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# **Le Sueur County, MN**

**Tuesday, December 1, 2015**

**Board Meeting**

## **Item 5**

**9:25 a.m. Bruce Kimmel, Ehlers (15 min)**

***RE: Award Bonds***

**Staff Contact:**

CERTIFICATION OF MINUTES RELATING TO  
\$2,575,000 GENERAL OBLIGATION BONDS, SERIES 2016A

Issuer: Le Sueur County, Minnesota

Governing Body: Board of County Commissioners

Kind, date, time and place of meeting: A regular meeting held December 1, 2015, at 9:30 a.m., at the County Offices in Le Center, Minnesota.

Members present:

Members absent:

Documents Attached:

Minutes of said meeting, including:

RESOLUTION NO. \_\_\_\_\_

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE,  
PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR  
THE PAYMENT OF \$2,575,000 GENERAL OBLIGATION BONDS,  
SERIES 2016A

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer on December \_\_, 2015.

\_\_\_\_\_  
County Administrator

It was reported that \_\_\_\_\_ ( ) sealed proposals for the purchase of the Bonds were received prior to 12:00 p.m. on November 30, 2015, pursuant to the Terms of Proposal and Official Statement distributed to potential purchasers of the Bonds by Ehlers & Associates, Inc., financial advisor to the County. The proposals have been publicly opened, read and tabulated and were found to be as follows:

(See Attached)

Commissioner \_\_\_\_\_ introduced the following resolution and moved its adoption, which motion was seconded by Commissioner \_\_\_\_\_:

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF \$ \_\_\_\_\_ GENERAL OBLIGATION BONDS, SERIES 2016A

BE IT RESOLVED by the Board of Commissioners (the Board) of Le Sueur County, Minnesota (the County), as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. This Board hereby determines that it is in the best interest of the County to issue its \$ \_\_\_\_\_ General Obligation Bonds, Series 2016A (the Bonds), for the purpose of (a) financing a public loan program that assists property owners with site evaluation, design, installation, repair, and replacement of failing individual sewage treatment systems on privately owned property (the Program), pursuant to Minnesota Statutes, Chapter 475 and Section 115.57 (the New Money Project); (b) refunding in advance of maturity and prepaying on February 1, 2016 (the Redemption Date) the 2018 through 2022 maturities, aggregating \$1,000,000 in principal amount, of the County's General Obligation Capital Improvement Plan Bonds, Series 2005B, dated, as originally issued, as of December 1, 2005 (the Refunded Bonds), pursuant to Minnesota Statutes, Chapter 475 (the Refunding); and (c) funding costs of issuing the Bonds. The Redemption Date is the earliest date upon which the Refunded Bonds may be redeemed. The Refunding is being carried out for the purpose described in Minnesota Statutes, Section 475.67, subdivision 3, section (b)(2)(i). The issuance and sale of the Bonds is hereby authorized.

1.02. Sale. Pursuant to the Terms of Proposal and the Preliminary Official Statement, dated November 12, 2015, prepared on behalf of the City by Ehlers & Associates, Inc., financial consultants to the City, sealed or electronic proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The proposals have been opened and publicly read and considered and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of \_\_\_\_\_, in \_\_\_\_\_, \_\_\_\_\_ (the "Purchaser"), to purchase the Bonds issued in the principal amount of \$ \_\_\_\_\_ at a price of \$ \_\_\_\_\_, plus accrued interest, if any, on all Bonds to the day of delivery and payment, on the further terms and conditions hereinafter set forth. The principal amount of the portion of the Bonds allocable to the New Money Project (\$ \_\_\_\_\_) is hereby designated as the "New Money Bonds," and the principal amount of the portion of the Bonds allocable to the Refunding (\$ \_\_\_\_\_) is hereby designated as the "Refunding Bonds."

1.03. Award. The sale of the Bonds is hereby awarded to the Purchaser and the Chairperson and County Auditor-Treasurer are hereby authorized to execute a contract on behalf of the County for the sale of the Bonds in accordance with the terms of the proposal. The good

faith deposit of the Purchaser shall be retained and deposited by the County until the Bonds have been delivered, and shall be deducted from the purchase price paid at settlement.

