



Board of County Commissioners Agenda Request

5A
Agenda Item #

Requested Meeting Date: April 10, 2018

Title of Item: Consider Resolution Authorizing Bond Issuance

<input checked="" type="checkbox"/> REGULAR AGENDA <input type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> INFORMATION ONLY	Action Requested: <input type="checkbox"/> Approve/Deny Motion <input checked="" type="checkbox"/> Adopt Resolution (attach draft) <i>*provide copy of hearing notice that was published</i>	<input type="checkbox"/> Direction Requested <input type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing*
Submitted by: Jessica Seibert, County Administrator		Department: Administration
Presenter (Name and Title): Jessica Seibert, County Administrator		Estimated Time Needed: 15 minutes
Summary of Issue: A resolution authorizing issuance, awarding sale, prescribing the form and details and providing for the payment of \$10,500,000 general obligation capital improvement plan bonds, series 2018A will be present for approval/denial.		
Alternatives, Options, Effects on Others/Comments:		
Recommended Action/Motion: Approve/deny resolution authorizing issuance and awarding sale of capital improvement plan bonds.		
Financial Impact: Is there a cost associated with this request? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No What is the total cost, with tax and shipping? \$ 10,500,000 Is this budgeted? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>Please Explain:</i>		

Legally binding agreements must have County Attorney approval prior to submission.

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

RESOLUTION NO. _____

RESOLUTION AUTHORIZING ISSUANCE, AWARDED SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF \$10,500,000 GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BONDS, SERIES 2018A

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

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. On March 28, 2017, this Board held a public hearing on the adoption of its Capital Improvement Plan ("the Plan") and the question of issuing General Obligation Capital Improvement Plan Bonds pursuant to Minnesota Statutes, Section 373.40 in an amount not to exceed \$10,500,000 for the purpose of financing the construction of an addition to the existing County courthouse, public safety and security improvements to existing facilities, the remodeling of existing facilities and the demolition of the West Annex addition to the courthouse, and other related building and grounds improvements described in the Plan (collectively, the "Project"), after notice duly published in the official newspaper of the County as set forth in Minnesota Statutes, Section 373.40, subdivision 2. No valid petition requesting a vote on the question of adopting the Plan or issuing the Bonds was filed within 30 days of March 28, 2017. By resolution duly adopted on March 13, 2018, this Board authorized the issuance, and called for the sale on the date hereof, of its General Obligation Capital Improvement Plan Bonds, Series 2018A (the Bonds), to finance the Project, pursuant to Minnesota Statutes, Section 373.40 and Chapter 475.

The maximum principal and interest to become due in any year on the Bonds (\$[775,827]) and all other bonds issued by the County under Minnesota Statutes, Section 373.40 is less than 0.12 percent (\$3,304,445) of the taxable market value of property in the County (approximately \$2,753,703,844). This Board hereby finds that the Bonds may be issued without an election pursuant to Minnesota Statutes, Section 373.40, subdivision 2.

1.02. Sale. The County has retained Springsted Incorporated as independent municipal advisor in connection with the sale of the Bonds. Pursuant to Minnesota Statutes, Section 475.60, subdivision 2, paragraph 9, the requirements as to public sale do not apply to the issuance of the Bonds. Pursuant to the Official Statement prepared on behalf of the County by Springsted Incorporated, proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The proposals have been opened, 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 [_____]

of [_____, _____] (the Purchaser). It is hereby determined to issue the Bonds in the principal amount of \$[_____] at a price of \$[_____] plus accrued interest, if any, and upon the further terms and conditions set forth herein.

1.03. Award. The sale of the Bonds is hereby awarded to the Purchaser, and the Chairperson and County Administrator are hereby authorized and directed to execute a contract on behalf of the County for the sale of the Bonds in accordance with the Official Statement. 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 Board 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 May 10, 2018, shall be in the denomination of \$5,000 each, or any integral multiple thereof, of single maturities. The Bonds 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>Maturity</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Maturity</u>	<u>Principal Amount</u>	<u>Rate</u>
2020	\$	%	2030	\$	%
2021			2031		
2022			2032		
2023			2033		
2024			2034		
2025			2035		
2026			2036		
2027			2037		
2028			2038		
2029			2039		

[REVISE MATURITY SCHEDULE FOR TERM BONDS]

The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof shall be payable by check or draft issued by the Registrar described herein, 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 semiannually on February 1 and August 1, commencing February 1, 2019, each such date being referred to herein as an Interest Payment Date, to the person in whose name the Bonds are registered on the Bond Register, as hereinafter defined, 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 2027 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, 2026, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The County Administrator shall cause notice of the call for redemption thereof to be published if and as required by law and, at least thirty 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 described in Section 2.05 hereof, 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.

