

RESOLUTION # 2017- _____

INTRODUCED:

SECONDED:

VOTED: Aye:

Nay:

Absent:

RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF \$4,020,000 GENERAL OBLIGATION IMPROVEMENT AND UTILITY REVENUE BONDS, SERIES 2017A

BE IT RESOLVED, by the City Council of the City of Windom, Cottonwood County, Minnesota (the "Issuer"), as follows:

Section 1. Bond Purpose, Authorization, and Award.

1.01 Authority and Purpose.

A. Pursuant to authority contained in Minnesota Statutes, Section 115.46 and Chapters 429, 444 and 475 and the Issuer's Charter, the City Council directs the issuance and sale of \$4,020,000 General Obligation Improvement and Utility Revenue Bonds, Series 2017A of the Issuer dated June 15, 2017 (the "Bonds"), for the purpose of financing (i) a portion of the costs of local public improvements, including improvements to the Issuer's street, water and sewer systems, as described in Minnesota Statutes, Chapter 429 (the "Improvement Project"); (ii) a portion of the costs of improvements to the Issuer's water tower (the "Water Project"); (iii) a portion of the costs of sanitary sewer lines (the "Sewer Project," and together with the Improvement Project and the Water Project, the "Project"); (iv) a part of the interest cost of the Bonds; and (v) a part of the issuance costs of the Bonds. The Improvement Project is ordered as required by Minnesota Statutes, Section 429.091, Subdivision 1.

B. The portion of the Bonds to be used to finance the Improvement Project, along with a *pro rata* portion of the costs of issuance of the Bonds is referred to herein as the "Improvement Portion." The portion of the Bonds to be used to finance the Water Project, along with a *pro rata* portion of the costs of issuance of the Bonds is referred to herein as the "Water Portion." The portion of the Bonds to be used to finance the Sewer Project, along with a *pro rata* portion of the costs of issuance of the Bonds is referred to herein as the "Sewer Portion."

C. The principal of and interest on the Bonds shall be paid: (i) with respect to the Improvement Portion, from (a) special assessments levied upon property specially benefitted by the Improvement Project (the "Special Assessments") and (b) from ad valorem taxes hereinafter levied (the "Taxes"); (ii) with respect to the Water Portion, from revenues of the Issuer's water (the "Water Utility"); (iii) with respect to the Sewer Portion, from revenues of the Issuer's sanitary sewer system (the "Sewer Utility" and together with the Water Utility, the "Utilities") in excess of amounts necessary to pay claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable,

and current expenses of operating and maintaining the Utilities, and to maintain such reasonable reserves for such expenses as the City Council shall determine to be necessary from time to time (the "Net Revenues") (the Special Assessments, the Taxes and Net Revenues are collectively referred to as the "Pledged Revenues").

D. The Bonds shall provide funds to finance the Project. The total cost of the Project, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Bonds. Work on the Project shall proceed with due diligence to completion. The Issuer covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained.

1.02 Municipal Advisor. The Issuer has retained the services of Ehlers & Associates, Inc. as its municipal advisor.

1.03 Award of Sale. The Issuer has received an offer from Robert W. Baird & Co. of Milwaukee, Wisconsin (the "Purchaser"), to purchase the Bonds at a cash price of \$4,116,887.45, upon the terms and conditions hereafter specified in this Resolution. The City Council, after due consideration, finds such offer reasonable and proper and the offer of the Purchaser is accepted. The Mayor and the City Administrator are authorized and directed to execute on the part of the Issuer a contract for the sale of the Bonds in accordance with the Purchaser's proposal, and to acknowledge receipt of the security given for the proposal, if any.

Section 2. Terms of the Bonds.

2.01 Date and Maturities. A. The Bonds to be issued hereunder shall be issued as fully-registered bonds designated "\$4,020,000 General Obligation Improvement and Utility Revenue Bonds, Series 2017A," dated the of closing and delivery as the date of original issue, issued in the denominations of \$5,000, or any integral multiple thereof, in fully registered form and lettered and numbered R-1 and upward.

B. The Bonds shall mature on February 1 in the years and amounts stated below and shall bear interest from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue until paid at the rates per annum set forth below opposite such years and amounts:

Year	Improvement Portion	Water Portion	Sewer Portion	Total Amount	Interest Rate
2019	--	\$20,000	\$20,000	\$40,000	3.00%
2020	\$120,000	\$25,000	\$20,000	\$165,000	3.00%
2021	\$125,000	\$25,000	\$20,000	\$170,000	3.00%
2022	\$130,000	\$25,000	\$25,000	\$180,000	3.00%
2023	\$135,000	\$25,000	\$25,000	\$185,000	3.00%
2024	\$135,000	\$25,000	\$25,000	\$185,000	3.00%
2025	\$140,000	\$25,000	\$25,000	\$190,000	3.00%

Year	Improvement Portion	Water Portion	Sewer Portion	Total Amount	Interest Rate
2026	\$145,000	\$25,000	\$25,000	\$195,000	3.00%
2027	\$150,000	\$30,000	\$25,000	\$205,000	3.00%
2028	\$155,000	\$30,000	\$25,000	\$210,000	3.00%
2029	\$160,000	\$30,000	\$30,000	\$220,000	3.00%
2030	\$165,000	\$30,000	\$30,000	\$225,000	3.00%
2031	\$170,000	\$30,000	\$30,000	\$230,000	3.00%
2032	\$175,000	\$30,000	\$30,000	\$235,000	3.00%
2033	\$180,000	\$35,000	\$30,000	\$245,000	3.00%
2035	\$245,000	\$70,000	\$65,000	\$380,000	3.25%
2037	\$265,000	\$75,000	\$70,000	\$410,000	3.30%
2039	\$275,000	\$40,000	\$35,000	\$350,000	3.25%

2.02 Interest Payment Dates; Record Date.

A. The Bonds shall bear interest at the annual rates stated therefor in Section 2.01. The interest shall be payable semiannually on February 1 and August 1 in each year (each referred to herein as an “Interest Payment Date”) commencing on February 1, 2018. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

B. The Bond Registrar designated below shall make all interest payments with respect to the Bonds by check or draft mailed to the person in whose name each Bond is registered (the “Holder”) and in each case at the address shown on the bond registration records maintained by the Bond Registrar at the close of business on the 15th day (whether or not on a business day) of the calendar month next preceding the Interest Payment Date (the “Regular Record Date”). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date fixed for the payment of such defaulted interest (the “Special Record Date”). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The term “Holder” shall also include those lawfully entitled to take actions on behalf of the beneficial owners of the Bonds for purposes of any consent or approvals given by Holders.

C. If the date for payment of the principal of, premium, if any, or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

2.03 Redemption. A. The Bonds maturing on and prior to February 1, 2027 shall not be subject to redemption and prepayment before maturity, but those maturing after such date and in subsequent years shall each be subject to redemption and prepayment at the option of the Issuer on such date and on any day thereafter, in whole or in part and by lot as to the Bonds maturing in the same year, at a price equal to the principal amount thereof plus accrued interest to the redemption date.

B. The Bonds maturing on February 1 in the years 2035, 2037 and 2039 shall be subject to mandatory redemption prior to maturity pursuant to the requirements of this section at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Bond Registrar, as designated below, 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:

For Bonds maturing on February 1, 2035:

Year	Improvement Portion	Water Portion	Sewer Portion	Total Amount
2034	\$120,000	\$35,000	\$30,000	\$185,000
2035	\$125,000	\$35,000	\$35,000	\$195,000

For Bonds maturing on February 1, 2037:

Year	Improvement Portion	Water Portion	Sewer Portion	Total Amount
2036	\$130,000	\$35,000	\$35,000	\$200,000
2037	\$135,000	\$40,000	\$35,000	\$210,000

For Bonds maturing on February 1, 2039:

Year	Improvement Portion	Water Portion	Sewer Portion	Total Amount
2038	\$135,000	\$40,000	\$35,000	\$210,000
2039	\$140,000	--	--	\$140,000

C. In the event of mandatory redemption described above, notice thereof identifying the portion of the Bonds to be redeemed will be given by the Bond Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) not more than 60 and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond or portion thereof to be redeemed at the address shown on the registration books kept by the Bond Registrar; provided however, that so long as the Bonds are registered in the name of Cede & Co., notice of redemption shall be given in accordance with the terms of the Representation Letter. Failure to give notice by mail to any registered owner, or any defect therein, will not affect the validity of any proceeding for the redemption of Bonds not affected by such defect or failure. Bonds or portion thereof 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.

D. If less than all the Bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the Issuer or the Bond Registrar designated below will notify 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 interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest.

Section 3. Registration; Global Book Entry System.

3.01 Designation of Bond Registrar. The City Council appoints Bond Trust Services Corporation, Roseville, Minnesota, as registrar, authenticating agent and transfer agent for the Bonds (such bank or its successors is herein referred to as the "Bond Registrar"), and shall do so until a successor Bond Registrar is duly appointed, all pursuant to a contract which the Issuer and the Bond Registrar shall execute which is consistent herewith and which the Mayor and City Administrator are authorized to execute and deliver. A successor Bond Registrar shall be a bank or trust company eligible for designation as bond registrar pursuant to Minnesota Statutes, Chapter 475. The terms of the appointment of the successor Bond Registrar and its duties shall be specified in a contract between the Issuer and such successor Bond Registrar that is consistent herewith and that the Mayor and City Administrator are authorized to execute and deliver. The Bond Registrar, which may act through an agent, shall also serve as paying agent until and unless a successor paying agent is duly appointed. The Bond Registrar shall pay principal and interest on the Bonds to the registered Holders (or record Holders) of the Bonds in the manner set forth herein. The Issuer agrees to pay the reasonable and customary charges for the services of such Bond Registrar.

3.02 Designation of Depository. DTC, a Securities and Exchange Commission designated depository, a limited purpose New York trust company, a member of the Federal Reserve System, and a "clearing corporation" within the meaning of the New York Uniform Commercial Code, is designated as the depository (the "Depository") with respect to the Bonds.

3.03 Authentication of Bonds. No Bond shall be valid or obligatory for any purpose unless or until either (i) the Bond Registrar's authentication certificate on such Bond, substantially set forth in Section 4.01 hereof, shall have been duly executed by an authorized representative of the Bond Registrar or (ii) the Bonds have been manually executed by at least one officer of the City Council. Authentication certificates on different Bonds need not be signed by the same representative. The Bond Registrar shall authenticate each Bond by execution of the Certificate of Authentication on the Bond and shall date each Bond in the space provided as of the date on which the Bond is registered. For purposes of delivering the original Bonds, the Bond Registrar shall insert as the date of registration the date of original issue. The executed Authentication Certificate or the manual signature of at least one officer of the City

Council on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

3.04 Bond Register; Transfer; Exchange.

A. The Issuer shall cause to be kept by the Bond Registrar at its principal office, a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Issuer shall provide for the registration of the Bonds and the registration of transfers of the Bonds entitled to be registered or transferred as herein provided. In the event of the resignation or removal of the Bond Registrar or its incapability of acting as such, the bond registration records shall be maintained at the office of the successor Bond Registrar as may be appointed by the City Council.

B. Upon surrender for transfer of any Bond at the principal corporate office of the Bond Registrar, the Issuer shall execute, if required by law or this Resolution, and the Bond Registrar shall authenticate, if required by law or this Resolution, date (in the space designated Date of Registration) and deliver, in the name(s) of the designated transferee or transferees, one or more new Bonds of the like aggregate principal amount having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation. Transfer of a Bond may be made on the Issuer's books by the registered owner in person or by the registered owner's attorney duly authorized in writing. Transfers shall be subject to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The Issuer and the Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption or to make any such exchange or transfer of the Bonds during the 15 days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of the Bonds.

C. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the registered owner thereof, with signature guaranteed, or by the registered Holder's attorney duly authorized in writing, and shall include written instructions as to the details of the transfer of the Bond. When any Bond is presented to the Bond Registrar for transfer, the Bond 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 Bond Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

D. At the option of the Holder, replacement Bonds may be exchanged for Bonds of any authorized denomination or denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute (if required by law or this Resolution), and the Bond Registrar shall authenticate (if required by law or this Resolution), date (in the space designated Date of Registration) and deliver the

replacement. Bonds which the Holder making the exchange is entitled to receive. Bonds registered in the name of Cede & Co. may not be exchanged for Bonds of smaller denominations.

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

F. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all of the rights to interest, accrued and unpaid and to accrue, which are carried by such other Bond. All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the Issuer evidencing the same debt, shall be entitled to the same benefits under this Resolution as the Bonds surrendered for such exchange or transfer, and shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bonds.

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

H. Bonds registered in the name of Cede & Co. may not after their original delivery, be transferred or exchanged except in accordance with the terms and conditions of the Representation Letter and:

(i) upon exchange of a Bond after a partial redemption, if provided in Section 2.03 of this Resolution;

(ii) to any successor of the Depository (or its nominee) or any substitute depository (a "Substitute Depository") designated pursuant to clause (iii) below; provided that any successor of the Depository or any Substitute Depository must be both a "clearing corporation" as defined in the Minnesota Uniform Commercial Code, Minnesota Statutes, Section 336.8-102, and a qualified and registered "clearing agency" as provided in Section 17A of the Securities Exchange Act of 1934, as amended;

(iii) to a Substitute Depository designated by and acceptable to the Issuer upon (a) the determination by the Depository that the Bonds shall no longer be eligible for its depository services or (b) a determination by the Issuer that the Depository is no longer able to carry out its functions; provided that any Substitute Depository must be qualified to act as such, as provided in subclause (ii) above; or

(iv) in the event that (a) the Depository shall resign or discontinue its services for the Bonds or be declared no longer able to carry out its functions and the Issuer is unable to locate a Substitute Depository within two months following the resignation or discontinuance or determination of noneligibility, or (b) the Issuer determines in its sole discretion that (1) the continuation of the book-entry system described herein might adversely affect the interests of the beneficial owners of the Bonds, or (2) it is in the best

interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, then the Issuer shall notify the Holders of its determination and of the availability of replacement Bonds to Holders. The Issuer, the Bond Registrar and the Depository shall cooperate in providing Replacement Bonds to Holders requesting the same and the registration, transfer and exchange of such Bonds shall thereafter be conducted as provided in Section 3 of this Resolution.

I. In the event of the designation of a Substitute Depository as authorized by clause H., the Bond Registrar, upon presentation of a Bond, shall register their transfer to the Substitute Depository, and the Substitute Depository shall be treated as the Depository for all purposes and functions under this Resolution. The Representation Letter shall not apply to the Substitute Depository unless the Issuer and the Substitute Depository so agree, and the execution of a similar agreement is authorized.

3.05 Persons Deemed Owners; Payment.

A. The Issuer and the Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in Section 2.02 above), on such Bond and for all other purposes whatsoever, whether or not such Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

B. For the purposes of all actions, consents and other matters affecting Holders of Bonds issued under this Resolution as from time to time supplemented, other than payments, redemptions, and purchases, the Issuer may (but shall not be obligated to) treat as the Holder of a Bond the beneficial owner of the Bond instead of the person in whose name the Bond is registered. For that purpose, the Issuer may ascertain the identity of the beneficial owner of the Bond by such means as the Bond Registrar in its sole discretion deems appropriate, including but not limited to a certificate from the Depository or other person in whose name the Bond is registered identifying such beneficial owner.

C. The principal of and interest on the Bonds shall be payable by the Bond Registrar in such funds as are legal tender for the payment of debts due the United States of America. The Issuer shall pay the reasonable and customary charges of the Bond Registrar for the disbursement of principal and interest.

3.06 Use of Global Book-Entry System.

A. There has been previously submitted to this City Council a form of Letter of Representations between the Issuer and the Depository setting forth various matters relating to the Depository and its role with respect to the Bonds. The terms and conditions of the Letter of Representations are ratified.

B. All of the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest on and principal of any Bond registered in the name of Cede & Co. shall be made by wire transfer or New York Clearing House or equivalent same day funds by

10:00 a.m. CT or as soon as possible thereafter following the Bond Registrar's receipt of funds from the Issuer on each Interest Payment Date to the account of Cede & Co. on each Interest Payment Date at the address indicated in or pursuant to the Letter of Representations.

C. So long as DTC is the Depository or it or its nominee is the Holder of any Bonds, the Issuer shall comply with the provisions of the Letter of Representations, as it may be amended or supplemented from time to time.

D. Additional matters with respect to, among other things, notices, consents and approvals by Holders and payments on the Bonds are set forth in the Letter of Representations.

3.07 Mutilated, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen, or lost, the Bond 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 Bond Registrar and the Issuer in connection therewith, including the cost of printing new Bonds; and, in the case of a Bond destroyed, stolen, or lost, upon filing with the Bond Registrar and the Issuer of evidence satisfactory to it and the Issuer that the Bond was destroyed, stolen, or lost, and of the ownership thereof, and upon furnishing to the Bond Registrar of an appropriate bond or indemnity in form, substance, and amount satisfactory to it and the Issuer and as provided by law, in which both the Issuer and the Bond Registrar must be named as obligees. Bonds so surrendered to the Bond Registrar will be canceled by the Bond Registrar and evidence of such cancellation must be given to the Issuer. 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.

