



AGENDA

REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF ST. LOUIS COUNTY, MINNESOTA

Tuesday, August 9, 2016, 9:30 A.M.

**Hibbing City Council Chambers
401 East 21st Street
Hibbing, MN**

**STEVE RAUKAR, Chair
Seventh District**

**FRANK JEWELL, Vice-Chair
First District**

**PATRICK BOYLE
Second District**

**CHRIS DAHLBERG
Third District**

**TOM RUKAVINA
Fourth District**

**PETE STAUBER
Fifth District**

**KEITH NELSON
Sixth District**

County Auditor
Donald Dicklich

County Administrator
Kevin Gray

County Attorney
Mark Rubin

Clerk of the Board
Phil Chapman

The St. Louis County Board of Commissioners welcomes you to this meeting. This agenda contains a brief description of each item to be considered. The Board encourages your participation. If you wish to speak on an item contained in the agenda, you will be allowed to address the Board when a motion is on the floor. If you wish to speak on a matter that does not appear on the agenda, you may do so during the public comment period at the beginning of the meeting. Except as otherwise provided by the Standing Rules of the County Board, no action shall be taken on any item not appearing in the agenda.

When addressing the Board, please sign in at the podium and state your name and address for the record. Please address the Board as a whole through the Chair. Comments to individual Commissioners or staff are not permitted. The St. Louis County Board promotes adherence to civility in conducting the business of the County. Civility will provide increased opportunities for civil discourse in order to find positive resolutions to the issue before the Board. Tools of civility include: pay attention, listen, be inclusive, do not gossip, show respect, be agreeable, apologize, give constructive criticism and take responsibility [County Board Resolution No. 560, adopted on September 9, 2003]. Speakers will be limited to five (5) minutes.

****In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify Property Management 72 hours prior to the meeting at (218)725-5085.****

All supporting documentation is available for public review in the County Auditor's Office, 100 North 5th Avenue West - Room No. 214, St. Louis County Courthouse, Duluth, MN, during regular business hours 8:00 A.M. - 4:30 P.M., Monday through Friday. Agenda is also available on our website at <http://www.stlouiscountymn.gov/GOVERNMENT/BoardofCommissioners.aspx>

AGENDA
St. Louis County Board
August 9, 2016
Page 2

9:30 A.M. Moment of Silence
Pledge of Allegiance
Roll Call

“Words of Wisdom” – Sheriff Ross Litman

AT THIS TIME CITIZENS WILL BE ALLOWED TO ADDRESS THE BOARD ON ITEMS NOT ON THE AGENDA. [Speakers will be limited to 5 minutes each.]

FOR ITEMS LISTED ON THE BOARD AGENDA OR COMMITTEE OF THE WHOLE AGENDA, CITIZENS WILL BE ALLOWED TO ADDRESS THE BOARD AT THE TIME A MOTION IS ON THE FLOOR.

CONSENT AGENDA

Approval of business submitted on the consent agenda.

REGULAR AGENDA

Finance & Budget Committee – Commissioner Nelson, Chair

1. Purchase of four (4) parcels from the City of Virginia. **{16-354} [Without recommendation.]**
2. Advertisement and Request for Proposals for the Sale of the Northland Office Center (Virginia). **{16-355} [Without recommendation.]**
3. Purchase of one (1) parcel adjacent to Camp Esquagama. **{16-356} [Without recommendation.]**
4. Application for a Temporary On-Sale Intoxicating Liquor License by YMCA Camp du Nord, Unorganized Township 64-13, for September 3-4, 2016. **{16-358} [Vote by Liquor Licensing Committee was not unanimous; referred to Regular Board Agenda.]**

TIME SPECIFIC: RESOLUTIONS MUST BE APPROVED BY 11:00 A.M.

General Obligation Capital Improvement Bonds, Series 2016A and Series 2016B

1. Resolution of the Board of County Commissioners of St. Louis County, Minnesota, Providing for the Issuance, Sale and Delivery of General Obligation Capital Improvement Bonds, Series 2016A; Establishing the Terms and Form Thereof; Creating a Debt Service Fund Therefor; and Awarding the Sale Thereof. **{16-359}**

(Continued)

AGENDA
St. Louis County Board
August 9, 2016
Page 3

2. Resolution of the Board of County Commissioners of St. Louis County, Minnesota, Providing for the Issuance, Sale and Delivery of General Obligation Capital Improvement Refunding Bonds, Series 2016B; Establishing the Terms and Form Thereof; Creating a Debt Service Fund Therefor; and Awarding the Sale Thereof. **{16-360}**

ADJOURNED:

NOTE: Because there will not be a County Board meeting until September 6, 2016, the Board will recess and reconvene to consider items passed at the Committee of the Whole meeting.

- The records state that the city paid \$120,000 for the land acquisition of the four lots total.
- The city paid \$1,200 for property taxes as part of the purchase and paid \$10,000 for the demo of a structure on Parcel 3 on the attached resolution.
- There is a deduction in the price for a permanent 15 foot wide utility easement on the east side of the lots and also a deduction for the poor condition of the existing parking lot and the anticipated cost of upgrading the lots to accommodate 48 vehicles.
- Acquisition of these lots will align with, and make attainable, future long term operational needs in downtown Virginia for both facility and parking requirements.

RECOMMENDATION:

It is recommended that the St. Louis County Board approve the purchase of the four lots from the City of Virginia, MN, in an amount of \$118,000 and any associated recording fees, payable from Fund 400, Agency 400021, Object 660100.

Purchase of Parcels from the City of Virginia

BY COMMISSIONER _____

WHEREAS, St. Louis County Property Management has been developing plans to address county office building parking issues in conjunction with the long term office space planning and the consolidation of county services and the elimination of leasing space for county functions; and

WHEREAS, The St. Louis County Board recently approved a professional services contract for design and construction management services for the construction of a new office building to address the downtown Virginia office space issues and additional parking is required to implement this plan; and

WHEREAS, The City of Virginia has offered four (4) city lots for sale to the county in an amount of \$118,000 and has passed a resolution and forwarded the county a formal sale offer for the lots; and

WHEREAS, Property Management staff deem this to be a fair and equitable price for this property and acquisition of these lots will align with, and make attainable, future long term operational needs in downtown Virginia for both facility and parking requirements;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board approves the purchase of four (4) city lots described in County Board File No. _____ for purposes of county parking adjacent to the County Motor Pool in Virginia, MN, for a cost of \$118,000, plus filing fees, payable from Fund 400, Agency 400021, Object 660100.

County Board File No. _____

Purchase of Parcels from the City of Virginia

Legal Descriptions and Parcel Codes:

Parcel 1 & 2:

Lots One (1), Two (2) and East Fifteen (15) feet of Lot Three (3), Block Thirty-one (31), VIRGINIA

AND

Parcel 3:

The West 10 feet of Lot Three (3), and all of Lot Four (4), Block Thirty-One (31), VIRGINIA

The parcel codes associated with the above lots are as follows: 090-0010-07570, 090-0010-07530 and 090-0010-07550

COUNCIL CHAMBERS

Resolution No. **16111**

City of Virginia, Minnesota, **June 14, 2016**

Resolution **approving the sale and transfer of City property, Lot 1-4, Block 31 to St. Louis County**

Resolved by the City Council of the City of Virginia, that

WHEREAS, St. Louis County has agreed to purchase City owned property, Lot 1-, Block 31; and

WHEREAS, the City Council has reviewed the proposal by St. Louis County and determined that the sale is the best interest of the City; and

WHEREAS, St. Louis County agrees to pay \$118,000 (ONE HUNDRED AND EIGHTEEN THOUSAND DOLLARS AND NO/100) to purchase said property and will pay all fees associated with transferring said property; and

WHEREAS, the City of Virginia will provide St. Louis County a Title Commitment Report; and

WHEREAS, St. Louis County agrees to purchase said property “As is” and agrees to hold the City of Virginia harmless.

