

BOARD PROCEEDINGS
MARTIN COUNTY BOARD OF COMMISSIONERS
SPECIAL MEETING
TUESDAY, OCTOBER 31, 2017
@ 10:00 A.M.

A special meeting of the Martin County Board of Commissioners was called to order at 10:00 a.m. by Chairman Dan Schmidtke. Commissioners present were Belgard, Smith, Schmidtke, and Flohrs. Absent: Commissioner Mahoney. Also present were James Forshee, Martin County Auditor/Treasurer, Scott Higgins, Martin County Coordinator, Rod Halvorsen, KSUM/KFMC Radio, Michael Forstner, Martin County Drainage Administrator, Jessica Korte, Accountant-Auditor/Treasurer's Office, Bill Fahey, Northland Securities (County Finance Consultant), and Julie Walters, Administrative Assistant.

The meeting was called to order at 10:00 a.m. by Chairman Dan Schmidtke.

The Pledge of Allegiance was recited.

Motion by Commissioner Belgard, seconded by Commissioner Smith, Be It Resolved that the Martin County Board of Commissioners, hereby approve the agenda for the October 31, 2017, special Board of Commissioners meeting. Carried unanimously.

Bill Fahey, Northland Securities (County Finance Consultant), was present to review Martin County's \$4,755,000 General Obligation Drainage Ditch Bonds, Series 2017A Bond Sale Summary, noting the purpose of which is to provide funds to finance ditch repairs and improvements through the County. The Bonds were authorized to be issued pursuant to Minnesota Statutes, Chapters 103E and 475, as amended, in order to finance County's costs in connection with the construction, improvement, or repair of the County's drainage system, specifically Judicial Ditches 2, 20, 38, 314 and 414 and County Ditch 350. Fahey noted five (5) bids were received and lowest bid was First Tennessee Financial Capital Markets, Memphis, Tennessee.

TABULATION OF BIDS
MARTIN COUNTY, MINNESOTA
\$4,900,000*
GENERAL OBLIGATION DRAINAGE DITCH BONDS, SERIES 2017A

AWARD: FTN FINANCIAL CAPITAL MARKETS

DATE OF SALE: MONDAY, OCTOBER 30, 2017

STANDARD AND POOR'S GLOBAL RATINGS UNDERLYING RATING "AA-"

BIDDER	PURCHASE PRICE	NET INTEREST COST	TRUE INTEREST COST (TIC)

FTN FINANCIAL CAPITAL MARKETS Memphis, TN	\$4,988,042.60	\$1,315,769.80	2.5639327%
STIFEL, NICOLAUS & CO., INC. Birmingham, AL	\$5,017,960.30	\$1,344,443.62	2.6255944%
ROBERT W. BAIRD & CO., INC. Milwaukee, WI	\$4,959,551.50	\$1,347,828.10	2.6395606%
RAYMOND JAMES & ASSOCIATES, INC. Memphis, TN	\$5,079,510.10	\$1,407,173.34	2.7357176%
HUTCHINSON, SHOCKEY, ERLEY & CO. Chicago, IL	\$4,972,878.35	\$1,399,115.87	2.7485094%

*Subsequent to bid opening, the par amount was reduced from \$4,900,000 to \$4,755,000. The adjusted bid price is \$4,840,638.72 plus accrued interest and the adjusted TIC is 2.5637892%.

Fahey presented the resolution Awarding the Sale of General Obligation Drainage Ditch Bonds, Series 2017A, in the Original Aggregate Principal Amount of \$4,755,000; Fixing their Form and Specifications; Directing their Execution and Delivery; and Providing for their Payment.

After review,

Motion by Commissioner Belgard, seconded by Commissioner Flohrs,

Extract of Minutes of Meeting
of the Board of Commissioners of
Martin County, Minnesota

Pursuant to due call and notice thereof, a special meeting of the Board of Commissioners of Martin County, Minnesota, was duly held in the Courthouse in the City of Fairmont, Minnesota, on Tuesday, October 31, 2017, commencing at 10:00 A.M.