Section 4. Form of the Bonds.

4.01 The Bonds shall be printed or typewritten in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF COTTONWOOD

R-_____ \$ _____

CITY OF WINDOM
GENERAL OBLIGATION BOND, SERIES 2017A

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	February 1, 20__	June 15, 2017	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

The City of Windom, Cottonwood County, Minnesota (the "Issuer"), certifies that it is indebted and for value received, promises to pay to the registered owner specified above or on the Registration Certificate attached hereto, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, and to pay interest thereon from the date of original issue set forth above, or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for, until the principal amount is paid, said interest being at the rate per annum specified above. Interest is payable semiannually on February 1 and August 1 of each year (each referred to herein as an "Interest Payment Date") commencing on February 1, 2018, at the rate per annum specified above, calculated on the basis of a 360-day year of twelve 30-day months, until the principal amount is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue hereof set forth above.

Payment. The principal of and premium, if any, on this Bond are payable by wire transfer (or other agreed means of payment) on each payment date no later than 12:00 noon (New York, New York time) upon presentation and surrender hereof at the office of Bond Trust Services Corporation, Roseville, Minnesota, as registrar, paying agent, authenticating agent and transfer agent (the "Bond Registrar"), or at the office of such successor bond registrar as may be designated by the Issuer. Interest on this Bond will be paid on each Interest Payment Date (by 12:00 noon, New York, New York time) by wire transfer (or other agreed means of payment) to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date fixed for the payment of the defaulted interest, and notice of the special record date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The Bond Registrar shall make all payments with respect to this Bond without, except for payment of principal on the Bond, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Issuer to the extent of the payments so made. The principal of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America. For the prompt and full payment of such principal and interest as they become due, the full faith and credit of the Issuer are irrevocably pledged.

Date of Payment Not Business Day. If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are

authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

Redemption. The Bonds maturing on and prior to February 1, 2027 shall not be subject to redemption before maturity, but those maturing after such date are each subject to redemption and prepayment at the option of the Issuer on such date, and on any day thereafter, in whole or in part, and if in part at the option of the Issuer and in such manner as the Issuer shall determine and by lot as to Bonds maturing in the same year, at a price of par plus accrued interest to the date of redemption.

Mandatory Redemption. The Bonds maturing in the years 2035, 2037 and 2039 shall be subject to mandatory redemption prior to maturity pursuant to the requirements of the Resolution at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium.

Notice of and Selection of Bonds for Redemption. Not less than 30 nor more than 60 days prior to the date fixed for redemption and prepayment of any Bonds, notice of redemption shall be mailed to each registered owner of a Bond to be redeemed; provided, however, that so long as the Bonds are registered in the name of Cede & Co., as nominee for The Depository Trust Company, Jersey City, New Jersey (“DTC”), notice of redemption shall be given in accordance with the terms of the Blanket Issuer Letter of Representations which has been executed by the Issuer and DTC (the “Representation Letter”).

If less than all the Bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the Issuer or the Bond Registrar designated below will notify 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 interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest. If any Bond is redeemed in part, upon surrender of the Bond being redeemed, the Issuer shall deliver or cause to be delivered to the registered owner of such Bond, a Bond in like form in the principal amount equal to that portion of the Bond so surrendered not being redeemed.

Issuance; Purpose. This Bond is one of a series issued by the Issuer in the total aggregate amount of \$4,020,000, all of like original issue date and tenor, except as to number, maturity date, redemption privilege, denomination and interest rate, pursuant to: (i) the authority contained in Minnesota Statutes, Section 115.46 and Chapters 429, 444 and 475; (ii) the Constitution of the State of Minnesota and all other laws thereunto enabling; (iii) the Issuer’s Home Rule Charter; and (iv) an authorizing resolution adopted by the governing body of the Issuer on May 16, 2017 (the “Resolution”). The Bond is issued for the purpose of financing (i) a portion of the costs of local public improvements,

including improvements to the Issuer's street, water and sewer systems, as described in Minnesota Statutes, Chapter 429 (the "Improvement Portion"); (ii) a portion of the costs of improvements to the Issuer's water tower (the "Water Project"); (iii) a portion of the costs of sanitary sewer lines (the "Sewer Project," and together with the Improvement Project and the Water Project, the "Project"); (iv) a part of the interest cost of the Bonds; and (v) a part of the issuance costs of the Bonds. The principal of and interest on the Bonds shall be paid: (i) with respect to the Improvement Portion, from special assessments levied upon property specially benefitted by the Improvement Project and from ad valorem taxes hereinafter levied; and (ii) with respect to the Water Portion, from revenues of the Issuer's water system (the "Water Utility"); (iii) and with respect to the Sewer Portion, from revenues of the Issuer's sanitary sewer system (the "Sewer Utility" and together with the Water Utility, the "Utilities") in excess of amounts necessary to pay claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the Utilities, and to maintain such reasonable reserves for such expenses as the City Council shall determine to be necessary from time to time, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred.

Credit Enhancement Program. The Issuer has qualified the Bond for participation in the State of Minnesota Public Facilities Credit Enhancement Program under which the State of Minnesota guaranties payment of city debt obligations pursuant to Minnesota Statutes, Section 446A.086. If the Issuer is unable to make any portion of the principal or interest payments on the Bond as they become due, the State of Minnesota has agreed to make such payment in the Issuer's place.

General Obligation. This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of the principal and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are irrevocably pledged.

Denominations; Exchange. The Bonds of this series are issued as fully registered bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof. The Issuer will, at the request of the registered owner, issue one or more new fully registered Bonds in the name of the registered owner in the aggregate principal amount equal to the unpaid principal balance of this Bond, and of like tenor except as to number and principal amount at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution and the Representation Letter. Reference is made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

Registration; Transfer. This Bond shall be registered in the name of the payee on the books of the Issuer by presenting this Bond for registration to the Bond Registrar, whose representative will endorse his or her name and note the date of registration opposite the name of the payee in the Registration Certificate attached hereto. Thereafter

this Bond may be transferred by delivery with an assignment duly executed by the Holder or the Holder's legal representative, and the Issuer and Bond Registrar may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until this Bond is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Bond Registrar, all subject to the terms and conditions provided in the Resolution and the Representation Letter and to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar. Thereupon the Issuer shall execute (if required by law or the Resolution) and the Bond Registrar shall authenticate (if required by law or the Resolution) and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee, of an authorized denomination, in an aggregate principal amount equal to the principal amount of this Bond, of the same maturity, and bearing interest at the same rate.

Fees Upon Transfer or Loss. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds. No service charge shall be made by the Issuer for any transfer or exchange hereinbefore referred to but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

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

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until either (i) the Bond Registrar's Authentication Certificate hereon shall have been executed by the Bond Registrar by one of its authorized representatives or (ii) the Bond has been manually executed by at least one officer of the governing body of the Issuer.

Qualified Tax-Exempt Obligations. The Bonds of this issue have been designated by the Issuer as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

IT IS 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 happen and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the Issuer enforceable in accordance with its terms, have been done, have happened and have been performed in regular and due form, time and manner as so required; that, if necessary for payment of principal of and interest on the Bonds of this issue, ad valorem taxes may be levied upon

all taxable property in the Issuer without limitation as to rate or amount; and that the issuance of this Bond on the date of original issue hereof and the date of its actual original issuance and delivery, does not exceed any charter, constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Windom, Cottonwood County, Minnesota, by its governing body, has caused this Bond to be executed in its name by the facsimile or manual signature of the Mayor and attested by the facsimile or manual signature of the City Administrator, the Issuer having no seal or said seal having been intentionally omitted as permitted by law.

ATTEST:

(Form - No signature required)
City Administrator

(Form - No signature required)
Mayor

Date of Authentication: _____

BOND REGISTRAR'S AUTHENTICATION CERTIFICATE

The Bond Registrar confirms that the books reflect the ownership of the Bond registered in the name of the owner named above in the principal amount and maturing on the date stated above and this Bond is one of the Bonds of the series issued pursuant to the Resolution hereinabove described.

BOND TRUST SERVICES CORPORATION
ROSEVILLE, MINNESOTA
Bond Registrar

By _____
Authorized Representative

REGISTRATION CERTIFICATE

This Bond must be registered as to both principal and interest in the name of the owner on the books to be kept by Bond Trust Services Corporation of Roseville, Minnesota, as Bond Registrar. No transfer of this Bond shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The ownership of the unpaid principal balance of this Bond and the interest accruing thereon is registered on the books of Bond Trust Services Corporation in the name of the registered owner last noted below.

<u>Date</u>	<u>Registered Owner</u>	<u>Signature of Bond Registrar</u>
6/15/17	Cede & Co. c/o The Depository Trust	

Company _____
570 Washington Blvd.
Jersey City, NJ 07310
Federal Taxpayer I.D. No.: 13-
2555119

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

Social Security or Other
Identifying Number of Assignee

the within Bond and all rights thereunder and does irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

(Bank, Trust Company, member of
National Securities Exchange)

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS

WRONGFUL, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

4.02 Preparation and Execution. The Bonds shall be prepared for execution in accordance with the approved form and shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Administrator. The legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A. shall be appended to each Bond. The corporate seal of the Issuer may be omitted from the Bonds as permitted by law. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be an officer before delivery of the Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

4.03 Delivery of the Bonds. Delivery of the Bonds and payment of the purchase price shall be made at a place mutually satisfactory to the Issuer and the Purchaser. Printed or typewritten, and executed Bonds shall be furnished by the Issuer without cost to the Purchaser. The Bonds, when prepared in accordance with this Resolution and executed, shall be delivered by or under the direction of the City Administrator to the Purchaser upon receipt of the purchase price plus accrued interest.

Section 5. Covenants and Accounts.

5.01 Covenants.

A. The Issuer covenants and agrees with the holders of the Bonds and with its taxpayers as follows:

(1) It is determined that the Improvement Project will directly and indirectly benefit abutting property.

(2) The Issuer has caused or will cause the Special Assessments to be promptly levied so that the first installment will be collectible not later than 2018 and will take all steps necessary to assure prompt collection, and the levy of the Special Assessments is authorized for purposes of Minnesota Statutes, Section 475.55, Subdivision 3. The City Council will cause all further actions and proceedings to be taken with due diligence that are required for the construction of each portion of the Improvement Project financed wholly or partly from the proceeds of the Bonds, and for the final and valid levy of the Special Assessments and the appropriation of any other funds needed to pay the Improvement Portion and interest thereon when due.

(3) The Issuer will keep complete and accurate books and records showing: receipts and disbursements in connection with the Improvement Project and Special Assessments levied therefor and other funds appropriated for their payment, collections and disbursements thereof, moneys on hand and the balance of unpaid Special Assessments.

(4) The City Council covenants and agrees with the holders of the Bonds and with its taxpayers that it will assess against benefited property not less than 20% of the cost of the Improvement Project to the Issuer.

(5) The Issuer covenants and agrees that it will let all construction contracts not heretofore let within one year after ordering each portion of the Improvement Project unless the resolution ordering the Improvement Project specifies a different time limit for the letting of construction contracts.

(6) The Issuer further covenants and agrees that it will do and perform as soon as they may be done all acts and things necessary for the final and valid levy of such Special Assessments, and in the event that any such assessment be at any time held invalid with respect to any lot, piece or parcel of land due to any error, defect, or irregularity in any action or proceedings taken or to be taken by the Issuer or the City Council, or any of the Issuer officers or employees, either in the making of the Special Assessments or in the performance of any condition precedent thereto, the Issuer and the City Council will forthwith do all further acts and take all further proceedings as may be required by law to make the assessments a valid and binding lien upon such property.

(7) It will impose and collect just and equitable charges for all use and for the availability of all facilities of the Utilities at the times and in the amounts required to pay the normal, reasonable, and current expenses of operating and maintaining such Utilities, and also to produce Net Revenues that will be at least adequate at all times to pay the principal and interest due on the Water Portion and Sewer Portion and on all other notes and bonds heretofore or hereafter issued and made payable from said Net Revenues, and will operate the Utilities and segregate and account for the revenues thereof as provided in this section.

(8) It will place all such charges for the use and availability of the Water Utility, when collected, and all money received from the sale of any facilities or equipment of the Water Utility in the Water Fund (the "Water Fund"). Except as provided in this section, the Water Fund shall be used only to pay claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the Water Utility, and to maintain such reasonable reserves for such expenses as the City Council shall determine to be necessary from time to time.

(9) Surplus Water Utility revenues from time to time received in the Water Fund, in excess of payments due from and reserves required to be maintained in the Water Fund and in the Debt Service Account, may be used for necessary capital expenditures for the improvement of the Water Utility, for the prepayment and redemption of notes and bonds constituting a lien on the Water Utility, and for any other proper municipal purpose consistent with policies established by resolution of the City Council.

(10) It will place all such charges for the use and availability of the Sewer Utility, when collected, and all money received from the sale of any facilities or equipment of the Sewer Utility in the Sewer Fund (the "Sewer Fund"). Except as provided in this section, the Sewer Fund shall be used only to pay claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the Sewer Utility, and to maintain such reasonable reserves for such expenses as the City Council shall determine to be necessary from time to time.

(11) Surplus Sewer Utility revenues from time to time received in the Sewer Fund, in excess of payments due from and reserves required to be maintained in the Sewer Fund and in the Debt Service Account, may be used for necessary capital expenditures for the improvement of the Sewer Utility, for the prepayment and redemption of notes and bonds constituting a lien on the Sewer Utility, and for any other proper municipal purpose consistent with policies established by resolution of the City Council.

B. It is recognized that the Issuer's liability on the Bonds is not limited to the Pledged Revenues, and the City Council covenants and agrees that in the event of any current or anticipated deficiency in Pledged Revenues, it will levy upon all taxable property within the Issuer and cause to be extended, assessed, and collected, additional ad valorem taxes necessary for full payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

5.02 The Fund. There is created a special fund to be designated the "2017A General Obligation Improvement and Utility Revenue Bonds Fund" (the "Fund") to be administered and maintained by the City Administrator as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Fund shall be maintained in the manner herein specified until the Bonds and the interest thereon have been fully paid. There shall be maintained in the Fund five separate accounts, to be designated the "Improvement Project Account," the "Water Project Account," the "Sewer Project Account," the "Costs of Issuance Account," and the "Debt Service Account," respectively (together, the "Accounts"):

A. Improvement Project Account. On receipt of the purchase price of the Bonds, the Issuer shall credit proceeds from the sale of the Improvement Portion less the amounts to be deposited in the Costs of Issuance Account; less amounts allocated as capitalized interest funded from Bond proceeds, if any (the "Capitalized Interest"); less amounts used to pay part of the interest cost of the issue as allowed by Section 475.56 of the Act (the "Additional Interest"); and less the Accrued Interest, to the Improvement Project Account. Proceeds of the Bonds on deposit in the Improvement Project Account shall be used to pay construction costs of the Improvement Project.

B. Water Project Account. The Water Project Account shall be maintained in the manner herein specified:

(i) On receipt of the purchase price of the Bonds, the Issuer shall credit proceeds from the sale of the Water Portion, less the amounts to be deposited in the Costs of Issuance Account; less amounts allocated as Capitalized Interest funded from Bond proceeds; less amounts used to pay the Additional Interest; and less the Accrued Interest, to the Water Project Account.

(ii) From the Water Project Account there shall be paid all costs and expenses of the Water Project, including the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Section 475.65 of the Act; and the moneys in said account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Water Project Portion may also be used to the extent necessary to pay interest on the Water Project Portion due prior to the anticipated date of commencement of the collection of Net Revenues.

C. Sewer Project Account. The Sewer Project Account shall be maintained in the manner herein specified:

(i) On receipt of the purchase price of the Bonds, the Issuer shall credit proceeds from the sale of the Sewer Portion, less the amounts to be deposited in the Costs of Issuance Account; less amounts allocated as Capitalized Interest funded from Bond proceeds; less amounts used to pay the Additional Interest; and less the Accrued Interest, to the Sewer Project Account.

(ii) From the Sewer Project Account there shall be paid all costs and expenses of the Sewer Project, including the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Section 475.65 of the Act; and the moneys in said account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Sewer Project Portion may also be used to the extent necessary to pay interest on the Sewer Project Portion due prior to the anticipated date of commencement of the collection of Net Revenues.

D. Costs of Issuance Account. On receipt of the purchase price of the Bonds, the Issuer shall credit to the Costs of Issuance Account the proceeds from the sale of the Bonds in an amount necessary to pay the costs of issuance of the Bonds. In the event the proceeds of the Bonds, after meeting the requirements for deposits to the other Accounts, are insufficient for payment of costs of issuance of the Bonds, the Issuer will appropriate available funds to meet any deficiency. Any balance remaining in the Costs of Issuance Account after payment in full of the costs of issuance of the Bonds shall be transferred to the Debt Service Account.