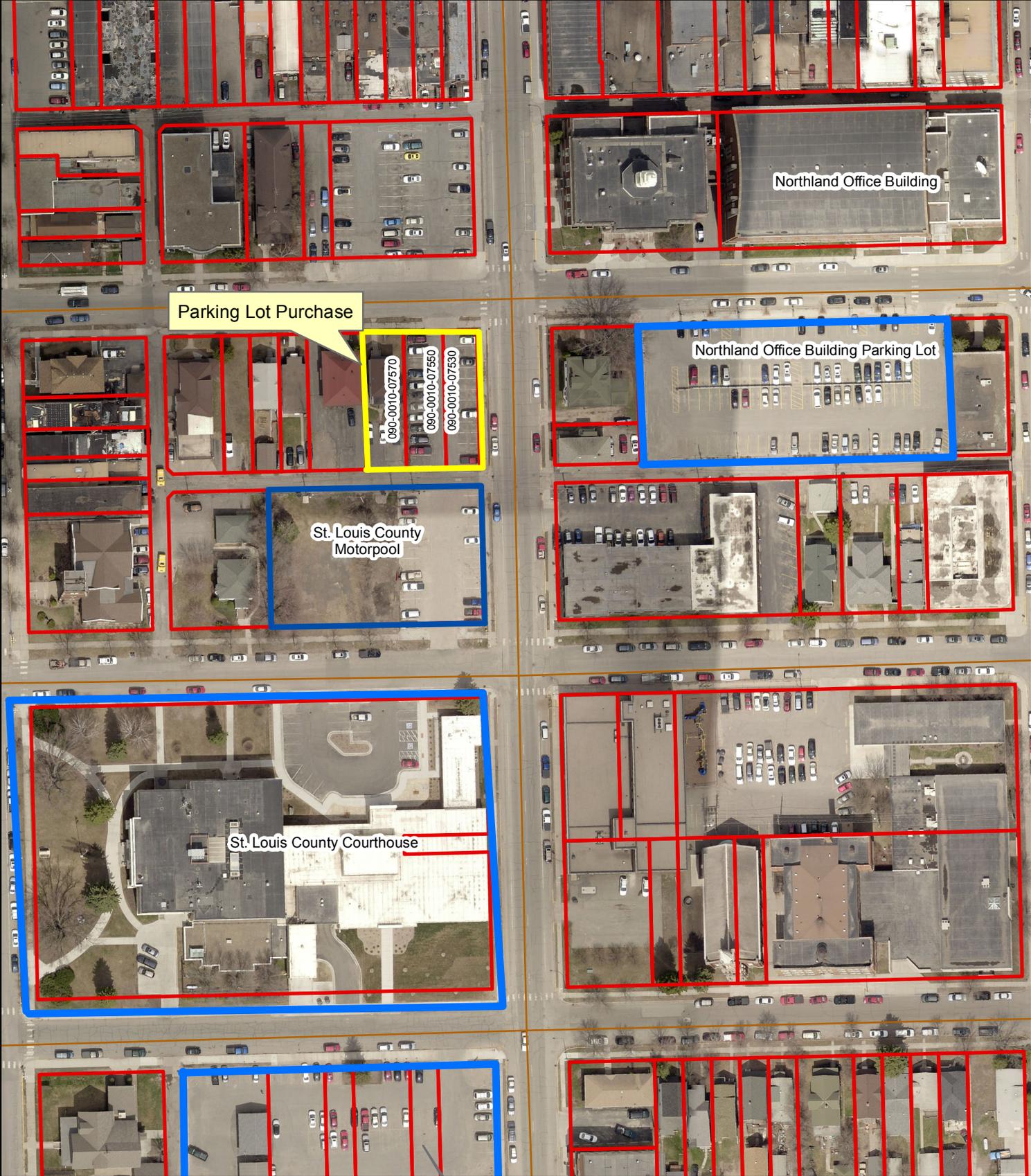
NOW, THEREFORE, BE IT RESOLVED to authorize the Mayor and Interim City Administrator to enter into an agreement with St. Louis County to purchase said property, as described above, and to execute a Quit Claim Deed necessary to transfer the City owned property to St. Louis County.

Moved by Councillor **Baribeau**, supported by Councillor **Sipola** that the above resolution be adopted.

Ayes: **Councillors Baribeau, Sipola, McReynolds, Jorgensen, Baranzelli
Mayor Cuffe, Jr. (6)**

Nays: **None**

Virginia Parking Lot Purchase 2016



BOARD LETTER NO. 16 – 355

FINANCE & BUDGET COMMITTEE NO. 3

BOARD AGENDA NO.

DATE: August 2, 2016 **RE:** Advertisement and Request for
Proposals for Sale of the
Northland Office Center
(Virginia)

FROM: Kevin Z. Gray
County Administrator

Tony Mancuso, Director
Property Management

RELATED DEPARTMENT GOAL:

Provide safe, secure, efficient, and code compliant facilities and facility operations.

ACTION REQUESTED:

The St. Louis County Board is requested to authorize advertising for proposals for the sale of the Northland Office Center by the Property Management Director pursuant to the requirements and procedures of Minn. Stat. § 373.01, and establish the time for proposal consideration to be at 9:40 A.M. on Tuesday October 4, 2016 at the St. Louis County Board Courthouse, Duluth.

BACKGROUND:

The Virginia area is the final phase of the county's office building master plan which began in 1998. This plan provided for consolidated public services, security/safety upgrades, renewal of life cycles for facilities, maintenance/repair reduction, and high efficiency operations for all county buildings.

St. Louis County performed a complete facility condition analysis of the existing Northland Office Center building in Virginia. This investigation included structural engineers, civil engineers, electrical engineers, mechanical engineers, architects, HVAC consultants, and space planning consultants. The findings of these studies confirmed that the building was not in restorable condition to meet current/future building codes, standards, mandates, or needs. The construction of a new office building is being pursued and the services of an architectural firm have been secured.

The solicitation of proposals for the purchase of the Northland Office Center Building is being made to offer a formal opportunity for interested responsible parties who wish to purchase the building and pursue a continued use of the property.

St. Louis County personnel will continue to occupy the Northland Office Center until the new county office building in Virginia is completed and ready for occupancy. All proposals for purchase of the building will have to accommodate this continued occupancy by county staff.

RECOMMENDATION:

It is recommended that the St. Louis County Board authorize the Property Management Director to advertise for proposals for purchase of the Northland Office Center pursuant to the requirements and procedures of Minn. Stat. § 373.01 and also establish the time for proposal consideration at 9:40 A.M. on Tuesday October 4, 2016 at the St. Louis County Board Courthouse, Duluth, MN.

**Advertisement and Request for Proposals for Sale of the
Northland Office Center (Virginia)**

BY COMMISSIONER _____

WHEREAS, Property Management has evaluated the Northland Office Center Building in Virginia, MN, and found that the building will not meet planned goals and requirements as a government services center housing county employees; and

WHEREAS, The county desires to offer an opportunity for interested responsible parties to purchase this building; and

WHEREAS, The property is legally described as follows:

Lots Twenty-three (23) through Thirty-two (32), inclusive, Block Twenty-five (25), VIRGINIA;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board authorizes the Property Management Director to advertise for proposals for purchase of the Northland Office Center pursuant to the requirements and procedures of Minn. Stat. § 373.01;

RESOLVED FURTHER, That the County Board establishes the time for receiving written proposals for the property to be at 9:40 A.M. on October 4, 2016, at the St. Louis County Courthouse, Duluth, MN.

RECOMMENDATION:

It is recommended that the St. Louis County Board approve the purchase of a 7.8 acre parcel (code 260-0014-00820) from Gerald L. Spragg and Cheryl L. Spragg for the purchase price of \$36,700, plus closing costs. Closing will be done after the completion of all building demolitions and well and septic closures. Funding has been identified in County Administration budget for Other Professional (Fund 100, Agency 104001, Object 629000), to be transferred into Fund 100, Agency 102006 for expenditures related to Camp Esquagama.

Purchase of Parcel Adjacent to Camp Esquagama

BY COMMISSIONER _____

WHEREAS, A 7.8 acre parcel of property adjacent to the easterly property line of Camp Esquagama has recently become available for purchase, which includes frontage on County State Aid Highway 4; and

WHEREAS, Acquisition of this property would ensure that camp activities can continue in the entirety of the current camp property, as well as provide a buffer to the highway; and

WHEREAS, The Property Management Department negotiated with owners Gerald L. Spragg and Cheryl L. Spragg for the purchase of this property in the amount of \$36,700; and

WHEREAS, Gerald L. Spragg and Cheryl L. Spragg have agreed to have all the buildings removed from the property and have the well and septic system abandoned at their expense and performed by a licensed contractor prior to the county taking possession of the property; and

WHEREAS, Gerald L. Spragg and Cheryl L. Spragg are responsible for remaining taxes payable for the second half of 2016; and

WHEREAS, Closing on this sale will occur after the above conditions have been satisfied;

THEREFORE, BE IT RESOLVED, That the St. Louis County Board approves the purchase of a 7.8 acre parcel adjacent to Camp Esquagama, as described in County Board File No. _____, from Gerald L. Spragg and Cheryl L Spragg for a cost of \$36,700, with St. Louis County responsible for closing costs and property taxes payable in 2017. Funding has been identified in the County Administration budget for Other Professional (Fund 100, Agency 104001, Object 629000), to be transferred into Fund 100, Agency 102006 for expenditures related to Camp Esquagama.