The following commissioners were present: Smith, Belgard, Flohrs & Schmidtke.

and the following were absent: Mahoney.

The Chair announced that the next order of business was consideration of the proposals which had been received for the purchase of the County's approximately \$4,755,000 General Obligation Drainage Ditch Bonds, Series 2017A.

The County Auditor/Treasurer presented a tabulation of the proposals that had been received in the manner specified in the Notice of Sale for the Bonds. The proposals are as set forth in EXHIBIT A attached.

After due consideration of the proposal, Commissioner Belgard then introduced the following resolution and moved its adoption:

RESOLUTION NO. R-#37/'17

A RESOLUTION AWARDING THE SALE OF GENERAL OBLIGATION DRAINAGE DITCH BONDS, SERIES 2017A, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,755,000; FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION AND DELIVERY; AND PROVIDING FOR THEIR PAYMENT

BE IT RESOLVED By the Board of Commissioners of Martin County, Minnesota (the "County") as follows:

Section 1. Sale of Bonds.

1.01. Authorization. Pursuant to a resolution adopted by the Board of Commissioners of the County on October 17, 2017 (the "Authorizing Resolution"), the Board of Commissioners gave preliminary approval to the issuance of the County's General Obligation Drainage Ditch Bonds, Series 2017A (the "Bonds"). The Bonds were authorized to be issued pursuant to Minnesota Statutes, Chapters 103E and 475, as amended, (collectively, the "Act"), in order to finance County's costs in connection with the construction, improvement or repair of the County's drainage system, specifically Judicial Ditches 2, 20, 38, 314 and 414 and County Ditch 350 (the "Improvements")

1.02. Award to the Purchaser and Interest Rates. The proposal of FTN Financial Capital Markets, Memphis, Tennessee (the "Purchaser"), to purchase the Bonds is hereby found and determined to be a reasonable offer and is hereby accepted, the proposal being to purchase the Bonds at a price of \$4,840,638.72 (par amount of \$4,755,000, plus original issue premium of \$118,976.85, less underwriter's discount of \$33,338.13), plus accrued interest to the date of delivery, if any, for Bonds bearing interest as follows:

Year	Interest Rate	Year	Interest Rate
2018	2.00%	2027	2.50%
2019	2.00	2028	2.50
2020	2.00	2029	2.75
2021	2.00	2030	3.00
2022	2.00	2031	3.00
2023	2.50	2033*	3.00
2024	2.50	2035*	3.00
2025	2.50	2038*	3.25
2026	2.25		

**Term Bond*

Net interest cost 2.6161921%

1.03. Purchase Contract. Any original issue premium and any rounding amount shall be credited to the Debt Service Fund hereinafter created or deposited in the accounts in the Construction Fund hereinafter created, as determined by the County Auditor/Treasurer in consultation with the County’s municipal advisor. The County Auditor/Treasurer is directed to retain the good faith check of the Purchaser, pending completion of the sale of the Bonds. The Chair and County Auditor/Treasurer are directed to execute a contract with the Purchaser on behalf of the County.

1.04. Terms and Principal Amounts of the Bonds. The County will forthwith issue and sell the Bonds pursuant to the Act in the total principal amount of \$4,755,000, originally dated the date of delivery, in the denomination of \$5,000 each or any integral multiple thereof, numbered No. R-1, upward, bearing interest as above set forth, and maturing on December 15 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2018	\$110,000	2027	\$260,000
2019	265,000	2028	260,000
2020	265,000	2029	260,000
2021	265,000	2030	260,000
2022	265,000	2031	255,000
2023	270,000	2033*	505,000
2024	270,000	2035*	360,000
2025	265,000	2038*	360,000
2026	260,000		

**Term Bond*

1.05. Optional Redemption. The County may elect on December 15, 2025, and on any day thereafter to prepay Bonds due on or after December 15, 2026. Redemption may be in whole or in part and if in part, at the option of the County and in such manner as the County will determine. If less than all Bonds of a maturity are called for redemption, the County will notify DTC (as defined in Section 7 hereof) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

