

EXHIBIT A

FORM OF BOND

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION. THIS BOND MAY NOT BE TRANSFERRED BY THE HOLDER EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF THE RESOLUTION (AS DEFINED HEREIN) AND THE CONTINUING COVENANT AGREEMENT (AS DEFINED HEREIN).

No. R-1

\$14,600,000

**UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF RAMSEY**

**CITY OF SAINT PAUL, MINNESOTA
GENERAL OBLIGATION VARIABLE RATE STREET RECONSTRUCTION BOND
SERIES 2018E**

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ORIGINAL ISSUE</u>
Variable	November 1, 2038	December __, 2018

REGISTERED OWNER: PNC BANK, NATIONAL ASSOCIATION

PRINCIPAL AMOUNT: FOURTEEN MILLION SIX HUNDRED THOUSAND AND 00/100 DOLLARS

The City of Saint Paul, Minnesota, a duly organized and existing municipal corporation in Ramsey County, Minnesota (the "City"), acknowledges itself to be indebted and for value received, hereby promises to pay PNC Bank, National Association (the "Purchaser"), the principal sum set forth above and payable as set forth in that certain Resolution adopted by the City Council of the City on December 12, 2018 (the "Resolution"). All capitalized terms used herein have the meaning given such terms in the Resolution and the CCA (as defined below).

The City promises to pay interest on the unpaid principal amount of this obligation (the "Bond") from the date of this Bond (December __, 2018) until such principal amount is paid in full, at such interest rates and at such times as provided herein, in the Resolution and in the Continuing Covenant Agreement, dated as of December 1, 2018 (the "CCA" or "Continuing Covenant Agreement"), between the City and the Purchaser. All payments of principal and interest shall be made to the Purchaser in immediately available funds at the Purchaser's Lending Office designated in the CCA. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at a variable rate of interest as set forth in the Resolution. The interest rate on this Bond from the date of original issuance through January 1, 2019, shall be ___% per annum. Interest on this Bond will be calculated based on the actual number of days that principal is outstanding over a year of 360 days.

1. This Bond evidences the City's obligation to pay the principal of and interest on the Bond, as described in the Resolution. This Bond is issued by the City pursuant to the Resolution, for the purpose of providing money to pay for certain street reconstruction projects in the City, pursuant to and in full conformity with the home rule charter of the City and the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Section 475.58 Subd. 3b and Minnesota Statutes, Chapter 475,

as amended. The principal of and interest on the Bond is payable from a direct annual irrevocable ad valorem tax (the "Tax") upon all of the taxable property in the City. The full faith and credit of the City and certain accounts established under the Resolution are irrevocably pledged for payment of the principal and interest on the Bond and the City has obligated itself to levy ad valorem taxes on all taxable property in the City in the event of any deficiency, which additional taxes may be levied without limitation as to rate or amount. Pursuant to the Resolution, the City covenanted and agreed that it shall (i) include all amounts payable as principal of and interest on the Bond for each Fiscal Year in which such amounts are due and payable in its budget for that Fiscal Year; (ii) appropriate such amounts from the proper funds for such payments; and (iii) duly and punctually pay or cause to be paid such payments of principal of and interest on the Bond.

2. This Bond is entitled to the benefits thereof and may be prepaid and is subject to redemption in whole or in part subject to the terms and conditions provided in the Resolution and the CCA. Upon the occurrence and continuation of one or more of the Events of Default specified in the CCA, all amounts then remaining unpaid on this Bond shall become, or may be declared to be, immediately due and payable, all as provided in the CCA. The Bond purchased by the Purchaser shall be evidenced by one or more loan accounts or records maintained by the Purchaser in the ordinary course of business. The Purchaser may also attach schedules to this Bond and endorse thereon the date, amount and maturity of the Bond and payments with respect thereto. So long as the Purchaser is the sole owner of 100% of the Bond, the Purchaser shall not be required to surrender any Bonds to the Paying Agent, except for redemption of all outstanding Bonds.

3. This Bond shall bear interest as set forth below:

If, after the date of this Bond, the Purchaser shall determine (which determination shall be final and conclusive) that any enactment, promulgation or adoption of or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by a governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Purchaser with any guideline, request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Purchaser to make or maintain or fund loans based on One Month LIBOR, the Purchaser shall notify the City in writing. Upon receipt of such written notice, until the Purchaser notifies the City that the circumstances giving rise to such determination no longer apply, (a) the availability of One Month LIBOR shall be suspended, and (b) the interest rate on all advances then bearing interest under the Bank Index Rate (incorporating One Month LIBOR) shall be converted to a new Bank Index Rate (incorporating the Base Rate in the rate calculation instead of One Month LIBOR) (the "Base Rate Option") either (i) on the next succeeding LIBOR Index Reset Date if the Purchaser may lawfully continue to maintain advances based on One Month LIBOR to such day, or (ii) immediately if the Purchaser may not lawfully continue to maintain advances based on One Month LIBOR.