COUNTY BOARD FILE NO. _____

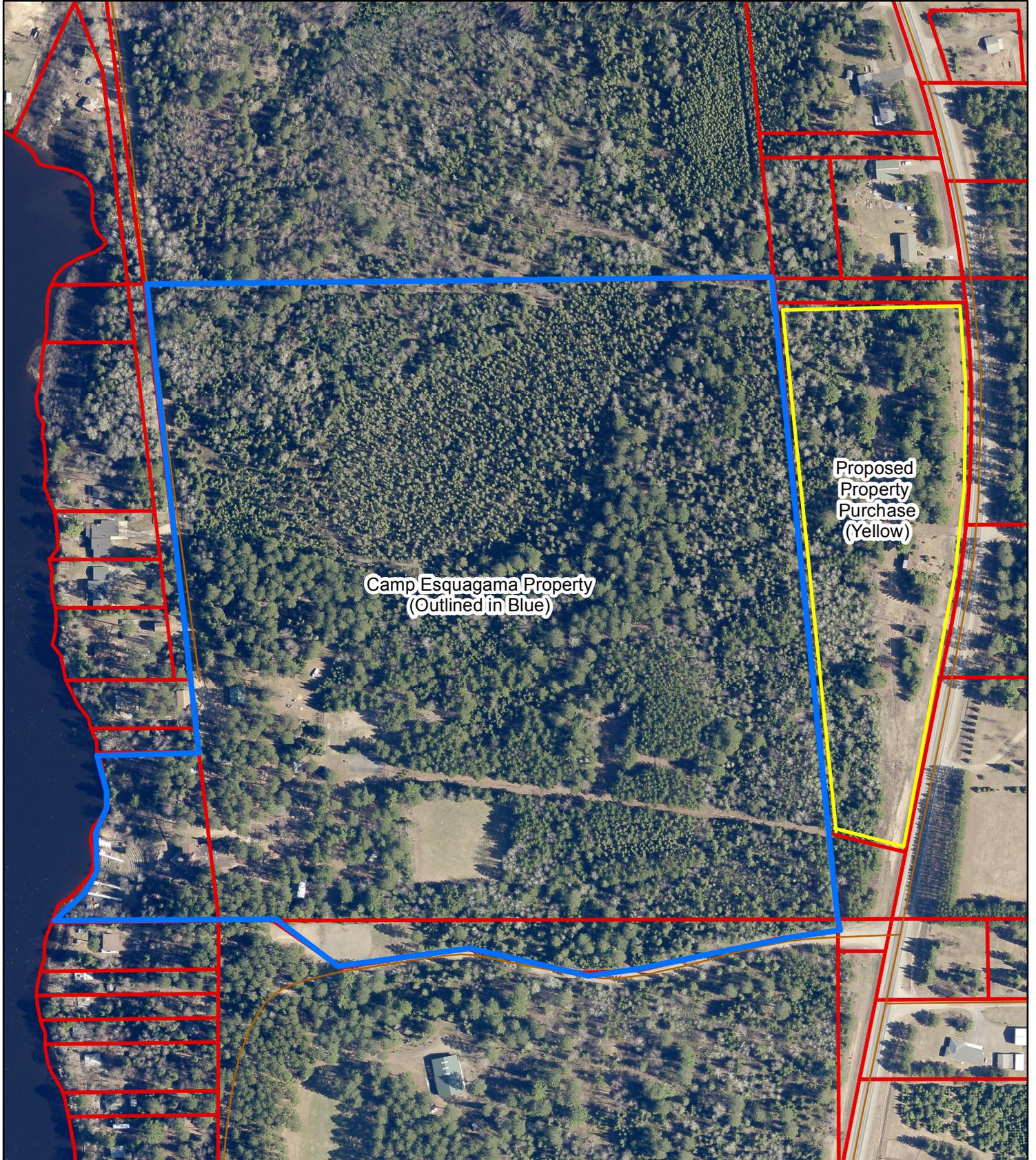
Purchase of Parcel Adjacent to Camp Esquagama

Legal Descriptions and Parcel Code:

That part of the Southeast Quarter of the Southwest Quarter (SE $\frac{1}{4}$ of SW $\frac{1}{4}$), Section Twenty-six (26), Township Fifty-eight (58), Range Sixteen (16), more particularly described as: That portion of the Southeast Quarter of the Southwest Quarter (SE $\frac{1}{4}$ of SW $\frac{1}{4}$) of Section Twenty-six (26) which lies West of the present St. Louis County Highway Number Four (4) and North of the present Camp Sigel Road on said forty, except the North Fifty (50) feet thereof.

Parcel Code: 260-0014-00820

**Camp Esquagama Adjoining Property Purchase
Parcel 260-0014-00820**



Site Address: 4931 Vermilion Trail, Gilbert, MN

BOARD LETTER NO. 16 – 358

FINANCE & BUDGET COMMITTEE

AUGUST 9, 2016 BOARD AGENDA NO. 4

DATE: August 9, 2016 **RE:** Consider Temporary On-Sale
Intoxicating Liquor License –
YMCA Camp du Nord
(Unorganized Township 64-13)

FROM: Kevin Z. Gray
County Administrator

Donald Dicklich
County Auditor/Treasurer

RELATED DEPARTMENT GOAL:

Provide mandated and discretionary licensing services in a timely manner.

ACTION REQUESTED:

The St. Louis County Board is requested to consider approval of a Temporary On-Sale Intoxicating Liquor License in Unorganized Township 64-13.

BACKGROUND:

YMCA Camp du Nord, Unorganized Township 64-13, has made application for a Temporary On-Sale Intoxicating Liquor License.

St. Louis County Ordinance No. 28, Section 6.03.04 states: “A club or charitable, religious, or other nonprofit organization in existence for at least three years, or committee registered under Minnesota Statute § 10A.14, may apply for a temporary license for the on-sale of intoxicating liquor in connection with a social event or a wine-tasting event pursuant to the terms of Minnesota Statute § 340A.418 within St. Louis County. The license shall be subject to any terms imposed by the County Board and to the fee as designated in the Liquor License Fee Schedule established by the County Board.”

The County Liquor Licensing Committee considered and approved the application on August 2, 2016.

RECOMMENDATION:

It is recommended that the St. Louis County Board consider the temporary on-sale intoxicating liquor license.

**Consider Temporary On-Sale Intoxicating Liquor License – YMCA Camp du Nord
(Unorganized Township 64-13)**

BY COMMISSIONER _____

RESOLVED, That pursuant to the provisions of Minn. Stat. § 340A, as amended, and Rules and Regulations adopted under St. Louis County Ordinance No. 28, dated May 22, 1978, as amended, the St. Louis County Board approves the following application for a temporary on-sale intoxicating liquor license, on file in the office of the County Auditor, identified as County Board File No. 60311:

YMCA Camp du Nord, Unorganized Township 64-13, Temporary On-Sale Intoxicating Liquor License, for September 3-4, 2016.

Minutes
August 2, 2016
ST. LOUIS COUNTY LIQUOR LICENSING COMMITTEE MEETING

The meeting was called to order at 8:03 a.m., by Chair Don Dicklich, with the following members present: Commissioner Frank Jewell, Commissioner Tom Rukavina, Assistant County Attorney James Nephew, Sheriff Ross Litman

Others present: Lt. Dave Rolland, and Deputy Auditor Phil Chapman

Litman/Rukavina moved to approve the minutes of the June 7, 2016, meeting. (5-0)

There was discussion regarding the application for Temporary On-Sale Intoxicating Liquor License submitted by YMCA Camp du Nord, Unorganized Township 64-13, for September 3-4, 2016. Auditor Dicklich and Commissioner Rukavina expressed concern about serving alcohol at a camp for kids. Commissioner Jewell said there are many events where alcohol is served, with kids in attendance.

Laura Mullen, Bent Paddle Brewery, appeared on behalf of YMCA Camp du Nord, Unorganized Township 64-13, requesting Temporary On-Sale Intoxicating Liquor License for September 3-4, 2016. Ms. Mullen explained that two (2) ounce samples can be given out per Minnesota Statutes and the event will be held on a separate weekend than kid's camp. Bent Paddle Brewery will be bringing six (6) brands of beer, patrons can have one sample of each type, the area will be roped off, identification will be checked, and wristbands will be given out. After further discussion, Commissioner Jewell supported by Sheriff Litman, made a motion to recommend approval of the application to the Board. The motion passed (3-2, Dicklich, Rukavina).

Elizabeth Iallionardo appeared on behalf of Melrude Whistle Stop, LLC d/b/a Melrude Whistle Stop, LLC, Ellsburg Township, requesting transfer of the licenses listed below. The applicant was asked relevant questions from the Liquor Licensing Checklist and exhibited familiarity with the rules and regulations on operations. A copy of the checklist was added to the applicant's file.

- On/Off-Sale 3.2 Percent Malt Liquor
 - Application was recommended to the Board for approval. (Rukavina/Jewell) (5-0)

- Consumption & Display (Set-Up) Permit
 - Application was recommended to the Board for approval. (Jewell/Rukavina) (5-0)

Elizabeth Iallionardo appeared on behalf of Melrude Whistle Stop, LLC d/b/a Melrude Whistle Stop, LLC, Ellsburg Township, requesting Special Event License, to expand the

designated serving for the date of September 2-5, 2016. After discussion of the event and the security measures to be taken, Commissioner Jewell supported by Commissioner Rukavina, made a motion to recommend approval of the application to the Board. (5-0)

There was discussion regarding the alleged liquor law violation at Tucheck, Inc. d/b/a Bear River Viking Bar, Morcom Township, sale to minor on July 15, 2016. Justin Tucheck appeared on behalf of Tucheck, Inc. Commissioner Jewell, made a motion, supported by Commissioner Rukavina, to recommend to the County Board a ten (10) day suspension and \$1,000.00 fine, nine (9) days and \$1,000.00, stayed, if no same or similar violations occur within one year, subject to additional penalties that may be imposed by the County Board. The motion passed (5-0).

There was discussion regarding the alleged liquor law violation at MSO & ALS L. L. C. d/b/a The Landing, Beatty Township, sale to minor on July 15, 2016. Matthew Ostendorf and Tony Seaton appeared on behalf of MSO & ALS L. L. C. Commissioner Rukavina, made a motion, supported by Commissioner Jewell, to recommend to the County Board a ten (10) day suspension and \$1,000.00 fine, nine (9) days and \$1,000.00, stayed, if no same or similar violations occur within one year, subject to additional penalties that may be imposed by the County Board. The motion passed (5-0).

Deputy Auditor Chapman said that an application for Temporary On-Sale 3.2 Percent Malt Liquor License was submitted by Buyck Volunteer Fire Department, Portage Township, on August 1, 2016, for an event held on August 6, 2016. Deputy Auditor Chapman said he discussed the application deadline with the applicant and indicated the Board would consider the application at the County Board meeting today.