1.06 Mandatory Redemption; Term Bonds. The Bonds maturing on December 15, 2033, December 15, 2035, and December 15, 2038 shall hereinafter be referred to collectively as the “Term Bonds.” The principal amounts of the Term Bonds subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Bonds credited against future mandatory sinking fund redemptions of such Term Bonds in such order as the City shall determine. The Term Bonds are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on January 1 of the following years and in the principal amounts as follows:

<u>Sinking Fund Installment Date</u>	<u>Principal Amount</u>
<u>December 15, 2033 Term Bonds</u>	
2032	\$ 250,000
2033*	255,000
<hr/>	
<i>* Maturity</i>	
<u>December 15, 2035 Term Bonds</u>	
2034	\$ 180,000
2035*	180,000
<hr/>	
<i>* Maturity</i>	

<u>December 15, 2038 Term Bonds</u>	
2036	\$ 120,000
2037	120,000
2038*	120,000

* *Maturity*

Section 2. Registration and Payment.

2.01. Registered Form. The Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.

2.02. Dates; Interest Payment Dates. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond will be dated as of the date of original issue. The interest on the Bonds is payable on June 15 and December 15 of each year, commencing June 15, 2018, to the registered owners of record as of the close of business on the last day of the immediately preceding month, whether or not such day is a business day.

2.03. Registration. The County will appoint a bond registrar, transfer agent, authenticating agent and paying agent (the “Registrar”). The effect of registration and the rights and duties of the County and the Registrar with respect thereto are as follows:

(a) Register. The Registrar must keep at its principal corporate trust office a bond register in which the Registrar provides 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 a 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 will 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 first day of the month of such interest payment date and until that interest payment date.

(c) Exchange of Bonds. When Bonds are surrendered by the registered owner for exchange the Registrar will 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. Bonds surrendered upon transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the County.

(e) Improper or Unauthorized Transfer. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will 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 a Bond is registered in the bond register as the absolute owner of the Bond, whether the Bond is 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 payments so made to a registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

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

(h) Mutilated, Lost, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the 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 an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the County and the Registrar must be named as obligees. Bonds so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the County. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of the proceedings for the redemption of Bonds. Bonds so called

for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

2.04. Appointment of Initial Registrar. The County appoints Northland Trust Services, Inc., Minneapolis, Minnesota, as the initial Registrar. The Chair and the 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, the resulting corporation is 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 (30) days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and must deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Board, the County Auditor/Treasurer must transmit to the Registrar moneys sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication and Delivery. The Bonds will be prepared under the direction of the County Auditor/Treasurer and executed on behalf of the County by the signatures of the Chair and the County Auditor/Treasurer, provided that all signatures may be printed, engraved or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of any Bond, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond will not 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 a Bond is conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so prepared, executed and authenticated, the County Auditor/Treasurer will deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

2.06. Temporary Bonds. The County may elect to deliver in lieu of printed definitive Bonds one or more typewritten temporary Bonds in substantially the form set forth in EXHIBIT B attached hereto with such changes as may be necessary to reflect more than one maturity in a single temporary bond. Upon the execution and delivery of definitive Bonds the temporary Bonds will be exchanged therefor and cancelled.

Section 3. Form of Bond.

3.01. Execution of the Bonds. The Bonds will be printed or typewritten in substantially the form attached hereto as EXHIBIT B.

3.02. Approving Legal Opinion. The County Auditor/Treasurer will obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, which is to be complete except as to dating thereof and to cause the opinion to be printed on or accompany each Bond.

Section 4. Payment: Security: Pledges and Covenants.