E. Debt Service Account. The Debt Service Account shall be maintained in the manner herein specified until all of the Bonds and the interest thereon have been fully paid:

(i) There is pledged and appropriated and there shall be credited to the Debt Service Account: (A) the Accrued Interest; (B) the Additional Interest; (C) the

Capitalized Interest (if any); (D) Net Revenues in such amounts which will be sufficient to pay the principal of and interest on the Water Portion and Sewer Portion when due; (E) Special Assessments levied or to be levied for the Improvement Project and either initially credited to the Improvement Project Account and not already spent as permitted above and required to pay any principal and interest due on the Bonds or collected subsequent to the completion of the Project and payment of the costs thereof; (F) Taxes; (G) all funds remaining in the Water Project Account after completion of the Water Project and payment of the costs thereof and Sewer Project Account after completion of the Sewer Project and payment of the costs thereof; (H) all funds remaining in the Improvement Project Account after completion of the Improvement Project and payment of the costs thereof; (I) all funds remaining in the Costs of Issuance Account after payment of the costs of issuance of the Bonds; (J) any and all other monies which are properly available and are appropriated by the governing body of the Issuer to the Debt Service Account; and (K) investment earnings on the monies identified in the foregoing clauses (A) through (J). The proceeds of the Bonds described in clauses (A) through (C) of the preceding sentence shall be used for payment of interest on the Bonds.

(ii) The money in such account shall be used for no purpose other than the payment of principal and interest and redemption premium, if any, on the Bonds and any other General Obligation Improvement and Utility Revenue Bonds of the Issuer hereafter issued by the Issuer and made payable from said account as provided by law; provided, however, that if any payment of principal or interest shall become due when there is not sufficient money in the Debt Service Account, the City Administrator shall pay the same from any other fund of the Issuer, which fund shall be reimbursed from the Debt Service Account when the balance therein is sufficient.

(iii) Immediately prior to each Interest Payment Date, the City Administrator shall transfer to the Debt Service Account amounts of Net Revenues which are sufficient for the payment of all interest and principal then due on the Water Portion and Sewer Portion.

5.03 Tax Levy. A. For the prompt and full payment of the principal and interest on the Bonds when due, the full faith and credit and taxing power of the Issuer are irrevocably pledged. There is levied a direct annual ad valorem tax upon all taxable property in the Issuer which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the Issuer. Said levies are for the years and in the amounts set forth in ATTACHMENT A hereto, which is incorporated by reference as though fully set forth herein.

B. The tax levies are such that if collected in full they, together with estimated collections of investment earnings and Special Assessments herein pledged for payment of the Improvement Portion of the Bonds, will produce at least 5% in excess of the amount needed to meet when due the principal and interest payments on the Improvement Portion of the Bonds.

C. The tax levies shall be irrevocable so long as any of the Improvement Portion of the Bonds are outstanding and unpaid; provided, however, that on November 30 of each year, while any Bonds related to the Improvement Portion issued hereunder remain outstanding, the

City Council shall reduce or cancel the above levies to the extent of funds available in the Debt Service Account to pay principal and interest due during the ensuing year, and shall direct the County Auditor to reduce the levy for such calendar year by that amount.

5.04 Investments. Monies on deposit in the Improvement Project Account, Water Project Account, Sewer Project Account, and in the Debt Service Account may, at the discretion of the City Administrator, be invested in securities permitted by Minnesota Statutes, Chapter 118A, that any such investments shall mature at such times and in such amounts as will permit for payment of project costs and/or payment of the principal and interest on the Bonds when due.

5.05 Minnesota Public Facilities Authority Credit Enhancement Program.

A. The Council covenants and obligates itself to be bound by the provisions of Minnesota Statutes, Section 446A.086. The Issuer has entered into the State of Minnesota Public Facilities Authority Credit Enhancement Program Agreement with the Minnesota Public Facilities Authority (the "PFA Agreement"). The PFA Agreement is incorporated by reference as if fully set forth herein. The provisions of the PFA Agreement are ratified and confirmed.

B. The Issuer understands that as a result of its entering into the PFA Agreement, the provisions of Minnesota Statutes, Section 446A.086 shall be binding as long as any Bonds of this issue remain outstanding.

C. The Bond Registrar is authorized and directed to notify the Minnesota Commissioner of Finance if it becomes aware of a potential default in the payment of principal or interest on the Bonds or if, on the day two business days prior to the date a payment is due on the Bonds, there are insufficient funds to make that payment on deposit with the Bond Registrar.

D. The Issuer further covenants to comply with all procedures now or hereafter established by the Minnesota Department of Finance pursuant to Minnesota Statutes, Section 446A.086 and otherwise to take such actions as necessary to comply with that section.

Section 6. Tax Covenants.

6.01 General.

A. The Issuer covenants and agrees with the Holders of the Bonds that the Issuer will (i) take all action on its part necessary to cause the interest on the Bonds to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Bonds to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes.

B. . . . The Issuer covenants 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 payable on the Bonds to become subject to taxation under the Internal Revenue Code; and that it will take, or it will cause its officers, employees or agents to take, all affirmative actions within its powers which may be necessary to insure that such interest will not become subject to taxation under the Code. The term "Internal Revenue Code" or "Code" as used herein includes the Internal Revenue Code of 1986, as amended, and all regulations, amended regulations and proposed regulations issued thereunder, as now existing, or as hereafter amended or proposed.

C. No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued and (ii) in addition to the above in an amount not greater than the lesser of five percent (5%) of the proceeds of the Bonds or \$100,000. To this effect any proceeds of the Bonds and any sums from time to time held in the Debt Service Account (or any other Issuer account which will be used to pay principal or interest to become due on the Bonds payable therefrom) in excess of amounts which under then applicable federal arbitrage restrictions may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in those funds shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

6.02. Small-Issuer Rebate Exception. For purposes of qualifying for the small-issuer exception to the federal arbitrage rebate requirements, the Issuer finds, determines and declares:

- A. the Issuer is a governmental unit with general taxing powers;
- B. the Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- C. 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and
- D. the aggregate face amount of the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Bonds are issued is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

6.03. Bank Qualification. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the Issuer 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 Issuer 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, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the Issuer (and all entities whose obligations will be aggregated with those of the Issuer) during the calendar year in which the Bonds are being issued will not exceed \$10,000,000; and

D. not more than \$10,000,000 of obligations issued by the Issuer during the calendar year in which the Bonds are being issued have been designated for purposes of Section 265(b)(3) of the Code.

6.04 Arbitrage Certification. The Mayor and the City Administrator, being the officers of the Issuer charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser an arbitrage certification in order to satisfy the provisions of the Code and the regulations promulgated thereunder.

6.05 Opinion of Counsel. Notwithstanding any other provision of this section, any requirement imposed hereunder or under Section 5 hereof may be deemed inapplicable and of no force or effect if an opinion of counsel is rendered to the Issuer by nationally recognized Bond Counsel to the effect that the failure to impose such requirement will not adversely effect the tax exempt status of interest on the Bonds.

Section 7. Certificates of Proceedings; Miscellaneous.

7.01 Filing of Resolution; County Auditor Certificate. The City Administrator is directed to file a certified copy of this Resolution in the office of the County Auditor of Cottonwood County, along with such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the Bonds herein authorized have been duly entered on the Auditor's register and that the tax required by law for the payment of said Bonds has been levied.

7.02 Authentication of Transcript. The officers of the Issuer are authorized and directed to prepare and furnish to the Purchaser and to Bond Counsel certified copies of all proceedings and records of the Issuer relating to the authorization and issuance of the Bonds and to the financial condition and affairs of the Issuer and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Bonds as such facts appear from the official books and records of the officers' custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the Issuer as to the correctness of facts recited therein and the actions stated therein to have been taken.

7.03. Offering Materials. The Official Statement relating to the Bonds, on file with the City Administrator and presented to this meeting, is approved and deemed final, and the furnishing thereof to prospective purchasers of the Bonds is ratified and confirmed, insofar as the same relates to the Bonds and the sale thereof. The Mayor and the City Administrator are 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.

7.04 Absent or Disabled Officers. In the event of the absence or disability of the Mayor or the City Administrator, such officers or members of the City Council as in the opinion of the Issuer's attorney, may act in their behalf, shall without further act or authorization, execute and deliver the Bonds, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

Section 8. Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this Resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The Issuer may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The Issuer may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The Issuer may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

Section 9. Continuing Disclosure. The City Council acknowledges that the Bonds are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the "Rule"). The Rule governs the obligations of certain underwriters to require that issuers of municipal bonds enter into agreements for the benefit of the Holders to provide continuing disclosure with respect to the Bonds. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit underwriters of the Bonds to comply with the Rule, which will enhance the marketability of the Bonds, the Mayor and the City Administrator are authorized and directed to execute a Continuing Disclosure Certificate substantially in the form of the Certificate currently on file in the office of the Issuer.

Section 10. Post-Issuance Tax Compliance. The Issuer has previously approved a Pre- and Post-Issuance Compliance Policy and Procedures which applies to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the "Policy and Procedures"). The Issuer hereby ratifies the Policy and Procedures for the Bonds. The City Administrator continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

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Adopted: May 16, 2017

Mayor

ATTEST:

City Administrator

M:\DOCS\12336\000026\ROL\15M601003.DOC

ATTACHMENT A

**\$4,020,000 General Obligation Improvement and Utility Revenue Bonds, Series 2017A
City of Windom, Minnesota**

Levy Year	Collection Year	Tax Levy
2018	2019	\$99,063
2019	2020	\$100,533
2020	2021	\$101,846
2021	2022	\$103,001
2022	2023	\$98,748
2023	2024	\$99,746
2024	2025	\$100,586
2025	2026	\$101,268
2026	2027	\$101,793
2027	2028	\$102,161
2028	2029	\$102,371
2029	2030	\$102,423
2030	2031	\$102,318
2031	2032	\$102,056
2032	2033	\$100,692
2033	2034	\$101,847
2034	2035	\$102,831
2035	2036	\$103,576
2036	2037	\$98,899
2037	2038	\$99,542

STATE OF MINNESOTA)
) ss.
COUNTY OF COTTONWOOD)

I, the undersigned, the duly qualified and acting City Administrator of the City of Windom, Minnesota (the "Issuer"), do certify that I am the official custodian of the records of the Issuer, and that I have compared the attached copy with the original records of the Issuer, and that it is a true and correct transcript taken from the records of a meeting of the City Council, held at the City of Windom in said State, on May 16, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand as City Administrator of the Issuer on May 16, 2017.

City Administrator

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

HELD: May 16, 2017

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Windom, Cottonwood County, Minnesota, was duly held at the City Hall on May 16, 2017, at 7:30 p.m.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

“Resolution Providing for the Issuance, Sale and Delivery of \$4,020,000 General Obligation Improvement and Utility Revenue Bonds, Series 2017A and Awarding the Sale Thereof”

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

and the following voted against the same:

Whereupon the resolution was declared duly passed and adopted.

RESOLUTION # 2017-_____

INTRODUCED:

SECONDED:

VOTED: Aye:

Nay:

Absent:

**RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND
DELIVERY OF \$855,000 GENERAL OBLIGATION EQUIPMENT
CERTIFICATES, SERIES 2017B**

BE IT RESOLVED, by the City Council of the City of Windom, Cottonwood County, Minnesota (the "Issuer"), as follows:

Section 1. Certificate Purpose, Authorization, and Award.

1.01 Authority and Purpose. A. Pursuant to authority contained in Minnesota Statutes, Sections 410.32 and 412.301 and Chapter 475 (the "Act") and the Issuer's Charter, the City Council directs the issuance and sale of \$855,000 General Obligation Equipment Certificates, Series 2017B of the Issuer (the "Certificates"), to provide funds to (i) purchase certain items of capital equipment for the Issuer's telecommunications system (the "Project"); (ii) for payment of part of the interest cost of the Certificates; and (iii) for payment of part of the issuance costs of the Certificates.

B. The principal of and interest on the Certificates shall be paid primarily from ad valorem taxes (the "Taxes").

C. The Certificates shall provide funds to finance the Project. The total cost of the Project, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Certificates. The Issuer covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained.

D. Pursuant to the Act, if the amount of the Certificates to be issued to finance the Project exceeds 0.25 percent of the estimated market value of taxable property in the Issuer, the Certificates shall not be issued for at least ten days after publication in the official newspaper of a council resolution determining to issue them.

E. The estimated market value of the Issuer for calendar year 2016 is \$238,523,589.00, 0.25 percent of which is \$596,308.98. Therefore, the principal amount of the Certificate does exceed 0.25 percent of the market value of taxable property in the Issuer. The City Council adopted a resolution expressing its intent to issue the Certificate on April 18, 2017 (the "Initial Resolution").

F. Upon publication of the notice of the Initial Resolution and the passing of ten days during which no petition for an election on the issuance of the Certificates has been filed with the City Administrator, all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed precedent to the issuance of the Certificate having been done, having happened and having been performed.

1.02 Independent Municipal Advisor. The Issuer has retained the services of Ehlers & Associates, Inc. as its independent municipal advisor.

1.03 Award of Sale. The Issuer has received an offer from Northland Securities, Inc. of Minneapolis, Minnesota (the "Purchaser"), to purchase the Certificates at a cash price of \$897,777.14, plus accrued interest on the total principal amount from June 15, 2017, to the date of delivery upon the terms and conditions hereafter specified in this Resolution. The City Council, after due consideration, finds such offer reasonable and proper and the offer of the Purchaser is accepted. The Mayor and the City Administrator are authorized and directed to execute on the part of the Issuer a contract for the sale of the Certificates in accordance with the Purchaser's proposal, and to acknowledge receipt of the security for the proposal, if any.

Section 2. Terms of the Certificates.

2.01 Date and Maturities. A. The Certificates shall be (i) issued as fully-registered bonds, (ii) designated "\$855,000 General Obligation Equipment Certificates, Series 2017B," (iii) dated the date of closing and delivery to the Purchaser as of the date of original issue, (iv) issued in the denomination of \$5,000, or any integral multiple thereof, (v) issued in fully registered form, and (vi) lettered and numbered R-1 and upward.

B. The Certificates shall mature on February 1 in the years and amounts stated below and shall bear interest from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue until paid at the rates per annum set forth below opposite such years and amounts:

Year	Principal	Interest Rate
2019	\$85,000	3.00%
2020	\$85,000	3.00%
2021	\$90,000	3.00%
2022	\$95,000	3.00%
2023	\$100,000	3.00%
2024	\$100,000	3.00%
2025	\$100,000	3.00%
2026	\$100,000	3.00%
2027	\$100,000	3.00%

C. The maturities of the Certificates, together with the maturities of all other outstanding general obligation bonds of the Issuer, meet the requirements of Section 475.54 of the Act.

2.02 Interest Payment Dates; Record Date.

A. The Certificates shall bear interest at the annual rates stated therefor in Section 2.01. The interest shall be payable semiannually on February 1 and August 1 in each year (each referred to herein as an "Interest Payment Date") commencing on February 1, 2018. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

B. The Bond Registrar designated below shall make all interest payments with respect to the Certificates by check or draft mailed to the person in whose name each Certificate is registered (the "Holder") and in each case at the address shown on the bond registration records maintained by the Bond Registrar at the close of business on the 15th day (whether or not on a business day) of the calendar month next preceding the Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date fixed for the payment of such defaulted interest (the "Special Record Date"). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The term "Holder" shall also include those lawfully entitled to take actions on behalf of the beneficial owners of the Certificates for purposes of any consent or approvals given by Holders.

C. If the date for payment of the principal of, premium, if any, or interest on the Certificates shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

2.03 Redemption. The Certificates are not subject to optional redemption.

Section 3. Registration; Global Book Entry System.

3.01 Designation of Bond Registrar. The City Council appoints Bond Trust Services, Corporation, Roseville, Minnesota, as registrar, authenticating agent and transfer agent for the Certificates (such bank or its successors is herein referred to as the "Bond Registrar"), and shall do so until a successor Bond Registrar is duly appointed, all pursuant to a contract which the Issuer and the Bond Registrar shall execute which is consistent herewith and which the Mayor and City Administrator are authorized to execute and deliver. A successor Bond Registrar shall be a bank or trust company eligible for designation as bond registrar pursuant to the Act. The terms of the appointment of the successor Bond Registrar and its duties shall be specified in a

contract between the Issuer and such successor Bond Registrar that is consistent herewith and that the Mayor and City Administrator are authorized to execute and deliver. The Bond Registrar, which may act through an agent, shall also serve as paying agent until and unless a successor paying agent is duly appointed. The Bond Registrar shall pay principal and interest on the Certificates to the registered Holders (or record Holders) of the Certificates in the manner set forth herein. The Issuer agrees to pay the reasonable and customary charges for the services of such Bond Registrar.

3.02 Designation of Depository. DTC, a Securities and Exchange Commission designated depository, a limited purpose New York trust company, a member of the Federal Reserve System, and a "clearing corporation" within the meaning of the New York Uniform Commercial Code, is designated as the depository (the "Depository") with respect to the Certificates.

