds on hand and legally available to it such additional funds as may be required to meet fully the amount to become due and payable. The District acknowledges its obligation to levy ad valorem taxes on all taxable property in the District to the extent required to produce money necessary for this purpose.

9. The District shall not repeal or amend the Resolution that calls the Refunded Bonds for redemption on their Redemption Date. The District shall direct the Paying Agent to mail the Notice of Call for Redemption attached hereto as **EXHIBIT A** on February 12, 2025 (in accordance with the requirements of Section 475.67, subdivision 7) to the registered owners of the Refunded Bonds to be redeemed at their addresses appearing in the bond register established for the Refunded Bonds (the “Bond Register”). Failure to give such notice shall not affect the validity of the call for redemption.

10. The Escrow Agent will submit to the District on or before May 31, 2025, a statement itemizing all moneys received by it and all payments made by it under the provisions of this Escrow Agreement, including all moneys held by it received as interest on or profit from the investments.

11. It is recognized and agreed that title to the Federal Securities and cash held in the Escrow Fund from time to time shall remain vested in the District but subject always to the prior charge and lien thereon of this Escrow Agreement and the use thereof required to be made by this Escrow Agreement. The Escrow Agent shall hold all such money and obligations in a special escrow fund separate and wholly segregated from all other funds and securities of the Escrow Agent, and shall never commingle such money or securities with other money or securities. It is understood and agreed that the responsibility of the Escrow Agent under this Escrow Agreement is limited to the safekeeping and segregation of the funds and securities deposited with it in the Escrow Fund, and the collection of and accounting for the principal and interest payable with respect thereto, the reinvestment of certain funds in Federal Securities to the extent not being held as uninvested cash and the remittance of the funds to the Paying Agent as provided in this Escrow Agreement.

12. This Escrow Agreement is made by the District for the benefit of the holders of the Refunded Bonds, and is not revocable by the District, and the investments and other funds deposited in the Escrow Fund and all income therefrom have been irrevocably appropriated for the payment of the Refunded Bonds in accordance with this Escrow Agreement.

13. This Escrow Agreement shall be binding upon and shall inure to the benefit of the District and the Escrow Agent and their respective successors and assigns. In addition, this Escrow Agreement shall constitute a third-party beneficiary contract for the benefit of the holders of the Refunded Bonds and said third-party beneficiaries shall be entitled to enforce performance and observance by the District and the Escrow Agent of the respective agreements and covenants herein contained as fully and completely as if said third-party beneficiaries were parties hereto. Any bank into which the Escrow Agent may be merged or with which it may be consolidated or any bank resulting from any merger or consolidation to which it shall be a party or any bank to which it may sell or transfer all or substantially all of its corporate trust business shall, if the District approves, be the successor agent without the execution of any document or the performance of any further act.

14. The Escrow Agent hereby certifies that it is a financial institution whose deposits are insured by the Federal Deposit Insurance Corporation and whose capital and surplus is not less than \$500,000.

15. The Escrow Agent may at any time resign and be discharged of its obligations hereunder by giving to the Clerk of the District written notice of such resignation not less than sixty (60) days before the date when the same is to take effect, provided that the Escrow Agent shall return to the District the pro rata portion of its fee which is allocable to the period of time commencing on the effective date of such resignation. Such resignation shall take effect upon the date specified in the notice, or upon the appointment and qualification of a successor prior to that date. In the event of such resignation, a successor shall promptly be appointed by the District, and the District shall immediately give written notice thereof to the predecessor escrow agent and publish the notice in the manner described in this paragraph. If, in a proper case, no appointment of a successor agent is made within forty-five (45) days after the receipt by the District of notice of such resignation, the Escrow Agent or the holder of any Refunded Bond may apply to any court of competent jurisdiction to appoint a successor escrow agent, which appointment may be made by the Court after such notice, if any, as the Court may prescribe. Any successor escrow agent appointed hereunder shall execute, acknowledge, and deliver to its predecessor escrow agent and to the District a written acceptance of such appointment, and shall thereupon without any further act, deed, or conveyance become fully vested with all moneys, properties, duties, and obligations of its predecessor, but the predecessor shall nevertheless: (i) pay over, transfer, assign, and deliver all money, securities, or other property held by it to the successor escrow agent; (ii) execute, acknowledge, and deliver such instruments of conveyance; and (iii) do such other things as may reasonably be required to vest and confirm more fully and certainly in the successor escrow agent all right, title, and interest in and to any property held by it hereunder. Any bank into which the Escrow Agent may be merged or with which it may be consolidated or any bank resulting from any merger or consolidation to which it shall be a party or any bank to which it may sell or transfer all or substantially all of its corporate trust business shall, if the District approves, be the successor escrow agent without the execution of any document or the performance of any further act.