4.01. Debt Service Fund. The Bonds will be payable from the General Obligation Drainage Ditch Bonds, Series 2017A Debt Service Fund (the “Debt Service Fund”) hereby created, and the proceeds of assessments (the “Assessments”) levied for the Improvements described in Section 1.01 financed by the Bonds are hereby pledged to the Debt Service Fund. If a payment of principal of or interest on the Bonds becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the County Auditor/Treasurer will pay such principal or interest from the general fund of the County, and the general fund will be reimbursed for such advances out of the proceeds of the Assessments levied by this resolution, when collected. There is hereby appropriated to the Debt Service Fund (i) capitalized interest financed from Bond proceeds, if any; (ii) amounts designated for deposit in the Debt Service Fund in accordance with Section 1.03 hereof; and (iii) the accrued interest paid by the Purchaser upon closing and delivery of the Bonds, if any.

4.02. Construction Fund. The proceeds of the Bonds, less the appropriations made in Section 4.01, together with any other appropriated funds for the Improvements, will be deposited in a separate construction fund (the “Construction Fund”) to be used solely to defray expenses of the Improvements and the costs of issuing the Bonds. When the Improvements are completed and the costs thereof paid, the Construction Fund is to be closed and any funds remaining for the Improvements may be deposited in the Debt Service Fund.

4.03. No Tax Levy Required. It is hereby determined that the estimated collections of Assessments for the payment of the Bonds will produce at least five percent (5%) in excess of the amount needed to meet, when due, the principal and interest payments on the Bonds and no tax levy is needed at this time.

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

4.05. County Covenants with the Holders. It is hereby determined that the Improvements to be financed by the Bonds will directly and indirectly benefit the abutting property, and the County hereby covenants with the holders from time to time of the Bonds as follows:

(a) Levy of Assessments. The County will cause (i) the Assessments for County Ditch 350 and Judicial Ditches 2, 38 and 414 to be promptly levied so that the first installment will be collectible not later than 2018, and (ii) the Assessments for Judicial Ditches 20 and 314 to be promptly levied so that the first installment will be collectible not later than 2019. The County will take all steps necessary to assure prompt collection, and the levy of the Assessments for the Improvements is hereby authorized. The Board will cause all further actions and proceedings relative to the making and financing of the Improvements financed hereby to be taken with due diligence that are required for the construction of each Improvement financed wholly or partly from the proceeds of the Bonds, and for the final and valid levy of Assessments and the appropriation of any other funds needed to pay the Bonds and interest thereon when due.

(b) Payment of Deficiencies, if Any. In the event of any current or anticipated deficiency in the Assessments, the Board will levy ad valorem taxes in the amount of said current or anticipated deficiency.

(c) Books and Records. The County will keep complete and accurate books and records showing all receipts and disbursements in connection with the Improvements, the Assessments levied therefor and other funds appropriated for their payment, and all collections thereof and disbursements therefrom, moneys on hand and balance of unpaid Assessments.

(d) Annual Audit. The County will cause its books and records to be audited at least annually by qualified public accountants and will furnish copies of such audit reports to any interested person upon request.

(e) Collection of Assessments. In strict accordance, constituting the Improvements with Minnesota Statutes, Chapter 103E, the County has heretofore caused the drainage project to be properly established, and the property within the County is subject to assessment for benefits in an amount not less than the amount of the Bonds, and all proceedings and construction relative to the drainage systems financed by the Bonds have been or will be made according to law and the County will impose and collect charges of the nature authorized by Minnesota Statutes, Section 103E.

4.06. County Auditor/Treasurer Certificate as to Registration. The County Auditor/Treasurer is authorized and directed to file a certified copy of this resolution with his office and to provide the certificate required by Section 475.63 of the Act.

Section 5. Authentication of Transcript.

5.01. County Proceedings and Records. The officers of the County are hereby authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the County relating to the Bonds and to the financial condition and affairs of the County, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of

the Bonds and such instruments, including any heretofore furnished, will be deemed representations of the County as to the facts stated therein.