The meeting was adjourned at 9:02 a.m. (Litman/Rukavina) (4-0)

Donald Dicklich, Chair

Wendy M. Johnson, IS II

**RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF
ST. LOUIS COUNTY, MINNESOTA PROVIDING FOR THE ISSUANCE,
SALE AND DELIVERY OF \$25,000,000 GENERAL OBLIGATION
CAPITAL IMPROVEMENT BONDS, SERIES 2016A; ESTABLISHING
THE TERMS AND FORM THEREOF; CREATING A DEBT SERVICE
FUND THEREFOR; AND AWARDING THE SALE THEREOF**

BE IT RESOLVED, by the Board of Commissioners (the “Board”) of St. Louis County, Minnesota (the “County”), as follows:

Section 1. Purpose and Authorization.

1.01 Under and pursuant to the authority contained in Minnesota Statutes, Section 373.40, and Minnesota Statutes, Chapter 475 (collectively the “Act”), the County is authorized to issue capital improvement bonds to provide funds for capital improvements pursuant to an approved capital improvement plan.

1.02 Pursuant to Resolution No. 16-394 adopted by the Board on June 14, 2016, the Board proposed an amendment to the County’s Capital Improvement Plan, stated that it was considering issuing capital improvement bonds to finance capital improvements under the Capital Improvement Plan, as amended, and called for a public hearing to be held on July 5, 2016, regarding the plan amendment and the issuance of capital improvement bonds.

1.03 Following published notice and a public hearing according to the Act, the Board, pursuant to Resolution No. 16-448 adopted on July 5, 2016, approved the Capital Improvement Plan, as amended for the years 2016 through 2020 (the “Plan”), as presented to the Board and on file as County Board Document File No. 60388, and authorized the issuance of general obligation capital improvement bonds in the maximum amount of \$25,000,000 for the purpose of providing funds for the following capital improvements under the Plan and for the payment of costs of issuance of such bonds:

Road and Bridge Improvements – a portion of the road and bridge improvements identified in the “St. Louis County Greater MN Transportation Sales and Use Tax Transportation Improvement Plan” dated November 25, 2014, and approved on December 2, 2014, as amended, which is a part of the County’s Capital Improvement Plan, as amended (the “Project”).

1.04 No petition requesting a vote on the issuance of the bonds authorized pursuant to Resolution No. 16-448 has been filed with the County Auditor in accordance with the Act.

1.05 The Board has determined that it is necessary and expedient to issue its General Obligation Capital Improvement Bonds, Series 2016A (the “Bonds”), in the maximum amount of \$25,000,000 to provide funds to finance the Project and the costs of issuance of the Bonds. The maximum amount of principal and interest to become due in any year on the Bonds and all the outstanding bonds issued pursuant to Section 373.40 of the Act will not equal or exceed 0.12 percent of the estimated market value of property in the County.

1.06 The County has solicited proposals for the sale of the Bonds in the amount of \$25,000,000 and has received and considered all proposals presented pursuant to the Terms of Proposal and has determined that the most favorable proposal is that of _____ of _____ (the "Purchaser"). Based on the premium bid of the Purchaser and the limitation on the sale price of obligations, including the Bonds, under Section 475.60, Subd. 1 of the Act, the par amount of the Bonds was resized and the Purchaser agreed to purchase the Bonds in the principal amount of \$_____ at a cash price of \$_____, which is within the permissible limitation of the Act, and upon condition that the Bonds mature and bear interest at the times and annual rates set forth in Section 2. The County, after due consideration, finds such offer reasonable and proper and the offer of the Purchaser is hereby accepted. The Chair is authorized and directed to execute on the part of the County a contract for the sale of the Bonds in accordance with the Purchaser's proposal. All actions of the Chair, the County Auditor, the Administrator and Springsted Incorporated, independent municipal advisor to the County, taken with regard to the sale of the Bonds are hereby ratified and approved.

Section 2. Terms, Execution and Delivery of the Bonds.

2.01 A. The Bonds to be issued hereunder shall be dated the date of issuance of the Bonds, as the date of original issue, shall be issued in the denomination of \$5,000, or any integral multiple thereof, in fully registered form and lettered and numbered R-1 and upward. The Bonds shall mature on December 1 in the respective years and amounts stated and shall bear interest at the annual rates as follows:

Year	Amount	Interest Rate
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		

B. The Bonds maturing on December 1 in the years 20__ and 20__ shall be subject to mandatory redemption prior to maturity pursuant to the requirements of this Section 2.01B 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 December 1 in each of the following years the following stated principal amounts:

For Bonds maturing on December 1, 20__ (the “20__ Term Bonds”):

Year	Amount
*	

* Final Maturity

For Bonds maturing on December 1, 20__ (the “20__ Term Bonds”):

Year	Amount
*	

* Final Maturity

2.02 The Bonds maturing in the years 2017 through 2025 shall not be subject to redemption and prepayment before maturity, but those maturing in the year 2026 and in subsequent years shall each be subject to redemption and prepayment at the option of the County on December 1, 2025, and on any day thereafter, in whole or in part, and if in part, at the option of the County and in such manner as the County shall determine. If less than all the Bonds of a maturity are called for redemption, the County, through the Bond Registrar, will notify The Depository Trust Company, New York, New York (“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. All payments shall be at a price equal to the principal amount thereof plus accrued interest. No more than 60 days and no fewer than 30 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, at the address shown on the registration books of the County.

2.03 The interest shall be payable semiannually on June 1 and December 1 in each year (each referred to herein as an “Interest Payment Date”), commencing June 1, 2017. 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. The Bond Registrar designated below shall make all interest payments with respect to the Bonds by check or draft mailed to the registered owners of the Bonds shown on the bond registration records maintained by the Bond Registrar at the close of the business on the 15th day (whether or not on a business day) of the month next preceding the Interest Payment Date at such owners’ addresses shown on such bond registration records.

2.04 A. The Bonds shall be prepared for execution in accordance with the approved form and shall be signed by the facsimile or manual signature of the Chair and attested by the

manual or facsimile signature of the Clerk of the County Board and the County Auditor. In case any officer whose signature shall appear on the Bonds shall cease to be an officer before delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

B. The County Auditor is authorized and directed to obtain a copy of the proposed approving legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A., Duluth, Minnesota, which is to be complete except as to dating thereof and cause the opinion to be printed on or attached to each Bond.

2.05 A. The Board hereby appoints the County Auditor as registrar, paying agent and transfer agent for the Bonds (the "Bond Registrar"). The County reserves the right to name a substitute, successor Bond Registrar upon giving prompt written notice to each registered bond holder. The manual signature of the County Auditor on the Bonds shall be conclusive evidence that it has been executed and delivered under this Resolution.

B. The County 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 County 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 Board.

2.06 Book-Entry System.

A. In order to make the Bonds eligible for the services provided by DTC, the County has previously agreed to the applicable provisions set forth in the Blanket Issuer Letter of Representations which has been executed by the County and DTC (the "Representation Letter").

B. Notwithstanding any provision herein to the contrary, so long as the Bonds shall be in Book-Entry Form, the provisions of this Section 2.06 shall govern.

C. 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 County 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 Representation Letter.

D. DTC (or its nominees) shall be and remain recorded on the Bond Register as the holder of all Bonds which are in Book-Entry Form. No transfer of any Bond in Book-Entry Form shall be made, except from DTC to another depository (or its nominee) or except to terminate the Book-Entry Form. All Bonds of such stated maturity of any Bonds in Book-Entry Form shall be issued and remain in a single Bond certificate registered in the name of DTC (or its nominee); provided, however, that upon termination of the Book-Entry Form pursuant to the Representation Letter, the County shall, upon delivery of all Bonds of such series from DTC, promptly execute, and the Bond Registrar shall thereupon authenticate and delivery, Bonds of

such series to all persons who were beneficial owners thereof immediately prior to such termination; and the Bond Registrar shall register such beneficial owners as holders of the applicable Bonds.

The Bond Registrar shall maintain accurate books and records of the principal balance, if any, of each such outstanding Bond in Book-Entry Form, which shall be conclusive for all purposes whatsoever. Upon the execution or the authentication of any new Bond in Book-Entry Form in exchange for a previous Bond, the Bond Registrar shall designate thereon the principal balance remaining on such bond according to the Bond Registrar's books and records.

No beneficial owner (other than DTC) shall be registered as the holder on the Bond Register for any Bond in Book-Entry Form or entitled to receive any bond certificate. The beneficial ownership interest in any Bond in Book-Entry Form shall be recorded, evidenced and transferred solely in accordance with the Book-Entry System.

Except as expressly provided to the contrary herein, the County and the Bond Registrar may treat and deem DTC to be the absolute owner of all Bonds of each series which are in Book-Entry Form (i) for the purpose of payment of the principal of and interest on such Bond, (ii) for the purpose of giving notices hereunder, and (iii) for all other purposes whatsoever.

E. The County and the Bond Registrar shall each give notices to DTC of such matters and at such times as are required by the Representation Letter, including the following:

(i) with respect to notices of redemption; and

(ii) with respect to any other notice required or permitted under this Bond Resolution to be given to any holder of a Bond.

All notices of any nature required or permitted hereunder to be delivered to a holder of a Bond in Book-Entry Form shall be transmitted to beneficial owners of such Bonds at such times and in such manners as shall be determined by DTC, the participants and indirect participants in accordance with the Book-Entry System and the Representation Letter.

