

December 7, 2020

SALE DAY REPORT FOR:

City of Roseville, Minnesota

**\$7,340,000 General Obligation Bonds, Series
2020A**



Prepared by:

Ehlers
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Roseville, MN 55113

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BUILDING COMMUNITIES. IT'S WHAT WE DO.

COMPETITIVE SALE RESULTS

Purpose:	For the purposes of financing the City's 2020-2023 water utility system improvements and effecting a current refunding of the outstanding 20 general obligation of the City.
Rating:	S&P Global Ratings "AAA"
Number of Bids:	9
Low Bidder:	Baird, Milwaukee, Wisconsin

Comparison from Lowest to Highest Bid: (TIC as bid)

Low Bid	0.5679%
High Bid	0.7192%
Interest Difference	\$70,655

Summary of Sale Results:

Principal Amount*:	\$7,705,000
Underwriter's Discount:	\$38,048
Reoffering Premium:	\$450,536
True Interest Cost:	0.5738%
Capitalized Interest:	\$25,261
Costs of Issuance:	\$74,193
Yield:	0.21%-0.90%
Future Value Savings:	\$417,806
Present Value Savings:	\$410,031
Savings Percentage:	7.446%
Total Net P&I	\$7,933,124

Notes:	Subsequent to bid opening, the issue size was decreased by \$365,000 due to receipt of a premium bid and reduced COI
Closing Date:	December 30, 2020
City Council Action:	Adopt a resolution awarding the sale of \$7,340,000 General Obligation Bonds, Series 2020A

Supplementary Attachments

- | | |
|------------------|---|
| ✓ Bid Tabulation | ✓ Rating Report (Distributed by S & P to City) |
| ✓ Debt Schedules | ✓ Bond Resolution (Distributed in City Council Packets) |

BID TABULATION

\$7,705,000* General Obligation Bonds, Series 2020A

City of Roseville, Minnesota

SALE: December 7, 2020

AWARD: BAIRD

Rating: S&P Global Ratings "AAA"

Tax Exempt - Bank Qualified

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
BAIRD				\$8,135,652.85	\$209,386.59	0.5679%
Milwaukee, Wisconsin	2022	2.000%	0.210%			
C.L. King & Associates	2023	2.000%	0.230%			
Colliers Securities LLC	2024	2.000%	0.240%			
Edward Jones	2025	2.000%	0.260%			
Fidelity Capital Markets	2026	2.000%	0.320%			
Crews & Associates, Inc.	2027	2.000%	0.410%			
Davenport & Co. L.L.C.	2028	2.000%	0.530%			
Duncan-Williams, Inc.	2029	1.000%	0.700%			
Loop Capital Markets	2030	1.000%	0.800%			
Bernardi Securities, Inc.	2031	1.000%	0.900%			
Country Club Bank						
Oppenheimer & Co.						
SumRidge Partners						
Sierra Pacific Securities						
Isaak Bond Investments, Inc						
UMB Bank,N.A.						
Wintrust Investments, LLC						
FMS Bonds Inc.						
First Kentucky Securities Corp.						
BNYMellon Capital Markets						
Midland Securities						
Multi-Bank Securities Inc.						
First Southern LLC						
Dinosaur Securities						
First Bankers' Banc Securities, Inc.						
Mountainside Securities LLC						
StoneX Financial Inc.						
Valdes and Moreno						
Commerce Bank, N.A.						

* Subsequent to bid opening the issue size was decreased to \$7,340,000.

Adjusted Price - \$7,752,487.69

Adjusted Net Interest Cost - \$205,897.31

Adjusted TIC - 0.5738%

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
NORTHLAND SECURITIES, INC. Minneapolis, Minnesota				\$8,131,420.95	\$213,618.49	0.5796%
HUNTINGTON SECURITIES, INC Chicago, Illinois				\$9,164,255.90	\$248,588.13	0.6186%
FHN FINANCIAL CAPITAL MARKETS Memphis, Tennessee				\$8,116,019.61	\$229,019.83	0.6222%
UNITED BANKERS' BANK Bloomington, Minnesota				\$7,832,218.85	\$228,716.01	0.6352%
HILLTOP SECURITIES Dallas, Texas				\$8,454,128.94	\$246,845.37	0.6514%
PIPER SANDLER & CO. Minneapolis, Minnesota				\$8,105,220.60	\$239,818.84	0.6522%
BOK FINANCIAL SECURITIES, INC. Milwaukee, Wisconsin				\$8,102,302.70	\$244,073.15	0.6639%
MORGAN STANLEY & CO, LLC New York, New York				\$8,776,867.55	\$280,041.62	0.7192%

City of Roseville, MN

\$7,340,000 General Obligation Bonds, Series 2020A Issue Summary

Total Issue Sources And Uses

Dated 12/30/2020 | Delivered 12/30/2020

	Water Revenue	Current Refund 2011A Fire Station	Current Refund 2011A Parks	Issue Summary
Sources Of Funds				
Par Amount of Bonds	\$2,565,000.00	\$3,980,000.00	\$795,000.00	\$7,340,000.00
Reoffering Premium	128,931.45	267,996.85	53,607.35	450,535.65
Total Sources	\$2,693,931.45	\$4,247,996.85	\$848,607.35	\$7,790,535.65
Uses Of Funds				
Total Underwriter's Discount (0.518%)	13,296.05	20,630.91	4,121.00	38,047.96
Costs of Issuance	22,340.71	42,365.94	9,486.35	74,193.00
Deposit to Capitalized Interest (CIF) Fund	25,261.39	-	-	25,261.39
Deposit to Project Construction Fund	2,633,033.30	-	-	2,633,033.30
Deposit to Current Refunding Fund	-	4,185,000.00	835,000.00	5,020,000.00
Total Uses	\$2,693,931.45	\$4,247,996.85	\$848,607.35	\$7,790,535.65