5.02. Certification as to Official Statement. The Chair and County Auditor/Treasurer are hereby authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

5.03. Other Certificates. The Chair and County Auditor/Treasurer are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the County or incumbency of its officers, at the closing the Chair and County Auditor/Treasurer shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the County Auditor/Treasurer shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

5.04. Payment of Costs of Issuance. The County authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to Northland Trust Services, Inc. on the closing date for further distribution as directed by Northland Securities, Inc.

Section 6. Tax Covenant.

6.01. Tax-Exempt Bonds. The County covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Bonds.

6.02. No Rebate Required.

(a) The County will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds, and the rebate of excess investment earnings to the United States, if the Bonds (together with other obligations reasonably expected to be issued in calendar year 2017) exceed the small-issuer exception amount of \$5,000,000.

(b) For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements, the County finds, determines and declares that the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the County (and all subordinate entities of the County) during the calendar year in

which the Bonds are issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

6.03. Not Private Activity Bonds. The County further covenants not to use the proceeds of the Bonds or to cause or permit them or any of them to be used, 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.

6.04. 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 County makes the following factual statements and representations:

(a) the Bonds are not “private activity bonds” as defined in Section 141 of the Code;

(b) the County hereby designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;

(c) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) which will be issued by the County (and all subordinate entities of the County) during calendar year 2017 will not exceed \$10,000,000; and

(d) not more than \$10,000,000 of obligations issued by the County during calendar year 2017 have been designated for purposes of Section 265(b)(3) of the Code.

6.05. Procedural Requirements. The County will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

Section 7. Book-Entry System; Limited Obligation of County.

7.01. DTC. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 1.04 hereof. Upon initial issuance, the ownership of each such Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns (“DTC”). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

7.02. Participants. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the County, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository (the “Participants”) or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the

accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar) of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The County, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the County's obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the County Auditor/Treasurer of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." will refer to such new nominee of DTC; and upon receipt of such a notice, the County Auditor/Treasurer will promptly deliver a copy of the same to the Registrar and Paying Agent.

7.03. Representation Letter. The County has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the "Representation Letter") which will govern payment of principal of, premium, if any, and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the County with respect to the Bonds will agree to take all action necessary for all representations of the County in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

7.04. Transfers Outside Book-Entry System. In the event the County, by resolution of the Board, determines that it is in the best interests of the persons having beneficial interests in the Bonds that they be able to obtain Bond certificates, the County will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the County will issue, transfer and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the County and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the County will issue and the Registrar will authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

7.05. Payments to Cede & Co. Notwithstanding any other provision of this resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and notices with

respect to the Bond will be made and given, respectively in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 8. Continuing Disclosure.

8.01. Execution of Continuing Disclosure Certificate. For purposes of this Section, "Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate executed by the Chair and County Auditor/Treasurer and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

8.02. County Compliance with Provisions of Continuing Disclosure Certificate. The County hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the County to comply with the Continuing Disclosure Certificate is not to be considered an event of default with respect to the Bonds; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this section.

Section 9. Defeasance. When all Bonds and all interest thereon have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds will cease, except that the pledge of the full faith and credit of the County for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The County may discharge all 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. 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 to the date of such deposit.

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner Flohrs, and upon vote being taken thereon, the following voted in favor thereof:

Commissioners Smith, Flohrs, Belgard & Schmidtke.

and the following voted against the same: None.

whereupon said resolution was declared duly passed and adopted.

Chair

County Auditor/Treasurer

EXHIBIT A
PROPOSALS



TABULATION OF BIDS
MARTIN COUNTY, MINNESOTA

\$4,900,000*

GENERAL OBLIGATION DRAINAGE DITCH BONDS, SERIES 2017A

AWARD: FTN FINANCIAL CAPITAL MARKETS
 DATE OF SALE: MONDAY, OCTOBER 30, 2017
 STANDARD AND POOR'S GLOBAL RATINGS UNDERLYING RATING "AA"