F. All payments of principal, redemption price of and interest on any Bonds in Book-Entry Form shall be paid to DTC (or Cede & Co.) in accordance with the Book-Entry System and the Representation Letter in same day funds by wire transfer.

2.07 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 County shall pay the reasonable and customary charges of the Bond Registrar for the disbursement of principal and interest.

2.08 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 County 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 County of evidence satisfactory to it and the County 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 County and as provided by law, in which both the County 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 County. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Bond prior to payment.

2.09 Delivery of the Bonds and payment of the purchase price shall be made at a place mutually satisfactory to the County and the Purchaser. Executed Bonds shall be furnished by the County 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 County Auditor to the Purchaser thereof upon receipt of the purchase price plus accrued interest.

Section 3. Form of the Bonds.

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

UNITED STATES OF AMERICA
STATE OF MINNESOTA

ST. LOUIS COUNTY

GENERAL OBLIGATION CAPITAL IMPROVEMENT BOND
SERIES 2016A

R-_____ \$_____

<u>Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	December 1, 20__	September __, 2016	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

St. Louis County, Minnesota (the "County"), for value received, promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity date specified above, and to pay interest on said principal amount to the registered owner hereof from the Date of Original Issue, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal amount is paid or discharged, said interest being at the rate per annum specified above. Interest is payable semiannually on June 1 and December 1 of each year (each referred to herein as an "Interest Payment Date") commencing on June 1, 2017. Both principal hereof and interest hereon are payable in lawful money of the United States of America

by check or draft at the main office of the County Auditor, as registrar, paying agent and transfer agent (the "Bond Registrar"), or at the office of such successor registrar as may be designated by the Board of Commissioners. The Bond Registrar shall make all interest payments with respect to this Bond directly to the registered owner hereof shown on the bond registration records maintained on behalf of the County by the Bond Registrar at the close of business on the 15th day of the month next preceding the Interest Payment Date (whether or not a business day) at such owner's address shown on said bond registration records, 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 County to the extent of the payments so made. Payment of principal shall be made upon presentation and surrender of this Bond to the Bond Registrar when due. For the prompt and full payment of such principal and interest as they become due, the full faith and credit of the County are irrevocably pledged.

This Bond is one of a series issued by the County in the aggregate amount of \$25,000,000, all of like date and tenor, except as to number, amount, maturity date and interest rate, pursuant to the authority contained in Minnesota Statutes, Section 373.40 and Minnesota Statutes, Chapter 475, amendments to the County's Capital Improvement Plan approved by the governing board of the County on July 5, 2016 (the "Plan") and all other laws thereunto enabling, and pursuant to an authorizing resolution adopted by the governing body of the County on August 9, 2016 (the "Resolution"). This Bond is issued for the purpose of providing funds to finance road and bridge improvements, as more fully set forth in the Plan. The County has levied a direct, annual ad valorem tax upon all taxable property within the County which shall be extended upon the tax rolls for the years and in the amounts sufficient to produce sums not less than five percent in excess of the amounts of principal and interest on the Bonds, as such principal and interest respectively come due.

The Bonds maturing in the years 20__ and 20__ shall be subject to mandatory redemption and redeemed in installments as provided in the Resolution, at par plus accrued interest to the date of redemption.

The Bonds of this series maturing in the years 2017 through 2025 are not subject to optional redemption before maturity, but those maturing in the year 2026 and in subsequent years are each subject to redemption and prepayment at the option of the County on December 1, 2025, and on any day thereafter, in whole or in part, and if in part at the option of the County and in such manner as the County shall determine and by lot as to Bonds maturing in the same year, at a price of par plus accrued interest. Not less than 30 days 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; however, 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 executed by the County and DTC. If any Bond is

redeemed in part, upon surrender of the Bond being redeemed, the County 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.

The Bonds of this series are issued as fully registered obligations without coupons, in the denomination of \$5,000 or any integral multiple thereof. Subject to limitations set forth in the Resolution, the County 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. This Bond is transferable by the registered owner hereof upon surrender of this Bond for transfer at the principal corporate office of the Bond Registrar, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Bond Registrar and executed by the registered owner hereof or the owner's attorney duly authorized in writing. Thereupon the County shall execute 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 unpaid principal amount of this Bond, of the same maturity, and bearing interest at the same rate. No service charge shall be made for any transfer or exchange hereinbefore referred to but the County may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

IT IS CERTIFIED AND RECITED that all acts and conditions required by laws and the Constitution of the State of Minnesota to be done and to exist precedent to and in the issuance of this Bond, in order to make it a valid and binding general obligation of the County in accordance with its terms, have been done and do exist in form, time and manner as so required; that all taxable property within the corporate limits of the County is subject to the levy of ad valorem taxes to the extent needed to pay the principal hereof and the interest thereon when due, without limitation as to rate or amount; and that the issuance of this Bond does not cause the indebtedness of the County to exceed any charter, constitutional or statutory limitation.

IN WITNESS WHEREOF, St. Louis County, Minnesota, by its governing body, has caused this Bond to be executed in its name by the manual or facsimile signatures of the Chair, the Clerk of the County Board and the County Auditor.

ATTEST:

(form-no signature required)
Clerk of the County Board

(form-no signature required)
Chair

(form-no signature required)
County Auditor

Date of Execution: _____

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 the County Auditor of St. Louis County, 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 the County Auditor in the name of the registered owner last noted below.

<u>Date</u>	<u>Registered Owner</u>	<u>Signature of County Auditor</u>
9/__/2016	Cede & Co. c/o The Depository Trust Company 570 Washington Blvd. Jersey City, NJ 07310 Federal Taxpayer I.D. No. 13-2555119	<i>(form-no signature required)</i>

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 hereby 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 fact of the within Bond with 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 County 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.

Section 4. Covenants, Accounts and Representations.

4.01 The full faith and credit and taxing power of the County are irrevocably pledged for the prompt and full payment of the Bonds and the interest thereon, in accordance with the terms set forth in this Resolution.

4.02 On receipt of the purchase price of the Bonds, the County shall credit \$_____ of the proceeds from the sale of the Bonds to a separate construction fund, which is hereby created and designated as the "Series 2016A Capital Improvement Bonds Construction Account" in the Capital Projects Fund (the "Construction Fund"). The Construction Fund shall be used solely to pay costs of construction of the Project, and costs of issuance of the Bonds, as such payments become due.

4.03 A. Debt Service Fund. For the convenience and proper administration of the monies to be borrowed and repaid on the Bonds and to provide adequate and specific security for the Purchaser and holders from time to time of the Bonds, there is hereby created a special fund to be designated the 2016A General Obligation Capital Improvement Bonds Debt Service Fund (the "Debt Service Fund") to be administered and maintained by the County Auditor as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the County. The Debt Service Fund shall be maintained in the manner herein specified until all of the Bonds and interest thereon have been fully paid.

B. To the Debt Service Fund there is hereby pledged and irrevocably appropriated and there shall be credited: (i) all investment earnings on funds in the Debt Service Fund; (ii) rounding in the amount of \$_____ ; (iii) any taxes levied to pay the principal and interest on the Bonds; and (iv) any and all other monies which are properly available and are appropriated by the County to the Debt Service Fund.

The money in the Debt Service Fund shall be used for no purpose other than the payment of principal of and interest on the Bonds. If the balances in the Debt Service Fund are ever insufficient to pay all principal and interest then due on the Bonds, the County Auditor shall nevertheless provide sufficient money from any other funds of the County which are available for that purpose, and such other funds shall be reimbursed from the Debt Service Fund when the balance therein is sufficient.

4.04 A. To assure sufficient monies for the payment of the principal of and interest on the Bonds, there is hereby levied a direct, annual, ad valorem tax upon all taxable property in the County which shall be extended upon the tax rolls and collected with and as part of the other general property taxes in the County for the years and in the amounts as follows:

Levy Year	Collection Year	Tax Levy
2016	2017	
2017	2018	
2018	2019	
2019	2020	
2020	2021	
2021	2022	
2022	2023	
2023	2024	
2024	2025	
2025	2026	
2026	2027	
2027	2028	
2028	2029	
2029	2030	
2030	2031	

B. The tax levies are such that if collected in full they, together with the rounding amount, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Bonds. Such tax receipts shall be deposited in the Debt Service Fund. If the tax receipts from such levies are ever insufficient to pay all principal and interest on the Bonds when due, the County Auditor shall, nevertheless, provide sufficient monies from other funds of the County which are available and such other funds shall be reimbursed from such tax collections when received.

C. Such tax levies shall be irrevocable as long as any of the Bonds issued hereunder are outstanding and unpaid; provided, however, that prior to November 30 of each year, while any Bonds issued hereunder remain outstanding, the Board may reduce or cancel the above

levies to the extent of the amount on deposit in and which has been appropriated to the Debt Service Fund to pay the principal of and interest on the Bonds, and may direct the County Auditor to reduce the levy for such year by that amount. The Board anticipates annually utilizing local option transit sales tax proceeds to cancel all or a portion of such tax levies.

4.05 Monies on deposit in the Construction Fund and in the Debt Service Fund may, at the discretion of the County, be invested in securities permitted by Minnesota Statutes, Chapter 118A; provided, that any such investments shall mature at such times and in such amounts as will permit for payment of the principal and interest on the Bonds when due.

Section 5. Tax Covenants.

5.01 The County covenants and agrees with the holders of the Bonds that the County 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.