1.04. Issuance of Bonds. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, now existing, having happened and having been performed, it is now necessary for the Council to establish the form and terms of the Bonds, to provide security therefor and to issue the Bonds forthwith.

## SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.01. Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of January 5, 2016, shall be in the denomination of \$5,000 each, or any integral multiple thereof, of single maturities, shall mature on February 1 in the years and amounts stated below, and shall bear interest from date of original issue until paid or duly called for redemption at the annual rates set forth opposite such years and amounts, as follows:

<u>Year</u>	<u>Rate (%)</u>	<u>Amount</u>	<u>Year</u>	<u>Rate</u>	<u>Amount</u>
2017	%	\$	2022	%	\$
2018			2023		
2019			2024		
2020			2025		
2021			2026		

<u>Maturity</u>	<u>Amount</u>	
	<u>New Money Bonds</u>	<u>Refunding Bonds</u>
2017	\$	\$
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		

The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond at the principal office of the Registrar (as defined herein), the principal amount thereof, shall be payable by check or draft issued by the Registrar; provided that so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in

accordance with Section 2.07 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.02. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.06 and upon any subsequent transfer or exchange pursuant to Section 2.05, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. Interest on the Bonds shall be payable on February 1 and August 1, commencing August 1, 2016 (each such date, an Interest Payment Date), to the person in whose names the Bonds are registered on the Bond Register (as defined herein) at the Registrar's close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date, whether or not such day is a business day. Interest shall be computed on the basis of a 360 day year composed of twelve 30 day months.

2.03. Redemption. Bonds maturing in 2025 and later years shall be subject to redemption and prepayment at the option of the County, in whole or in part, in such order of maturity dates as the County may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in multiples of \$5,000, on February 1, 2024, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The County Auditor-Treasurer shall cause notice of the call for redemption thereof to be published if and as required by law and, at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail, to the registered holders of any Bond to be redeemed at their addresses as they appear on the Bond Register, provided that notice shall be given to any securities depository in accordance with its operational arrangements. No defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the County shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

[The Bonds shall be subject to mandatory redemption, at a redemption price equal to their principal amount plus interest accrued thereon to the redemption date, without premium, on February 1 in each of the years shown below, in the following principal amounts:

Term Bonds Maturing in 20

<u>Sinking Fund</u> <u>Payment Date</u>	<u>Aggregate</u> <u>Principal Amount</u>
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The remaining \$\_\_\_\_\_ stated principal amount shall be paid at maturity on February 1, 20\_\_.

Term Bonds Maturing in 20\_\_

<u>Sinking Fund</u> <u>Payment Date</u>	<u>Aggregate</u> <u>Principal Amount</u>
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The remaining \$\_\_\_\_\_ stated principal amount shall be paid at maturity on February 1, 20\_\_.

Notice of redemption shall be given as provided in the preceding paragraph.]

2.04. Appointment of Initial Registrar. The County hereby appoints Bond Trust Services Corporation, in Roseville, Minnesota, as the initial registrar, transfer agent and paying agent (the Registrar). The Chairperson and County Auditor-Treasurer are authorized to execute and deliver, on behalf of the County, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The County agrees to pay the reasonable and customary charges of the Registrar for the services performed. The County reserves the right to remove the Registrar upon thirty days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar.

2.05. Registration. The effect of registration and the rights and duties of the County and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a bond register in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment date.

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

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

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

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

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

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

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



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

2.06. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the County Auditor-Treasurer and shall be executed on behalf of the County by the signatures of the Chairperson and County Auditor-Treasurer, provided that the signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been prepared, executed and authenticated, the County Auditor-Treasurer shall deliver them to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.07. Securities Depository. (a) For purposes of this section the following terms shall have the following meanings:

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

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

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

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

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

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond

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

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

(d) The execution and delivery of the Representation Letter to DTC, if not previously filed with DTC, by the Chairperson or County Auditor-Treasurer is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without

limitation, the printing of such Bonds in the form of bond certificates and the method of payment of principal of and interest on such Bonds in the form of bond certificates.