3.03 Authentication of Certificates. No Certificate shall be valid or obligatory for any purpose unless or until either (i) the Bond Registrar's authentication certificate on such Certificate, substantially set forth in Section 4.01 hereof, shall have been duly executed by an authorized representative of the Bond Registrar or (ii) the Certificates have been manually executed by at least one officer of the City Council. Authentication certificates on different Certificates need not be signed by the same representative. The Bond Registrar shall authenticate each Certificate by execution of the Certificate of Authentication on the Certificate and shall date each Certificate in the space provided as of the date on which the Certificate is registered. For purposes of delivering the original Certificates, the Bond Registrar shall insert as the date of registration the date of original issue. The executed Authentication Certificate or the manual signature of at least one officer of the City Council on each Certificate shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

3.04 Bond Register; Transfer; Exchange.

A. The Issuer shall cause to be kept by the Bond Registrar at its principal office, a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Issuer shall provide for the registration of the Certificates and the registration of transfers of the Certificates entitled to be registered or transferred as herein provided. In the event of the resignation or removal of the Bond Registrar or its incapability of acting as such, the bond registration records shall be maintained at the office of the successor Bond Registrar as may be appointed by the City Council.

B. Upon surrender for transfer of any Certificate at the principal corporate office of the Bond Registrar, the Issuer shall execute, if required by law or this Resolution, and the Bond Registrar shall authenticate, if required by law or this Resolution, date (in the space designated Date of Registration) and deliver, in the name(s) of the designated transferee or transferees, one or more new Certificates of the like aggregate principal amount having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Certificate may be registered in blank or in the name of "bearer" or similar designation. Transfer of a Certificate may be made on the Issuer's books by the registered owner in person or by the registered owner's attorney duly authorized in writing. Transfers shall be subject to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar, including

regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The Issuer and the Bond Registrar shall not be required to make any transfer or exchange of any Certificates called for redemption or to make any such exchange or transfer of the Certificates during the 15 days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of the Certificates.

C. Every Certificate presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the registered owner thereof, with signature guaranteed, or by the registered Holder's attorney duly authorized in writing, and shall include written instructions as to the details of the transfer of the Certificate. When any Certificate is presented to the Bond Registrar for transfer, the Bond Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Certificate or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Bond Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

D. At the option of the Holder, replacement Certificates may be exchanged for Certificates of any authorized denomination or denominations of a like aggregate principal amount and stated maturity, upon surrender of the Certificates to be exchanged at the principal office of the Bond Registrar. Whenever any Certificates are so surrendered for exchange, the Issuer shall execute (if required by law or this Resolution), and the Bond Registrar shall authenticate (if required by law or this Resolution), date (in the space designated Date of Registration) and deliver the replacement Certificates which the Holder making the exchange is entitled to receive. Certificates registered in the name of Cede & Co. may not be exchanged for Certificates of smaller denominations.

E. All Certificates surrendered upon any exchange or transfer provided for in this Resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the Issuer.

F. Each Certificate delivered upon transfer of or in exchange for or in lieu of any other Certificate shall carry all of the rights to interest, accrued and unpaid and to accrue, which are carried by such other Certificate. All Certificates delivered in exchange for or upon transfer of Certificates shall be valid general obligations of the Issuer evidencing the same debt, shall be entitled to the same benefits under this Resolution as the Certificates surrendered for such exchange or transfer, and shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Certificates.

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

H. Certificates registered in the name of Cede & Co. may not after their original delivery, be transferred or exchanged except in accordance with the terms and conditions of the Representation Letter and:

(i) upon exchange of a Certificate after a partial redemption, if provided in Section 2.03 of this Resolution;

(ii) to any successor of the Depository (or its nominee) or any substitute depository (a "Substitute Depository") designated pursuant to clause (iii) below; provided that any successor of the Depository or any Substitute Depository must be both a "clearing corporation" as defined in the Minnesota Uniform Commercial Code, Minnesota Statutes, Section 336.8-102, and a qualified and registered "clearing agency" as provided in Section 17A of the Securities Exchange Act of 1934, as amended;

(iii) to a Substitute Depository designated by and acceptable to the Issuer upon (a) the determination by the Depository that the Certificates shall no longer be eligible for its depository services or (b) a determination by the Issuer that the Depository is no longer able to carry out its functions; provided that any Substitute Depository must be qualified to act as such, as provided in subclause (ii) above; or

(iv) in the event that (a) the Depository shall resign or discontinue its services for the Certificates or be declared no longer able to carry out its functions and the Issuer is unable to locate a Substitute Depository within two months following the resignation or discontinuance or determination of noneligibility, or (b) the Issuer determines in its sole discretion that (1) the continuation of the book-entry system described herein might adversely affect the interests of the beneficial owners of the Certificates, or (2) it is in the best interests of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, then the Issuer shall notify the Holders of its determination and of the availability of replacement Certificates to Holders. The Issuer, the Bond Registrar and the Depository shall cooperate in providing Replacement Certificates to Holders requesting the same and the registration, transfer and exchange of such Certificates shall thereafter be conducted as provided in Section 3 of this Resolution.

I. In the event of the designation of a Substitute Depository as authorized by clause H., the Bond Registrar, upon presentation of a Certificate, shall register their transfer to the Substitute Depository, and the Substitute Depository shall be treated as the Depository for all purposes and functions under this Resolution. The Representation Letter shall not apply to the Substitute Depository unless the Issuer and the Substitute Depository so agree, and the execution of a similar agreement is authorized.

3.05 Persons Deemed Owners; Payment.

A. The Issuer and the Bond Registrar may treat the person in whose name any Certificate is registered as the owner of such Certificate for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in Section 2.02 above), on such Certificate and for all other purposes whatsoever, whether or not such Certificate shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

B. For the purposes of all actions, consents and other matters affecting Holders of Certificates issued under this Resolution as from time to time supplemented, other than payments, redemptions, and purchases, the Issuer may (but shall not be obligated to) treat as the Holder of a Certificate the beneficial owner of the Certificate instead of the person in whose name the Certificate is registered. For that purpose, the Issuer may ascertain the identity of the beneficial owner of the Certificate by such means as the Bond Registrar in its sole discretion deems appropriate, including but not limited to a certificate from the Depository or other person in whose name the Certificate is registered identifying such beneficial owner.

C. The principal of and interest on the Certificates shall be payable by the Bond Registrar in such funds as are legal tender for the payment of debts due the United States of America. The Issuer shall pay the reasonable and customary charges of the Bond Registrar for the disbursement of principal and interest.

3.06 Use of Global Book-Entry System.

A. There has been previously submitted to this City Council a form of Blanket Issuer Letter of Representations (the "Letter of Representations") between the Issuer and the Depository setting forth various matters relating to the Depository and its role with respect to the Certificates. The terms and conditions of the Letter of Representations are ratified.

B. So long as DTC is the Depository or it or its nominee is the Holder of any Certificate, the Issuer shall comply with the provisions of the Letter of Representations, as it may be amended or supplemented from time to time.

C. Additional matters with respect to, among other things, notices, consents and approvals by Holders and payments on the Certificates are set forth in the Letter of Representations.

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

3.07 Mutilated, Stolen or Destroyed Certificates. If a Certificate becomes mutilated or is destroyed, stolen, or lost, the Bond Registrar will deliver a new Certificate of like amount, number, maturity date, and tenor in exchange and substitution for and upon cancellation of the mutilated Certificate or in lieu of and in substitution for any Certificate destroyed, stolen, or lost, upon the payment of the reasonable expenses and charges of the Bond Registrar and the Issuer in connection therewith, including the cost of printing new Certificates; and, in the case of a Certificate destroyed, stolen, or lost, upon filing with the Bond Registrar and the Issuer of evidence satisfactory to it and the Issuer that the Certificate was destroyed, stolen, or lost, and of the ownership thereof, and upon furnishing to the Bond Registrar of an appropriate bond or indemnity in form, substance, and amount satisfactory to it and the Issuer and as provided by law, in which both the Issuer and the Bond Registrar must be named as obligees. Certificates so surrendered to the Bond Registrar will be canceled by the Bond Registrar and evidence of such cancellation must be given to the Issuer. If the mutilated, destroyed, stolen, or lost Certificate

has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Certificate prior to payment.

Section 4. Form of the Certificates.

4.01 The Certificates shall be printed or typewritten in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF COTTONWOOD

R-_____ \$ _____

CITY OF WINDOM
GENERAL OBLIGATION EQUIPMENT CERTIFICATE, SERIES 2017B

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	February 1, 20__	June 15, 2016	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

The City of Windom, Cottonwood County, Minnesota (the "Issuer"), certifies that it is indebted and for value received, promises to pay to the registered owner specified above or on the Registration Certificate attached hereto, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, and to pay interest thereon from the date of original issue set forth above, or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for, until the principal amount is paid, said interest being at the rate per annum specified above. Interest is payable semiannually on February 1 and August 1 of each year (each referred to herein as an "Interest Payment Date") commencing on February 1, 2018, at the rate per annum specified above, calculated on the basis of a 360-day year of twelve 30-day months, until the principal amount is paid or has been provided for. This Certificate will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue hereof set forth above.

Payment. The principal of and premium, if any, on this Certificate are payable by wire transfer (or other agreed means of payment) on each payment date no later than 12:00 noon (New York, New York time) upon presentation and surrender hereof at the office of Bond Trust Services Corporation, Roseville, Minnesota, as registrar, paying agent, authenticating agent and transfer agent (the "Bond Registrar"), or at the office of such successor bond registrar as may be designated by the Issuer. Interest on this Certificate will be paid on each Interest Payment Date (by 12:00 noon, New York, New York time) by wire transfer (or other agreed means of payment) to the person in whose name this Certificate is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing

thereon at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date fixed for the payment of the defaulted interest, and notice of the special record date shall be given by the Bond Registrar to the Holders not less than (10) ten days prior thereto. The Bond Registrar shall make all payments with respect to this Certificate without, except for payment of principal on the Certificate, the presentation or surrender of this Certificate, and all such payments shall discharge the obligations of the Issuer to the extent of the payments so made. The principal of, premium, if any, and interest on this Certificate are payable in lawful money of the United States of America. For the prompt and full payment of such principal and interest as they become due, the full faith and credit of the Issuer are irrevocably pledged.

Date of Payment Not Business Day. If the date for payment of the principal of, premium, if any, or interest on this Certificate shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

Optional Redemption. The Certificates are not subject to optional redemption.

Issuance; Purpose. This Certificate is one of a series issued by the Issuer in the total aggregate amount of \$855,000 General Obligation Equipment Certificates, Series 2017B, all of like original issue date and tenor, except as to number, maturity date, redemption privilege, denomination and interest rate, pursuant to: (i) the authority contained in Minnesota Statutes, 475 and Sections 410.32 and 412.301; (ii) the Constitution of the State of Minnesota and all other laws thereunto enabling; (iii) the Issuer's Home Rule Charter and (iv) an authorizing resolution adopted by the governing body of the Issuer on May 16, 2017 (the "Resolution"), and is issued for the purpose of financing the purchase capital equipment for the Issuer's telecommunications system. The Certificates are payable from a direct annual irrepealable ad valorem tax levied upon all of the taxable property within the Issuer. Reference is hereby made to the Resolution for a full statement of rights and powers thereby conferred.

General Obligation. This Certificate constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of the principal and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are irrevocably pledged.

Denominations; Exchange. The Certificates of this series are issued as fully registered bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof. The Issuer will, at the request of the registered owner, issue one or more new fully registered Certificates in the name of the registered owner in the aggregate principal amount equal to the unpaid principal balance of this Certificate, and of like tenor except as to number and principal amount at the principal office of the Bond Registrar, but only in the manner and subject to the

limitations provided in the Resolution and the Representation Letter. Reference is made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

Registration; Transfer. This Certificate shall be registered in the name of the payee on the books of the Issuer by presenting this Certificate for registration to the Bond Registrar, whose representative will endorse his or her name and note the date of registration opposite the name of the payee in the Registration Certificate attached hereto. Thereafter this Certificate may be transferred by delivery with an assignment duly executed by the Holder or the Holder's legal representative, and the Issuer and Bond Registrar may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until this Certificate is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Bond Registrar, all subject to the terms and conditions provided in the Resolution and the Representation Letter and to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar. Thereupon the Issuer shall execute (if required by law or the Resolution) and the Bond Registrar shall authenticate (if required by law or the Resolution) and deliver, in exchange for this Certificate, one or more new fully registered Certificates in the name of the transferee, of an authorized denomination, in an aggregate principal amount equal to the principal amount of this Certificate, of the same maturity, and bearing interest at the same rate.

Fees Upon Transfer or Loss. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Certificate and any legal or unusual costs regarding transfers and lost Certificates. No service charge shall be made by the Issuer for any transfer or exchange hereinbefore referred to but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Treatment of Registered Owner. The Issuer and Bond Registrar may treat the person in whose name this Certificate is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes whatsoever, whether or not this Certificate shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

Authentication. This Certificate shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until either (i) the Bond Registrar's Authentication Certificate hereon shall have been executed by the Bond Registrar by one of its authorized representatives or (ii) the Certificate has been manually executed by at least one officer of the governing body of the Issuer.

Qualified Tax-Exempt Obligations. The Certificates of this issue have been designated by the Issuer as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the deduction of interest expenses allocable to the Certificates by financial institutions.

IT IS 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 happen and to be performed precedent to and in the issuance of this Certificate in order to make it a valid and binding general obligation of the Issuer enforceable in accordance with its terms, have been done, have happened and have been performed in regular and due form, time and manner as so required; that, if necessary for payment of principal of and interest on the Certificates of this issue, ad valorem taxes may be levied upon all taxable property in the Issuer without limitation as to rate or amount; and that the issuance of this Certificate on the date of original issue hereof and the date of its actual original issuance and delivery, does not exceed any constitutional, charter or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Windom, Cottonwood County, Minnesota, by its governing body, has caused this Certificate to be executed in its name by the facsimile signature of the Mayor and attested by the facsimile signature of the City Administrator, the Issuer having no seal or said seal having been intentionally omitted as permitted by law.

ATTEST:

(Form- No signature required)
City Administrator

(Form-No signature required)
Mayor

Date of Authentication: _____

BOND REGISTRAR'S AUTHENTICATION CERTIFICATE

The Bond Registrar confirms that the books reflect the ownership of the Certificate registered in the name of the owner named above in the principal amount and maturing on the date stated above and this Certificate is one of the Certificates of the series issued pursuant to the Resolution hereinabove described.

BOND TRUST SERVICES CORPORATION
ROSEVILLE, MINNESOTA
Bond Registrar

By _____
Authorized Representative

REGISTRATION CERTIFICATE

This Certificate must be registered as to both principal and interest in the name of the owner on the books to be kept by Bond Trust Services Corporation, Roseville, Minnesota, as Bond Registrar. No transfer of this Certificate shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The ownership of the unpaid principal balance of this Certificate and the interest accruing thereon is registered on the books of Bond Trust Services Corporation in the name of the registered owner last noted below.

<u>Date</u> 06/15/17	<u>Registered Owner</u> Cede & Co. c/o The Depository Trust Company 570 Washington Blvd. Jersey City, NJ 07310 Federal Taxpayer I.D. No.: 13- 2555119	<u>Signature of Bond Registrar</u> _____
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ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

Social Security or Other
Identifying Number of Assignee

the within Certificate and all rights thereunder and does irrevocably constitute and appoint _____ attorney to transfer the said Certificate on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

(Bank, Trust Company, member of
National Securities Exchange)

Unless this Certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is

made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

4.02 Preparation and Execution. The Certificates shall be prepared for execution in accordance with the approved form and shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Administrator. The legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A. shall be appended to each Certificate. The corporate seal of the Issuer may be omitted from the Certificates as permitted by law. In case any officer whose signature or a facsimile of whose signature shall appear on the Certificates shall cease to be an officer before delivery of the Certificates, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

4.03 Delivery of the Certificates. Delivery of the Certificates and payment of the purchase price shall be made at a place mutually satisfactory to the Issuer and the Purchaser. Printed or typewritten, and executed Certificates shall be furnished by the Issuer without cost to the Purchaser. The Certificates, when prepared in accordance with this Resolution and executed, shall be delivered by or under the direction of the City Administrator to the Purchaser upon receipt of the purchase price plus accrued interest.

Section 5. Covenants, Findings, Accounts and Tax Levies.

5.01 Covenants and Findings.

A. The City Council hereby finds, determines and declares that:

(i) the Project will have a useful life at least as long as the terms of the Certificates; and

(ii) the Certificates exceed 0.25 percent of the estimated market value of taxable property in the Issuer.

B. It is recognized that the Issuer's liability on the Certificates is not limited to the Taxes, and the City Council covenants and agrees that in the event of any current or anticipated deficiency in Taxes, it will levy upon all taxable property within the Issuer and cause to be extended, assessed, and collected, any additional taxes found necessary for full payment of the principal of and interest on the Certificates, without limitation as to rate or amount.

C. The Issuer will cause its books and records to be audited and will furnish copies of such audit reports to any interested person upon request.