City of Roseville, MN

\$7,340,000 General Obligation Bonds, Series 2020A Issue Summary

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/30/2020	-	-	-	-	-
08/01/2021	-	-	81,235.00	81,235.00	-
02/01/2022	865,000.00	2.000%	69,300.00	934,300.00	1,015,535.00
08/01/2022	-	-	60,650.00	60,650.00	-
02/01/2023	900,000.00	2.000%	60,650.00	960,650.00	1,021,300.00
08/01/2023	-	-	51,650.00	51,650.00	-
02/01/2024	910,000.00	2.000%	51,650.00	961,650.00	1,013,300.00
08/01/2024	-	-	42,550.00	42,550.00	-
02/01/2025	935,000.00	2.000%	42,550.00	977,550.00	1,020,100.00
08/01/2025	-	-	33,200.00	33,200.00	-
02/01/2026	950,000.00	2.000%	33,200.00	983,200.00	1,016,400.00
08/01/2026	-	-	23,700.00	23,700.00	-
02/01/2027	975,000.00	2.000%	23,700.00	998,700.00	1,022,400.00
08/01/2027	-	-	13,950.00	13,950.00	-
02/01/2028	985,000.00	2.000%	13,950.00	998,950.00	1,012,900.00
08/01/2028	-	-	4,100.00	4,100.00	-
02/01/2029	270,000.00	1.000%	4,100.00	274,100.00	278,200.00
08/01/2029	-	-	2,750.00	2,750.00	-
02/01/2030	275,000.00	1.000%	2,750.00	277,750.00	280,500.00
08/01/2030	-	-	1,375.00	1,375.00	-
02/01/2031	275,000.00	1.000%	1,375.00	276,375.00	277,750.00
Total	\$7,340,000.00	-	\$618,385.00	\$7,958,385.00	-

Yield Statistics

Bond Year Dollars	\$34,647.06
Average Life	4.720 Years
Average Coupon	1.7848126%
Net Interest Cost (NIC)	0.5942707%
True Interest Cost (TIC)	0.5738806%
Bond Yield for Arbitrage Purposes	0.4622900%
All Inclusive Cost (AIC)	0.7859269%

IRS Form 8038

Net Interest Cost	0.4543468%
Weighted Average Maturity	4.742 Years

City of Roseville, MN

\$4,775,000 General Obligation Bonds, Series 2020A Issue Summary

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
03/01/2021	-	-	-	-
03/01/2022	738,723.61	738,723.61	796,982.50	58,258.89
03/01/2023	742,800.00	742,800.00	802,685.00	59,885.00
03/01/2024	734,600.00	734,600.00	796,930.00	62,330.00
03/01/2025	741,300.00	741,300.00	799,555.00	58,255.00
03/01/2026	737,600.00	737,600.00	795,607.50	58,007.50
03/01/2027	743,700.00	743,700.00	800,532.50	56,832.50
03/01/2028	734,400.00	734,400.00	798,637.50	64,237.50
Total	\$5,173,123.61	\$5,173,123.61	\$5,590,930.00	\$417,806.39

PV Analysis Summary (Net to Net)

Net PV Cashflow Savings @ 0.368%(Bond Yield).....	410,030.68
Net Present Value Benefit	\$410,030.68
Net PV Benefit / \$5,506,634.88 PV Refunded Debt Service	7.446%
Net PV Benefit / \$5,020,000 Refunded Principal...	8.168%
Net PV Benefit / \$4,775,000 Refunding Principal..	8.587%

Refunding Bond Information

Refunding Dated Date	12/30/2020
Refunding Delivery Date	12/30/2020

City of Roseville, MN

\$7,340,000 General Obligation Bonds, Series 2020A Issue Summary

Detail Costs Of Issuance

Dated 12/30/2020 | Delivered 12/30/2020

COSTS OF ISSUANCE DETAIL

Municipal Advisor	\$40,200.00
Bond Counsel (Taft Stettinius & Hollister)	\$17,500.00
Rating Agency Fee (S&P)	\$15,500.00
Paying Agent (Bond Trust Services)	\$728.00
Ramsey County Fee	\$265.00
TOTAL	\$74,193.00

EXTRACT OF MINUTES OF A MEETING
OF THE CITY COUNCIL
CITY OF ROSEVILLE, MINNESOTA

HELD: December 7, 2020

Pursuant to due call, a regular or special meeting of the City Council of the City of Roseville, Ramsey County, Minnesota, was duly held at the City Hall on December 7, 2020, at 6:00 P.M., for the purpose, in part, of authorizing the issuance and awarding the sale of ~~\$7,705,000~~ \$7,340,000 General Obligation Bonds, Series 2020A.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. _____

RESOLUTION PROVIDING FOR THE ISSUANCE AND AWARDING THE
SALE OF ~~\$7,705,000~~ \$7,340,000 GENERAL OBLIGATION BONDS, SERIES
2020A, PLEDGING FOR THE SECURITY THEREOF NET REVENUES AND
LEVYING A TAX FOR THE PAYMENT THEREOF

