

PROCEEDINGS OF THE ROSEAU COUNTY BOARD OF COMMISSIONERS

May 8, 2012

The Board of Commissioners of Roseau County, Minnesota met in the Courthouse in the City of Roseau, on Tuesday, May 8, 2012.

CALL TO ORDER – ROLL CALL – ESTABLISHMENT OF A QUORUM

The meeting was called to order at 8:30 a.m. by Board Chair Russell Walker. The Pledge of Allegiance was recited. Commissioners present were Roger Falk, Mark Foldesi, Glenda Phillipe, Jack Swanson and Russell Walker.

APPROVAL OF AGENDA

A State of Minnesota Communications Facility Use Agreement was added to the Emergency Management appointment. A motion to approve the revised agenda was made by Commissioner Foldesi, seconded by Commissioner Falk and carried unanimously.

COMMENTS AND ANNOUNCEMENTS

The Board was reminded of a 1:00 p.m. Board Retreat Planning Session today; the Land Asset Planning meeting scheduled for Thursday, May 10th, and the AMC District 3 meeting notice posted on the AMC website.

APPROVE BILLS

A motion was made by Commissioner Swanson, seconded by Commissioner Phillipe and carried unanimously to approve the payment of the following bills:

W a r r a n t s A p p r o v e d F o r P a y m e n t 4 / 2 6 / 2 0 1 2

Vendor Name	Amount
MN DEPT OF FINANCE –TREAS	3,214.50
12 Payments less than 2,000	4,100.51
Final Total:	7,315.01

W a r r a n t s A p p r o v e d F o r P a y m e n t 5 / 0 3 / 2 0 1 2

Vendor Name	Amount
AFLAC	2,475.40
JOHNSON/LAURE A	3,526.88
MN ENERGY RESOURCES	2,287.60
NW MN SERV COOP-BLUE CROSS BLUE SHIELD	64,227.00
RIVERFRONT STATION	4,653.19
SELECT ACCOUNT-VEBA	9,037.29
18 Payments less than 2,000	11,015.88
Final Total:	97,223.24

W a r r a n t s A p p r o v e d O n 5 / 0 8 / 2 0 1 2 F o r P a y m e n t
5 / 1 1 / 2 0 1 2

Vendor Name	Amount
AVIANDS LLC	6,531.52
DLT SOLUTIONS INC	4,541.16
FARMERS UNION OIL CO-LK BRNSN	3,796.41
H & L MESABI INC	2,322.83
MAR-KIT LANDFILL	34,515.15
MN DEPT OF CORRECTIONS	10,679.74

MSOP-MN SEX OFFENDER PROGRAM-D 462	3,930.80
NORTHERN RESOURCES COOPERATIVE	9,685.29
SJOBERG'S INC	2,718.20
STAN'S COMMUNICATIONS INC	2,762.95
TRUE NORTH STEEL	55,208.84
UND FORENSIC PATHOLOGY	2,000.00

80 Payments less than 2,000 28,418.06

Final Total: 167,110.95

CONSENT AGENDA

A motion to adopt the Consent Agenda was made by Commissioner Phillipe, seconded by Commissioner Foldesi and carried unanimously. The Board, by adoption of its Consent Agenda, approved the April 24, 2012 Proceedings; approved the Northstar ATV Club Grant-in-Aid Reimbursement Request in the amount of \$3,549.05 and approved a Minnesota Lawful Gambling Permit for the Wannaska Community Center.

DELEGATIONS/BOARD APPOINTMENTS

Roseau County Trailblazers

Rich Gross and Buck Bue of the Roseau County Trailblazers met with the Board to request approval of the the 2012-2013 Maintenance and Grooming Application, the 2013 Resolution of Support, the back-up grooming plan and the 4th Benchmark for the BISF #1 Trail System.

A motion to approve the 2012-2013 Minnesota Trails Assistance Program, Maintenance and Grooming Application (Resolution of Support (2012-05-01) and Back-up Grooming Plan) was made by Commissioner Falk, seconded by Commissioner Phillipe and carried unanimously.

A motion to approve the Snowmobile Trails Assistance Program, Maintenance and Grooming, Certification of Trail Closure/Application Submission, 4th Benchmark was made by Commissioner Swanson, seconded by Commissioner Falk and carried unanimously.

Roseau River Watershed District

RRWD Manager Rob Sando met with the Board to discuss the Palmville Joint Powers Agreement and Building Maintenance Projects. Sando requested the Board approve a Joint Powers Agreement between the State of Minnesota, Roseau County and the Roseau River Watershed District Board of Managers. This agreement would allow the District, County and State to conduct operations, maintenance and monitoring of the Palmville Flood Damage Reduction and Fen Restoration Project on State Property according to the agreed upon Operations and Maintenance Plan. A motion to approve the Palmville Project Joint Powers agreement was made by Commissioner Falk, seconded by Commissioner Swanson and carried unanimously.