5.02 The Fund. There is created a special fund to be designated the "2017B General Obligation Equipment Certificates Fund" (the "Fund") to be administered and maintained by the City Administrator as a bookkeeping account separate and apart from all other funds maintained

in the official financial records of the Issuer. The Fund shall be maintained in the manner herein specified until all of the Certificates and the interest thereon have been fully paid. There shall be maintained in the Fund two (2) separate accounts, to be designated the "Project Account," and "Debt Service Account," respectively:

A. Project Account.

(1) On receipt of the purchase price of the Certificates, the Issuer shall credit proceeds from the sale of the Certificates, less amounts allocated as capitalized interest funded from Certificate proceeds (the "Capitalized Interest") and less amounts used to pay part of the interest cost of the issue as allowed by Minnesota Statutes, Section 475.56 (the "Additional Interest") and less amounts allocated to accrued interest paid by the Purchaser upon closing and delivery of the Certificates (the "Accrued Interest").

(2) From the Project Account there shall be paid all costs and expenses of making the Project, including the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65; and the moneys in said account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Certificates may also be used to the extent necessary to pay interest on the Certificates due prior to the anticipated date of commencement of the collection of Taxes and provided further that if upon completion of the Project there shall remain any unexpended balance in the Project Account, the balance shall be transferred by the City Council to the Debt Service Account. Other costs for which payment from the Project Account is authorized shall include costs of legal, financial advisory, and other professional services, printing and publication costs, and costs of issuance of the Certificates.

B. Debt Service Account.

(1) There is pledged and appropriated and there shall be credited to the Debt Service Account: (i) the Accrued Interest; (ii) the Capitalized Interest; (iii) the Additional Interest; (iv) Taxes; (v) all funds remaining in the Project Account after completion of the Project and payment of the costs thereof; (vi) any and all other moneys which are properly available and are appropriated by the governing body of the Issuer to the Debt Service Account; and (vii) investment earnings on the monies identified in the foregoing clauses (i) through (vi). The proceeds of the Certificates described in clauses (i) through (iii) of the preceding sentence shall be used for payment of interest on the Certificates.

(2) The money in such account shall be used for no purpose other than the payment of principal and interest and redemption premium, if any, on the Certificates and any other general obligation bonds of the Issuer hereafter issued by the Issuer and made payable from said account as provided by law; provided, however, that if any payment of principal or interest shall become due when there is not sufficient money in the Debt Service Account, the City Administrator shall

pay the same from any other fund of the Issuer, which fund shall be reimbursed from the Debt Service Account when the balance therein is sufficient.

5.03 Tax Levy. A. For the prompt and full payment of the principal and interest on the Certificates when due, the full faith and credit and taxing power of the Issuer are irrevocably pledged. There is levied a direct annual ad valorem tax upon all taxable property in the Issuer which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the Issuer. Said levies are for the years and in the amounts set forth in ATTACHMENT A hereto, which is incorporated by reference as though fully set forth herein.

B. The tax levies are such that if collected in full they will produce at least 5% in excess of the amount needed to meet when due the principal and interest payments on the Certificates.

C. The tax levies shall be irrevocable so long as any of the Certificates are outstanding and unpaid; provided, however, that on November 30 of each year, while any Certificates issued hereunder remain outstanding, the City Council shall reduce or cancel the above levies to the extent of funds available in the Debt Service Account to pay principal and interest due during the ensuing year, and shall direct the County Auditor to reduce the levy for such calendar year by that amount.

5.04 Investments. Monies on deposit in the Project Account and in the Debt Service Account may, at the discretion of the City Administrator, be invested in securities permitted by Minnesota Statutes, Chapter 118A, that any such investments shall mature at such times and in such amounts as will permit for payment of project costs and/or payment of the principal and interest on the Certificates when due.

Section 6. Tax Covenants.

6.01 General.

A. The Issuer covenants and agrees with the Holders of the Certificates that the Issuer will (i) take all action on its part necessary to cause the interest on the Certificates to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Certificates and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Certificates to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Certificates and investment earnings thereon on certain specified purposes.

B. The Issuer covenants with the Holders from time to time of the Certificates 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 payable on the Certificates to become subject to taxation under the Internal Revenue Code; and that it will take, or it will cause its officers, employees or agents to take, all affirmative actions within its powers which may be necessary to insure that such interest will not become subject to taxation under the Code. The term "Internal Revenue Code" or

“Code” as used herein includes the Internal Revenue Code of 1986, as amended, and all regulations, amended regulations and proposed regulations issued thereunder, as now existing, or as hereafter amended or proposed.

C. No portion of the proceeds of the Certificates shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the Certificates were issued and (ii) in addition to the above in an amount not greater than the lesser of five percent (5%) of the proceeds of the Certificates or \$100,000. To this effect any proceeds of the Certificates and any sums from time to time held in the Debt Service Account (or any other Issuer account which will be used to pay principal or interest to become due on the Certificates payable therefrom) in excess of amounts which under then applicable federal arbitrage restrictions may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable “temporary periods” or “minor portion” made available under the federal arbitrage regulations. Money in those funds shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Certificates to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

6.02. Bank Qualification. In order to qualify the Certificates as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the Issuer makes the following factual statements and representations:

A. the Certificates are not “private activity bonds” as defined in Section 141 of the Code;

B. the Issuer designates the Certificates 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, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the Issuer (and all entities whose obligations will be aggregated with those of the Issuer) during the calendar year in which the Certificates are being issued will not exceed \$10,000,000; and

D. not more than \$10,000,000 of obligations issued by the Issuer during the calendar year in which the Certificates are being issued have been designated for purposes of Section 265(b)(3) of the Code.

6.03 Arbitrage Certification. The Mayor and the City Administrator, being the officers of the Issuer charged with the responsibility for issuing the Certificates pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser an arbitrage certification in order to satisfy the provisions of the Code and the regulations promulgated thereunder.

6.04 Opinion of Counsel. Notwithstanding any other provision of this Section 6, any requirement imposed hereunder or under Section 5 hereof may be deemed inapplicable and of no force or effect if an opinion of counsel is rendered to the Issuer by nationally recognized Bond Counsel to the effect that the failure to impose such requirement will not adversely effect the tax exempt status of interest on the Certificates.

Section 7. Certificates of Proceedings; Miscellaneous.

7.01 Filing of Resolution; County Auditor Certificate. The City Administrator is directed to file a certified copy of this Resolution in the office of the County Auditor of Cottonwood County, along with such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the Certificates herein authorized have been duly entered on the Auditor's register and that the tax required by law for the payment of said Certificates has been levied.

7.02 Authentication of Transcript. The officers of the Issuer are authorized and directed to prepare and furnish to the Purchaser and to Bond Counsel certified copies of all proceedings and records of the Issuer relating to the authorization and issuance of the Certificates and to the financial condition and affairs of the Issuer and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Certificates as such facts appear from the official books and records of the officers' custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the Issuer as to the correctness of facts recited therein and the actions stated therein to have been taken.

7.03 Offering Materials. The Official Statement relating to the Certificates, on file with the City Administrator and presented to this meeting, is approved and deemed final, and the furnishing thereof to prospective purchasers of the Certificates is ratified and confirmed, insofar as the same relates to the Certificates and the sale thereof. The Mayor and the City Administrator are authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Certificates 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.

7.04 Absent or Disabled Officers. In the event of the absence or disability of the Mayor or the City Administrator, such officers or members of the City Council as in the opinion of the Issuer's attorney may act in their behalf shall, without further act or authorization, execute and deliver the Certificates, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

7.05 Defeasance. When all Certificates have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Certificates shall, to the extent permitted by law, cease. The Issuer may discharge its obligations with respect to any Certificates which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Certificate should not be paid when due, it may nevertheless be

discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The Issuer may also discharge its obligations with respect to any prepayable Certificates called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The Issuer may also at any time discharge its obligations with respect to any Certificates, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

Section 8. Continuing Disclosure. The City Council acknowledges that the Certificates are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the "Rule"). The Rule governs the obligations of certain underwriters to require that issuers of municipal bonds enter into agreements for the benefit of the Holders to provide continuing disclosure with respect to the Certificates. To provide for the public availability of certain information relating to the Certificates and the security therefor and to permit underwriters of the Certificates to comply with the Rule, which will enhance the marketability of the Certificates, the Mayor and the City Administrator are authorized and directed to execute a Limited Continuing Disclosure Certificate substantially in the form of the Certificate currently on file in the office of the Issuer.

Section 9. Pre- and Post-Issuance Compliance Policy and Procedures. The Issuer has previously approved a Pre- and Post-Issuance Compliance Policy and Procedures which applies to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the "Policy and Procedures"). The Issuer hereby ratifies the Policy and Procedures for the Certificates. The City Administrator continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

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Adopted May 16, 2017.

Mayor

ATTEST:

City Administrator

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ATTACHMENT A.

**\$855,000 General Obligation Equipment Certificates, Series 2017B
City of Windom, Minnesota**

Levy Year	Collection Year	Amount
2017	2018	\$116,183
2018	2019	\$113,505
2019	2020	\$116,078
2020	2021	\$118,493
2021	2022	\$120,750
2022	2023	\$117,600
2023	2024	\$114,450
2024	2025	\$111,300
2025	2026	\$108,150

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

HELD: May 16, 2017

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Windom, Cottonwood County, Minnesota, was duly held at the City Hall on May 16, 2017, at 7:30 p.m.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

“Resolution Providing for the Issuance, Sale and Delivery of \$855,000 General
Obligation Equipment Certificates, Series 2017B”

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

and the following voted against the same:

Whereupon the resolution was declared duly passed and adopted.

RatingsDirect®

Summary:

Windom, Minnesota; Appropriations; General Obligation; Non-School State Programs

Primary Credit Analyst:

Eric J Harper, Chicago (1) 312-233-7094; eric.harper@spglobal.com

Secondary Contact:

Jessica Akey, Chicago 312-233-7068; jessica.akey@spglobal.com

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Windom, Minnesota; Appropriations; General Obligation; Non-School State Programs

Credit Profile

US\$4.14 mil GO imp and util rev bnds ser 2017A dtd 06/15/2017 due 02/01/2039

Long Term Rating AA+/Positive New

Underlying Rating for Credit Program A+/Stable New

US\$0.925 mil GO equip certs ser 2017B dtd 06/15/2017 due 02/01/2027

Long Term Rating A+/Stable New

Rationale

S&P Global Ratings assigned its 'AA+' long-term enhanced rating and 'A+' underlying rating to Windom, Minn.'s series 2017A general obligation (GO) improvement and utility revenue bonds and its 'A+' long-term rating to the city's series 2017B GO equipment certificates. At the same time, we affirmed our 'A+' rating on the city's existing GO debt and our 'A' rating on its existing appropriation debt. The outlook on the program rating is positive and the outlook on the GO and appropriation rating is stable.

The 2017A bonds and 2017B certificates are secured by the city's GO unlimited property tax pledge. The 2017A bonds are also secured by special assessments and the net revenues of the sewer and water systems. The city's existing GO debt is also secured by certain additional revenues, but we rate to the GO pledge, which we view as the stronger security. The 2017A bonds will be used for street and utility projects and to reimburse the city for prior expenditures to the water and sewer systems. The 2017B certificates will be used to purchase telecommunication equipment.

The series 2012B appropriation bonds are secured by net revenues of the city's broadband communication system. Subject to annual appropriation, the city will make up for any deficiency in revenues. We rate the city's appropriation debt one notch below the GO due to appropriation risk.

The 'AA+' long-term enhanced rating on the 2017A bonds reflects the city's eligibility for and participation in the Minnesota Credit Enhancement Program, a state standing appropriation program to prevent a default on the city's bond issues as authorized by Minnesota Statutes, Section 446A.086. The rating on obligations that have received enhancement under the program is on par and moves in tandem with the rating on the state.

The underlying rating reflects our opinion of the city's:

- Very weak economy, with projected per capita effective buying income (EBI) at 80.6% of the national level and market value per capita of \$50,417;
- Strong management, with "good" financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Adequate budgetary performance, with an operating surplus in the general fund but an operating deficit at the total

governmental fund level in fiscal 2015;

- Very strong budgetary flexibility, with a high available fund balance in fiscal 2015 of 110% of operating expenditures;
- Very strong liquidity, with total government available cash at 2.1x total governmental fund expenditures and 8.3x governmental debt service, and access to external liquidity we consider strong;
- Very weak debt and contingent liability position, with debt service carrying charges at 25.0% of expenditures and net direct debt that is 274.7% of total governmental fund revenue; and
- Strong institutional framework score.

Very weak economy

We consider Windom's economy very weak. The city, with an estimated population of 4,731, is in Cottonwood County about 65 miles southwest of Mankato and 150 miles from Minneapolis. It has a projected per capita EBI of 80.6% of the national level and per capita market value of \$50,417. Overall, market value grew by 6.5% over the past year to \$238.5 million in 2016. The county unemployment rate was 7.3% in 2016.

Major employers in the city include equipment manufacturer Toro Co. (600 employees), Prime Pork (230), and farm equipment manufacturer Fast Global Solutions (149). The tax base has grown the last two years and management expects additional growth in 2018 due to new commercial development. The tax base is somewhat concentrated, although concentration has been moderating the last two years. We expect the economy to remain very weak.

Strong management

We view the city's management as strong, with "good" financial policies and practices under our FMA methodology, indicating financial practices exist in most areas, but that governance officials might not formalize or monitor all of them on a regular basis.

In developing the budget, management uses three years of historical data, outside data sources, and line-item estimates. The council receives monthly budget-to-actual reports and budget amendments can be made throughout the year. For planning purposes, the city maintains five-year capital improvement and financial plans. It has an investment management policy but not a debt management policy. Investment holdings are reported annually through the audit. Its general fund reserve policy is to maintain a minimum of 35% to 60% of expenditures, a policy it has historically followed.

Adequate budgetary performance

Windom's budgetary performance is adequate, in our opinion. The city had surplus operating results in the general fund of 10.1% of expenditures, but a deficit result across all governmental funds of negative 7.8% in fiscal 2015. General fund operating results of the city have been stable over the last three years, with results of 9.3% in 2014 and 10.3% in 2013.

Based on unaudited actuals, the city expects about a 4.9% (negative \$165,000) deficit in 2016. The deficit is due primarily to one-time capital expenses for improvements at the emergency services building. Management expects balanced general fund operating results in both 2017 and 2018. Total governmental fund performance has fluctuated somewhat in recent years, but we generally expect it to be slightly negative to balanced as recent performance has been affected by one-time expenses. Overall we expect budgetary performance to remain at least adequate.

Primary general fund revenue sources include intergovernmental revenues (53%), property taxes (27%), and charges for services (11%). In assessing budgetary performance, we adjusted certain one-time capital expenses in the general fund. We also adjusted recurring transfers to be treated as revenues.

Very strong budgetary flexibility

Windom's budgetary flexibility is very strong, in our view, with a high available fund balance in fiscal 2015 of 110% of operating expenditures, or \$3.4 million. We expect the available fund balance to remain above 75% of expenditures for the current and next fiscal years, which we view as a positive credit factor. The available fund balance includes \$2.5 million (80.2% of expenditures) in the general fund and \$929,000 (30%) that is outside the general fund (liquor fund cash) but legally available for operations.

We expect budgetary flexibility to remain very strong. While available reserves are expected to decline in 2016 to about \$3.3 million (97% of estimated 2016 expenditures), the city has no additional plans to drawdown reserves.

Very strong liquidity

In our opinion, Windom's liquidity is very strong, with total government available cash at 2.1x total governmental fund expenditures and 8.3x governmental debt service in 2015. In our view, the city has strong access to external liquidity if necessary, because of the strengths in its credit profile and it has issued GO debt within the last 20 years.

The city's \$11.9 million in cash and investments (net of hospital enterprise cash) were held primarily in bank deposits and certificates of deposit, which we do not consider aggressive investments. In 2016, the city entered into a \$2 million lease-purchase agreement with a private bank. The lease terms do not include any nonstandard events of default. While payment acceleration is provided as a default remedy under the lease, it is limited to the amounts due in the fiscal year of default. Given the relatively small debt service due in each year—about \$135,000—we do not consider this lease a liquidity risk. We expect liquidity to remain very strong.

Very weak debt and contingent liability profile

In our view, Windom's debt and contingent liability profile is very weak. Total governmental fund debt service is 25.0% of total governmental fund expenditures, and net direct debt is 274.7% of total governmental fund revenue.

The city may issue additional GO debt for wastewater improvements within the next two years. The total project is estimated to be about \$14 million, although the city expects state and federal grants will offset the total issuance. It also expects to issue, within the next two years, between \$800,000 and \$1 million for improvements at its hockey arena.

Windom's pension contributions totaled 4.5% of total governmental fund expenditures in 2015. The city made its full annual required pension contribution in 2015.

The city participates in the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF), both cost-sharing, multiemployer pension plans administered by the state Public Employees Retirement Association. In 2015, the GERF and PEPFF were 78.2% and 86.6% funded, respectively. The combined net pension liability for these plans was \$2.7 million. The city also participates in the single-employer pension plan administered by the Windom Firefighters Relief Association. In 2015, the plan was 138% funded and had a net pension asset of \$182,000. The city reports no other postemployment benefits.

Strong institutional framework

The institutional framework score for Minnesota cities with a population greater than 2,500 is strong.

Outlook

The positive outlook on the enhanced rating reflects that on the state of Minnesota and moves in tandem with the state GO rating and outlook.