A. WHEREAS, the City Council of the City of Roseville, Minnesota (the "City") has heretofore determined and declared that it is necessary and expedient to issue \$7,705,000 General Obligation Bonds, Series 2020A for (the "Bonds" or individually, a "Bond"), pursuant to Minnesota Statutes, Chapters 475; and

B. Section 444.075 to finance improvements to the municipal water system (the "Water Improvements");

C. Section 469.060 to current refund on March 1, 2021 (the "Call Date") the City's General Obligation Bonds, Series 2011A, in the original principal amount of \$10,000,000, dated December 1, 2011 (the "Prior Bonds"), and;

D. WHEREAS, the City owns and operates a municipal water utility system (the "Water System") as a separate revenue producing public utility; and

E. WHEREAS, there are currently no bonds outstanding payable from the net revenues of the Water System; and

F. WHEREAS, the City is exercising its powers as a port authority pursuant to the Laws of Minnesota 1987, Chapter 257, Section 3, has heretofore established Redevelopment Project Area and Industrial Development District No. 1 (the "Project Area") pursuant to the provisions of Minnesota Statutes, Sections 469.001 through 469.047 and 469.058; and

G. WHEREAS, the City, exercising its port authority powers, hereby determines and declares that it is necessary and expedient to issue the Refunding Portion of the Bonds (hereinafter defined), pursuant to Minnesota Statutes, Section 469.060 and Chapter 475 to refinance public safety facilities and park system improvements within the Project Area; and

H. WHEREAS, the City has, by its Ordinance No. 1593, adopted November 30, 2020, agreed to pledge its full faith and credit towards the payment of the Refunding Portion of the Bonds (hereinafter defined) to be issued pursuant to this resolution, as required under the provisions of Minnesota Statutes, Section 469.060; and

I. WHEREAS, \$5,020,000 aggregate principal amount of the Prior Bonds which mature or are subject to mandatory redemption on and after March 1, 2022 (the "Refunded Bonds"), are callable on the Call Date, at a price of par plus accrued interest, as provided in the Resolution adopted by the City Council on December 12, 2011, authorizing the issuance of the Prior Bonds (the "Prior Resolution"); and

J. WHEREAS, the refunding of the Refunded Bonds on the Call Date is consistent with covenants made with the holders thereof, and is necessary and desirable for the reduction of debt service cost to the City; and

K. WHEREAS, the City has retained Ehlers and Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent municipal advisor for the sale of the Bonds and was therefore authorized to sell the Bonds by private negotiation in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9) and proposals to purchase the Bonds have been solicited by Ehlers; and

L. WHEREAS, the proposals set forth on Exhibit A attached hereto were received by the Manager, or designee, at the offices of Ehlers at 10:00 A.M. this same day pursuant to the Preliminary Official Statement for the Bonds, dated November 25, 2020; and

M. WHEREAS, it is in the best interests of the City that the Bonds be issued in book-entry form as hereafter provided.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Roseville, Minnesota, as follows:

1. Acceptance of Proposal. The proposal of _____ (the "Purchaser"), to purchase the Bonds in accordance with the Preliminary Official Statement, at the rates of interest hereinafter set forth, and to pay therefor the sum of \$_____, plus interest accrued to settlement, is hereby found, determined and declared to be the most favorable proposal received and is hereby accepted and the Bonds are hereby awarded to the Purchaser. The Finance Director is directed to retain the deposit of the Purchaser and to return to the unsuccessful bidders any good faith checks or drafts.

2. Bond Terms.

(a) Original Issue Date; Denominations; Maturities; Term Bond Option. The Bonds shall be dated December 30, 2020, as the date of original issue, be issued forthwith on or after

such date in fully registered form, be numbered from R-1 upward in the denomination of \$5,000 each or in any integral multiple thereof of a single maturity (the "Authorized Denominations") and mature on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2022		2027	
2023		2028	
2024		2029	
2025		2030	
2026		2031	

As may be requested by the Purchaser, one or more term Bonds may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bond(s).

(b) Allocation. The aggregate principal amount of \$_____ maturing in each of the years and amounts hereinafter set forth are issued to finance the Water Improvements (the "Water Revenue Portion"); the aggregate principal amount of \$_____ maturing in each of the years and amounts hereinafter set forth are issued to finance the refunding of the Refunded Bonds (the "Refunding Portion"):

<u>Year</u>	<u>Water Revenue Portion</u>	<u>Refunding Portion</u>	<u>Total</u>
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			

If Bonds are prepaid, the prepayments shall be allocated to the portions of debt service (and hence allocated to the payment of Bonds treated as relating to a particular portion of debt service) as provided in this paragraph. If the source of prepayment moneys is the general fund of the City, or other generally available source, including the levy of taxes, the prepayment may be allocated to the portions of debt service in such amounts as the City shall determine. If the source of a prepayment is excess net revenues of the Water System pledged to the Water Improvements, the prepayment shall be allocated to the Water Revenue Portion of debt service.