Sando submitted a quote for painting the exterior of the RRWD offices which the watershed currently leases from the County. The Board requested Sando acquire additional quotes which will then be reviewed at a future Board meeting.

The software item was removed from the agenda.

DEPARTMENT REPORTS

Emergency Management

Emergency Manager Gracia Nelson met with the Board to request approval to renew the Five Year Hazard Mitigation Assistance Planning Grant and a State of MN Communication Facility Use Agreement for the MnDot Tower at the Roosevelt Communications Facility.

A motion to approve the State of Minnesota, 2013 Hazard Mitigation Assistance Planning Grant in the amount of \$30,000, with a \$7,500 in-kind county match, was made by Commissioner Phillipe, seconded by Commissioner Swanson and carried unanimously.

A motion to approve a State of Minnesota Communications Facility Use Agreement (effective for ten years commencing on July 1, 2012) for County equipment to be installed on the Tower at the Roosevelt Communication Facility was made by Commissioner Falk, seconded by Commissioner Foldesi and carried unanimously.

Social Services

Social Services Director Dave Anderson requested Board approval to hire an Eligibility Worker. A motion to approve hiring Joshua Oquist as an Eligibility Worker at a Grade 6 Step A was made by Commissioner Swanson, seconded by Commissioner Phillipe and carried unanimously.

Highway Department

Highway Engineer Ketring met with the Board to request approval to call for bids for the following three projects: (Bids will be opened on June 25, 2012 at 2:00 p.m. in the Commissioners Boardroom at the Courthouse.)

A motion to approve a call for bids on SAP 68-213-20 Aggregate Base Project on CSAH 13 was made by Commissioner Falk, seconded by Commissioner Phillipe and carried unanimously.

A motion to approve a call for bids on CP1108 for a Maintenance Shouldering Project on CSAH 8 was made by Commissioner Foldesi, seconded by Commissioner Falk and carried unanimously.

A motion to approve a call for bids on SAP 68-599-99 for a Spruce Township Bridge Replacement (CD7) was made by Commissioner Falk, seconded by Commissioner Swanson and carried unanimously.

County Attorney

The County Attorney's office requested the Board approve setting a Public Hearing date necessary to adopt a County Animal Ordinance. A motion to approve holding a Public Hearing on June 26, 2012 at 8:45 a.m. in order to hear public comment on a Roseau County Animal Ordinance, was made by Commissioner Swanson, seconded by Commissioner Falk and carried unanimously.

COMMISSIONER COMMITTEE REPORTS

Commissioner Falk reported on the following committee meeting(s): Gravel Academy, 4/25-26, 2012; Sheriff Committee, 5/1/12; Courthouse Department Head meeting with the Board, 5/1/12; Operations Committee, 5/2/12.

Commissioner Foldesi reported on the following committee meeting(s): Northwest Regional Development Commission, 4/24/12; Sheriff Committee, 5/1/12; Courthouse Department Head Meeting with the Board, 5/1/12; Two Rivers Watershed District, 5/2/12.

Commissioner Phillipe reported on the following committee meeting(s): Warroad Community Education Committee, 4/24/12; Roseau County Committee on Aging, 4/24/12; Roseau County Public Health Committee, 4/24/12; Warroad Watershed District, 4/25/12; Roseau County Committee on Aging Driver Appreciation Dinner, 4/27/12; Joint Airport Zoning Board, 4/30/12; Sheriff Committee, 5/1/12; Courthouse Department Head meeting with the Board, 5/1/12; DNR Parks and Trails Legacy Advisory Committee, 5/4/12.

Commissioner Swanson reported on the following committee meeting(s): Roseau County Public Health Committee, 4/24/12; Roseau Economic Development Authority, 4/25/12; Roseau County Affordable Housing Program, 4/26/12; Sheriff's Committee, 5/1/12; Courthouse Department Head meeting with the Board, 5/1/12; Operations Committee, 5/2/12; Community Justice Coordinating Committee, 5/2/12; Roseau River Watershed Board, 5/2/12; Northern Counties Land Use Coordinating Committee, 5/3/12; Roseau Convention and Visitors Bureau, 5/7/12; Roseau City Council, 5/7/12.

Commissioner Walker reported on the following committee meeting(s): Warroad River Watershed District, 4/25/12; Sheriff Committee, 5/1/12; Courthouse Department Head meeting with the Board, 5/1/12; Operations Committee, 5/2/12.

BOND SALE

Ehlers-Inc. Representative Bruce Kimmel met with the Board to present the results of the mornings bond sale and to request the Board approve a resolution authorizing issuance, awarding sale, prescribing the form and details and providing for the payment of \$4,490,000 general obligation jail refunding Bonds, Series 2012A. A motion was made by Commissioner Swanson, seconded by Commissioner Falk and carried unanimously to adopt the following resolution:

CERTIFICATION OF MINUTES RELATING TO
\$4,435,000 GENERAL OBLIGATION JAIL REFUNDING BONDS, SERIES 2012A

Issuer: Roseau County, Minnesota

Governing Body: Board of County Commissioners

Kind, date, time and place of meeting: A regular meeting held May 8, 2012, at 8:30 a.m., at the County offices.