In addition, if the Purchaser determines (which determination shall be final and conclusive) that, by reason of circumstances affecting the eurodollar market generally, deposits in dollars (in the applicable amounts) are not being offered to banks in the eurodollar market for the selected term, or adequate means do not exist for ascertaining One Month LIBOR (collectively, a "Suspension Event"), then the Purchaser shall give notice thereof to the City. Thereafter, until the Purchaser notifies the City that the circumstances giving rise to such Suspension Event no longer exist, (a) the availability of One Month LIBOR shall be suspended, and (b) the interest rate for all advances then bearing interest under the Bank Index Rate (incorporating One Month LIBOR) shall be converted on the next succeeding LIBOR Index Reset Date to the Base Rate Option.

If the Purchaser determines (which determination shall be final and conclusive, absent manifest error) that, (a)(i) a Suspension Event has occurred and is unlikely to be temporary, or (ii) a Suspension Event has not occurred, but the applicable supervisor or administrator (if any) of One Month LIBOR or a governmental authority having jurisdiction over the Purchaser has made a public statement identifying the specific date after which One Month LIBOR shall no longer be used for determining interest rates for loans (either such date, a "LIBOR Termination Date"), or (b) a rate other than One Month LIBOR has

become a widely recognized benchmark rate for newly originated loans in dollars in the U.S. market, then the Purchaser in its sole discretion may choose a replacement index for One Month LIBOR and make adjustments to applicable margins and related revisions to this Bond as referred to below such that, to the extent practicable, the all-in interest rate based on the replacement index will be substantially equivalent to the all-in the Bank Index Rate in effect prior to its replacement.

The Purchaser shall give written notice to the City of the replacement index, the adjusted margins and such other related updates as may be appropriate, in the sole discretion of the Purchaser, for the implementation and administration of the replacement index-based rate (the "Rate Update Notice"). Notwithstanding anything to the contrary in this Bond or the other Related Documents (as defined in the CCA), including the amendment provisions hereof and thereof, unless the Purchaser receives a notice from the City objecting to the replacement index-based rate on or before the close of business on the tenth (10th) Business Day after the Purchaser provides the Rate Update Notice, the terms of the Rate Update Notice shall become effective without any further action or consent and thereafter, (i) the interest rate on all advances then bearing interest based on One Month LIBOR shall be converted at the next succeeding LIBOR Index Reset Date to advances based on the replacement index-based rate and (ii) the interest rate on all future advances as to which One Month LIBOR would otherwise apply shall be advances based on the replacement index-based rate. If the Purchaser receives written notice from the City objecting to the replacement index-based rate within such period, each advance under One Month LIBOR will continue to bear interest with reference to One Month LIBOR; provided however, that if the Purchaser determines (which determination shall be final and conclusive, absent manifest error) that a LIBOR Termination Date has occurred, then following the LIBOR Termination Date, all advances as to which One Month LIBOR would otherwise apply shall automatically be converted at the next succeeding LIBOR Index Reset Date to the Base Rate Option until such time as a Rate Update Notice is implemented as described above.

Selection of the replacement index, adjustments to the applicable margins and revisions to this Bond (i) will be determined with due consideration to the then-current market practices for determining and implementing a rate of interest for newly originated commercial loans in the United States and loans converted from a One Month LIBOR-based rate to a replacement index-based rate, and (ii) may reflect adjustments to account for the effects of the transition from One Month LIBOR to the replacement index and yield- or risk-based differences between One Month LIBOR and the replacement index.

Notwithstanding anything to the contrary contained herein, if at any time the replacement index is less than zero, at such times, such index shall be deemed to be zero for purposes of this Bond.

(A) Definitions.

"*Authorized Denomination*" means \$250,000 or any integral multiple of \$.01 in excess thereof; provided, however that the City may make optional redemptions in an amount less than an Authorized Denomination provided that no less than \$250,000 shall remain outstanding.

"*Bank Index Rate*" means the product of (a) the sum of (i) One Month LIBOR times 79% plus (ii) the Initial Applicable Spread, multiplied by (b) the Margin Rate Factor.

"*Base Rate*" equals the greatest of (i) the Prime Rate; (ii) the Overnight Bank Funding Rate plus 0.5%; and (iii) the Daily LIBOR Rate plus 1.00%; and (iv) 7%.

"*City*" means the City of Saint Paul, a municipal corporation and political subdivision of the State of Minnesota, its successors and assigns.