16. The Escrow Agent acknowledges receipt of the sum of \$500.00 as its full compensation for its services to be performed under this Escrow Agreement.

17. The duties and obligations of the Escrow Agent shall be as prescribed by the provisions of this Escrow Agreement and the Escrow Agent shall not be liable hereunder except for failure to perform its duties and obligations as specifically set forth herein or to act in good faith in the performance thereof and no implied duties or obligations shall be incurred by the Escrow Agent other than those specified herein.

18. Any notice, authorization, request, or demand required or permitted to be given to the District or the Escrow Agent in accordance with the terms of this Escrow Agreement shall be in writing and sent by first-class mail addressed as follows:

If to the District:	Independent School District No. 832 (Mahtomedi Public Schools) 1520 Mahtomedi Avenue Mahtomedi, MN 55115 Attention: Superintendent
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If to the Escrow Agent:	Zions Bancorporation, National Association 111 West Washington Street, Ste 1860 Chicago, IL 60602 Attn: Corporate Trust
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19. The District acknowledges that to the extent regulations of the Comptroller of the Currency or any other regulatory entity grant the District the right to receive brokerage confirmations of the security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the District with periodic cash transaction statements that include the detail for all investment transactions made by the Escrow Agent for all current and future accounts.

20. **IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT:** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust, or other legal entity the Escrow Agent will ask for documentation to verify its formation and existence as a legal entity. The Escrow Agent may also ask to see financial statements, licenses, and identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

IN WITNESS WHEREOF the parties hereto have caused this Refunding Escrow Agreement to be duly executed by their duly authorized officers, in counterparts, each of which is deemed to be an original agreement, as of the date and year first written above.

**INDEPENDENT SCHOOL DISTRICT NO. 832
(MAHTOMEDI PUBLIC SCHOOLS),
WASHINGTON COUNTY, MINNESOTA**

By _____
Its Board Chair

By _____
Its Clerk

(Refunding Escrow Agreement)
Independent School District No. 832 (Mahtomedi Public Schools)
Washington County, Minnesota
General Obligation School Building Bonds Series 2014A

Execution page of the Escrow Agent to the Refunding Escrow Agreement, dated as of the date and year first written above.

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION**

By _____

Its _____

(Refunding Escrow Agreement)
Independent School District No. 832 (Mahtomedi Public Schools)
Washington County, Minnesota
General Obligation School Building Bonds Series 2014A

EXHIBIT A

NOTICE OF CALL FOR REDEMPTION

\$38,930,000
INDEPENDENT SCHOOL DISTRICT NO. 832
(MAHTOMEDI PUBLIC SCHOOLS)
WASHINGTON COUNTY, MINNESOTA
GENERAL OBLIGATION SCHOOL BUILDING REFUNDING BONDS
SERIES 2014A

NOTICE IS HEREBY GIVEN that, by order of the School Board of Independent School District No. 832 (Mahtomedi Public Schools), Washington County, Minnesota (the “District”), there have been called for redemption and prepayment on

March 19, 2025

all outstanding bonds of the District designated as General Obligation School Building Refunding Bonds, Series 2014A, dated November 13, 2014, having stated maturity dates of February 1 in the years 2026 through 2031, both inclusive, totaling \$22,065,000 in principal amount, and with the following CUSIP numbers:

<u>Year of Maturity</u>	<u>Amount</u>	<u>CUSIP Number</u>	<u>Year of Maturity</u>	<u>Amount</u>	<u>CUSIP Number</u>
2026	\$3,240,000	560211 MG6	2029	\$3,760,000	560211 MK7
2027	\$3,405,000	560211 MH4	2030	\$3,945,000	560211 ML5
2028	\$3,575,000	560211 MJ0	2031	\$4,140,000	560211 MM3

The bonds are being called at a price of par plus accrued interest to March 19, 2025, on which date all interest on said bonds will cease to accrue. Holders of the bonds hereby called for redemption are requested to present their bonds for payment at the main office of Bond Trust Services Corporation, 3060 Centre Pointe Drive, Roseville, Minnesota 55113, on or before March 19, 2025.

Important Notice: In compliance with the Jobs and Growth Tax Relief Reconciliation Act of 2003, federal backup withholding tax will be withheld at the applicable backup withholding rate in effect at the time the payment by the redeeming institutions if they are not provided with your social security number or federal employer identification number, properly certified. This requirement is fulfilled by submitting a W-9 Form, which may be obtained at a bank or other financial institution.

Dated: February 12, 2025.

BY ORDER OF THE SCHOOL BOARD

By /s/
Clerk of the School Board
Independent School District No. 832 (Mahtomedi Public Schools), Washington County, Minnesota