Members present: Roger Falk, Mark Foldesi, Jack Swanson, Glenda Phillipe and Russell Walker

Members absent: None

Documents Attached:

Minutes of said meeting (including):

RESOLUTION NO. 2012-05-02

RESOLUTION AUTHORIZING ISSUANCE, AWARDED SALE,
PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE
PAYMENT OF \$4,435,000 GENERAL OBLIGATION JAIL REFUNDING
BONDS, SERIES 2012A

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

WITNESS my hand officially as such recording officer this 8TH day of MAY,
2012.



County Coordinator

It was reported that eight (8) sealed proposals for the purchase of \$4,435,000 General Obligation Jail Refunding Bonds, Series 2012A were received prior to 11:30 a.m., pursuant to the Official Statement distributed to potential purchasers of the Bonds by Ehlers & Associates, Inc., financial advisor to the County. The proposals have been publicly opened, read and tabulated and were found to be as follows:

(See Attached)

BID TABULATION

\$4,490,000* General Obligation Jail Refunding Bonds, Series 2012A

ROSEAU COUNTY, MINNESOTA

SALE: May 8, 2012

AWARD: BAIRD

RATING: Standard & Poor's Credit Markets "A+"

BBI: 3.81%

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
BAIRD	2016	2.000%	0.900%	\$4,529,533.60	\$885,005.66	2.0787%
Milwaukee, Wisconsin	2017	2.000%	1.050%			
C.L. King & Associates	2018	2.000%	1.250%			
Coastal Securities, Inc.	2019	2.000%	1.450%			
SAMCO Capital Markets	2020	2.000%	1.650%			
Loop Capital Markets	2021	2.000%	1.800%			
Edward D. Jones & Co.	2022	2.000%	1.900%			
Cronin & Co., Inc.	2023	2.050%	2.050%			
Kildare Capital	2024	2.200%	2.200%			
Crews & Associates, Inc.	2025	2.300%	2.300%			
Davenport & Co. L.L.C.	2026	2.400%	2.400%			
Wedbush Securities Inc.	2027	2.500%	2.500%			
Dougherty & Company, LLC						
Isaak Bond Investments, Inc						
Country Club Bank						
Advisors Asset Management						
Ross, Sinclair & Associates, LLC						
CastleOak Securities, L.P.						
BOSC, INC., A SUBSIDIARY OF BOK FINANCIAL CORPORATION Menomonee Falls, Wisconsin	2016	2.000%		\$4,526,701.35	\$905,269.77	2.1260%
	2017	2.000%				
	2018	2.000%				
	2019	2.000%				
	2020	2.000%				
	2021	2.000%				
	2022	2.000%				
	2023	2.100%				
	2024	2.250%				
	2025	2.350%				
	2026	2.450%				
	2027	2.625%				

*Subsequent to bid opening the issue size was decreased to \$4,435,000.

Adjusted Price - \$4,473,405.95

Adjusted Net Interest Cost - \$877,530.13

Adjusted TIC - 2.0809%



Minnesota
Offices also in Wisconsin and Illinois

phone 651-697-8500
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3060 Centre Pointe Drive
Roseville, MN 55113-1122

www.ehlers-inc.com

\$4,490,000 General Obligation Jail Refunding Bonds, Series 2012A
Roseau County, Minnesota

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
UNITED BANKERS' BANK Bloomington, Minnesota	2016	0.700%		\$4,527,379.90	\$919,149.30	2.1409%
	2017	0.900%				
	2018	1.150%				
	2019	1.350%				
	2020	1.550%				
	2021	1.800%				
	2022	2.050%				
	2023	2.200%				
	2024	2.350%				
	2025	2.450%				
	2026	3.250%				
2027	3.250%					
VINING SPARKS IBG, L.P. Chicago, Illinois	2016	2.000%		\$4,519,343.55	\$911,069.09	2.1418%
	2017	2.000%				
	2018	2.000%				
	2019	2.000%				
	2020	2.000%				
	2021	2.000%				
	2022	2.000%				
	2023	2.100%				
	2024	2.250%				
	2025	2.350%				
	2026	2.450%				
2027	2.600%					
UMB BANK, N.A. Kansas City, Missouri	2016	0.800%		\$4,445,549.00	\$921,688.87	2.1782%
	2017	1.000%				
	2018	1.200%				
	2019	1.400%				
	2020	1.600%				
	2021	1.800%				
	2022	2.050%				
	2023	2.150%				
	2024	2.300%				
	2025	2.350%				
	2026	2.500%				
2027	2.700%					
NORTHLAND SECURITIES, INC. Minneapolis, Minnesota	2016	2.000%		\$4,501,765.10	\$948,939.91	2.2345%
	2017	2.000%				
	2018	2.000%				
	2019	2.000%				
	2020	2.000%				
	2021	2.000%				
	2022	2.000%				
	2023	2.100%				
	2024	2.250%				
	2025	2.400%				
	2026	2.600%				
2027	2.750%					