5.02 A. 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 of the proceeds of the Notes or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Debt Service Fund (or any other County account which will be used to pay principal and interest to become due on the Bonds) in excess of amounts which under the applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after taking into account any applicable temporary periods of minor portion made available under the federal arbitrage regulations.

B. In addition, the proceeds of the Bonds and money in the Debt Service Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof it and to the extent that such investment would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Internal Revenue code of 1986, as amended (the "Code").

C. The County hereby covenants not to use the proceeds of the Bonds, or to cause or permit them to be used, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

5.03 Unless the proceeds are spent pursuant to an arbitrage rebate spending exception, the County covenants to compute and cause the payment to the United States of all amounts

required under the rebate requirement of Code Section 148(f), the regulations issued thereunder with regard to the Bonds. To this end, the County agrees to:

(1) maintain records identifying all “gross proceeds” as defined in Code Section 148(f)(6)(B) attributable to the Bonds, the yield at which such gross proceeds are invested, any arbitrage profit derived therefrom (earnings in excess of the yield on the Bonds) and any earnings derived from the investment of such arbitrage profit;

(2) make, or cause to be made within 30 days after the close of each fifth bond year, the annual determination of the amount, if any, of excess arbitrage required to be paid to the United States by the County (the “Rebate Amount”);

(3) pay, or cause to be paid, to the United States at least once every five bond years the Rebate Amount, if any, including the last installment which must be made no later than 60 days after the day on which the Bonds are paid in full;

(4) retain all records of the annual determination of the foregoing amounts until six years after the Bonds have been fully paid.

5.04 The County shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this section.

Section 6. Miscellaneous.

6.01 The County Auditor is directed to file a certified copy of this Resolution and such other information as may be required, and to provide to bond counsel a certificate stating that the Bonds herein authorized have been duly entered on his register.

6.02 The officers of the County are authorized and directed to prepare and furnish to the Purchaser and to bond counsel, certified copies of all proceedings and records of the County relating to the legality and marketability of the Bonds, as such facts appear from the official books and records in the officers’ custody or are otherwise known to them. All such certified copies, Bonds and affidavits, including any heretofore furnished, constitute representations of the County as to the correctness of the facts recited therein and the action stated therein to have been taken.

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

6.04 In the event of the absence or disability of the Chair, the Clerk of the County Board or the County Auditor, such officers as in the opinion of the County 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 7. Continuing Disclosure. The County 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 bondholders 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 Chair and the County Auditor are hereby authorized and directed to execute a Continuing Disclosure Certificate substantially in the form of the Certificate currently on file in the office of the County Auditor.

Section 8. Post-Issuance Compliance Policy and Procedures. The Board has previously approved a Post-Issuance Debt Compliance Policy and Post-Issuance Debt Compliance 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 Board hereby approves the Policy and Procedures for the Bonds. The County Auditor continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

Adopted: August 9, 2016.

M:\DOCS\07535\000061\ROL\14K5876.DOCX

**RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF
ST. LOUIS COUNTY, MINNESOTA PROVIDING FOR THE ISSUANCE,
SALE AND DELIVERY OF \$15,535,000 GENERAL OBLIGATION
CAPITAL IMPROVEMENT REFUNDING BONDS, SERIES 2016B;
ESTABLISHING THE TERMS AND FORM THEREOF; CREATING A
DEBT SERVICE FUND THEREFOR; AND AWARDING THE SALE
THEREOF**

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

Section 1. Purpose and Authorization.

1.01 Under and pursuant to the authority contained in Minnesota Statutes, Section 373.40, and Minnesota Statutes, Chapter 475 (collectively the "Act"), the County previously issued its \$20,650,000 General Obligation Capital Improvement Bonds, Series 2013A, dated September 5, 2013 (the "2013 Bonds") as authorized by a resolution adopted by the Board on August 6, 2013 (the "2013 Resolution"). The 2013 Bonds were issued to finance capital improvements under the County's capital improvement plan for the years 2013 through 2017 (the "2013 Plan"), adopted by the Board on July 2, 2013.

1.02 Under and pursuant to the provisions of the Act, specifically Section 475.67, Subd. 1 through 3 and 13 of the Act, the County is authorized to issue and sell its general obligation refunding bonds to refund the 2022 through 2031 and 2033 maturities of the 2013 Bonds in advance of their scheduled maturities on an advance refunding basis, if consistent with covenants made with the holders thereof, when determined by the Board to be necessary or desirable for the reduction of debt service costs to the County.

1.03 The Board hereby finds and determines that it is necessary and desirable, in order to reduce debt service costs, that the County issue its \$15,535,000 General Obligation Capital Improvement Refunding Bonds, Series 2016B (the "Bonds"), to provide for the refunding of the 2022 through 2031 and 2033 maturities of the 2013 Bonds, of which \$14,640,000 in principal amount are outstanding and subject to prepayment and redemption on December 1, 2021 (the "Refunded Bonds") (December 1, 2021 is herein referred to as the "Redemption Date").

1.04 The County has solicited proposals for the sale of the Bonds and has received and considered all proposals presented pursuant to the Terms of Proposal and has determined that the most favorable proposal is that of _____ of _____, _____ (the "Purchaser"), to purchase the Bonds at a cash price of \$_____, and upon condition that the Bonds mature and bear interest at the times and annual rates set forth in Section 2. The County, after due consideration, finds such offer reasonable and proper and the offer of the Purchaser is hereby accepted. The Chair and the County Auditor are authorized and directed to execute on the part of the County a contract for the sale of the Bonds in accordance with the Purchaser's proposal. All actions of the Chair, the County Auditor, the Administrator and Springsted Incorporated, independent municipal advisor to the County, taken with regard to the sale of the Bonds are hereby ratified and approved.

Section 2. Terms, Execution, and Delivery of the Bonds.

2.01 A. The Bonds to be issued hereunder shall be dated the date of issuance of the Bonds, as the date of original issue, shall be issued in the denomination of \$5,000, or any integral multiple thereof, in fully registered form and lettered and numbered R-1 and upward. The Bonds shall mature on December 1 in the respective years and amounts stated and shall bear interest at the annual rates as follows:

Year	Amount	Interest Rate
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		

B. The Bonds maturing on December 1 in the years 20__ and 20__ shall be subject to mandatory redemption prior to maturity pursuant to the requirements of this Section 2.01B 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 December 1 in each of the following years the following stated principal amounts:

For Bonds maturing on December 1, 20__ (the “20__ Term Bonds”):

Year	Amount
*	

* Final Maturity

For Bonds maturing on December 1, 20__ (the “20__ Term Bonds”):

Year	Amount
*	

* Final Maturity

2.02 The Bonds maturing in the years 2022 through 2025 shall not be subject to redemption and prepayment before maturity, but those maturing in the year 2026 and in subsequent years shall each be subject to redemption and prepayment at the option of the County on December 1, 2025, and on any day thereafter, in whole or in part, and if in part, at the option of the County and in such manner as the County shall determine. If less than all the Bonds of a maturity are called for redemption, the County, through the Bond Registrar, will notify The Depository Trust Company, New York, New York (“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. All payments shall be at a price equal to the principal amount thereof plus accrued interest. No more than 60 days and no fewer than 30 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, at the address shown on the registration books of the County.

2.03 The interest shall be payable semiannually on June 1 and December 1 in each year (each referred to herein as an “Interest Payment Date”), commencing June 1, 2017. 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. The Bond Registrar designated below shall make all interest payments with respect to the Bonds by check or draft mailed to the registered owners of the Bonds shown on the bond registration records maintained by the Bond Registrar at the close of the business on the 15th day (whether or not on a business day) of the month next preceding the Interest Payment Date at such owners’ addresses shown on such bond registration records.

2.04 A. The Bonds shall be prepared for execution in accordance with the approved form and shall be signed by the facsimile or manual signature of the Chair and attested by the manual or facsimile signature of the Clerk of the County Board and the County Auditor. In case any officer whose signature shall appear on the Bonds shall cease to be an officer before delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

B. The County Auditor is authorized and directed to obtain a copy of the proposed approving legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A., Duluth, Minnesota, which is to be complete except as to dating thereof and cause the opinion to be printed on or attached to each Bond.

2.05 A. The Board hereby appoints the County Auditor, as registrar, paying agent and transfer agent for the Bonds (the “Bond Registrar”). The County reserves the right to name a substitute, successor Bond Registrar upon giving prompt written notice to each registered bond holder. The manual signature of the County Auditor on the Bonds shall be conclusive evidence that it has been executed and delivered under this Resolution.

B. The County 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 County 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 Board.

2.06 Book-Entry System.

A. In order to make the Bonds eligible for the services provided by DTC, the County has previously agreed to the applicable provisions set forth in the Blanket Issuer Letter of Representations which has been executed by the County and DTC (the “Representation Letter”).

B. Notwithstanding any provision herein to the contrary, so long as the Bonds shall be in Book-Entry Form, the provisions of this Section 2.06 shall govern.

C. 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 County 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 Representation Letter.

D. DTC (or its nominees) shall be and remain recorded on the Bond Register as the holder of all Bonds which are in Book-Entry Form. No transfer of any Bond in Book-Entry Form shall be made, except from DTC to another depository (or its nominee) or except to terminate the Book-Entry Form. All Bonds of such stated maturity of any Bonds in Book-Entry Form shall be issued and remain in a single Bond certificate registered in the name of DTC (or its nominee); provided, however, that upon termination of the Book-Entry Form pursuant to the Representation Letter, the County shall, upon delivery of all Bonds of such series from DTC, promptly execute, and the Bond Registrar shall thereupon authenticate and deliver, Bonds of such series to all persons who were beneficial owners thereof immediately prior to such termination; and the Bond Registrar shall register such beneficial owners as holders of the applicable Bonds.