2.08. Form of Bonds. The Bonds shall be prepared in substantially the form of Exhibit A hereto.

SECTION 3. USE OF PROCEEDS. Upon payment for the Bonds by the Purchaser, the County Auditor-Treasurer shall (a) deposit \$\_\_\_\_\_ of proceeds from the New Money Bonds into the Program Fund created in Section 4 hereof; (b) deposit \$\_\_\_\_\_ of proceeds from the Refunding Bonds into the sinking fund established for the Refunded Bonds to be applied to their redemption and prepayment on the Redemption Date; (c) deposit \$\_\_\_\_\_ of proceeds from the Bonds into the Bond Fund created in Section 5 hereof; and (e) use \$\_\_\_\_\_ of proceeds from the Bonds to pay costs of issuance of the Bonds.

SECTION 4. GENERAL OBLIGATION BONDS, SERIES 2016A PROGRAM FUND. There is hereby established in the official books and records of the County a separate General Obligation Bonds, Series 2016A Program Fund (the Program Fund). The County Auditor-Treasurer shall continue to maintain the Program Fund until the earlier of (a) the date on which all Bond proceeds in the Program Fund and all investment earnings have been expended to make loans to property owners under the Program, (b) the date on which the Board determines that no further loans under the Program will be made from Bond proceeds, or (c) January 5, 2019. Upon discontinuance of the Program Fund as described above, any proceeds of the New Money Bonds remaining therein shall be credited to the Bond Fund described in Section 5 hereof. All repayments of loans made under the Program shall be held and accounted for by the County separately from the Bond proceeds and are not pledged to the payment of the Bonds, unless and until the Board determines to appropriate some or all of the loan repayments to the Bond Fund described in Section 5.

SECTION 5. GENERAL OBLIGATION BONDS, SERIES 2016A BOND FUND. The Bonds shall be payable from a separate General Obligation Bonds, Series 2016A Bond Fund (the Bond Fund) which the County agrees to maintain until the Bonds have been paid in full. If the moneys in the Bond Fund should at any time be insufficient to pay principal and interest due on the Bonds, such amounts shall be paid from other moneys on hand in other funds of the County, which other funds shall be reimbursed therefor when sufficient moneys become available in the Bond Fund. The County irrevocably appropriates to the Bond Fund (a) the amounts specified in Section 3 above; (b) the amounts specified in Section 4 above, upon discontinuance of the Program Fund; (c) all taxes levied and collected in accordance with this resolution; and (d) all other moneys as shall be appropriated by the Board to the Bond Fund from time to time.

SECTION 6. PLEDGE OF TAXING POWERS. For the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, the full faith, credit and unlimited taxing powers of the County shall be and are hereby irrevocably pledged. In order to produce aggregate amounts not less than 5% in excess of the amounts needed to meet when due the principal and interest payments on the Bonds, ad valorem taxes are hereby levied

on all taxable property in the County, the taxes to be levied and collected in the following years and amounts:

<u>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>
2015-2024	2016-2025	See attached levy calculation

The taxes shall be irrevocable as long as any of the Bonds are outstanding and unpaid, provided that the County reserves the right and power to reduce the tax levies from other legally available funds, in accordance with the provisions of Minnesota Statutes, Section 475.61.

SECTION 7. DEFEASANCE. When all of the Bonds have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the registered owners of the Bonds shall cease. The County may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full, or, if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The County may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank or trust company qualified by law as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited, bearing interest payable at such time and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal and interest to become due thereon to maturity or earlier designated redemption date, provided, however, that if such deposit is made more than ninety days before the maturity date or specified redemption date of the Bonds to be discharged, the County shall have received a written opinion of bond counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity dates or earlier designated redemption date.

SECTION 8. TAX COVENANTS; ARBITRAGE MATTERS AND CONTINUING DISCLOSURE.