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
PIPER JAFFRAY & CO. Leawood, Kansas	2016	2.000%		\$4,486,101.80	\$961,708.94	2.2705%
	2017	2.000%				
	2018	2.000%				
	2019	2.000%				
	2020	2.000%				
	2021	2.000%				
	2022	2.000%				
	2023	2.250%				
	2024	2.375%				
	2025	2.375%				
	2026	2.500%				
2027	2.625%					
RAYMOND JAMES MORGAN KEEGAN Memphis, Tennessee	2016	2.000%		\$4,604,094.78	\$985,590.65	2.2840%
	2017	2.000%				
	2018	2.000%				
	2019	2.000%				
	2020	2.125%				
	2021	2.250%				
	2022	2.500%				
	2023	2.500%				
	2024	2.625%				
	2025	3.000%				
	2026	3.000%				
2027	3.125%					

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

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE,
PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE
PAYMENT OF \$4,435,000 GENERAL OBLIGATION JAIL REFUNDING
BONDS, SERIES 2012A

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

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. The Board hereby determines that it is in the best interest of the County to issue its General Obligation Jail Refunding Bonds, Series 2012A (the "Bonds"), in the principal amount of \$4,435,000, upon the terms and conditions hereinafter set forth, to be used to refinance, in a crossover refunding pursuant to Minnesota Statutes, Section 475.67, subdivision 13, the 2016-2027 maturities of the County's General Obligation Jail Bonds, Series 2006A, which are outstanding in the principal amount of \$4,200,000 (the "Refunded Bonds"). February 1, 2015 (the "Crossover Date") is the earliest date upon which the Refunded Bonds may be redeemed without payment of premium. The refunding is being carried out for the purpose described in Minnesota Statutes, Section 475.67, subdivision 3, section (b)(2)(i) and in compliance with Minnesota Statutes, Chapter 475. The proceeds of the Refunded Bonds were used to expand the County's existing jail and law enforcement center, all pursuant to Minnesota Statutes, Chapter 475 and Section 641.23. The Board hereby determines that the debt service payable in any year on the Bonds and all other obligations issued pursuant to Minnesota Statutes, Section 641.23 (\$430,500) is less than a levy of 0.09671 percent of the taxable market value of all real property within the County (\$957,062,000); therefore, pursuant to Minnesota Statutes, Section 641.23, the Bonds may be issued without an election.

1.02. Sale. The County has retained Ehlers & Associates, Inc. as independent financial advisor in connection with the sale of the Bonds. Pursuant to Minnesota Statutes, Section 475.60, subdivision 2, paragraph (9), the requirements as to public sale do not apply to the issuance of the Bonds. Pursuant to the Terms of Proposal and Official Statement, sealed bids for the purchase of the Bonds were received at or prior to the time specified for the opening of bids. The bids have been publicly opened, read and considered and the purchase price, interest rates and net interest cost under the terms of each bid have been determined. The most favorable bid received is that of Baird, in Milwaukee, Wisconsin and associates (the "Purchaser"), to purchase the Bonds at a price of \$4,473,405.95 plus accrued interest to the date of issuance and delivery, on the further terms and conditions hereinafter set forth.

1.03. Award. The sale of the Bonds is hereby awarded to the Purchaser, and the Chairperson and County Coordinator are hereby authorized and directed on behalf of the County to execute a contract for the sale of the Bonds with the Purchaser.

1.04. Savings. It is hereby determined that:

(a) by the issuance of the Bonds, the County will realize a substantial interest rate reduction, a gross savings of approximately \$303,816.80 and a present value savings (using the yield on the Bonds, computed in accordance with Section 148 of the Code, as the discount factor) of approximately \$252,717.21; and

(b) as of the Crossover Date, the sum of (i) the present value of the debt service on the Bonds, computed to their stated maturity dates, after deducting any premium, using the yield of the Bonds as the discount rate, plus (ii) any expenses of the refunding payable from a source other than the proceeds of the Bonds or investment earnings thereon, is lower by 5.808% than the present value of the debt service on the Refunded Bonds, exclusive of any premium, computed to their stated maturity dates, using the yield of the Bonds as the discount rate.