(c) Book Entry Only System. The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York or any of its successors or its

successors to its functions hereunder (the "Depository") will act as securities depository for the Bonds, and to this end:

- (i) The Bonds shall be initially issued and, so long as they remain in book entry form only (the "Book Entry Only Period"), shall at all times be in the form of a separate single fully registered Bond for each maturity of the Bonds; and for purposes of complying with this requirement under paragraphs 5 and 10 Authorized Denominations for any Bond shall be deemed to be limited during the Book Entry Only Period to the outstanding principal amount of that Bond.
- (ii) Upon initial issuance, ownership of the Bonds shall be registered in a bond register maintained by the Bond Registrar (as hereinafter defined) in the name of CEDE & CO, as the nominee (it or any nominee of the existing or a successor Depository, the "Nominee").
- (iii) With respect to the Bonds neither the City nor the Bond Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Bonds as securities depository (the "Participant") or the person for which a Participant holds an interest in the Bonds shown on the books and records of the Participant (the "Beneficial Owner"). Without limiting the immediately preceding sentence, neither the City, nor the Bond Registrar, shall have any such responsibility or obligation with respect to (A) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in the Bonds, or (B) the delivery to any Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the principal of or premium, if any, or interest on the Bonds, or (D) the consent given or other action taken by the Depository as the Registered Holder of any Bonds (the "Holder"). For purposes of securing the vote or consent of any Holder under this Resolution, the City may, however, rely upon an omnibus proxy under which the Depository assigns its consenting or voting rights to certain Participants to whose accounts the Bonds are credited on the record date identified in a listing attached to the omnibus proxy.
- (iv) The City and the Bond Registrar may treat as and deem the Depository to be the absolute owner of the Bonds for the purpose of payment of the principal of and premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to the Bonds, for the purpose of obtaining any consent or other action to be taken by Holders for the purpose of registering transfers with respect to such Bonds, and for all purpose whatsoever. The Bond Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Bonds only to the Holder or the Holders of the Bonds as shown on the bond register, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the

principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.

- (v) Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in paragraph 10, references to the Nominee hereunder shall refer to such new Nominee.
 - (vi) So long as any Bond is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, by the Bond Registrar or City, as the case may be, to the Depository as provided in the Letter of Representations to the Depository required by the Depository as a condition to its acting as book-entry Depository for the Bonds (said Letter of Representations, together with any replacement thereof or amendment or substitute thereto, including any standard procedures or policies referenced therein or applicable thereto respecting the procedures and other matters relating to the Depository's role as book-entry Depository for the Bonds, collectively hereinafter referred to as the "Letter of Representations").
 - (vii) All transfers of beneficial ownership interests in each Bond issued in book-entry form shall be limited in principal amount to Authorized Denominations and shall be effected by procedures by the Depository with the Participants for recording and transferring the ownership of beneficial interests in such Bonds.
 - (viii) In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or Bond Registrar with respect to any consent or other action to be taken by Holders, the Depository shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the City or the Bond Registrar may establish a special record date for such consent or other action. The City or the Bond Registrar shall, to the extent possible, give the Depository notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.
 - (ix) Any successor Bond Registrar in its written acceptance of its duties under this Resolution and any paying agency/bond registrar agreement, shall agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.
- (d) Termination of Book-Entry Only System. Discontinuance of a particular Depository's services and termination of the book-entry only system may be effected as follows:
- (i) The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Bond if it determines

that the Depository is no longer able to carry out its functions as securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.

- (ii) Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository is willing to undertake the functions of the Depository hereunder can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Bond that the Beneficial Owners be able to obtain certificates for the Bonds, the Bonds shall no longer be registered as being registered in the bond register in the name of the Nominee, but may be registered in whatever name or names the Holder of the Bonds shall designate at that time, in accordance with paragraph 10. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 10, the Bonds will be delivered to the Beneficial Owners.

- (iii) Nothing in this subparagraph (d) shall limit or restrict the provisions of paragraph 10.

(e) Letter of Representations. The provisions in the Letter of Representations are incorporated herein by reference and made a part of the resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Letter of Representations shall control.

3. Purpose; Findings. The Bonds shall provide funds to finance Water Improvements (the "Project"), and to current refund the Refunded Bonds (the "Refunding"). The total cost of the Project, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Water Revenue Portion of the Bonds. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained. It is hereby found, determined and declared that the Refunding is pursuant to Minnesota Statutes, Section 475.67, and shall result in a reduction of debt service cost to the City.

4. Interest. The Bonds shall bear interest payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2021, calculated on the basis of a 360-day year of twelve 30-day months, at the respective rates per annum set forth opposite the maturity years as follows:

<u>Maturity Year</u>	<u>Interest Rate</u>	<u>Maturity Year</u>	<u>Interest Rate</u>
2022		2027	
2023		2028	
2024		2029	
2025		2030	
2026		2031	

5. Redemption. All Bonds maturing on February 1, 2029, and thereafter, are subject to redemption on February 1, 2028, and on any date thereafter at the option of the City at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the City; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds not more than sixty (60) days and not fewer than thirty (30) days prior to the date fixed for redemption.

To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar prior to giving notice of redemption shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers so assigned to such Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the City or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the City and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the City shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

6. Bond Registrar. Bond Trust Services Corporation, in Roseville, Minnesota, is appointed to act as bond registrar and transfer agent with respect to the Bonds (the "Bond Registrar"), and shall do so unless and until a successor Bond Registrar is duly appointed, all pursuant to any contract the City and Bond Registrar shall execute which is consistent herewith. The Bond Registrar shall also serve as paying agent unless and until a successor paying agent is duly appointed. Principal and interest on the Bonds shall be paid to the registered holders (or record holders) of the Bonds in the manner set forth in the form of Bond and in paragraph 12.