The stable outlook reflects our view that Windom will maintain reserves at or above its reserve policy amount, at least adequate budgetary performance, and very strong liquidity. We do not expect a rating change within the two-year outlook period.

Downside scenario

We could lower the rating if available reserves declined, and were sustained, below the city's general fund reserve policy level.

Upside scenario

We could raise the rating if the economy improved to levels commensurate with higher rated peers and debt levels moderated.

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Alternative Financing: Disclosure Is Critical To Credit Analysis In Public Finance, Feb. 18, 2014
- Incorporating GASB 67 And 68: Evaluating Pension/OPEB Obligations Under Standard & Poor's U.S. Local Government GO Criteria, Sept. 2, 2015

Ratings Detail (As Of May 12, 2017)

Windom communication sys annual approp rfdg bnds		
<i>Long Term Rating</i>	A/Stable	Affirmed
Windom GO		
<i>Long Term Rating</i>	A+/Stable	Affirmed
Windom GO imp bnds ser 2013B dtd 06/04/2013 due 02/01/2017 2019 2021 2023		
<i>Long Term Rating</i>	A+/Stable	Affirmed
Windom GO imp rfdg bnds ser 2011B dtd 12/08/2011 due 02/01/2013-2019		
<i>Long Term Rating</i>	A+/Stable	Affirmed
Windom GO rfdg bnds		
<i>Long Term Rating</i>	A+/Stable	Affirmed
Windom GO wtr & swr rev bnds		
<i>Long Term Rating</i>	AA+/Positive	Current
<i>Underlying Rating for Credit Program</i>	A+/Stable	Affirmed
Windom GO wtr & swr rev bnds ser 2011A dtd 12/08/2011 due 02/01/2014-2029		
<i>Long Term Rating</i>	AA+/Positive	Current

Ratings Detail (As Of May 12, 2017) (cont.)

Underlying Rating for Credit Program

A+/Stable

Affirmed

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on the S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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April 18, 2017

Modified Pre-Sale Report for

City of Windom, Minnesota

\$4,140,000 General Obligation Improvement and Utility
Revenue Bonds, Series 2017A



Prepared by:

Todd Hagen, CIPMA
VP/Senior Municipal Advisor

And

Rebecca Kurtz, CIPMA
VP/Senior Municipal Advisor



Executive Summary of Proposed Debt

Proposed Issue:	\$4,140,000 General Obligation Improvement and Utility Revenue Bonds, Series 2017A
Purposes:	<p>To finance the 2017 Street and Utility Project, and to reimburse the City for prior expenditures made to the municipal water and sewer system.</p> <ul style="list-style-type: none"> • Street and Utility Improvement Portion (MS 429). Debt service will be paid from special assessments and property taxes. A portion of the property taxes will be cancelled each year with available water and sanitary sewer revenues. • Sanitary Sewer Line Portion (MS 444/115). Debt service will be paid from sanitary sewer revenues. • Water Tower Portion (MS 444). Debt service will be paid from water revenues.
Authority:	<p>The Bonds are being issued pursuant to Minnesota Statutes, Chapters 429, 115, 444, and 475.</p> <p>Because the City is assessing at least 20% of the project costs, the Street and Utility Improvement Portion can be a general obligation without a referendum and will not count against the City's debt limit.</p> <p>Chapter 444 allows cities to issue debt without limitation if debt service is expected to be paid from water and sewer revenues.</p> <p>The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.</p>
Term/Call Feature:	<p>The Bonds are being issued for a 21-year term. Principal on the Bonds will be due on February 1 in the years 2019 through 2039. Interest is payable every six months beginning February 1, 2018. A portion of the Bond proceeds will be used to make the initial interest payment.</p> <p>The tax levy and term of the Street and Utility Improvement Portion have been coordinated with the City's existing 2011B bonds to achieve the lowest levy for the City.</p> <p>The Bonds maturing on and after February 1, 2027 will be subject to prepayment at the discretion of the City on February 1, 2026 or any date thereafter.</p>
Bank Qualification:	<p>Because the City is expecting to issue no more than \$10,000,000 in tax exempt debt during the calendar year, the City will be able to designate the Bonds as "bank qualified" obligations.</p> <p>Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.</p>



<p>State Credit Enhancement:</p>	<p>City bond issues for water, sanitary sewer and storm water facilities are now authorized to receive credit enhancement from the State. Under current bond ratings, the state credit enhancement would bring a Standard & Poor's "AA+" rating or a Moody's "Aa2" because the State guarantees the debt service payments on the Bonds. Currently, state credit enhancement provides a significant interest cost savings, to lower or non-rated cities/counties.</p> <p>To qualify for the credit enhancement, a City must submit an application and \$500 fee to the State. There will also be a credit rating fee that is lower than the standard fee to either rating agency. Ehlers will take care of the application to the State on your behalf.</p>
<p>Rating:</p>	<p>Under current bond ratings, the state credit enhancement would bring a Standard & Poor's "AA+" rating or a Moody's "Aa2" rating.</p> <p>The City's most recent bond issues were rated "A+" by Standard & Poor's. The City will request a new rating for the Bonds.</p> <p>If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City's bond rating if the bond rating of the insurer is higher than that of the City.</p>
<p>Basis for Recommendation:</p>	<p>Based on our knowledge of your situation, your objectives communicated to us, our advisory relationship as well as characteristics of various municipal financing options, we are recommending the issuance of general obligation bonds as a suitable financing option for the following reasons:</p> <ul style="list-style-type: none"> • The City's policy and past practice has been to finance municipal projects like this with this type of debt issue. • This is a cost-effective option among the limited other options available to finance this type of project. • general obligation bonds provide the lowest possible interest cost.
<p>Method of Sale/Placement:</p>	<p>To obtain the lowest interest cost to the City, we will competitively bid the purchase of the Bonds from local and national underwriters/banks.</p> <p>We have included an allowance for discount bidding equal to 1.20% of the principal amount of the issue. The discount provides the underwriter with all or a portion of its compensation in the transaction. If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to lower your borrowing amount.</p> <p>Premium Bids: Under current market conditions, most investors in municipal bonds prefer "premium" pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid more than face value is considered "reoffering premium."</p> <p>For this issue of Bonds, we have been directed to use the premium to reduce the size of the issue. The adjustments may slightly change the true interest</p>



	cost of the original bid, either up or down.
Review of Existing Debt:	<p>We have reviewed all outstanding indebtedness for the City and find that there are no refunding opportunities now.</p> <p>We will continue to monitor the market and the call dates for the City's outstanding debt and will alert you to any future refunding opportunities.</p>
Continuing Disclosure:	<p>Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually as well as providing notices of the occurrence of certain "material events" to the Municipal Securities Rulemaking Board (the "MSRB"), as required by rules of the Securities and Exchange Commission (SEC).</p> <p>The City is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.</p>
Arbitrage Monitoring:	<p>Because the Bonds are tax-exempt securities/tax credit securities, the City must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be detailed in the Non-arbitrage Certificate prepared by your Bond Attorney and provided at closing.</p> <p>We recommend that you regularly monitor compliance with these rules and/or retain the services of a qualified firm to assist you.</p>
Risk Factors:	<p>Special Assessments: We have not assumed any pre-paid special assessments and we have assumed that assessments are levied as projected. If the City receives a significant amount of pre-paid assessments or does not levy the assessments, it may need to increase the levy portion of the debt service to make up for lower interest earnings than the expected assessment interest rate.</p> <p>Utility Revenue: The City expects to pay the Bond debt service with utility funds. If utility revenue is inadequate, the City may have to levy taxes to pay debt service on the Bonds.</p>
Other Service Providers:	<p>This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a firm to provide a service, we have assumed that you will continue that relationship. For services, you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith</p>



	<p>estimate of these fees, so their final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.</p> <p>Bond Attorney: Fryberger Buchanan</p> <p>Paying Agent: Bond Trust Services</p> <p>Rating Agency: Standard & Poor's</p>
<p>Investment Earnings:</p>	<p>To more efficiently segregate funds for this project and maximize interest earnings we recommend using either your local banks or Ehlers Investment Partners, a subsidiary of Ehlers, to assist with the investment of bond proceeds until they are needed to pay project costs.</p>
<p>Summary:</p>	<p>The decisions to be made by the Council are as follows:</p> <ul style="list-style-type: none"> • Accept or modify the finance assumptions described in this report. • Adopt the resolution attached to this report.

This presale report summarizes our understanding of the City's objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the City's objectives.



Proposed Debt Issuance Schedule

Pre-Sale Review by City Council	April 18, 2017
Distribute Official Statement:	Week of May 1, 2017
Conference with Rating Agency:	Week of May 8, 2017
City Council Meeting to Award Sale of the Bonds:	May 16, 2017
Estimated Closing Date:	June 15, 2017

Attachments

Sources and Uses of Funds
Proposed Debt Service Schedule
Bond Buyer Index
Resolution Authorizing Ehlers to Proceed with Bond Sale
Credit Enhancement Resolution

Ehlers Contacts

Financial Advisors:	Todd Hagen	(651) 697-8508
	Rebecca Kurtz	(651) 697-8516
Disclosure Coordinator:	Meghan Lindblom	(651) 697-8549
Financial Analyst:	Alicia Gage	(651) 697-8551

The Official Statement for this financing will be mailed to the City Council at their home address or e-mailed for review prior to the sale date.



City of Windom, Minnesota

\$4,140,000 General Obligation Bonds, Series 2017A

Issue Summary

Assumes Current Market BQ AA+ Credit Enhanced Market Rates plus 15bps

Total Issue Sources And Uses

Dated 06/15/2017 | Delivered 06/15/2017

	Improvement (429)	Water (444)	Sewer (444/115)	Issue Summary
Sources Of Funds				
Par Amount of Bonds	\$2,950,000.00	\$615,000.00	\$575,000.00	\$4,140,000.00
Total Sources	\$2,950,000.00	\$615,000.00	\$575,000.00	\$4,140,000.00
Uses Of Funds				
Total Underwriter's Discount (1.200%)	35,400.00	7,380.00	6,900.00	49,680.00
Costs of Issuance	39,903.37	8,318.84	7,777.79	56,000.00
Deposit to Capitalized Interest (CIF) Fund	47,585.56	-	-	47,585.56
Deposit to Project Construction Fund	2,823,000.00	600,000.00	560,000.00	3,983,000.00
Rounding Amount	4,111.07	(698.84)	322.21	3,734.44
Total Uses	\$2,950,000.00	\$615,000.00	\$575,000.00	\$4,140,000.00



\$4,140,000 General Obligation Bonds, Series 2017A

Issue Summary

Assumes Current Market BQ AA+ Credit Enhanced Market Rates plus 15bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/15/2017	-	-	-	-	-
02/01/2018	-	-	66,626.07	66,626.07	66,626.07
08/01/2018	-	-	53,065.00	53,065.00	-
02/01/2019	50,000.00	1.250%	53,065.00	103,065.00	156,130.00
08/01/2019	-	-	52,752.50	52,752.50	-
02/01/2020	185,000.00	1.400%	52,752.50	237,752.50	290,505.00
08/01/2020	-	-	51,457.50	51,457.50	-
02/01/2021	190,000.00	1.600%	51,457.50	241,457.50	292,915.00
08/01/2021	-	-	49,937.50	49,937.50	-
02/01/2022	190,000.00	1.800%	49,937.50	239,937.50	289,875.00
08/01/2022	-	-	48,227.50	48,227.50	-
02/01/2023	190,000.00	1.900%	48,227.50	238,227.50	286,455.00
08/01/2023	-	-	46,422.50	46,422.50	-
02/01/2024	195,000.00	2.000%	46,422.50	241,422.50	287,845.00
08/01/2024	-	-	44,472.50	44,472.50	-
02/01/2025	205,000.00	2.100%	44,472.50	249,472.50	293,945.00
08/01/2025	-	-	42,320.00	42,320.00	-
02/01/2026	205,000.00	2.200%	42,320.00	247,320.00	289,640.00
08/01/2026	-	-	40,065.00	40,065.00	-
02/01/2027	210,000.00	2.300%	40,065.00	250,065.00	290,130.00
08/01/2027	-	-	37,650.00	37,650.00	-
02/01/2028	220,000.00	2.400%	37,650.00	257,650.00	295,300.00
08/01/2028	-	-	35,010.00	35,010.00	-
02/01/2029	220,000.00	2.500%	35,010.00	255,010.00	290,020.00
08/01/2029	-	-	32,260.00	32,260.00	-
02/01/2030	225,000.00	2.600%	32,260.00	257,260.00	289,520.00
08/01/2030	-	-	29,335.00	29,335.00	-
02/01/2031	230,000.00	2.750%	29,335.00	259,335.00	288,670.00
08/01/2031	-	-	26,172.50	26,172.50	-
02/01/2032	240,000.00	2.900%	26,172.50	266,172.50	292,345.00
08/01/2032	-	-	22,692.50	22,692.50	-
02/01/2033	245,000.00	3.000%	22,692.50	267,692.50	290,385.00
08/01/2033	-	-	19,017.50	19,017.50	-
02/01/2034	185,000.00	3.100%	19,017.50	204,017.50	223,035.00
08/01/2034	-	-	16,150.00	16,150.00	-
02/01/2035	195,000.00	3.200%	16,150.00	211,150.00	227,300.00
08/01/2035	-	-	13,030.00	13,030.00	-
02/01/2036	200,000.00	3.300%	13,030.00	213,030.00	226,060.00
08/01/2036	-	-	9,730.00	9,730.00	-
02/01/2037	210,000.00	3.400%	9,730.00	219,730.00	229,460.00
08/01/2037	-	-	6,160.00	6,160.00	-
02/01/2038	210,000.00	3.500%	6,160.00	216,160.00	222,320.00
08/01/2038	-	-	2,485.00	2,485.00	-
02/01/2039	140,000.00	3.550%	2,485.00	142,485.00	144,970.00
Total	\$4,140,000.00	-	\$1,423,451.07	\$5,563,451.07	-

Yield Statistics

Bond Year Dollars	\$49,784.00
Average Life	12.025 Years
Average Coupon	2.8592541%
Net Interest Cost (NIC)	2.9590452%
True Interest Cost (TIC)	2.9453893%
Bond Yield for Arbitrage Purposes	2.8236031%
All Inclusive Cost (AIC)	3.0851292%

IRS Form 8038

Net Interest Cost	2.8592541%
Weighted Average Maturity	12.025 Years

City of Windom, Minnesota

\$4,140,000 General Obligation Bonds, Series 2017A

Issue Summary

Assumes Current Market BQ AA+ Credit Enhanced Market Rates plus 15bps

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
06/15/2017	-	-	-	-	-	-	-
02/01/2018	-	-	66,626.07	66,626.07	(47,585.56)	19,040.51	19,040.51
08/01/2018	-	-	53,065.00	53,065.00	-	53,065.00	-
02/01/2019	50,000.00	1.250%	53,065.00	103,065.00	-	103,065.00	156,130.00
08/01/2019	-	-	52,752.50	52,752.50	-	52,752.50	-
02/01/2020	185,000.00	1.400%	52,752.50	237,752.50	-	237,752.50	290,505.00
08/01/2020	-	-	51,457.50	51,457.50	-	51,457.50	-
02/01/2021	190,000.00	1.600%	51,457.50	241,457.50	-	241,457.50	292,915.00
08/01/2021	-	-	49,937.50	49,937.50	-	49,937.50	-
02/01/2022	190,000.00	1.800%	49,937.50	239,937.50	-	239,937.50	289,875.00
08/01/2022	-	-	48,227.50	48,227.50	-	48,227.50	-
02/01/2023	190,000.00	1.900%	48,227.50	238,227.50	-	238,227.50	286,455.00
08/01/2023	-	-	46,422.50	46,422.50	-	46,422.50	-
02/01/2024	195,000.00	2.000%	46,422.50	241,422.50	-	241,422.50	287,845.00
08/01/2024	-	-	44,472.50	44,472.50	-	44,472.50	-
02/01/2025	205,000.00	2.100%	44,472.50	249,472.50	-	249,472.50	293,945.00
08/01/2025	-	-	42,320.00	42,320.00	-	42,320.00	-
02/01/2026	205,000.00	2.200%	42,320.00	247,320.00	-	247,320.00	289,640.00
08/01/2026	-	-	40,065.00	40,065.00	-	40,065.00	-
02/01/2027	210,000.00	2.300%	40,065.00	250,065.00	-	250,065.00	290,130.00
08/01/2027	-	-	37,650.00	37,650.00	-	37,650.00	-
02/01/2028	220,000.00	2.400%	37,650.00	257,650.00	-	257,650.00	295,300.00
08/01/2028	-	-	35,010.00	35,010.00	-	35,010.00	-
02/01/2029	220,000.00	2.500%	35,010.00	255,010.00	-	255,010.00	290,020.00
08/01/2029	-	-	32,260.00	32,260.00	-	32,260.00	-
02/01/2030	225,000.00	2.600%	32,260.00	257,260.00	-	257,260.00	289,520.00
08/01/2030	-	-	29,335.00	29,335.00	-	29,335.00	-
02/01/2031	230,000.00	2.750%	29,335.00	259,335.00	-	259,335.00	288,670.00
08/01/2031	-	-	26,172.50	26,172.50	-	26,172.50	-
02/01/2032	240,000.00	2.900%	26,172.50	266,172.50	-	266,172.50	292,345.00
08/01/2032	-	-	22,692.50	22,692.50	-	22,692.50	-
02/01/2033	245,000.00	3.000%	22,692.50	267,692.50	-	267,692.50	290,385.00
08/01/2033	-	-	19,017.50	19,017.50	-	19,017.50	-
02/01/2034	185,000.00	3.100%	19,017.50	204,017.50	-	204,017.50	223,035.00
08/01/2034	-	-	16,150.00	16,150.00	-	16,150.00	-
02/01/2035	195,000.00	3.200%	16,150.00	211,150.00	-	211,150.00	227,300.00
08/01/2035	-	-	13,030.00	13,030.00	-	13,030.00	-
02/01/2036	200,000.00	3.300%	13,030.00	213,030.00	-	213,030.00	226,060.00
08/01/2036	-	-	9,730.00	9,730.00	-	9,730.00	-
02/01/2037	210,000.00	3.400%	9,730.00	219,730.00	-	219,730.00	229,460.00
08/01/2037	-	-	6,160.00	6,160.00	-	6,160.00	-
02/01/2038	210,000.00	3.500%	6,160.00	216,160.00	-	216,160.00	222,320.00
08/01/2038	-	-	2,485.00	2,485.00	-	2,485.00	-
02/01/2039	140,000.00	3.550%	2,485.00	142,485.00	-	142,485.00	144,970.00
Total	\$4,140,000.00	-	\$1,423,451.07	\$5,563,451.07	(47,585.56)	\$5,515,865.51	-