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

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

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

<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2016	330,000	2.00%
2017	335,000	2.00%
2018	340,000	2.00%
2019	345,000	2.00%
2020	355,000	2.00%
2021	365,000	2.00%
2022	375,000	2.00%
2023	375,000	2.05%
2024	390,000	2.20%
2025	400,000	2.30%
2026	405,000	2.40%
2027	420,000	2.50%

The Bonds shall be issuable only in fully registered form. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest on and, upon surrender of each Bond, the principal amount thereof, shall be payable by check or draft issued by the Registrar described herein, provided that, so long as the Bonds are registered in the name of a

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

2.03. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.06 and upon any subsequent transfer or exchange pursuant to Section 2.05, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. Interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing February 1, 2013, each such date being referred to herein as an Interest Payment Date, to the persons in whose names the Bonds are registered on the Bond Register, as hereinafter defined, at the Registrar's close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date, whether or not such day is a business day.

2.04. Appointment of Initial Registrar. The County hereby appoints Bond Trust Services Corporation in Roseville, Minnesota, as the initial bond registrar, transfer agent and paying agent (the "Registrar"). The Chairperson and County Coordinator are authorized to execute and deliver, on behalf of the County, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The County agrees to pay the reasonable and customary charges of the Registrar for the services performed. The County reserves the right to remove the Registrar, effective upon not fewer than thirty days' written notice and upon the appointment and acceptance of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the Bond Register, as hereinafter defined, to the successor Registrar.

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

(a) Register. The Registrar shall keep at its principal corporate trust office a register (the "Bond Register") in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged. The term Holder or Bondholder as used herein shall mean the person (whether a natural person, corporation, association, partnership, trust, governmental unit, or other legal entity) in whose name a Bond is registered in the Bond Register.

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

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

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

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

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

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

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

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

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

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

2.07. Securities Depository.

(a) For purposes of this section the following terms shall have the following meanings:

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

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

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

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

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

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the County may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be

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

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

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

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

2.08. Redemption. Bonds maturing in 2023 and later years shall be subject to redemption and prepayment at the option of the County, in whole or in part, in such order as the County shall determine and within a maturity by lot as selected by the Registrar in multiples of

\$5,000, on February 1, 2022, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption.

The County Treasurer shall cause notice of the call for redemption thereof to be published as required by law and, at least thirty days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail, to the registered holders of any Bonds to be redeemed at their addresses as they appear on the bond register described in Section 2.05 hereof, provided that notice shall be given to any securities depository in accordance with its operational arrangements. No defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the County shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

2.09. Form of Bonds. The Bonds shall be prepared in substantially the following form:

UNITED STATES OF AMERICA

STATE OF MINNESOTA

ROSEAU COUNTY

GENERAL OBLIGATION JAIL REFUNDING BONDS, SERIES 2012A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	February 1, 20__	May 30, 2012	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

ROSEAU COUNTY, STATE OF MINNESOTA (the "County"), acknowledges itself to be indebted and hereby promises to pay the principal amount specified above on the maturity date specified above, with interest thereon from the date of original issue specified or from the most recent interest payment date to which interest has been paid or duly provided for at the annual rate specified above, payable on February 1 and August 1 in each year, commencing February 1, 2013, to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month, subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof at the principal office of the agent of the Registrar described below, the principal hereof are payable in

lawful money of the United States of America by check or draft drawn on Bond Trust Services Corporation, Roseville, Minnesota, as bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the "Registrar"). For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the County have been and are hereby irrevocably pledged.

This Bond is one of an issue (the "Bonds") in the aggregate principal amount of \$4,435,000, issued pursuant to a resolution adopted by the Board on May 8, 2012 (the "Resolution") to provide funds to refund certain outstanding general obligation jail bonds of the County, and issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapter 475. The Bonds are issuable only in fully registered form, in denominations of \$5,000 or any integral multiple thereof, of single maturities.

Bonds maturing in 2023 and later years shall be subject to redemption and prepayment at the option of the County, in whole or in part, in such order as the County shall determine and within a maturity by lot as selected by the Registrar in multiples of \$5,000, on February 1, 2022, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption.

Prior to the date specified for the redemption of any Bond prior to its stated maturity date, the County will cause notice of the call for redemption to be published if and as required by law, and, at least thirty days prior to the designated redemption date, will cause notice of the call to be mailed by first class mail (or, if applicable, provided in accordance with the operational arrangements of the bond depository), to the registered owner of any Bond to be redeemed at the owner's address as it appears on the bond register maintained by the Registrar, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the County shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

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

The Bonds have been designated by the County as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986.

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

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

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

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

IN WITNESS WHEREOF, Roseau County, State of Minnesota, by its Board of County Commissioners, has caused this Bond to be executed on its behalf by the facsimile signatures of the Chairperson and County Coordinator and has caused this Bond to be dated as of the date of the original issue set forth above.

ROSEAU COUNTY, MINNESOTA

(facsimile signature - County Coordinator)

(facsimile signature - Chairperson)

all in accordance with the Securities Exchange Act of 1934, as amended.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE: _____

[end of bond form]

SECTION 3. USE OF PROCEEDS. Upon payment for the Bonds by the Purchaser, the County Coordinator shall deposit the proceeds of the Bonds with U.S. Bank National Association, in St. Paul, Minnesota (the “Escrow Agent”) for application in accordance with the Escrow Agreement, a form of which has been presented to this Council. The Chairperson and County Coordinator are hereby authorized to enter into an Escrow Agreement with the Escrow Agent establishing the terms and conditions for the escrow account in accordance with Minnesota Statutes, Section 475.67.