7. Form of Bond. The Bonds, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereon, shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
RAMSEY COUNTY
CITY OF ROSEVILLE

R-_____ \$ _____

GENERAL OBLIGATION BOND, SERIES 2020A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	February 1, ____	December 30, 2020	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City of Roseville, Ramsey County, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, unless called for earlier redemption, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2021, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal office of Bond Trust Services Corporation, in Roseville, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Bondholders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America. So long as this Bond is registered in the name of the Depository or its Nominee as provided in the Resolution hereinafter described, and as those terms are defined therein, payment of principal of, premium, if any, and interest on this Bond and notice with respect thereto shall be made as

provided in the Letter of Representations, as defined in the Resolution, and surrender of this Bond shall not be required for payment of the redemption price upon a partial redemption of this Bond. Until termination of the book-entry only system pursuant to the Resolution, Bonds may only be registered in the name of the Depository or its Nominee.

Optional Redemption. The Bonds of this issue (the "Bonds") maturing on February 1, 2029, and thereafter, are subject to redemption and prepayment at the option of the Issuer on February 1, 2028, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the Issuer; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered holder of the Bonds not more than sixty (60) days and not fewer than thirty (30) days prior to the date fixed for redemption.

Prior to the date on which any Bond or Bonds are directed by the Issuer to be redeemed in advance of maturity, the Issuer will cause notice of the call thereof for redemption identifying the Bonds to be redeemed to be mailed to the Bond Registrar and all Bondholders, at the addresses shown on the Bond Register. All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption have been duly deposited.

Selection of Bonds for Redemption; Partial Redemption. To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to the Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of the Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

Issuance; Purpose; General Obligation. This Bond is one of an issue in the total principal amount of \$7,705,000, all of like date of original issue and tenor, except as to number, maturity, interest rate, denomination and redemption privilege, issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by

the City Council on December 7, 2020 (the "Resolution"), for the purpose of providing money to finance improvements to the municipal water utility system within the jurisdiction of the Issuer (the "Water System") and for a current refunding of certain outstanding general obligation bonds of the Issuer. This Bond is payable out of the General Obligation Bonds, Series 2020A Fund of the Issuer. This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Denominations; Exchange; Resolution. The Bonds are issuable solely in fully registered form in Authorized Denominations (as defined in the Resolution) and are exchangeable for fully registered Bonds of other Authorized Denominations in equal aggregate principal amounts at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

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

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

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

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

Qualified Tax-Exempt Obligation. This Bond has been designated by the Issuer as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be

performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law; that the Issuer has covenanted and agreed with the Holders of the Bonds that it will impose and collect charges for the service, use and availability of its Water System at the times and in amounts necessary to produce net revenues, together with other sums pledged to the payment of the Water Revenue Portion of the Bonds, as defined in the Resolution, adequate to pay all principal and interest when due on the Water Revenue Portion of the Bonds; and that the Issuer will levy a direct, annual, irrevocable ad valorem tax upon all of the taxable property of the Issuer, without limitation as to rate or amount, for the years and in amounts sufficient to pay the principal and interest on Water Revenue Portion of the Bonds as they respectively become due, if the net revenues from the Water System, and any other sums irrevocably appropriated to the Debt Service Account are insufficient therefor; and that this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Roseville, Ramsey County, Minnesota, by its City Council has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and its Manager, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

Registrable by: BOND TRUST SERVICES
CORPORATION

Payable at: BOND TRUST SERVICES
CORPORATION

BOND REGISTRAR'S
CERTIFICATE OF
AUTHENTICATION

CITY OF ROSEVILLE,
RAMSEY COUNTY, MINNESOTA

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

/s/ Facsimile
Mayor

Bond Trust Services Corporation
Roseville, Minnesota
Bond Registrar

/s/ Facsimile
Manager

By: _____
Authorized Signature

ABBREVIATIONS

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

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UTMA - _____ as custodian for _____

(Cust)

(Minor)

under the _____ Uniform

(State)

Transfers to Minors Act

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

ASSIGNMENT

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

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

Signature Guaranteed:

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution" as defined in 17 CFR 240.17 Ad-15(a)(2).

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

Name and Address: _____

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

8. Execution. The Bonds shall be in typewritten form, shall be executed on behalf of the City by the signatures of its Mayor and Manager and be sealed with the seal of the City; provided, as permitted by law, both signatures may be photocopied facsimiles and the corporate seal has been omitted. In the event of disability or resignation or other absence of either officer, the Bonds may be signed by the manual or facsimile signature of the officer who may act on behalf of the absent or disabled officer. In case either officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, the signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

9. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on the Bond, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of registration in the space provided the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue of December 30, 2020. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

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

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration (as provided in paragraph 9) of, and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

At the option of the Holder, Bonds may be exchanged for Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration of, and deliver the Bonds which the Holder making the exchange is entitled to receive.

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

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the City evidencing the same debt, and entitled to the same benefits under this resolution, as the Bonds surrendered for such exchange or transfer.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the Holder thereof or the Holder's attorney duly authorized in writing

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

Transfers shall also be subject to reasonable regulations of the City contained in any agreement with the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The Finance Director is hereby authorized to negotiate and execute the terms of said agreement.

11. Rights Upon Transfer or Exchange. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

12. Interest Payment; Record Date. Interest on any Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the City maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten days prior to the Special Record Date.

13. Treatment of Registered Owner. The City and Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in paragraph 12) on, such Bond and for all other purposes whatsoever whether or not such Bond shall be overdue, and neither the City nor the Bond Registrar shall be affected by notice to the contrary.