The Bond Registrar shall maintain accurate books and records of the principal balance, if any, of each such outstanding Bond in Book-Entry Form, which shall be conclusive for all purposes whatsoever. Upon the execution or the authentication of any new Bond in Book-Entry Form in exchange for a previous Bond, the Bond Registrar shall designate thereon the principal balance remaining on such bond according to the Bond Registrar’s books and records.

No beneficial owner (other than DTC) shall be registered as the holder on the Bond Register for any Bond in Book-Entry Form or entitled to receive any bond certificate. The beneficial ownership interest in any Bond in Book-Entry Form shall be recorded, evidenced and transferred solely in accordance with the Book-Entry System.

Except as expressly provided to the contrary herein, the County and the Bond Registrar may treat and deem DTC to be the absolute owner of all Bonds of each series which are in Book-Entry Form (i) for the purpose of payment of the principal of and interest on such Bond, (ii) for the purpose of giving notices hereunder, and (iii) for all other purposes whatsoever.

E. The County and the Bond Registrar shall each give notices to DTC of such matters and at such times as are required by the Representation Letter, including the following:

- (i) with respect to notices of redemption; and
- (ii) with respect to any other notice required or permitted under this Bond Resolution to be given to any holder of a Bond.

All notices of any nature required or permitted hereunder to be delivered to a holder of a Bond in Book-Entry Form shall be transmitted to beneficial owners of such Bonds at such times and in such manner as shall be determined by DTC, the participants and indirect participants in accordance with the Book-Entry System and the Representation Letter.

F. All payments of principal, redemption price of and interest on any Bonds in Book-Entry Form shall be paid to DTC (or Cede & Co.) in accordance with the Book-Entry System and the Representation Letter in same day funds by wire transfer.

2.07 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 County shall pay the reasonable and customary charges of the Bond Registrar for the disbursement of principal and interest.

2.08 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 County 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 County of evidence satisfactory to it and the County 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 County and as provided by law, in which both the County 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 County. If the mutilated, destroyed, stolen, or lost Bond has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Bond prior to payment.

2.09 Delivery of the Bonds and payment of the purchase price shall be made at a place mutually satisfactory to the County and the Purchaser. Executed Bonds shall be furnished by the County 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 County Auditor to the Purchaser thereof upon receipt of the purchase price plus accrued interest.

Section 3. Form of the Bonds.

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

UNITED STATES OF AMERICA
STATE OF MINNESOTA

ST. LOUIS COUNTY

GENERAL OBLIGATION CAPITAL IMPROVEMENT REFUNDING BOND
SERIES 2016B

R-_____ \$_____

<u>Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	December 1, 20__	September __, 2016	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

St. Louis County, Minnesota (the "County"), for value received, promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity date specified above, and to pay interest on said principal amount to the registered owner hereof from the Date of Original Issue, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal amount is paid or discharged, said interest being at the rate per annum specified above. Interest is payable semiannually on June 1 and December 1 of each year (each referred to herein as an "Interest Payment Date") commencing on June 1, 2017. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the main office of the County Auditor, as registrar, paying agent and transfer agent (the "Bond Registrar"), or at the office of such successor registrar as may be designated by the Board of Commissioners. The Bond Registrar shall make all interest payments with respect to this Bond directly to the registered owner hereof shown on the bond registration records maintained on behalf of the County by the Bond Registrar at the close of business on the 15th day of the month next preceding the Interest Payment Date (whether or not a business day) at such owner's address shown on said bond registration records, 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 County to the extent of the payments so made. Payment of principal shall be made upon presentation and surrender of this Bond to the Bond Registrar when due. For the prompt and full payment of such principal and interest as they become due, the full faith and credit of the County are irrevocably pledged.

This Bond is one of a series issued by the County in the aggregate amount of \$15,535,000, all of like date and tenor, except as to number, amount, maturity date and interest rate, pursuant to the authority contained in Minnesota Statutes,

Chapter 475, Section 475.67, Subd. 1 through 3 and 13, and all other laws thereunto enabling, and pursuant to an authorizing resolution adopted by the governing body of the County on August 9, 2016 (the "Resolution"). This Bond is issued for the purpose of providing funds to refund in advance of maturity the 2022 through 2031 and 2033 maturities of the County's \$20,650,000 General Obligation Capital Improvement Bonds, Series 2013A, dated September 5, 2013 (the "Refunded Bonds"). The interest on the Bonds shall be payable through December 1, 2021 (the "Redemption Date"), solely out of the Escrow Account in the County's Escrow Agreement and after the Redemption Date from a direct, annual ad valorem tax levy on all taxable property within the County. Reference is hereby made to the Resolution for a full statement of rights, powers and duties therein provided or conferred.

The Bonds maturing in the years 20__ and 20__ shall be subject to mandatory redemption and redeemed in installments as provided in the Resolution, at par plus accrued interest to the date of redemption.

The Bonds of this series maturing in the years 2022 through 2025 are not subject to optional redemption before maturity, but those maturing in the year 2026 and in subsequent years are each subject to redemption and prepayment at the option of the County on December 1, 2025, and on any day thereafter, in whole or in part, and if in part at the option of the County and in such manner as the County shall determine and by lot as to Bonds maturing in the same year, at a price of par plus accrued interest. Not less than 30 days 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; however, 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 executed by the County and DTC. If any Bond is redeemed in part, upon surrender of the Bond being redeemed, the County 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.

The Bonds of this series are issued as fully registered obligations without coupons, in the denomination of \$5,000 or any integral multiple thereof. Subject to limitations set forth in the Resolution, the County 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. This Bond is transferable by the registered owner hereof upon surrender of this Bond for transfer at the principal corporate office of the Bond Registrar, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Bond Registrar and executed by the registered owner hereof or the owner's attorney duly authorized in writing. Thereupon the County shall execute 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 unpaid principal amount of this Bond, of the same maturity, and bearing interest at the same rate. No service charge shall be made for any transfer or exchange hereinbefore referred to but the County may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

IT IS CERTIFIED AND RECITED that all acts and conditions required by laws and the Constitution of the State of Minnesota to be done and to exist precedent to and in the issuance of this Bond, in order to make it a valid and binding general obligation of the County in accordance with its terms, have been done and do exist in form, time and manner as so required; that all taxable property within the corporate limits of the County is subject to the levy of ad valorem taxes to the extent needed to pay the principal hereof and the interest thereon when due, without limitation as to rate or amount; and that the issuance of this Bond does not cause the indebtedness of the County to exceed any charter, constitutional or statutory limitation.

IN WITNESS WHEREOF, St. Louis County, Minnesota, by its governing body, has caused this Bond to be executed in its name by the manual or facsimile signatures of the Chair, the Clerk of the County Board and the County Auditor.

ATTEST:

(form-no signature required)
Clerk of the County Board

(form-no signature required)
Chair

(form-no signature required)
County Auditor

Date of Execution: _____

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 the County Auditor of St. Louis County, 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 the County Auditor in the name of the registered owner last noted below.

<u>Date</u>	<u>Registered Owner</u>	<u>Signature of County Auditor</u>
9/__/2016	Cede & Co. c/o The Depository Trust Company 570 Washington Blvd. Jersey City, NJ 07310 Federal Taxpayer I.D. No. 13-2555119	<i>(form-no signature required)</i>

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 hereby 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 fact of the within Bond with 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 County 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.

Section 4. Escrow Agreement; Escrow Agent.

4.01 U.S. Bank National Association of St. Paul, Minnesota, which is a suitable financial institution within the State of Minnesota whose deposits are insured by the Federal Deposit Insurance Corporation whose combined capital and surplus is not less than \$500,000, is hereby designated escrow agent (the “Escrow Agent”) with respect to the Refunded Bonds.

4.02 On or prior to the delivery of the Bonds, the Chair and the County Auditor are hereby authorized and directed to execute on behalf of the County an escrow agreement (the “Escrow Agreement”) with the Escrow Agent in substantially the form now on file with the County Auditor. The execution and delivery of the Escrow Agreement by the Chair, the Clerk of the County Board and the County Auditor, in the form presented to the Board with such changes, omissions, insertions and revisions as the Chair, the Clerk of the County Board and the County Auditor deem advisable is hereby approved, and the execution by such officers shall be conclusive evidence of such approval. All essential terms and conditions of the Escrow Agreement, including payment by the County of reasonable charges for the services of the Escrow Agent, are hereby approved and adopted and made a part of this Resolution, and the County covenants that it will promptly enforce all provisions thereof in the event of default thereunder by the Escrow Agent.

4.03 Escrow Account.

A. To the Escrow Account there is hereby pledged and irrevocably appropriated and there shall be credited: (a) proceeds of the Bonds received from the Purchaser in the amount of \$_____ and (b) investment earnings on such monies referenced in clause (a) for the payment and redemption on the Redemption Date of the Refunded Bonds and for payment of the interest to become due on the Bonds through the Redemption Date.