SECTION 4. GENERAL OBLIGATION JAIL REFUNDING BONDS, SERIES 2012A BOND FUND. The Bonds shall be payable from a separate and special General Obligation Jail Refunding Bonds, Series 2012A Bond Fund (the “Bond Fund”) of the County, which Bond Fund the County agrees to maintain until the Bonds have been paid in full. If the money in the Bond Fund should at any time be insufficient to pay principal and interest due on the Bonds, such amounts shall be paid from other moneys on hand in other funds of the County, which other funds shall be reimbursed therefor when sufficient money becomes available in the Bond Fund. The moneys on hand in the Bond Fund from time to time shall be used only to pay the principal of and interest on the Bonds. Into the Bond Fund shall be paid: (a) any amounts appropriated thereto pursuant to the Escrow Agreement; (b) all taxes collected pursuant to Section 5 hereof, (c) all excess amounts on deposit in the debt service funds maintained for the payment of the Refunded Bonds upon the retirement of the Refunded Bonds on the Crossover Date; and (d) any other funds appropriated by the Board for the payment of the Bonds. If the aggregate balance in the Bond Fund is at any time insufficient to pay all interest and principal then due on all Bonds payable therefrom, the payment shall be made from any fund of the County which is available for that purpose, subject to reimbursement from the Bond Fund when the balance therein is sufficient, and the Board covenants and agrees that it will each year levy a sufficient amount of ad valorem taxes to take care of any accumulated or anticipated deficiency, which levy is not subject to any constitutional or statutory limitation.

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

<u>Levy Years</u>	<u>Collection Years</u>	<u>Amount</u>
		See attached levy calculation

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

SECTION 6. DEFEASANCE. When all of the Bonds have been discharged as provided in this section, all pledges, covenants and other rights granted by this Resolution to the registered owners of the Bonds shall cease. The County may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The County may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Registrar on or before that date an amount equal to the principal, interest and redemption premium, if any, which are then due, provided that notice of such redemption has been duly given as provided herein. The County may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank or trust company qualified by law as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited, bearing interest payable at such time and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal and interest to become due thereon to maturity or earlier designated redemption date, provided, however, that if such deposit is made more than ninety days before the maturity date or specified redemption date of the Bonds to be discharged, the County shall have received a written opinion of nationally-recognized bond counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity dates or earlier designated redemption date.

SECTION 7. CERTIFICATION OF PROCEEDINGS.

7.01. Registration of Bonds. The County Coordinator is hereby authorized and directed to file a certified copy of this Resolution with the Treasurer of Roseau County and obtain a certificate that the Bonds have been duly entered upon the Treasurer's bond register.

Tax Levy Calculation For:

Roseau County, Minnesota

\$4,435,000 General Obligation Jail Refunding Bonds, Series 2012A

Dated Date: 5/30/2012

Levy Year	Collect Year	Pay Year	Total P & I	Paid from Escrow	P & I x 105%	Net Levy
2011 /	2012 /	2013	63,321.08	63,321.08	0.00	0.00
2012 /	2013 /	2014	94,587.50	94,587.50	0.00	0.00
2012 /	2013 /	2014	94,587.50	94,587.50	0.00	0.00
2014 /	2015 /	2016	424,587.50		445,816.88	445,816.88
2015 /	2016 /	2017	422,987.50		444,136.88	444,136.88
2016 /	2017 /	2018	421,287.50		442,351.88	442,351.88
2017 /	2018 /	2019	419,487.50		440,461.88	440,461.88
2018 /	2019 /	2020	422,587.50		443,716.88	443,716.88
2019 /	2020 /	2021	425,487.50		446,761.88	446,761.88
2020 /	2021 /	2022	428,187.50		449,596.88	449,596.88
2021 /	2022 /	2023	420,687.50		441,721.88	441,721.88
2022 /	2023 /	2024	428,000.00		449,400.00	449,400.00
2023 /	2024 /	2025	429,420.00		450,891.00	450,891.00
2024 /	2025 /	2026	425,220.00		446,481.00	446,481.00
2025 /	2026 /	2027	430,500.00		452,025.00	452,025.00
Totals			5,350,936.08	252,496.08	5,353,362.00	5,353,362.00

Notes: The interest payments due February 1, 2013 through February 1, 2015 will be paid from the Escrow Account. Original tax levies for collection years 2015 through 2026 on the Series 2006A Bonds will be cancelled. Excess bond proceeds in the amount of \$4,845.44 will be deposited into the Debt Service Fund for the Series 2012A Bonds.