8.01. Covenant. The County covenants and agrees with the registered owners of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any actions that would cause interest on the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the Code) and applicable Treasury Regulations (the Regulations), and covenants to take any and all actions within its powers to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. It is hereby certified that the proceeds of the Refunded Bonds were used for the acquisition and betterment of municipal improvements owned and maintained by the County and available for use by members of the general public on substantially equal terms. The County covenants and agrees that, so long as the Bonds are

outstanding, the County shall not enter into any lease, management agreement, use agreement or other contract with any nongovernmental entity relating to the improvements so financed which would cause the Bonds to be considered “private activity bonds” or “private loan bonds” pursuant to Section 141 of the Code.

8.02. Arbitrage Certification. The Chairperson and County Auditor-Treasurer being the officers of the County charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code and applicable Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds, it is reasonably expected that the proceeds of the Bonds will not be used in a manner that would cause the Bonds, if the interest on the Bonds were intended to be tax-exempt, to be “arbitrage bonds” within the meaning of the Code and the applicable Regulations.

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

8.04. Qualified Tax-Exempt Obligations. For purposes of section 265(b)(3) of the Code, the County hereby acknowledges that the portion of the Bonds not in excess of the principal amount of the Refunded Bonds, \$1,000,000, are deemed designated as “qualified tax-exempt obligations.” For such purposes, the County represents, in accordance with Section 265(b)(3)(D)(ii) and (iii) that the average maturity date of the Refunding Bonds, \_\_\_\_ years, is not greater than the average maturity date of the Refunded Bonds, \_\_\_\_ years, and the Bonds have a maturity date which is not later than the date which is 30 years after the date the Refunded Bonds were issued. The remaining principal amount of the Bonds, \$\_\_\_\_\_, is designated as qualified tax-exempt obligations, and the Board hereby finds that the reasonably anticipated amount of tax-exempt obligations which are not private activity bonds (not treating qualified 501(c)(3) bonds under Section 145 of the Code as private activity bonds for the purpose of this representation) and are not otherwise excluded from calculation pursuant to the Code which will be issued by the County and all subordinate entities during calendar year 2016 does not exceed \$10,000,000.

8.05. Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Bonds, the County hereby makes the following covenants and agreements for the benefit of the Owners

(as hereinafter defined) from time to time of the outstanding Bonds. The County is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the County fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The County will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the County, the following information at the following times:

- (1) on or before twelve (12) months after the end of each fiscal year of the County, commencing with the fiscal year ending December 31, 2015, the following financial information and operating data in respect of the County (the Disclosure Information):
  - (A) the audited financial statements of the County for such fiscal year, prepared in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the County, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the County; and
  - (B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under the headings: "VALUATIONS—Current Property Valuations"; "TAX RATES, LEVIES AND COLLECTIONS—Tax Levies and Collections"; "DEBT—Direct Debt" and "GENERAL INFORMATION—U.S. Census Data—

Population Trend” and “—Employment / Unemployment Data,” which information may be unaudited.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the County shall provide on or before such date unaudited financial statements and, within 10 days after the receipt thereof, the County shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to the Municipal Securities Rulemaking Board (the MSRB) through its Electronic Municipal Market Access System (EMMA) or the SEC. The County shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the County have materially changed or been discontinued, such Disclosure Information need no longer be provided if the County includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other County operations in respect of which data is not included in the Disclosure Information and the County determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the County shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

- (2) In a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB through EMMA, notice of the occurrence of any of the following events (each a “Material Fact,” as hereinafter defined):
  - (A) principal and interest payment delinquencies;
  - (B) non-payment related defaults, if material;
  - (C) unscheduled draws on debt service reserves reflecting financial difficulties;
  - (D) unscheduled draws on credit enhancements reflecting financial difficulties;
  - (E) substitution of credit or liquidity providers, or their failure to perform;
  - (F) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
  - (G) modifications to rights of Bond holders, if material;
  - (H) Bond calls, if material and tender offers;
  - (I) defeasances;
  - (J) release, substitution, or sale of property securing repayment of the Bonds if material;
  - (K) rating changes;

- (L) bankruptcy, insolvency, receivership, or similar event of the obligated person;
- (M) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (N) appointment of a successor or additional trustee or the change of name of a trustee, if material.