14. Delivery; Application of Proceeds. The Bonds when so prepared and executed shall be delivered by the Finance Director to the Purchaser upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

15. Fund and Accounts. There is hereby created a special fund to be designated the "General Obligation Bonds, Series 2020A Fund" (the "Fund") to be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall be maintained in the

manner herein specified until all of the Bonds and the interest thereon have been fully paid. The Operation and Maintenance Account heretofore established by the City for the Water System shall continue to be maintained in the manner heretofore provided by the City. All moneys remaining after paying or providing for the items set forth in the resolution establishing the Operation and Maintenance Account shall constitute and are referred to as "net revenues" until the Water Revenue Portion of the Bonds have been paid. There shall be maintained in the Fund the following separate accounts to which shall be credited and debited all income and disbursements of the Water System as hereinafter set forth. The Finance Director of the City and all officials and employees concerned therewith shall establish and maintain financial records of the receipts and disbursements of the Water System in accordance with this resolution. In such records there shall be established accounts or accounts shall continue to be maintained as the case may be, of the Fund for the purposes and in the amounts as follows:

(a) Construction Account. To the Construction Account there shall be credited the proceeds of the sale of the Water Revenue Portion of the Bonds, less capitalized interest. From the Construction Account there shall be paid all costs and expenses of the Project, including the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65. Any balance remaining in the fund after completion of the costs shall be transferred to the Debt Service Account.

(b) Payment Account. To the Payment Account there shall be credited the proceeds of the sale of the Refunding Portion of the Bonds. On or prior to the Call Date, the Finance Director shall transfer \$ _____ of the proceeds of the Refunding Portion of the Bonds from the Payment Account to the paying agent for the Prior Bonds, which sums are sufficient, together with other funds on deposit in debt service funds for the Refunded Bonds, to pay the principal and interest due on the Refunded Bonds due after the Call Date, including the principal of the Refunded Bonds called for redemption on the Call Date. The remainder of the monies in the Payment Account shall be used to pay the costs of issuance of the Refunding Portion of the Bonds. Any monies remaining in the Payment Account after payment of all costs of issuance and payment of the Refunded Bonds shall be transferred to the Debt Service Account.

(c) Debt Service Account. There shall be maintained two separate subaccounts in the Debt Service Account to be designated the "Water Improvements Debt Service Subaccount" and the "Refunding Debt Service Subaccount." There are hereby irrevocably appropriated and pledged to, and there shall be credited to the separate subaccounts of the Debt Service Account:

(i) Water Improvements Debt Service Subaccount. To the Water Improvements Debt Service Subaccount there shall be credited: (1) the net revenues of the Water System not otherwise pledged and applied to the payment of other obligations of the City, in an amount, together with other funds which may herein or hereafter from time to time be irrevocably appropriated to the Water Improvements Debt Service Subaccount, sufficient to meet the requirements of Minnesota Statutes, Section 475.61 for the payment of the principal and interest of the Water Revenue Portion of the Bonds; (2) capitalized interest in the amount of \$ _____ (together with interest earnings thereon and subject to such other adjustments as are appropriate to provide sufficient funds to pay interest on the Water Revenue Portion of the Bonds on or before _____); (3) any

collections of all taxes which may hereafter be levied in the event that the net revenues of the Water System and other funds herein pledged to the payment of the principal and interest on the Water Revenue Portion of the Bonds are insufficient therefore; (4) all funds remaining in the Construction Account after completion of the Project and payment of the costs thereof; (5) all investment earnings on funds held in the Water Improvements Debt Service Subaccount; and (6) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Water Improvements Debt Service Subaccount. The Water Improvements Debt Service Subaccount shall be used solely to pay the principal and interest and any premium for redemption of the Water Revenue Portion of the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from said subaccount as provided by law.

- (ii) Refunding Debt Service Subaccount. To the Refunding Debt Service Account there is hereby pledged and irrevocable appropriated and there shall be credited: (1) any balance remaining after the Call Date in the Prior Bonds Debt Service Account established by the Prior Resolution; (2) any collections of all taxes heretofore levied for the payment of the Prior Bonds and interest thereon which are not needed to pay Refunding Portion of the Bonds as a result of the Refunding; (3) all investment earnings on funds in the Refunding Debt Service Subaccount; (4) any taxes herein or hereafter levied for the payment of the Refunding Portion of the Bonds; (5) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Refunding Debt Service Subaccount. The amount of any surplus remaining in the Refunding Debt Service Subaccount when the Refunding Portion of the Bonds and interest thereon are paid shall be used consistent with Minnesota Statutes, Section 475.61, Subdivision 4.

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

16. Covenants Relating to the Water Revenue Portion of the Bonds.

(a) Sufficiency of Net Revenues; Coverage Test. It is hereby found, determined and declared that the net revenues of the Water System are sufficient in amount to pay when due the principal and interest on the Water Revenue Portion of the Bonds and a sum at least five percent in excess thereof. The net revenues of the Water System are hereby pledged for the payment of the Water Revenue Portion of the Bonds and shall be applied for that purpose, but solely to the extent required to meet the principal and interest requirements of the Bonds as the same become due.

Nothing contained herein shall be deemed to preclude the City from making further pledges and appropriations of the net revenues of the Water System for the payment of other or additional obligations of the City, provided that it has first been determined by the City Council that the estimated net revenues of the Water System will be sufficient in addition to all other sources, for the payment of the Water Revenue Portion of the Bonds and such additional obligations and any such pledge and appropriation of the net revenues of the Water System may be made superior or subordinate to, or on a parity with the pledge and appropriation herein.

(b) Excess Net Revenues. Net revenues in excess of those required for the foregoing may be used for any proper purpose.