EHLERS
& ASSOCIATES INC

7.02. Authentication of Transcript. The officers of the County and the County Treasurer are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records relating to the Bonds and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise known to them, and all such certified copies, affidavits and certificates, including any heretofore furnished, shall be deemed representations of the County as to the correctness of all statements contained therein.

7.03. Official Statement. The Official Statement relating to the Bonds dated April 26, 2012, which has been prepared and distributed by Ehlers & Associates, Inc., financial advisor to the County, is hereby approved. Ehlers & Associates, Inc. is hereby authorized on behalf of the County to prepare and distribute to the Purchaser within seven business days from the date hereof, a supplement to the Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule 15c2-12 adopted by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934. The officers of the County are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

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

8.01. General Tax Covenant. The County covenants and agrees with the registered owners of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any actions that would cause interest on the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the "Code") and applicable Treasury Regulations (the "Regulations"), and covenants to take any and all actions within its powers to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. It is hereby certified that the proceeds of the Refunded Bonds were used to expand and furnish the County's existing jail and law enforcement center and the County covenants and agrees that, so long as the Bonds are outstanding, the County shall not enter into any lease, management agreement, use agreement or other contract with any nongovernmental entity relating to the facility so financed which would cause the Bonds to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code.

8.02. Arbitrage Certification. The Chairperson and County Coordinator being the officers of the County charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with Section 148 of the Code, and applicable Regulations, stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and Regulations.

8.03. Arbitrage Rebate. The County acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The County covenants and agrees to retain

such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no “gross proceeds” of the Bonds (other than amounts constituting a “bona fide debt service fund”) arise during or after the expenditure of the original proceeds thereof.

8.04. Qualified Tax-Exempt Obligations. This Board hereby designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code relating to the disallowance of interest expense for financial institutions, and hereby finds that the reasonably anticipated amount of tax-exempt obligations which are not private activity bonds (not treating qualified 501(c)(3) bonds under Section 145 of the Code as private activity bonds for the purpose of this representation) which will be issued by the County and all subordinate entities during calendar year 2012 does not exceed \$10,000,000.

8.05. Continuing Disclosure. (a) Limited Exemption from Rule. The Securities and Exchange Commission (the “SEC”) has promulgated amendments to Rule 15c2-12 under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (as in effect and interpreted from time to time, the “Rule”) which govern the obligations of certain underwriters to require that issuers of municipal Bonds enter into contracts for the benefit of the Bondholders to provide continuing disclosure with respect to the Bonds. This Board hereby finds, determines and declares that the Bonds are exempt from the application of paragraph (b)(5) of the Rule by reason of the exemption granted in paragraph (d)(2) thereof. Specifically, this Board hereby finds that the only “obligated person” (within the meaning of the Rule) with respect to the Bonds is the County and that, giving effect to the issuance of the Bonds and any other securities required to be integrated with the Bonds, there will be no more than \$10 million in principal amount of municipal securities outstanding on the date of issuance of the Bonds as to which the County is an obligated person (excluding municipal securities exempt from the Rule under paragraph (d)(1) thereof because, among other things, they were issued in minimum denominations of \$100,000). In making such finding, the County hereby represents that it has not issued within the six months before the date of issuance of the Bonds and that it reasonably expects that it will not issue within six months after the date of issuance of the Bonds, other securities of the County of substantially the same security and providing financing for the same general purpose or purposes as the Bonds. The exemption from the Rule for the Bonds is conditioned upon the County agreeing to provide certain continuing disclosure as hereinafter provided. The County has complied in all material respects with any undertaking previously entered into by it under the Rule.

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

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

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

(1) on or before 365 days after the end of each fiscal year of the County, commencing with the fiscal year ending December 31, 2011, the following financial information and operating data in respect of the County (the “Disclosure Information”):

(A) the audited financial statements of the County for such fiscal year, accompanied by the audit report and opinion of the accountant or government auditor relating thereto, as permitted or required by the laws of the State of Minnesota, containing balance sheets as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, showing in comparative form such figures for the preceding fiscal year of the County, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the County, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the County; and

(B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under headings: “Current Property Valuations,” “Direct Debt,” “Tax Levies and Collections,” “Population Trend,” and “Employment/Unemployment” which information may be unaudited.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the County shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the County shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, that have been filed with the SEC or have been made available to the public on the Internet Web site of the Municipal Securities Rulemaking Board (the “MSRB”). The County shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the County have materially changed or been discontinued, such Disclosure Information need no longer be provided if the County includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the County determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (3) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1), then the County shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events:

- (A) Principal and interest payment delinquencies;
- (B) Non-payment related defaults, if material;
- (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (E) Substitution of credit or liquidity providers, or their failure to perform;
- (F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (G) Modifications to rights of security holders, if material;

- (H) Bond calls, if material, and tender offers;
- (I) Defeasances;
- (J) Release, substitution, or sale of property securing repayment of the securities, if material;
- (K) Rating changes;
- (L) Bankruptcy, insolvency, receivership or a similar event with respect to the County;
- (M) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (N) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

(3) In a timely manner, notice of the occurrence of any of the following events or conditions:

- (A) the failure of the County to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
- (B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the County under subsection (d)(2);

- (C) the termination of the obligations of the County under this section pursuant to subsection (d);
- (D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information; and
- (E) any change in the fiscal year of the County.