vice Schedule

Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	105% of Total	Assessments	Improvement		Water Revenue	Sewer Revenue	Water Revenue	Sewer Revenue	(S)
								Water Revenue	Sewer Revenue					
-	-	66,626.07	66,626.07	(47,585.56)	19,040.51	19,992.54	-	-	-	-	-	10,367.05	9,625.49	
50,000.00	1.250%	106,130.00	156,130.00	-	156,130.00	163,936.50	67,763.97	-	-	-	-	42,763.88	41,582.63	1
185,000.00	1.400%	105,505.00	290,505.00	-	290,505.00	305,030.25	67,763.97	41,210.35	11,025.83	42,435.75	41,254.50	42,068.25	40,887.00	10
190,000.00	1.600%	102,915.00	292,915.00	-	292,915.00	307,560.75	67,763.97	41,210.35	11,025.83	42,068.25	40,887.00	42,068.25	40,887.00	10
190,000.00	1.800%	99,875.00	289,875.00	-	289,875.00	304,368.75	67,763.96	41,210.35	11,025.83	41,648.25	40,467.00	41,648.25	40,467.00	10
190,000.00	1.900%	96,455.00	286,455.00	-	286,455.00	300,777.75	67,763.98	41,210.35	11,025.83	41,175.75	39,994.50	41,175.75	39,994.50	9
195,000.00	2.000%	92,845.00	287,845.00	-	287,845.00	302,237.25	67,763.96	41,210.35	11,025.83	40,677.00	39,495.75	40,677.00	39,495.75	10
205,000.00	2.100%	88,945.00	293,945.00	-	293,945.00	308,642.25	67,763.97	41,210.35	11,025.83	45,402.00	38,970.75	45,402.00	38,970.75	10
205,000.00	2.200%	84,640.00	289,640.00	-	289,640.00	304,122.00	67,763.96	41,210.35	11,025.83	44,740.50	38,419.50	44,740.50	38,419.50	10
210,000.00	2.300%	80,130.00	290,130.00	-	290,130.00	304,636.50	67,763.96	41,210.35	11,025.83	44,047.50	37,842.00	44,047.50	37,842.00	10
220,000.00	2.400%	75,300.00	295,300.00	-	295,300.00	310,065.00	67,763.97	41,210.35	11,025.83	43,323.00	42,488.25	43,323.00	42,488.25	10
220,000.00	2.500%	70,020.00	290,020.00	-	290,020.00	304,521.00	67,763.96	41,210.35	11,025.83	42,567.00	41,732.25	42,567.00	41,732.25	10
225,000.00	2.600%	64,520.00	289,520.00	-	289,520.00	303,996.00	67,763.96	41,210.35	11,025.83	41,779.50	40,944.75	41,779.50	40,944.75	10
230,000.00	2.750%	58,670.00	288,670.00	-	288,670.00	303,103.50	67,763.97	41,210.35	11,025.83	40,960.50	40,125.75	40,960.50	40,125.75	10
240,000.00	2.900%	52,345.00	292,345.00	-	292,345.00	306,962.25	67,763.97	41,210.35	11,025.83	45,344.25	39,259.50	45,344.25	39,259.50	10
245,000.00	3.000%	45,385.00	290,385.00	-	290,385.00	304,904.25	67,763.96	41,210.35	11,025.83	44,278.50	38,346.00	44,278.50	38,346.00	10
185,000.00	3.100%	38,035.00	223,035.00	-	223,035.00	234,186.75	-	41,210.35	11,025.83	43,176.00	37,401.00	43,176.00	37,401.00	10
195,000.00	3.200%	32,300.00	227,300.00	-	227,300.00	238,665.00	-	41,210.35	11,025.83	42,036.75	41,674.50	42,036.75	41,674.50	10
200,000.00	3.300%	26,060.00	226,060.00	-	226,060.00	237,363.00	-	41,210.35	11,025.83	40,860.75	40,498.50	40,860.75	40,498.50	10
210,000.00	3.400%	19,460.00	229,460.00	-	229,460.00	240,933.00	-	41,210.35	11,025.83	44,898.00	39,285.75	44,898.00	39,285.75	10
210,000.00	3.500%	12,320.00	222,320.00	-	222,320.00	233,436.00	-	41,210.35	11,025.83	43,470.00	38,036.25	43,470.00	38,036.25	9
140,000.00	3.550%	4,970.00	144,970.00	-	144,970.00	152,218.50	-	41,210.35	11,025.83	-	-	-	-	9
\$4,140,000.00	-	\$1,423,451.07	\$5,563,451.07	(47,585.56)	\$5,515,865.51	\$5,791,658.79	\$1,016,459.49	\$824,206.95	\$220,516.65	\$868,020.17	\$808,331.61	\$868,020.17	\$808,331.61	\$2,05

Dates

ate	6
ate	2
ics	
ars	\$4
ars	12.0
n	2.8
it (NIC)	2.9
ist (TIC)	2.9
Arbitrage Purposes	2.8
ist (AIC)	3.0

City of Windom, Minnesota

\$2,950,000 General Obligation Bonds, Series 2017A

Improvement (429)

Assumes Current Market BQ AA+ Credit Enhanced Market Rates plus 15bps

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
06/15/2017	-	-	-	-	-	-	-
02/01/2018	-	-	47,585.56	47,585.56	(47,585.56)	-	-
08/01/2018	-	-	37,900.00	37,900.00	-	37,900.00	-
02/01/2019	-	-	37,900.00	37,900.00	-	37,900.00	75,800.00
08/01/2019	-	-	37,900.00	37,900.00	-	37,900.00	-
02/01/2020	135,000.00	1.400%	37,900.00	172,900.00	-	172,900.00	210,800.00
08/01/2020	-	-	36,955.00	36,955.00	-	36,955.00	-
02/01/2021	140,000.00	1.600%	36,955.00	176,955.00	-	176,955.00	213,910.00
08/01/2021	-	-	35,835.00	35,835.00	-	35,835.00	-
02/01/2022	140,000.00	1.800%	35,835.00	175,835.00	-	175,835.00	211,670.00
08/01/2022	-	-	34,575.00	34,575.00	-	34,575.00	-
02/01/2023	140,000.00	1.900%	34,575.00	174,575.00	-	174,575.00	209,150.00
08/01/2023	-	-	33,245.00	33,245.00	-	33,245.00	-
02/01/2024	145,000.00	2.000%	33,245.00	178,245.00	-	178,245.00	211,490.00
08/01/2024	-	-	31,795.00	31,795.00	-	31,795.00	-
02/01/2025	150,000.00	2.100%	31,795.00	181,795.00	-	181,795.00	213,590.00
08/01/2025	-	-	30,220.00	30,220.00	-	30,220.00	-
02/01/2026	150,000.00	2.200%	30,220.00	180,220.00	-	180,220.00	210,440.00
08/01/2026	-	-	28,570.00	28,570.00	-	28,570.00	-
02/01/2027	155,000.00	2.300%	28,570.00	183,570.00	-	183,570.00	212,140.00
08/01/2027	-	-	26,787.50	26,787.50	-	26,787.50	-
02/01/2028	160,000.00	2.400%	26,787.50	186,787.50	-	186,787.50	213,575.00
08/01/2028	-	-	24,867.50	24,867.50	-	24,867.50	-
02/01/2029	160,000.00	2.500%	24,867.50	184,867.50	-	184,867.50	209,735.00
08/01/2029	-	-	22,867.50	22,867.50	-	22,867.50	-
02/01/2030	165,000.00	2.600%	22,867.50	187,867.50	-	187,867.50	210,735.00
08/01/2030	-	-	20,722.50	20,722.50	-	20,722.50	-
02/01/2031	170,000.00	2.750%	20,722.50	190,722.50	-	190,722.50	211,445.00
08/01/2031	-	-	18,385.00	18,385.00	-	18,385.00	-
02/01/2032	175,000.00	2.900%	18,385.00	193,385.00	-	193,385.00	211,770.00
08/01/2032	-	-	15,847.50	15,847.50	-	15,847.50	-
02/01/2033	180,000.00	3.000%	15,847.50	195,847.50	-	195,847.50	211,695.00
08/01/2033	-	-	13,147.50	13,147.50	-	13,147.50	-
02/01/2034	120,000.00	3.100%	13,147.50	133,147.50	-	133,147.50	146,295.00
08/01/2034	-	-	11,287.50	11,287.50	-	11,287.50	-
02/01/2035	125,000.00	3.200%	11,287.50	136,287.50	-	136,287.50	147,575.00
08/01/2035	-	-	9,287.50	9,287.50	-	9,287.50	-
02/01/2036	130,000.00	3.300%	9,287.50	139,287.50	-	139,287.50	148,575.00
08/01/2036	-	-	7,142.50	7,142.50	-	7,142.50	-
02/01/2037	135,000.00	3.400%	7,142.50	142,142.50	-	142,142.50	149,285.00
08/01/2037	-	-	4,847.50	4,847.50	-	4,847.50	-
02/01/2038	135,000.00	3.500%	4,847.50	139,847.50	-	139,847.50	144,695.00
08/01/2038	-	-	2,485.00	2,485.00	-	2,485.00	-
02/01/2039	140,000.00	3.550%	2,485.00	142,485.00	-	142,485.00	144,970.00
Total	\$2,950,000.00	-	\$1,016,925.56	\$3,966,925.56	(47,585.56)	\$3,919,340.00	-

City of Windom, Minnesota

\$2,950,000 General Obligation Bonds, Series 2017A

Improvement (429)

Assumes Current Market BQ AA+ Credit Enhanced Market Rates plus 15bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	105% of Total	Assessments	Water Revenue	Sewer Revenue	Levy/ (Surplus)
02/01/2018	-	-	47,585.56	47,585.56	(47,585.56)	-	-	-	-	-	-
02/01/2019	-	-	75,800.00	75,800.00	-	75,800.00	79,590.00	67,763.97	-	-	11,826.03
02/01/2020	135,000.00	1.400%	75,800.00	210,800.00	-	210,800.00	221,340.00	67,763.97	41,210.35	11,025.83	101,339.85
02/01/2021	140,000.00	1.600%	73,910.00	213,910.00	-	213,910.00	224,605.50	67,763.97	41,210.35	11,025.83	104,605.35
02/01/2022	140,000.00	1.800%	71,670.00	211,670.00	-	211,670.00	222,253.50	67,763.96	41,210.35	11,025.83	102,253.36
02/01/2023	140,000.00	1.900%	69,150.00	209,150.00	-	209,150.00	219,607.50	67,763.98	41,210.35	11,025.83	99,607.34
02/01/2024	145,000.00	2.000%	66,490.00	211,490.00	-	211,490.00	222,064.50	67,763.96	41,210.35	11,025.83	102,064.36
02/01/2025	150,000.00	2.100%	63,590.00	213,590.00	-	213,590.00	224,269.50	67,763.97	41,210.35	11,025.83	104,269.35
02/01/2026	150,000.00	2.200%	60,440.00	210,440.00	-	210,440.00	220,962.00	67,763.96	41,210.35	11,025.83	100,961.86
02/01/2027	155,000.00	2.300%	57,140.00	212,140.00	-	212,140.00	222,747.00	67,763.96	41,210.35	11,025.83	102,746.86
02/01/2028	160,000.00	2.400%	53,575.00	213,575.00	-	213,575.00	224,253.75	67,763.97	41,210.35	11,025.83	104,253.60
02/01/2029	160,000.00	2.500%	49,735.00	209,735.00	-	209,735.00	220,221.75	67,763.96	41,210.35	11,025.83	100,221.61
02/01/2030	165,000.00	2.600%	45,735.00	210,735.00	-	210,735.00	221,271.75	67,763.96	41,210.35	11,025.83	101,271.61
02/01/2031	170,000.00	2.750%	41,445.00	211,445.00	-	211,445.00	222,017.25	67,763.97	41,210.35	11,025.83	102,017.10
02/01/2032	175,000.00	2.900%	36,770.00	211,770.00	-	211,770.00	222,358.50	67,763.97	41,210.35	11,025.83	102,358.35
02/01/2033	180,000.00	3.000%	31,695.00	211,695.00	-	211,695.00	222,279.75	67,763.96	41,210.35	11,025.83	102,279.61
02/01/2034	120,000.00	3.100%	26,295.00	146,295.00	-	146,295.00	153,609.75	-	41,210.35	11,025.83	101,373.57
02/01/2035	125,000.00	3.200%	22,575.00	147,575.00	-	147,575.00	154,953.75	-	41,210.35	11,025.83	102,717.57
02/01/2036	130,000.00	3.300%	18,575.00	148,575.00	-	148,575.00	156,003.75	-	41,210.35	11,025.83	103,767.57
02/01/2037	135,000.00	3.400%	14,285.00	149,285.00	-	149,285.00	156,749.25	-	41,210.35	11,025.83	104,513.07
02/01/2038	135,000.00	3.500%	9,695.00	144,695.00	-	144,695.00	151,929.75	-	41,210.35	11,025.83	99,693.57
02/01/2039	140,000.00	3.550%	4,970.00	144,970.00	-	144,970.00	152,218.50	-	41,210.35	11,025.83	99,982.32
Total	\$2,950,000.00	-	\$1,016,925.56	\$3,966,925.56	(47,585.56)	\$3,919,340.00	\$4,115,307.00	\$1,016,459.49	\$824,206.95	\$220,516.65	\$2,054,123.91

Significant Dates

Dated	6/15/2017
First Coupon Date	2/01/2018

Yield Statistics

Bond Year Dollars	\$35,606.94
Average Life	12.070 Years
Average Coupon	2.8559754%
Net Interest Cost (NIC)	2.9533942%
True Interest Cost (TIC)	2.9410930%
Bond Yield for Arbitrage Purposes	2.8236031%
All Inclusive Cost (AIC)	3.0801986%

City of Windom, Minnesota

\$615,000 General Obligation Bonds, Series 2017A

Water (444)