[COMPLETE THE FOLLOWING PROVISIONS IF THERE ARE TERM BONDS –
ADD ADDITIONAL PROVISIONS IF THERE ARE MORE THAN TWO TERM BONDS]

[Bonds maturing on February 1, 20__ and 20__ (the Term Bonds) shall be subject to mandatory redemption prior to maturity pursuant to the sinking fund requirements of this Section 2.03 at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Registrar shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the following years the following stated principal amounts of such Bonds:

Term Bonds Maturing in 20

Term Bonds Maturing in 20

Sinking Fund
Payment Date

Aggregate
Principal Amount

Sinking Fund
Payment Date

Aggregate
Principal Amount

*Maturity

*Maturity

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

2.04. Appointment of Initial Registrar. The County hereby appoints U.S. Bank National Association, in St. Paul, Minnesota, as the initial registrar, transfer agent and paying agent (the "Registrar"). The Chairperson and County Administrator 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, effective upon not less than thirty (30) days' written notice and upon the appointment of (and acceptance of such appointment by) 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 or been called for redemption in accordance with its terms 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 Administrator and shall be executed on behalf of the County by the signatures of the Chairperson and County Administrator, 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 Administrator 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 by the Chairperson or County Administrator, if not previously filed, 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 form attached as Exhibit A hereto.

SECTION 3. GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BONDS, SERIES 2018A CONSTRUCTION FUND. There is hereby established in the official books and records of the County a separate General Obligation Capital Improvement Plan Bonds, Series 2018A Construction Fund (the "Construction Fund"). The County Administrator shall continue to maintain the Construction Fund until all costs and expenses incurred in connection with the Project have been duly paid or provided for. The County hereby appropriates to the Construction Fund proceeds of the Bonds in the amount of \$[_____]. After payment of all costs incurred with respect to the Project, the Construction Fund shall be discontinued and any proceeds of the Bonds remaining therein shall be credited to the Bond Fund described in Section 4 hereof.

SECTION 4. GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BONDS, SERIES 2018A BOND FUND. The Bonds shall be payable from a separate General Obligation Capital Improvement Plan Bonds, Series 2018A Bond Fund (the "Bond Fund") of the County, which Bond Fund the County agrees to maintain until the Bonds have been paid in full. Into the Bond Fund shall be paid: (a) any funds received from the Purchaser upon delivery of the Bonds in excess of the amount required by Section 3 to be credited to the Construction Fund and amounts for payment of costs of issuance of the Bonds; (b) the amounts specified in Section 3 above, after payment of all costs of the Project; (c) all taxes levied and collected pursuant to Section 5; and (d) any other funds appropriated by the Board for the payment of the Bonds. The principal of and interest on the Bonds shall be payable from the Bond Fund, and the money on hand in the Bond Fund from time to time shall be used only to pay the principal of and interest on the Bonds. On or before each principal and interest payment date for the Bonds, the County Administrator is directed to remit to the Registrar from funds on deposit in the Bond Fund the amount needed to pay principal and interest on the Bonds on the next succeeding principal and interest payment date. If the balance in the Bond Fund is at any time insufficient to pay all interest and principal then due on all Bonds payable therefrom, the payment shall be made from any fund of the County which is available for that purpose, subject to reimbursement from the Bond Fund when the balance therein is sufficient, and the County covenants and agrees that it will each year levy a sufficient amount of ad valorem taxes to take care of any accumulated or anticipated deficiency, which levy is not subject to any constitutional or statutory limitation.

SECTION 5. 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>
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See attached Schedule I

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 6. BOND FUND BALANCE RESTRICTION. In order to ensure compliance with the Internal Revenue Code of 1986, as amended (the "Code"), and applicable Treasury Regulations thereunder (the "Regulations"), upon allocation of any funds to the Bond Fund, the balance then on hand in the Bond Fund shall be ascertained. If it exceeds the amount of principal and interest on the Bonds to become due and payable through February 1 next following, plus a reasonable carryover equal to 1/12th of the debt service due in the following bond year, the excess shall (unless an opinion is otherwise received from bond counsel) be used to prepay the Bonds, or invested at a yield which does not exceed the yield on the Bonds calculated in accordance with Section 148 of the Code.

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 discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms by depositing with the Registrar on or before that date an amount equal to the principal, redemption premium, if any, and interest then due, provided that notice of such redemption has been duly given as provided herein. 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, if notice of redemption as herein required has been irrevocably provided for, to such earlier redemption date.