(c) Manner of Disclosure.

(1) The County agrees to make available to the MSRB, in an electronic format as prescribed by the MSRB from time to time, the information described in subsection (b).

(2) The County further agrees to make available, by electronic transmission, overnight delivery, mail or other means, as appropriate, the information described in subsection (b) to any rating agency then maintaining a rating of the Bonds at the request of the County and, at the expense of such Bondowner, to any Bondowner who requests in writing such information, at the time of transmission under paragraph (1) of this subsection (c), or, if such information is transmitted with a subsequent time of release, at the time such information is to be released.

(3) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

(1) The covenants of the County in this section shall remain in effect so long as any Bonds are outstanding. Notwithstanding the preceding sentence, however, the obligations of the County under this section shall terminate and be without further effect as of any date on which the County delivers to the Registrar an opinion of City's current Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the County to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

(2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the County from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Bondowners of any Bonds, by a resolution of this City filed in the office of the recording officer of the County accompanied by an opinion of City's current Bond Counsel, who may rely on certificates of the County and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the County or the type of operations conducted by the County, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under

clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the County agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

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

Upon vote being taken thereon, the following voted in favor thereof:

Falk, Foldesi, Swanson, Phillipe and Walker;

and the following voted against the same:

none;

whereupon the resolution was declared duly passed and adopted.

NOTICE OF REDEMPTION

\$6,100,000 General Obligation Jail Bonds, Series 2006A
Dated as of April 20, 2006
Roseau County, Minnesota

NOTICE IS HEREBY GIVEN THAT there have been called for redemption and prepayment on February 1, 2015, all outstanding Bonds of the above-referenced issue maturing February 1 in the following years and amounts and having the interest rates listed below:

<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>	<u>CUSIP</u>
2016	\$280,000	4.000%	*
2017	290,000	4.000	*
2018	300,000	4.000	*
2019	310,000	4.000	*
2020	325,000	4.000	*
2021	340,000	4.000	*
2022	355,000	4.000	*
2023	365,000	4.000	*
2024	385,000	4.100	*
2025	400,000	4.125	*
2026	415,000	4.125	*
2027	435,000	4.200	*

* full call

The Bonds will be redeemed at a price of 100% of their principal amount plus accrued interest to the date of redemption. Holders of the Bonds should present them for payment to U.S. Bank National Association, St. Paul, Minnesota, as paying agent for the Bonds, at the address below, on or before said date, when they will cease to bear interest.

By Mail , Overnight Mail, or Courier Service:

U.S Bank National Association
West Side Flats - Operations Center
EP-MN-WS3C
60 Livingston Avenue
St. Paul, MN 55107

In Person, By Hand:

U.S Bank National Association
Bond Drop Window, First Floor
60 Livingston Avenue
St. Paul, MN 55107
651.495-3920

Important Notice: In compliance with the Economic Growth and Tax Relief Reconciliation Act of 2001, federal backup withholding tax will be withheld at the applicable backup withholding rate in effect at the time the payment by the redeeming institutions if they are not provided with your social security number or federal employer identification number, properly certified. This requirement is fulfilled by submitting a W-9 Form, which may be obtained at a bank or other financial institution.

The Paying Agent shall not be responsible for the selection of or use of the CUSIP number, nor is any representation made as to its correctness indicated in this Notice of Redemption. It is included solely for the convenience of the Holders.

Additional information may be obtained from the undersigned or from Ehlers & Associates, Inc., 3060 Centre Pointe Drive, Roseville, Minnesota 55113 (651-697-8500), financial advisor to the County.

Dated: MAY 8, 2012.

BY ORDER OF THE BOARD OF COUNTY
COMMISSIONERS OF ROSEAU
COUNTY, MINNESOTA

/s/ 
County Coordinator

Mr. Kimmel presented the Board with a plaque from Ehler's-Inc., in recognition of Standard & Poor's (S & P) assignment of an "A+" long-term rating with a stable outlook for the County's General Obligation Jail Refunding Bonds, Series 2012A. This reflects the County's strong and expanding manufacturing base, good income, strong wealth levels and low overall debt levels. S & P gave overall high marks for the County's strong financial position with a diverse tax base.

Upon motion carried, the Board adjourned the regular meeting at 11:45 a.m. The next regular meeting of the Board is scheduled for May 22, 2012 at 8:30 a.m.

Attest:

Date: _____

Jeff Pelowski, Interim County Coordinator
Roseau County, Minnesota

Russell Walker, Chair
Board of County Commissioners
Roseau County, Minnesota