"*Computation Date*" means the second London Business Day preceding each LIBOR Index Reset Date.

“Continuing Covenant Agreement” or “CCA” means the Continuing Covenant Agreement, dated as of December 1, 2018, between the City and the Purchaser, as the same may be amended, supplemented, restated or otherwise modified from time to time.

“Daily LIBOR Rate” means, for any day, the rate per annum determined by the Purchaser by dividing (A) the Published Rate (as defined in the CCA) by (B) a number equal to 1.00 minus the percentage prescribed by the Federal Reserve for determining the maximum reserve requirements with respect to any eurocurrency fundings by banks on such day; provided, however, if the Daily LIBOR Rate determined as provided above would be less than zero, then such rate shall be deemed to be zero. The rate of interest will be adjusted automatically as of each Business Day based on changes in the Daily LIBOR Rate without notice to the City.

“Default Rate” means a rate per annum equal to the Base Rate plus three percent (3%).

“Determination of Taxability” has the meaning set forth in the Continuing Covenant Agreement.

“Event of Taxability” has the meaning set forth in the Continuing Covenant Agreement.

“Index Rate Period” means any period during which the Bond bears interest at the Bank Index Rate.

“Interest Payment Date” means each May 1 and November 1, commencing May 1, 2019.

“Interest Payment Period” means the period from and including an Interest Payment Date for such Bonds to but excluding the next succeeding Interest Payment Date for such Bonds;

“Initial Applicable Spread” means 36 basis points (.36%).’

“Initial Mandatory Tender Date” means December 1, 2021 (unless extended pursuant to the CCA).

“Initial Period” means the initial Index Rate Period commencing on the Date of Issue and ending on the first to occur of (i) the Initial Mandatory Tender Date, (ii) the Conversion Date next succeeding the Date of Issue (provided that the Purchaser shall have consented thereto in writing), and (iii) the Maturity Date.

“LIBOR Index Reset Date” means the first Business Day of each month.

“Mandatory Tender Date” means, (i) during the Initial Period, the Initial Mandatory Tender Date, and (ii) during any Index Rate Period other than the Initial Period, the date designated by the City pursuant to this Section 3.

“Margin Rate Factor” shall have the meaning ascribed thereto in the CCA.

“Maximum Interest Rate” shall have the meaning ascribed thereto in the CCA.

“One Month LIBOR” means, for any Computation Date, (i) a rate per annum equal the interest rate per annum (rounded upwards, if necessary to the nearest 1/1000 of 1%) for deposits in U.S. Dollars for a period equal to one month, which appears on the applicable Bloomberg screen page (or such commercially available source providing such notations as may be designated by the Purchaser from time to time) as of 11:00 a.m. (London, England time) on such date (or, if such day is not a Business Day, on the immediately preceding Business Day), provided that in no event shall the LIBOR Index be less than 0.00%, or (ii) any replacement index identified for the index described in (i) for which the City and the Purchaser have mutually agreed in writing to utilize.

“Overnight Bank Funding Rate” shall have the meaning ascribed thereto in the CCA.

"Prime Rate" shall have the meaning ascribed thereto in the CCA.

"Purchaser" means, during any Index Rate Period, the Holder of the Bond, provided that there is a single Holder of the Bond. If there is more than one Holder of the Bond during any Index Rate Period, *"Purchaser"* means Holders owning a majority of the aggregate principal amount of the Bond then Outstanding. If the Bond is then held under the Book-Entry System, *"Purchaser"* means the Beneficial Owner of the Bond, provided that there is a single Beneficial Owner of the Bond. If there is more than one Beneficial Owner of the Bond during any Index Rate Period, *"Purchaser"* means Beneficial Owners who are the beneficial owners of a majority of the aggregate principal amount of the Bond then Outstanding. The initial Purchaser is PNC Bank, National Association

"Purchaser's Lending Office" shall have the meaning ascribed thereto in the CCA.

"Taxable Date" means the date as of which interest on the Bond is first includable in the gross income of the Holder (including, without limitation, any previous Holder) thereof as a result of an Event of Taxability as such date is established pursuant to a Determination of Taxability.

"Taxable Rate" shall have the meaning ascribed thereto in the CCA.

"Unremarketed Bond" means the Bond which, on the applicable Mandatory Tender Date, has not been successfully remarketed to another Person other than the Purchaser.

(B) Calculation of Bank Index Rate.

(1) *Interest Period and Effective Period.* The initial Bank Index Rate shall commence on and be effective from the date of issuance and shall continue through the end of the Initial Mandatory Tender Period.