B. The Escrow Account shall be maintained by the Escrow Agent pursuant to the Escrow Agreement and this Resolution. The Escrow Account shall be invested in accordance with the Act, the Escrow Agreement and this Section, in securities specified in Section 475.67, Subd. 8 of the Act, which investments will provide sufficient funds, together with any cash or other funds retained in the Escrow Account, to pay when due the interest to accrue on the Bonds to and including the Redemption Date, and to pay on the Redemption Date the principal amount of the Refunded Bonds.

C. From the Escrow Account there shall be paid: (a) all interest to be paid on the Bonds to and including the Redemption Date; and (b) the principal of the Refunded Bonds due by reason of redemption on the Redemption Date.

D. The Escrow Account is irrevocably appropriated to the payment of the interest on the Bonds until the monies therein are applied to repayment of the Refunded Bonds. The monies in the Escrow Account shall be used solely for the purposes herein set forth and for no other purpose, except that any surplus in the Escrow Account may be remitted to the County, all in accordance with the Escrow Agreement. Any monies remitted to the County upon termination of the Escrow Agreement shall be deposited in the Debt Service Fund.

E. Securities purchased for the Escrow Account shall be purchased simultaneously with the delivery of and payment for the Bonds. The Chair and the County Auditor or their designee are authorized and directed to purchase such securities.

F. The construction fund created in the 2013 Resolution is hereby terminated and any monies remaining therein shall be transferred to the Debt Service Fund established therein.

Section 5. Covenants; Accounts and Tax Levies.

5.01 A. Debt Service Fund. For the convenience and proper administration of the monies to be borrowed and repaid on the Bonds and to provide adequate and specific security for the Purchaser and holders from time to time of the Bonds, there is hereby created a special fund to be designated the 2016B General Obligation Capital Improvement Refunding Bonds Debt Service Fund (the "Debt Service Fund") to be administered and maintained by the County Auditor as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the County. The Debt Service Fund shall be maintained in the manner herein specified until all of the Bonds and interest thereon have been fully paid.

B. To the Debt Service Fund there is hereby pledged and irrevocably appropriated and there shall be credited: (i) any balance remitted to the County upon termination of the Escrow Agreement; (ii) any balance remaining on the Redemption Date in the 2013 Bonds Debt Service Fund after the Redemption Date; (iii) all investment earnings on funds in the Debt Service Fund; (iv) accrued interest, if any, received from the Purchaser upon delivery of the Bonds to the extent not required to fund the Escrow Account (the "Accrued Interest"); (v) any amount of additional interest permitted by Section 475.56 of the Act paid by the Purchaser (the "Additional Interest"), to the extent not required to fund the Escrow Account (\$_____); (vi) all taxes pledged to repayment of the 2013 Bonds collected after the Redemption Date, which levies shall not be cancelled except as permitted by Section 475.61, Subd. 3 of the Act; (vii) any taxes levied to pay the principal and interest on the Bonds; and (viii) any and all other monies which are properly available and are appropriated by the County to the Debt Service Fund.

The money in the Debt Service Fund shall be used for no purpose other than the payment of principal of and interest on the Bonds. If the balances in the Debt Service Fund are ever insufficient to pay all principal and interest then due on the Bonds, the County Auditor shall nevertheless provide sufficient money from any other funds of the County which are available

for that purpose, and such other funds shall be reimbursed from the Debt Service Fund when the balance therein is sufficient.

5.02 A. For the prompt and full payment of the principal and interest on the Bonds coming due after the Redemption Date, the full faith and credit and taxing power of the County are hereby irrevocably pledged. There is hereby levied a direct annual ad valorem tax upon all taxable property in the County which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the County. Said levies are for the years and in the amounts as follows:

Levy Year	Collection Year	Tax Levy
2021	2022	
2022	2023	
2023	2024	
2024	2025	
2025	2026	
2026	2027	
2027	2028	
2028	2029	
2029	2030	
2030	2031	
2031	2032	
2032	2033	

* The levy Collection Year is reduced by \$_____, which is the amount of the initial deposit, at closing, into the Debt Service Fund.

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 Bonds coming due after the Redemption Date.

C. The tax levies shall be irrevocable so long as any of the Bonds are outstanding and unpaid; provided, however, that on November 30 of each year, while any Bonds issued hereunder remain outstanding, the Board shall reduce or cancel the above levies to the extent of funds available in the Debt Service Fund to pay principal and interest due during the ensuing year.

5.03 Proceeds of the Bonds in the amount of \$_____ shall be used by the County to pay costs of issuance of the Bonds.

Section 6. Refunding; Findings; Redemption of Refunded Bonds.

6.01 A. It is hereby found and determined, based upon information presently available from the County’s municipal advisors, that as of the Redemption Date, the issuance of the Bonds will result in a reduction of debt service costs to the County on the Refunded Bonds. In accordance with Section 475.67 of the Act, as of the Redemption Date, the present value of the dollar amount of the debt service on the Bonds, computed to their stated maturity dates, after deducting any premium, is lower by at least three percent than the present value of the dollar

amount of debt service on the Refunded Bonds, exclusive of any premium, computed to their stated maturity dates. (Present value of the dollar amount of debt service means the dollar amount of debt service to be paid, discounted to the nominal date of the Bonds at a rate equal to the yield on the Bonds.)

B. It is hereby found and determined that the proceeds of the Bonds and funds of the County available and appropriated to the Escrow Account will be sufficient, together with the permitted earnings on the investment of the Escrow Account, to pay all of the principal of the Refunded Bonds on the Redemption Date, and all interest coming due on the Bonds through the Redemption Date.

C. The proceeds of the 2013 Bonds have been fully expended for the governmental purposes for which such bonds were issued.

6.02 A. The County Auditor or the designee is hereby authorized and direct to provide a material event notice with respect to the Refunded Bonds in accordance with the Continuing Disclosure Certificate of the County dated September 5, 2013, and delivered in connection the 2013 Bonds.

B. The Refunded Bonds shall be redeemed and prepaid in accordance with: (i) their terms; (ii) with the terms and conditions set forth in the form of Notice of Call for Redemption attached to the Escrow Agreement; and (iii) with the terms and conditions of the Representation Letter, all of which terms and conditions are hereby approved and incorporated herein by reference.

Section 7 Tax Covenants.

7.01 The County covenants and agrees with the holders of the Bonds that the County 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.

7.02 A. 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 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 Fund (or any other County account which will be used to pay principal and interest to become due on the Bonds) in excess of amounts which under the applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after

taking into account any applicable temporary periods of minor portion made available under the federal arbitrage regulations.

B. In addition, the proceeds of the Bonds and money in the Debt Service Fund 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 Internal Revenue Code of 1986, as amended (the "Code").

C. The County hereby covenants not to use the proceeds of the Bonds, or to cause or permit them to be used, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

7.03 A. The County covenants and certifies to and for the benefit of the owners of the Bonds that no use will be made of the proceeds of the Bonds which will cause the Bonds to be arbitrage bonds within the meaning of Section 148(a) of the Code and the Treasury Regulations promulgated thereunder.

B. The County covenants to compute and cause the payment to the United States of all amounts required under the rebate requirement of Code Section 148(f) and the Regulations issued thereunder with regard to the Bonds. To this end, the County agrees to:

(1) maintain records identifying all "gross proceeds" as defined in Code Section 148(f)(6)(B) attributable to the Bonds, the yield at which such gross proceeds are invested, any arbitrage profit derived therefrom (earnings in excess of the yield on the Bonds) and any earnings derived from the investment of such arbitrage profit;

(2) make, or cause to be made within 30 days after the close of each fifth bond year and upon payment in full of the Bonds, the annual determination of the amount, if any, of excess arbitrage required to be paid to the United States by the County (the "Rebate Amount");

(3) pay, or cause to be paid, to the United States at least once every five bond years the Rebate Amount, if any, including the last installment which must be made no later than 60 days after the day on which the Bonds are paid in full; and

(4) retain all records of the annual determination of the foregoing amounts until six years after the Bonds have been fully paid.

7.04 In addition to the Bonds, the County is selling, pursuant to a single offering document and on the same date, the following obligations: General Obligation Capital Improvement Bonds, Series 2016A (the "Series 2016A Bonds"). The Bonds will be paid out of substantially the same source as the Series 2016A Bonds; consequently, the Bonds and the Series 2016A Bonds are a single issue under Treasury Regulations Section 1.150-1(c).

Section 8. Miscellaneous.

8.01 The County Auditor is directed to file a certified copy of this Resolution and such other information as may be required, and to provide to bond counsel a certificate stating that the Bonds herein authorized have been duly entered on his register.

8.02 The officers of the County are authorized and directed to prepare and furnish to the Purchaser and to bond counsel, certified copies of all proceedings and records of the County relating to the legality and marketability of the Bonds, as such facts appear from the official books and records in the officers' custody or are otherwise known to them. All such certified copies, Bonds, and affidavits, including any heretofore furnished, constitute representations of the County as to the correctness of the facts recited therein and the action stated therein to have been taken.

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

8.04 In the event of the absence or disability of the Chair, the Clerk of the County Board or the County Auditor, such officers as in the opinion of the County 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 9. Continuing Disclosure. The County 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 bondholders 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 Chair and the County Auditor are hereby authorized and directed to execute a Continuing Disclosure Certificate substantially in the form of the Certificate currently on file in the office of the County Auditor.

Section 10. Post-Issuance Compliance Policy and Procedures. The Board has previously approved a Post-Issuance Debt Compliance Policy and Post-Issuance Debt Compliance 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 Board hereby approves the Policy and Procedures for the Bonds. The County Auditor continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

Adopted: August 9, 2016.