BIDDER	PURCHASE PRICE	NET INTEREST COST	TRUE INTEREST COST (TIC)
FTN FINANCIAL CAPITAL MARKETS Memphis, TN	\$4,988,042.60	\$1,315,769.80	2.5639327%
STIFEL, NICOLAUS & CO., INC. Birmingham, AL	\$5,017,960.30	\$1,344,443.62	2.6255944%
ROBERT W. BAIRD & CO., INC. Milwaukee, WI	\$4,959,551.50	\$1,347,828.10	2.6395606%
RAYMOND JAMES & ASSOCIATES, INC. Memphis, TN	\$5,079,510.10	\$1,407,173.34	2.7357176%
HUTCHINSON, SHOCKEY, ERLEY & CO. Chicago, IL	\$4,972,878.35	\$1,399,115.87	2.7485094%

* Subsequent to bid opening, the par amount was reduced from \$4,900,000 to \$4,755,000. The adjusted bid price is \$4,840,638.72 plus accrued interest and the adjusted TIC is 2.5637892%.

Main Office 45 South 7th Street, Suite 2000, Minneapolis, Minnesota 55402 Main Office Toll Free 1-800-851-2920
www.northlandsecurities.com

Member FINRA and SIPC

EXHIBIT B

FORM OF BOND

No. R-_____ UNITED STATES OF AMERICA \$_____
STATE OF MINNESOTA
COUNTY OF MARTIN

**GENERAL OBLIGATION DRAINAGE DITCH BOND
SERIES 2017A**

<u>Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	December 15, 20__	November 28, 2017	573207

Registered Owner: Cede & Co.

Martin County, Minnesota (the “County”), a duly organized and existing municipal corporation in Minnesota, acknowledges itself to be indebted and for value received promises to pay to the Registered Owner specified above or registered assigns, the principal sum of \$_____ on the maturity date specified above, with interest thereon from the date hereof at the annual rate specified above, payable June 15 and December 15 of each year, commencing June 15, 2018, to the person in whose name this Bond is registered at the close of business on the last day of the immediately preceding month (whether or not a business day). The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by Northland Trust Services, Inc., Minneapolis, Minnesota, as Registrar, Paying Agent, Transfer Agent and Authenticating Agent, or its designated successor under the Resolution described herein. 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.

The County may elect on December 15, 2025, and on any day thereafter to prepay Bonds due on or after December 15, 2026. Redemption may be in whole or in part and if in part, at the option of the County and in such manner as the County will determine. If less than all Bonds of a maturity are called for redemption, the County will notify Depository Trust Company (“DTC”) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

The Bonds maturing on December 15, 2033, December 15, 2035, and December 15, 2038 shall hereinafter be referred to collectively as the “Term Bonds.” The principal amounts of the Term Bonds subject to mandatory sinking fund redemption on any date may be reduced through earlier

optional redemptions, with any partial redemptions of the Term Bonds credited against future mandatory sinking fund redemptions of such Term Bonds in such order as the City shall determine. The Term Bonds are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on January 1 of the following years and in the principal amounts as follows:

<u>Sinking Fund Installment Date</u>	<u>Principal Amount</u>
<u>December 15, 2033 Term Bonds</u>	
2032	\$ 250,000
2033*	255,000
<hr/>	
* <i>Maturity</i>	
<u>December 15, 2035 Term Bonds</u>	
2034	\$ 180,000
2035*	180,000
<hr/>	
* <i>Maturity</i>	
<u>December 15, 2038 Term Bonds</u>	
2036	\$ 120,000
2037	120,000
2038*	120,000
<hr/>	
* <i>Maturity</i>	

This Bond is one of an issue in the aggregate principal amount of \$4,755,000 all of like original issue date and tenor, except as to number, maturity date, redemption privilege, and interest rate, all issued pursuant to a resolution adopted by the Board of Commissioners on October 31, 2017 (the "Resolution"), for the purpose of providing money for the construction of improvements to various public drainage ditches within the County, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapters 103E and 475, as amended, and the principal hereof and interest hereon are payable primarily from assessments levied against properties specially benefited by the improvements, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the County are irrevocably pledged for payment of this Bond and the Board of Commissioners has obligated itself to levy ad valorem taxes on all taxable property in the County in the event of any deficiency in assessments, which taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

This Bond is issued in strict accordance with Minnesota Statutes, Chapter 103E, including without limitation that the drainage projects have been properly established and that

the property within the county is subject to assessment for benefits in an amount not less than the amount of the bonds, and that all proceedings and construction relative to the drainage systems financed have been made or will be according to law.