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

8.01. Covenant. The County covenants and agrees with the owners 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 includable in gross income of the recipient under the Code and applicable Regulations, and covenants to take any and all affirmative 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 applicable Regulations. The

County represents and covenants that all improvements financed from the proceeds of the Bonds are and will be owned and operated by the County and available for use by members of the general public on a substantially equal basis. The County has not entered and will not enter into any lease, management contract, operating agreement, use agreement or other contract relating to the use, operation or maintenance of the Project or any part thereof 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 Administrator 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 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. Reimbursement. The County certifies that the proceeds of the Bonds will not be used by the County to reimburse itself for any expenditure with respect to the Project which the County paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the County shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations, provided that a declaration of official intent shall not be required (i) with respect to certain de minimis expenditures, if any, with respect to the Project meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to “preliminary expenditures” for the Project as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the “issue price” of the Bonds.

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 (i) 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 (ii) 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, 2017, 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 generally accepted accounting principles 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 headings: "County Property Values," "County Indebtedness" and "County Tax Rates, Levies, and Collections" 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 in the format required for the audited financial statements as part of the Disclosure Information 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 (MSRB) through its Electronic Municipal Market Access System (EMMA) or to the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. 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 ten business days after the occurrence of the event, notice of the occurrence of any of the following events (each a Material Fact):
- (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 security, or other material events affecting the tax status of the security;
 - (G) Modifications to rights of security holders, if material;
 - (H) Bond calls, if material, and tender offers;
 - (I) Defeasances;
 - (J) Release, substitution, or sale of property securing repayment of the securities, 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 it is an event as to which 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 is an event that 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, 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)(3) 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 Administrator is hereby authorized and directed to file a certified copy of this resolution in the County records, together with such additional information as required, and to issue a certificate that the Bonds have been duly entered upon the Auditor'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 Official Statement relating to the Bonds, prepared and distributed by Springsted Incorporated, the municipal advisor for the County, together with any addendum thereto, is hereby approved. Springsted Incorporated 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 as is required to be included in the Official Statement by the Rule. 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 the Official Statement.

BE IT FINALLY RESOLVED that this resolution shall be in full force and effect from and after its passage.

Adopted by the Board of County Commissioners of Aitkin County, Minnesota, this 10th day of April, 2018.

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

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

EXHIBIT A
FORM OF SERIES 2018A BONDS

UNITED STATES OF AMERICA
STATE OF MINNESOTA

AITKIN COUNTY

GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BOND,
SERIES 2018A

R- _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
___%	February 1, 20__	May 10, 2018	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

AITKIN COUNTY, State of 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 and promises to pay interest thereon from the date of original issue specified above or from the most recent Interest Payment Date (as hereinafter defined) 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 February 1, 2019 (each such date, an "Interest Payment Date"), all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. 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 immediately preceding month. 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 Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on U.S. Bank National Association, in St. Paul, 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 \$10,500,000 issued pursuant to a resolution adopted by the Board of Commissioners on April 10, 2018 (the "Resolution"), to finance the construction of an addition to the existing County courthouse, public safety and security improvements to existing facilities, the remodeling of existing facilities and the demolition of the West Annex addition to the courthouse, and other related building and grounds improvements (collectively, the "Project"), as described in the County's Capital Improvement Plan. This Bond is issued 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, Section 373.40 and Chapter 475. The Bonds are issuable only in fully registered form, in denominations of \$5,000 or any multiple thereof, of single maturities.

Bonds maturing in 2027 and later years are each subject to redemption and prepayment at the option of the County, in whole or in part, and if in part in such order of maturity dates as the County may select and 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 as to Bonds maturing on the same date, on February 1, 2026, and on any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date of redemption. Prior to the date specified for the redemption of any Bond prior to its stated maturity date, the County will cause notice of the call for redemption to be published if and as required by law, and, at least thirty days prior to the designated redemption date, will cause notice of the call to be mailed by first class mail (or, if applicable, provided in accordance with the operational arrangements of the securities depository), to the registered owner of any Bond to be redeemed at the owner's address as it appears 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 such 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.

[Bonds maturing on February 1, 20__ and 20__ (the Term Bonds) shall be subject to mandatory redemption prior to maturity at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Registrar shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the following years the following stated principal amounts of such Bonds:

<u>Term Bonds Maturing in 20__</u>		<u>Term Bonds Maturing in 20__</u>	
<u>Sinking Fund Payment Date</u>	<u>Aggregate Principal Amount</u>	<u>Sinking Fund Payment Date</u>	<u>Aggregate Principal Amount</u>
*maturity		*maturity	

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

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 Capital Improvement Plan Bonds, Series 2018A 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.