(c) Covenant to Maintain Rates and Charges. In accordance with Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the Holders of the Bonds that it will impose and collect charges for the service, use, availability and connection to the Water System at the times and in the amounts required to produce net revenues adequate to pay all principal and interest when due on the Water Revenue Portion of the Bonds. Minnesota Statutes, Section 444.075, Subdivision 2, provides as follows: "Real estate tax revenues should be used only, and then on a temporary basis, to pay general or special obligations when the other revenues are insufficient to meet the obligations."

17. Covenants Relating to the Refunding Portion of the Bonds.

(a) Tax Levy. To provide moneys for payment of the principal and interest on the Refunding Portion of the Bonds there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
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See Attached Schedule in Exhibit B

(b) Coverage Test. The tax levies are such that if collected in full they, together with any other revenues herein pledged for the payment of the Refunding Portion of the Bonds, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Refunding Portion of the Bonds. The tax levies shall be irrevocable so long as any of the Refunding Portion of the Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

(c) Cancellation of Certain Tax Levies. Upon payment of the Prior Bonds, the uncollected taxes levied in the Prior Resolution authorizing the issuance of the Prior Bonds which are not needed to pay the Prior Bonds as a result of the Refunding shall be canceled.

18. General Obligation Pledge. For the prompt and full payment of the principal and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, and such other funds may be reimbursed with or without interest from the Debt Service Account when a sufficient balance is available therein.

19. Prior Bonds; Security and Prepayment. Until retirement of the Prior Bonds, all provisions for the security thereof shall be observed by the City and all of its officers and agents. The Refunded Bonds shall be redeemed and prepaid on the Call Date in accordance with the terms and conditions set forth in the Notice of Call for Redemption attached hereto as Exhibit C, which terms and conditions are hereby approved and incorporated herein by reference.

20. Supplemental Resolution. The Prior Resolutions authorizing the issuance of the Prior Bonds are hereby supplemented to the extent necessary to give effect to the provisions hereof.

21. Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The City may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond 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 Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City 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 Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The City 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 suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

22. Compliance With Reimbursement Bond Regulations. The provisions of this paragraph are intended to establish and provide for the City's compliance with United States Treasury Regulations Section 1.150-2 (the "Reimbursement Regulations") applicable to the "reimbursement proceeds" of the Water Revenue Portion of the Bonds, being those portions

thereof which will be used by the City to reimburse itself for any expenditure which the City paid or will have paid prior to the Closing Date (a "Reimbursement Expenditure").

The City hereby certifies and/or covenants as follows:

(a) Not later than sixty days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City's official intent (a "Declaration") which effectively (i) states the City's reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which the Reimbursement Expenditure was to be paid (collectively the "Project"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Project; provided, however, that no such Declaration shall necessarily have been made with respect to: (i) "preliminary expenditures" for the Project, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar preliminary costs, which in the aggregate do not exceed twenty percent of the "issue price" of the Water Revenue Portion of the Bonds, and (ii) a *de minimis* amount of Reimbursement Expenditures not in excess of the lesser of \$100,000 or five percent of the proceeds of the Water Revenue Portion of the Bonds.

(b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Water Revenue Portion of the Bonds or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Reimbursement Regulations.

(c) The "reimbursement allocation" described in the Reimbursement Regulations for each Reimbursement Expenditure shall and will be made forthwith following (but not prior to) the issuance of the Water Revenue Portion of the Bonds, and not later than 18 months after the later of (i) the date of the payment of the Reimbursement Expenditure, or (ii) the date on which the Project to which the Reimbursement Expenditure relates is first placed in service, but in no event more than three years after the date of payment of the Reimbursement Expenditure.

(d) Each such reimbursement allocation will be made in a writing that evidences the City's use of Bond proceeds to reimburse the Reimbursement Expenditure and, if made within 30 days after the Water Revenue Portion of the Bonds are issued, shall be treated as made on the day the Water Revenue Portion of the Bonds are issued.

Provided, however, that the City may take action contrary to any of the foregoing covenants in this paragraph upon receipt of an opinion of its Bond Counsel for the Water Revenue Portion of the Bonds stating in effect that such action will not impair the tax-exempt status of the Water Revenue Portion of the Bonds.

23. Continuing Disclosure. The City is the sole obligated person with respect to the Bonds. The City hereby agrees, in accordance with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the

Securities Exchange Act of 1934, as amended, and a Continuing Disclosure Undertaking (the "Undertaking") hereinafter described to:

(a) Provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") by filing at www.emma.msrb.org in accordance with the Rule, certain annual financial information and operating data in accordance with the Undertaking. The City reserves the right to modify from time to time the terms of the Undertaking as provided therein.

(b) Provide or cause to be provided to the MSRB notice of the occurrence of certain events with respect to the Bonds in not more than ten (10) business days after the occurrence of the event, in accordance with the Undertaking.

(c) Provide or cause to be provided to the MSRB notice of a failure by the City to provide the annual financial information with respect to the City described in the Undertaking, in not more than ten (10) business days following such occurrence.

(d) The City agrees that its covenants pursuant to the Rule set forth in this paragraph and in the Undertaking is intended to be for the benefit of the Holders of the Bonds and shall be enforceable on behalf of such Holders; provided that the right to enforce the provisions of these covenants shall be limited to a right to obtain specific enforcement of the City's obligations under the covenants.

The Mayor and Manager of the City, or any other officer of the City authorized to act in their place (the "Officers") are hereby authorized and directed to execute on behalf of the City the Undertaking in substantially the form presented to the City Council subject to such modifications thereof or additions thereto as are (i) consistent with the requirements under the Rule, (ii) required by the Purchaser of the Bonds, and (iii) acceptable to the Officers.