As used herein, for those events that must be reported if material, an event is material if a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, an event is also material if it would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (3) In a timely manner, to the MSRB through EMMA, notice of the occurrence of any of the following events or conditions:
  - (A) the failure of the County to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
  - (B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the County under subsection (d)(2);
  - (C) the termination of the obligations of the County under this section pursuant to subsection (d);
  - (D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
  - (E) any change in the fiscal year of the County.



(c) Manner of Disclosure.

- (1) The County agrees to make available to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, the information described in subsection (b).
- (2) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

- (1) The covenants of the County in this section shall remain in effect so long as any Bonds are outstanding. Notwithstanding the preceding sentence, however, the obligations of the County under this section shall terminate and be without further effect as of any date on which the County delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the County to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.
- (2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the County from time to time, without notice to (except as provided in paragraph (c)(2) hereof) or the consent of the Owners of any Bonds, by a resolution of this Board filed in the office of the recording officer of the County accompanied by an opinion of Bond Counsel, who may rely on certificates of the County and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the County or the type of operations conducted by the County, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the County agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of

the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

- (3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

## SECTION 9. CERTIFICATION OF PROCEEDINGS.

9.01. Registration and Levy of Taxes. The County Auditor-Treasurer is hereby authorized and directed to file a certified copy of this resolution in the records of the County, together with such additional information as required, and to issue a certificate that the Bonds have been duly entered upon the County Auditor-Treasurer's bond register and the tax required by law has been levied.

9.02. Certification of Records. The officers of the County are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records of the County relating to the Bonds and to the financial condition and affairs of the County, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds as they appear from the books and records under 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 County to the facts recited herein.

9.03. Official Statement. The Preliminary Official Statement relating to the Bonds, dated November 12, 2015, prepared and distributed on behalf of the County by Ehlers & Associates, Inc., the financial advisor for the County, is hereby approved. Ehlers & Associates, Inc. is hereby authorized, on behalf of the County, to prepare and distribute to the Purchaser within seven business days from the date hereof, a supplement to the Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The officers of the County are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of such Official Statement.

9.04. Authorization of Payment of Certain Costs of Issuance of the Bonds. The County authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to Klein Bank on the closing date for further distribution as directed by the County's financial advisor, Ehlers & Associates, Inc.

Upon 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.

**EXHIBIT A  
FORM OF BOND**

UNITED STATES OF AMERICA  
STATE OF MINNESOTA

COUNTY OF LE SUEUR

GENERAL OBLIGATION BONDS, SERIES 2016A

No. R-\_\_\_\_\_ \$ \_\_\_\_\_

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
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	February 1, 20____	January 5, 2016	
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REGISTERED OWNER:     CEDE & CO.

PRINCIPAL AMOUNT:     THOUSAND DOLLARS

LE SUEUR COUNTY, MINNESOTA (the County), acknowledges itself to be indebted and hereby promises to pay to the registered owner named above, or registered assigns, the principal amount specified above on the maturity date specified above, without the option of redemption and prepayment prior to maturity, and promises to pay interest thereon from the date of original issue specified above or from the most recent Interest Payment Date (as defined herein) to which interest has been paid or duly provided for, at the annual rate specified above, payable on February 1 and August 1 of each year, commencing August 1, 2016 (each such date, an Interest Payment Date). The interest so payable on any Interest Payment Date shall be paid to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Payment Date, all subject to the provisions hereof with respect to redemption prior to maturity. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof at the principal office of the agent of the Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on Bond Trust Services Corporation, in Roseville, Minnesota, as bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the Registrar). For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the County have been and are hereby irrevocably pledged.

This Bond is one of an issue in the aggregate principal amount of \$2,575,000 issued pursuant to a resolution adopted by the Board of Commissioners on December 1, 2015 (the Resolution), and by authority of and in strict accordance with the provisions of the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapter 475 and Sections 115.57 and 475.67, for the purpose of (a) financing a public loan program that assists property owners with site evaluation, design, installation, repair, and replacement of

failing individual sewage treatment systems on privately owned property; (b) refunding in advance of maturity and prepaying on February 1, 2016, the 2018 through 2022 maturities, aggregating \$1,000,000 in principal amount, of the County's General Obligation Capital Improvement Plan Bonds, Series 2005B, dated, as originally issued, as of December 1, 2005, pursuant to Minnesota Statutes, Chapter 475; and (c) funding costs of issuing the Bonds. The Bonds are issuable only in fully registered form, in denominations of \$5,000 or any multiple thereof, of a single maturity.