(2) *Determination Time.* During each Index Rate Period, the Bond shall, subject to subsection (3) of this Section 3(B), bear interest at the Bank Index Rate. The Purchaser shall determine the Bank Index Rate on each Computation Date during the Index Rate Period, and such rate shall become effective on the LIBOR Index Reset Date next succeeding the Computation Date and interest at such rate shall accrue each day during such Index Interest Period, commencing on and including the first day of such period to but excluding the last day of such period. The Bank Index Rate shall be rounded upward to the fifth decimal place. Promptly following the determination of the Bank Index Rate, the Purchaser shall give notice thereof to the City. If the Bank Index Rate is not determined by the Purchaser on the Computation Date, the rate of interest born on the Bond shall be the rate in effect for the immediately preceding LIBOR Index Reset Date until the Purchaser next determines the Bank Index Rate as required hereunder.

(3) *Adjustments to Index Rates.* (i) *Taxable Rate.* From and after any Taxable Date, the interest rate on the Bond in an Index Rate Period and Unremarketed Bond shall be established at a rate at all times equal to the Taxable Rate.

(ii) *Default Rate.* Notwithstanding the foregoing provisions of this Section 3(B), upon the occurrence and continuation of an Event of Default (as defined in the CCA), from and after the effective date of such Event of Default, the interest rate for Bonds in an Index Rate Period and Unremarketed Bond shall be established at a rate at all times equal to the greater of (A) the Default Rate and (B) the interest rate that otherwise would be applicable to the Bond but for the provisions of this paragraph, payable on demand to the Purchaser.

(iii) *Excess Interest.* Notwithstanding anything in the Resolution to the contrary, if during an Index Rate Period (or at any time the Bond constitute Unremarketed Bonds) the rate of interest on the Bond exceeds the Maximum Interest Rate for such Bonds, then (i) such Bonds

shall bear interest at the Maximum Interest Rate and (ii) interest on such Bonds calculated at the rate equal to the difference between (A) the rate of interest for such Bonds as calculated pursuant to the Resolution and (B) the Maximum Interest Rate (the "Excess Interest") shall be deferred until such date as the rate of interest borne by such Bonds as calculated pursuant to Section 4.02(d) of the CAA is below the Maximum Interest Rate, at which time Excess Interest shall be payable with respect to such Bonds.

4. (a) Each Unremarketed Bond shall bear interest on the outstanding principal amount thereof at the Purchaser Rate (as defined in the CCA) applicable to such Unremarketed Bond in accordance with the CCA relating to such Unremarketed Bond (as calculated by the Purchaser in accordance with such CCA for each day from and including the day such Bond becomes an Unremarketed Bond to and excluding the day such Bond ceases to be an Unremarketed Bond or is paid in full), (b) interest on each Unremarketed Bond shall be calculated on the basis of a 365 day year or a 360 day year, as applicable to the Purchaser Rate, in accordance with the CCA relating to such Unremarketed Bond and the actual number of days elapsed, and (c) interest on each Unremarketed Bond shall be payable on such dates as are specified in the CCA relating to such Unremarketed Bond. A Bond shall cease to be an Unremarketed Bond only if such Unremarketed Bond is remarketed and transferred or such Unremarketed Bond is redeemed in full.

5. Subject to Section 7.02 of the CCA, upon the occurrence of an Event of Default, the Purchaser shall have the right and option, among other things, to declare the outstanding principal amount of the Bond, and accrued interest thereon, to be immediately due and payable. Failure to exercise such option at any time shall not constitute a waiver of the right to exercise the same at any subsequent time.

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

IN WITNESS WHEREOF, the City of Saint Paul, Ramsey County, Minnesota, by its City Council has caused this Bonds to be sealed with its official seal and to be executed on its behalf by the facsimile signature of its Mayor, attested by the facsimile signature of its City Clerk, and countersigned by the facsimile signature of its Director, Office of Financial Services.

**CITY OF SAINT PAUL,
RAMSEY COUNTY, MINNESOTA**

Mayor or Designee

Attest:

City Clerk or Designee

Countersigned:

Director, Office of Financial Services or Designee

CERTIFICATE OF AUTHENTICATION

This is one of the Bond delivered pursuant to the Resolutions mentioned within.

CITY OF SAINT PAUL, MINNESOTA

By _____
City Treasurer

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, will 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 entireties

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

UNIF GIFT MIN ACT
_____ Custodian _____
(Cust) (Minor)
under Uniform Gifts or Transfers to Minors
Act, State of _____

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 Bonds and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bonds on the books kept for registration of the within Bonds, 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 Bonds in every particular, without alteration or any change whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP"), the New York Stock Exchange, Inc. Medallion Signatures Program ("MSP") or other such "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

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

Name and Address: _____

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

Please insert social security or other identifying number of assignee

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