24. Certificate of Registration. A certified copy of this resolution is hereby directed to be filed with the County Auditor of Ramsey County, Minnesota, together with such other information as the County Auditor shall require, and there shall be obtained from the County Auditor a certificate that the Bonds have been entered in the County Auditor's Bond Register and the tax levy required by law has been made.

25. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the issuance of the Bonds, certified copies of all proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Bonds as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

26. Negative Covenant as to Use of Bond Proceeds and Project. The City hereby covenants not to use the proceeds of the Bonds or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Project, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

27. Tax-Exempt Status of the Bonds; Rebate.

(a) Allocation to the Water Revenue Portion of the Bonds. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Water Revenue Portion of the Bonds, including without limitation (i) requirements relating to temporary periods for investments, (ii) limitations on amounts invested at a yield greater than the yield on the Water Revenue Portion of the Bonds, and (iii) the rebate of excess investment earnings to the United States. The City expects to satisfy the 24-month exemption for gross proceeds of the Water Revenue Portion of the Bonds as provided in Section 1.148-7(e) of the Regulations. The Mayor and/or Manager and/or Finance Director are hereby authorized and directed to make such elections as to arbitrage and rebate matters relating to the Water Revenue Portion of the Bonds as they deem necessary, appropriate or desirable in connection with the Water Revenue Portion of the Bonds, and all such elections shall be, and shall be deemed and treated as, elections of the City.

(b) Allocation to the Refunding Portion of the Bonds. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Refunding Portion of the Bonds, including without limitation (i) requirements relating to temporary periods for investments, (ii) limitations on amounts invested at a yield greater than the yield on the Refunding Portion of the Bonds, and (iii) the rebate of excess investment earnings to the United States. The City expects to satisfy the six-month expenditure exemption from gross proceeds of the Refunding Portion of the Bonds as provided in Section 1.148-7(c) of the Regulations. The Mayor and/or Manager and/or Finance Director are hereby authorized and directed to make such elections as to arbitrage and rebate matters relating to the Refunding Portion of the Bonds as they deem necessary, appropriate or desirable in connection with the Bonds, and all such elections shall be, and shall be deemed and treated as, elections of the City.

28. Designation of Qualified Tax-Exempt Obligations. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the City hereby makes the following factual statements and representations:

- (a) the Bonds are issued after August 7, 1986;
- (b) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- (c) the City hereby designates the Bonds as "qualified tax exempt obligations" for purposes of Section 265(b)(3) of the Code;
- (d) the reasonably anticipated amount of tax exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2020 will not exceed \$10,000,000;
- (e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2020 have been designated for purposes of Section 265(b)(3) of the Code; and

- (f) the aggregate face amount of the Bonds does not exceed \$10,000,000.

The City shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this paragraph.

29. Official Statement. The Official Statement relating to the Bonds prepared and distributed by Ehlers is hereby approved and the officers of the City are authorized in connection with the delivery of the Bonds to sign such certificates as may be necessary with respect to the completeness and accuracy of the Official Statement.

30. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to Old National Bank, Chaska, Minnesota, on the closing date for further distribution as directed by Ehlers.

31. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

32. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

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

and the following voted against the same:

Whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA
COUNTY OF RAMSEY
CITY OF ROSEVILLE

I, the undersigned, being the duly qualified and acting Manager of the City of Roseville, Minnesota, do hereby certify that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of the City, duly called and held on the date therein indicated, insofar as the minutes relate to considering proposals and awarding the sale of \$7,705,000 General Obligation Bonds, Series 2020A.

WITNESS my hand on December 7, 2020.

Manager

EXHIBIT A
PROPOSALS

[To be supplied by Ehlers and Associates, Inc.]

EXHIBIT B
SCHEDULES

[To be supplied by Ehlers & Associates, Inc.]

EXHIBIT C

NOTICE OF CALL FOR REDEMPTION
GENERAL OBLIGATION BONDS, SERIES 2011A
CITY OF ROSEVILLE, RAMSEY COUNTY, MINNESOTA

NOTICE IS HEREBY GIVEN that by order of the City Council of the City of Roseville, Ramsey County, Minnesota, there have been called for redemption and prepayment on

March 1, 2021

those outstanding bonds of the City designated as General Obligation Bonds, Series 2011A, dated as of December 1, 2011, having stated maturity dates or subject to mandatory redemption in the years 2022 through 2028, inclusive, and totaling \$5,020,000 in principal amount and having CUSIP numbers listed below:

<u>Year</u>	<u>Amount</u>	<u>CUSIP</u>
2022	\$665,000	778085 U32
2023	685,000	778085 U40
2024	695,000	778085 U57
2025	715,000	778085 U65
2026	730,000	778085 U73
2027	755,000	778085 U81
2028	775,000	778085 U99

The bonds are being called at a price of par plus accrued interest to March 1, 2021, on which date all interest on the bonds will cease to accrue. Holders of the bonds hereby called for redemption are requested to present their bonds for payment at the office of the Finance Director at the City of Roseville, Minnesota.

Dated: December 7, 2020

BY ORDER OF THE CITY COUNCIL

/s/ Patrick Trudgeon, Manager

*The City shall not be responsible for the selection of or use of the CUSIP numbers, nor is any representation made as to their correctness indicated in the notice. They are included solely for the convenience of the holders.