Assumes Current Market BQ AA+ Credit Enhanced Market Rates plus 15bps

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S	Fiscal Total
06/15/2017	-	-	-	-	-	-
02/01/2018	-	-	9,873.38	9,873.38	9,873.38	9,873.38
08/01/2018	-	-	7,863.75	7,863.75	7,863.75	-
02/01/2019	25,000.00	1.250%	7,863.75	32,863.75	32,863.75	40,727.50
08/01/2019	-	-	7,707.50	7,707.50	7,707.50	-
02/01/2020	25,000.00	1.400%	7,707.50	32,707.50	32,707.50	40,415.00
08/01/2020	-	-	7,532.50	7,532.50	7,532.50	-
02/01/2021	25,000.00	1.600%	7,532.50	32,532.50	32,532.50	40,065.00
08/01/2021	-	-	7,332.50	7,332.50	7,332.50	-
02/01/2022	25,000.00	1.800%	7,332.50	32,332.50	32,332.50	39,665.00
08/01/2022	-	-	7,107.50	7,107.50	7,107.50	-
02/01/2023	25,000.00	1.900%	7,107.50	32,107.50	32,107.50	39,215.00
08/01/2023	-	-	6,870.00	6,870.00	6,870.00	-
02/01/2024	25,000.00	2.000%	6,870.00	31,870.00	31,870.00	38,740.00
08/01/2024	-	-	6,620.00	6,620.00	6,620.00	-
02/01/2025	30,000.00	2.100%	6,620.00	36,620.00	36,620.00	43,240.00
08/01/2025	-	-	6,305.00	6,305.00	6,305.00	-
02/01/2026	30,000.00	2.200%	6,305.00	36,305.00	36,305.00	42,610.00
08/01/2026	-	-	5,975.00	5,975.00	5,975.00	-
02/01/2027	30,000.00	2.300%	5,975.00	35,975.00	35,975.00	41,950.00
08/01/2027	-	-	5,630.00	5,630.00	5,630.00	-
02/01/2028	30,000.00	2.400%	5,630.00	35,630.00	35,630.00	41,260.00
08/01/2028	-	-	5,270.00	5,270.00	5,270.00	-
02/01/2029	30,000.00	2.500%	5,270.00	35,270.00	35,270.00	40,540.00
08/01/2029	-	-	4,895.00	4,895.00	4,895.00	-
02/01/2030	30,000.00	2.600%	4,895.00	34,895.00	34,895.00	39,790.00
08/01/2030	-	-	4,505.00	4,505.00	4,505.00	-
02/01/2031	30,000.00	2.750%	4,505.00	34,505.00	34,505.00	39,010.00
08/01/2031	-	-	4,092.50	4,092.50	4,092.50	-
02/01/2032	35,000.00	2.900%	4,092.50	39,092.50	39,092.50	43,185.00
08/01/2032	-	-	3,585.00	3,585.00	3,585.00	-
02/01/2033	35,000.00	3.000%	3,585.00	38,585.00	38,585.00	42,170.00
08/01/2033	-	-	3,060.00	3,060.00	3,060.00	-
02/01/2034	35,000.00	3.100%	3,060.00	38,060.00	38,060.00	41,120.00
08/01/2034	-	-	2,517.50	2,517.50	2,517.50	-
02/01/2035	35,000.00	3.200%	2,517.50	37,517.50	37,517.50	40,035.00
08/01/2035	-	-	1,957.50	1,957.50	1,957.50	-
02/01/2036	35,000.00	3.300%	1,957.50	36,957.50	36,957.50	38,915.00
08/01/2036	-	-	1,380.00	1,380.00	1,380.00	-
02/01/2037	40,000.00	3.400%	1,380.00	41,380.00	41,380.00	42,760.00
08/01/2037	-	-	700.00	700.00	700.00	-
02/01/2038	40,000.00	3.500%	700.00	40,700.00	40,700.00	41,400.00
Total	\$615,000.00	-	\$211,685.88	\$826,685.88	\$826,685.88	-

City of Windom, Minnesota

\$615,000 General Obligation Bonds, Series 2017A

Water (444)

Assumes Current Market BQ AA+ Credit Enhanced Market Rates plus 15bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2018	-	-	9,873.38	9,873.38	10,367.05
02/01/2019	25,000.00	1.250%	15,727.50	40,727.50	42,763.88
02/01/2020	25,000.00	1.400%	15,415.00	40,415.00	42,435.75
02/01/2021	25,000.00	1.600%	15,065.00	40,065.00	42,068.25
02/01/2022	25,000.00	1.800%	14,665.00	39,665.00	41,648.25
02/01/2023	25,000.00	1.900%	14,215.00	39,215.00	41,175.75
02/01/2024	25,000.00	2.000%	13,740.00	38,740.00	40,677.00
02/01/2025	30,000.00	2.100%	13,240.00	43,240.00	45,402.00
02/01/2026	30,000.00	2.200%	12,610.00	42,610.00	44,740.50
02/01/2027	30,000.00	2.300%	11,950.00	41,950.00	44,047.50
02/01/2028	30,000.00	2.400%	11,260.00	41,260.00	43,323.00
02/01/2029	30,000.00	2.500%	10,540.00	40,540.00	42,567.00
02/01/2030	30,000.00	2.600%	9,790.00	39,790.00	41,779.50
02/01/2031	30,000.00	2.750%	9,010.00	39,010.00	40,960.50
02/01/2032	35,000.00	2.900%	8,185.00	43,185.00	45,344.25
02/01/2033	35,000.00	3.000%	7,170.00	42,170.00	44,278.50
02/01/2034	35,000.00	3.100%	6,120.00	41,120.00	43,176.00
02/01/2035	35,000.00	3.200%	5,035.00	40,035.00	42,036.75
02/01/2036	35,000.00	3.300%	3,915.00	38,915.00	40,860.75
02/01/2037	40,000.00	3.400%	2,760.00	42,760.00	44,898.00
02/01/2038	40,000.00	3.500%	1,400.00	41,400.00	43,470.00
Total	\$615,000.00	-	\$211,685.88	\$826,685.88	\$868,020.17

Significant Dates

Dated	6/15/2017
First Coupon Date	2/01/2018

Yield Statistics

Bond Year Dollars	\$7,371.08
Average Life	11.986 Years
Average Coupon	2.8718422%

Net Interest Cost (NIC)	2.9719631%
True Interest Cost (TIC)	2.9600747%
Bond Yield for Arbitrage Purposes	2.8236031%
All Inclusive Cost (AIC)	3.1006770%

IRS Form 8038

Net Interest Cost	2.8718422%
Weighted Average Maturity	11.986 Years

City of Windom, Minnesota

\$575,000 General Obligation Bonds, Series 2017A

Sewer (444/115)

Assumes Current Market BQ AA+ Credit Enhanced Market Rates plus 15bps

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S	Fiscal Total
06/15/2017	-	-	-	-	-	-
02/01/2018	-	-	9,167.13	9,167.13	9,167.13	9,167.13
08/01/2018	-	-	7,301.25	7,301.25	7,301.25	-
02/01/2019	25,000.00	1.250%	7,301.25	32,301.25	32,301.25	39,602.50
08/01/2019	-	-	7,145.00	7,145.00	7,145.00	-
02/01/2020	25,000.00	1.400%	7,145.00	32,145.00	32,145.00	39,290.00
08/01/2020	-	-	6,970.00	6,970.00	6,970.00	-
02/01/2021	25,000.00	1.600%	6,970.00	31,970.00	31,970.00	38,940.00
08/01/2021	-	-	6,770.00	6,770.00	6,770.00	-
02/01/2022	25,000.00	1.800%	6,770.00	31,770.00	31,770.00	38,540.00
08/01/2022	-	-	6,545.00	6,545.00	6,545.00	-
02/01/2023	25,000.00	1.900%	6,545.00	31,545.00	31,545.00	38,090.00
08/01/2023	-	-	6,307.50	6,307.50	6,307.50	-
02/01/2024	25,000.00	2.000%	6,307.50	31,307.50	31,307.50	37,615.00
08/01/2024	-	-	6,057.50	6,057.50	6,057.50	-
02/01/2025	25,000.00	2.100%	6,057.50	31,057.50	31,057.50	37,115.00
08/01/2025	-	-	5,795.00	5,795.00	5,795.00	-
02/01/2026	25,000.00	2.200%	5,795.00	30,795.00	30,795.00	36,590.00
08/01/2026	-	-	5,520.00	5,520.00	5,520.00	-
02/01/2027	25,000.00	2.300%	5,520.00	30,520.00	30,520.00	36,040.00
08/01/2027	-	-	5,232.50	5,232.50	5,232.50	-
02/01/2028	30,000.00	2.400%	5,232.50	35,232.50	35,232.50	40,465.00
08/01/2028	-	-	4,872.50	4,872.50	4,872.50	-
02/01/2029	30,000.00	2.500%	4,872.50	34,872.50	34,872.50	39,745.00
08/01/2029	-	-	4,497.50	4,497.50	4,497.50	-
02/01/2030	30,000.00	2.600%	4,497.50	34,497.50	34,497.50	38,995.00
08/01/2030	-	-	4,107.50	4,107.50	4,107.50	-
02/01/2031	30,000.00	2.750%	4,107.50	34,107.50	34,107.50	38,215.00
08/01/2031	-	-	3,695.00	3,695.00	3,695.00	-
02/01/2032	30,000.00	2.900%	3,695.00	33,695.00	33,695.00	37,390.00
08/01/2032	-	-	3,260.00	3,260.00	3,260.00	-
02/01/2033	30,000.00	3.000%	3,260.00	33,260.00	33,260.00	36,520.00
08/01/2033	-	-	2,810.00	2,810.00	2,810.00	-
02/01/2034	30,000.00	3.100%	2,810.00	32,810.00	32,810.00	35,620.00
08/01/2034	-	-	2,345.00	2,345.00	2,345.00	-
02/01/2035	35,000.00	3.200%	2,345.00	37,345.00	37,345.00	39,690.00
08/01/2035	-	-	1,785.00	1,785.00	1,785.00	-
02/01/2036	35,000.00	3.300%	1,785.00	36,785.00	36,785.00	38,570.00
08/01/2036	-	-	1,207.50	1,207.50	1,207.50	-
02/01/2037	35,000.00	3.400%	1,207.50	36,207.50	36,207.50	37,415.00
08/01/2037	-	-	612.50	612.50	612.50	-
02/01/2038	35,000.00	3.500%	612.50	35,612.50	35,612.50	36,225.00
Total	\$575,000.00	-	\$194,839.63	\$769,839.63	\$769,839.63	-

City of Windom, Minnesota

\$575,000 General Obligation Bonds, Series 2017A

Sewer (444/115)

Assumes Current Market BQ AA+ Credit Enhanced Market Rates plus 15bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2018	-	-	9,167.13	9,167.13	9,625.49
02/01/2019	25,000.00	1.250%	14,602.50	39,602.50	41,582.63
02/01/2020	25,000.00	1.400%	14,290.00	39,290.00	41,254.50
02/01/2021	25,000.00	1.600%	13,940.00	38,940.00	40,887.00
02/01/2022	25,000.00	1.800%	13,540.00	38,540.00	40,467.00
02/01/2023	25,000.00	1.900%	13,090.00	38,090.00	39,994.50
02/01/2024	25,000.00	2.000%	12,615.00	37,615.00	39,495.75
02/01/2025	25,000.00	2.100%	12,115.00	37,115.00	38,970.75
02/01/2026	25,000.00	2.200%	11,590.00	36,590.00	38,419.50
02/01/2027	25,000.00	2.300%	11,040.00	36,040.00	37,842.00
02/01/2028	30,000.00	2.400%	10,465.00	40,465.00	42,488.25
02/01/2029	30,000.00	2.500%	9,745.00	39,745.00	41,732.25
02/01/2030	30,000.00	2.600%	8,995.00	38,995.00	40,944.75
02/01/2031	30,000.00	2.750%	8,215.00	38,215.00	40,125.75
02/01/2032	30,000.00	2.900%	7,390.00	37,390.00	39,259.50
02/01/2033	30,000.00	3.000%	6,520.00	36,520.00	38,346.00
02/01/2034	30,000.00	3.100%	5,620.00	35,620.00	37,401.00
02/01/2035	35,000.00	3.200%	4,690.00	39,690.00	41,674.50
02/01/2036	35,000.00	3.300%	3,570.00	38,570.00	40,498.50
02/01/2037	35,000.00	3.400%	2,415.00	37,415.00	39,285.75
02/01/2038	35,000.00	3.500%	1,225.00	36,225.00	38,036.25
Total	\$575,000.00	-	\$194,839.63	\$769,839.63	\$808,331.61

Significant Dates

Dated	6/15/2017
First Coupon Date	2/01/2018

Yield Statistics

Bond Year Dollars	\$6,805.97
Average Life	11.836 Years
Average Coupon	2.8627744%
Net Interest Cost (NIC)	2.9641559%
True Interest Cost (TIC)	2.9520033%
Bond Yield for Arbitrage Purposes	2.8236031%
All Inclusive Cost (AIC)	3.0941390%

IRS Form 8038

Net Interest Cost	2.8627744%
Weighted Average Maturity	11.836 Years



City of Windom, Minnesota

\$705,750 General Obligation Bonds, Series 2017A

Assessments

2.0% over TIC - Equal P&I

Assessments

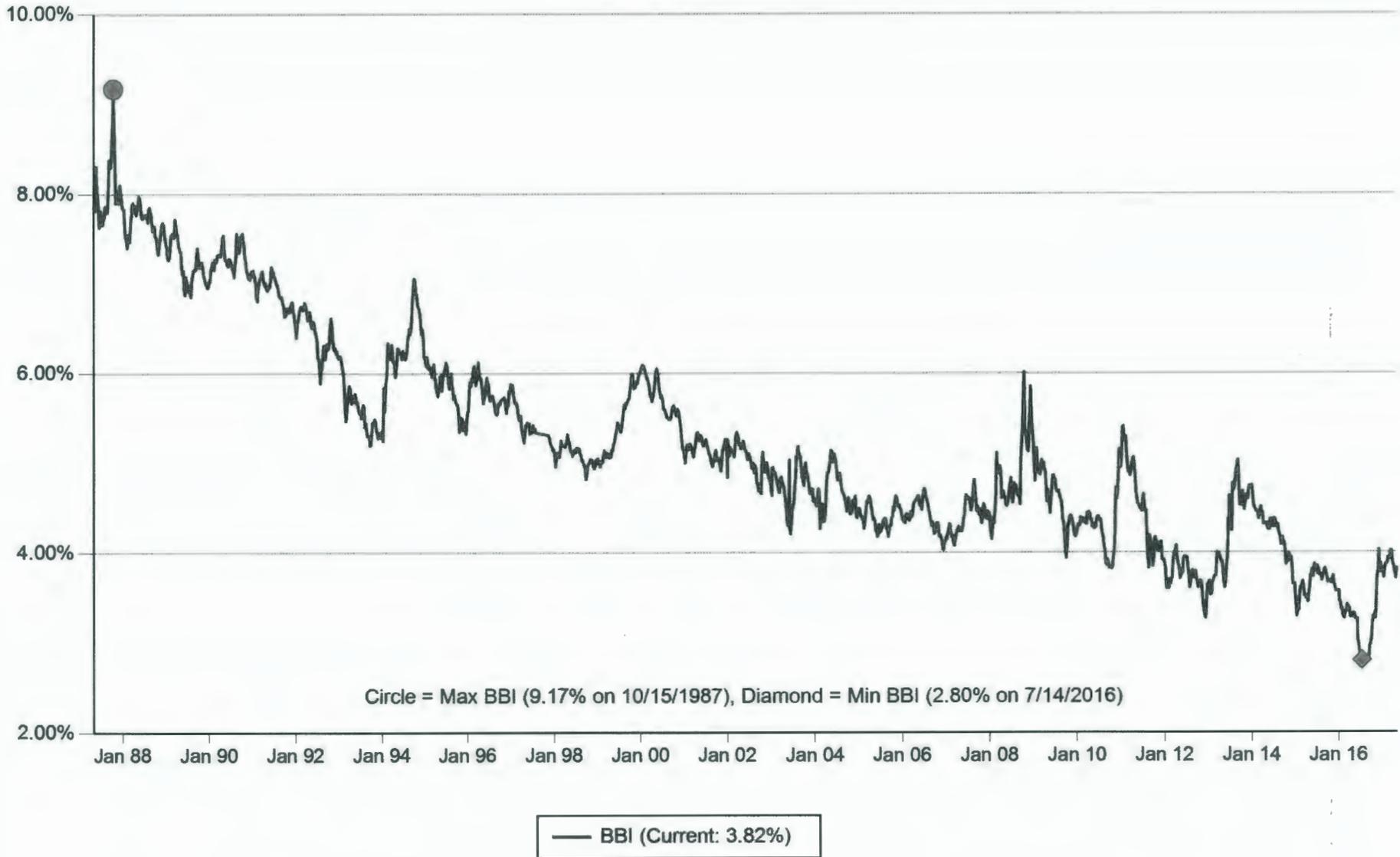
Date	Principal	Coupon	Interest	Total P+I
12/31/2018	32,829.34	4.950%	34,934.63	67,763.97
12/31/2019	34,454.39	4.950%	33,309.58	67,763.97
12/31/2020	36,159.89	4.950%	31,604.08	67,763.97
12/31/2021	37,949.80	4.950%	29,814.16	67,763.96
12/31/2022	39,828.32	4.950%	27,935.66	67,763.98
12/31/2023	41,799.82	4.950%	25,964.14	67,763.96
12/31/2024	43,868.91	4.950%	23,895.06	67,763.97
12/31/2025	46,040.42	4.950%	21,723.54	67,763.96
12/31/2026	48,319.42	4.950%	19,444.54	67,763.96
12/31/2027	50,711.23	4.950%	17,052.74	67,763.97
12/31/2028	53,221.44	4.950%	14,542.52	67,763.96
12/31/2029	55,855.90	4.950%	11,908.06	67,763.96
12/31/2030	58,620.77	4.950%	9,143.20	67,763.97
12/31/2031	61,522.49	4.950%	6,241.48	67,763.97
12/31/2032	64,567.86	4.950%	3,196.10	67,763.96
Total	\$705,750.00	-	\$310,709.49	\$1,016,459.49

Significant Dates

Filing Date	1/01/2018
First Payment Date	12/31/2018

30 YEAR TREND IN MUNICIPAL BOND INDICES

Weekly Rates April, 1987 - April, 2017



The Bond Buyer "20 Bond Index" (BBI) shows average yields on a group of municipal bonds that mature in 20 years and have an average rating equivalent to Moody's Aa2 and S&P's AA.