The Board of Commissioners has designated the issue of Bonds of which this Bond forms a part as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) relating to disallowance of interest expense for financial institutions and within the \$10 million limit allowed by the Code for the calendar year of issue.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the County at the principal office of the Registrar, by the registered owner hereof in person or by the owner’s attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner’s attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the County will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The 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 will 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, and that the issuance of this Bond does not cause the indebtedness of the County to exceed any constitutional or statutory limitation of indebtedness.

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

IN WITNESS WHEREOF, Martin County, Minnesota, by its Board of Commissioners, has caused this Bond to be executed on its behalf by the facsimile or manual signatures of the Chair and County Auditor/Treasurer and has caused this Bond to be dated as of the date set forth below.

Dated: November 28, 2017

MARTIN COUNTY, MINNESOTA

(Facsimile)
Chair

(Facsimile)
County Auditor/Treasurer

CERTIFICATE OF AUTHENTICATION

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

NORTHLAND TRUST SERVICES, INC.

By _____
Authorized Representative

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

UNIF GIFT MIN ACT

Custodian _____
(Cust) (Minor)

TEN ENT -- as tenants by entireties

under Uniform Gifts or Transfers to
Minors Act, State of _____

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

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 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 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

PROVISIONS AS TO REGISTRATION

The ownership of the principal of and interest on the within Bond has been registered on the books of the Registrar in the name of the person last noted below.

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of Officer of Registrar</u>
<hr/>	Cede & Co. Federal ID #13-2555119	<hr/>

STATE OF MINNESOTA)
) SS.
COUNTY OF MARTIN)

I, the undersigned, being the duly qualified and acting County Auditor/Treasurer of Martin County, Minnesota (the “County”), do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the Board of Commissioners of the County held on October 31, 2017, with the original minutes on file in my office and the extract is a full, true and correct copy of the minutes insofar as they relate to the issuance and sale of the County’s General Obligation Drainage Ditch Bonds, Series 2017A, in the original aggregate principal amount of \$4,755,000.

WITNESS My hand officially as such County Auditor/Treasurer and the corporate seal of the County this _____ day of _____, 2017.

County Auditor/Treasurer
Martin County, Minnesota

(SEAL)

STATE OF MINNESOTA
COUNTY OF MARTIN

CERTIFICATE OF COUNTY
AUDITOR/TREASURER
AS TO REGISTRATION WHERE
NO AD VALOREM TAX LEVY

I, the undersigned County Auditor/Treasurer of Martin County, Minnesota (the “County”), hereby certify that a resolution adopted by the Board of Commissioners of the County on October 31, 2017, relating to the County’s General Obligation Drainage Ditch Bonds, Series 2017A, in the original aggregate principal amount of \$4,755,000, dated November 28, 2017, has been filed in my office and said obligations have been registered on the register of obligations in my office.

WITNESS My hand and official seal this ____ day of _____, 2017.

(SEAL)

County Auditor/Treasurer
Martin County, Minnesota

Deputy

Roll Call AYES: Commissioners Smith, Flohrs, Belgard, and Schmidtke. Commissioner Mahoney was absent. NAYS: None. Resolution duly passed and adopted this 31st day of October, 2017.

With no further business to wit, Board Chair adjourned the meeting at 10:12 a.m.

BOARD OF COMMISSIONERS
MARTIN COUNTY, MN

Dan Schmidtke, Board Chair

ATTEST: _____
Scott Higgins, County Coordinator