Bonds maturing in 2025 and later years shall be subject to redemption and prepayment at the option of the County, in whole or in part, in such order of maturity dates as the County may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in multiples of \$5,000, on February 1, 2024, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The County shall cause notice of the call for redemption thereof to be published if and as required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail (or, if applicable, provided in accordance with the operational arrangements of the securities depository), to the registered holders of any Bonds, at the holders' addresses as they appear on the bond register maintained by the Registrar, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the County shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

[The Bonds shall be subject to mandatory redemption, at a redemption price equal to their principal amount plus interest accrued thereon to the redemption date, without premium, on February 1 in each of the years shown below, in the following principal amounts:

Term Bonds Maturing in 20

<u>Sinking Fund</u> <u>Payment Date</u>	<u>Aggregate</u> <u>Principal Amount</u>
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The remaining \$ \_\_\_\_\_ stated principal amount shall be paid at maturity on February 1, 20\_\_.

Term Bonds Maturing in 20

<u>Sinking Fund</u> <u>Payment Date</u>	<u>Aggregate</u> <u>Principal Amount</u>
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The remaining \$ \_\_\_\_\_ stated principal amount shall be paid at maturity on February 1, 20\_\_.

Notice of redemption shall be given as provided in the preceding paragraph.]

The Bonds have been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b) of the Internal Revenue Code of 1986.

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

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

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the County in accordance with its terms, have been done, do exist, have happened and have been performed as so required; that, prior to the issuance hereof, the County has levied ad valorem taxes on all taxable property in the County, which taxes will be collectible for the years and in amounts sufficient to produce sums not less than five percent in excess of the principal of and interest on the Bonds when due, and has appropriated the taxes to its General Obligation Bonds, Series 2016A Bond Fund for the payment of principal and interest; that if necessary for payment of principal and interest, additional ad valorem taxes are required to be levied upon all taxable property in the County, without limitation as to rate or amount; and that the issuance of this Bond, together with all other indebtedness of the County outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the County to exceed any constitutional or statutory limitation of indebtedness.

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

IN WITNESS WHEREOF, Le Sueur County, Minnesota, by its Board of Commissioners, has caused this Bond to be executed on its behalf by the facsimile signatures of the Chairperson and County Auditor-Treasurer.

LE SUEUR COUNTY, MINNESOTA

(Facsimile Signature-County Auditor-Treasurer)

(Facsimile Signature-Chairperson)

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CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Dated \_\_\_\_\_

BOND TRUST SERVICES  
CORPORATION, as Registrar

By \_\_\_\_\_  
Authorized Representative

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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 the applicable laws or regulations:

TEN COM -- as tenants in common	UTMA ..... as Custodian for .....
	(Cust) (Minor)
TEN ENT -- as tenants by the entireties	under Uniform Transfers to Minors Act .....
	(State)
JT TEN -- as joint tenants with right of survivorship and not as tenants in common	

Additional abbreviations may also be used.

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ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the said Bond on the books kept for registration of the within Bond, 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 enlargement or any change whatsoever.

Signature Guaranteed:

\_\_\_\_\_  
Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE: \_\_\_\_\_



**CERTIFICATE OF LE SUEUR COUNTY AUDITOR-TREASURER  
AS TO REGISTRATION AND TAX LEVY**

The undersigned, being the duly qualified and acting Le Sueur County Auditor-Treasurer, hereby certifies that there has been filed in my office a certified copy of a resolution duly adopted on December 1, 2015, by the Board of Commissioners of Le Sueur County, Minnesota, setting forth the form and details of an issue of \$\_\_\_\_\_ General Obligation Bonds, Series 2016A, dated as of January 5, 2016, and levying taxes for the payment thereof.

I further certify that the issue has been entered on my bond register and the tax required by law for their payment has been filed as required by Minnesota Statutes, Sections 475.61 through 475.63.

WITNESS my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
County Administrator

(SEAL)