

**OFFICIAL PROCEEDINGS
PENNINGTON COUNTY BOARD OF COMMISSIONERS
TUESDAY, JANUARY 22ND, 2013, 5:00 P.M.**

Pursuant to adjournment, the Pennington County Board of Commissioners met in the Pennington County Board Room in Thief River Falls, MN, on Tuesday, January 22nd, 2013 at 5:00 p.m. Members present: Cody Hempel, Donald Jensen, Neil Peterson, Oliver "Skip" Swanson, and Darryl Tveitbakk. Members absent: none.

Moved by Commissioner Jensen, seconded by Commissioner Tveitbakk that the first item at regular County Board Meeting be the Pledge of Allegiance to the Flag. Motion unanimously carried.

George Eilertson, Northland Securities presented the Bond Sale Results for issuance of \$1,035,000 General Obligation Drainage Ditch Bonds Series 2013A. Bids were received from BOSC, Inc. and Robert W. Bard & Co., Inc. Pennington County maintained its Standards and Poor A+ rating and funds from the bond sale if awarded will be available February 14th, 2013.

The Chair announced that the next order of business was consideration of the proposals that had been received for the purchase of the County's General Obligation Drainage Ditch Bonds, Series 2013A, in the original aggregate principal amount of \$1,035,000.

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

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

RESOLUTION NO. _____

A RESOLUTION AWARDING THE SALE OF GENERAL OBLIGATION DRAINAGE DITCH BONDS, SERIES 2013A, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,035,000; FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION AND DELIVERY; AND PROVIDING FOR THEIR PAYMENT

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

Section 1. Sale of Bonds.

1.01. Authorization of Sale of Bonds. Pursuant to a resolution adopted by the Board of Commissioners of the County (the "Board") on December 27, 2012 (the "Authorizing Resolution"), the Board gave preliminary approval to the issuance of the County's General Obligation Drainage Ditch Bonds, Series 2013A (the "Bonds"). The Bonds will be issued pursuant to the terms of Minnesota Statutes, Chapters 103D, 103E and 475, as amended (collectively, the "Act"), in order to finance the construction of drainage improvements for the Red Lake Watershed District (the "District") to Drainage Ditch No. 14 (Project No. 171) and improvements to the District (Thief River Falls Flood Drainage Reduction Project No. 171A) (collectively, the "Improvements").

1.02. Award to the Purchaser and Interest Rates. The proposal of BOSC, Inc., Menomonee Falls, Wisconsin (the “Purchaser”) to purchase the Bonds described in the Notice of Sale thereof is found and determined to be a reasonable offer and is accepted, the proposal being to purchase the Bonds at a price of \$1,042,928.50 (par amount of \$1,035,000.00, plus original issue premium of \$19,178.95, less underwriter’s discount of \$11,250.45), plus accrued interest to date of delivery, if any, for Bonds bearing interest as follows:

<u>Year</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Interest Rate</u>
2014	2.000%	2022*	2.000%
2015	2.000	2024*	2.000
2016	2.000	2026*	2.250
2017	2.000	2028*	2.500
2018	2.000	2030*	2.750
2019	2.000	2033*	3.000

* *Term Bonds*

Net interest cost: 2.4626683%

1.03. Purchase Contract. The sum of \$23,453.50, being the amount proposed by the Purchaser in excess of \$1,019,475.00, shall be credited to the Debt Service Fund hereinafter created or deposited in the Construction Fund hereinafter created, as determined by the County Auditor in consultation with the County’s financial advisor. The County Auditor is directed to retain the good faith check of the Purchaser, pending completion of the sale of the Bonds, and to return the good faith checks of the unsuccessful proposers. The Chair and County Auditor are directed to execute a contract with the Purchaser on behalf of the County.

1.04. Terms and Principal Amounts of the Bonds. The County will forthwith issue and sell the Bonds pursuant to the Act in the total principal amount of \$1,035,000, originally dated February 1, 2013, in the denomination of \$5,000 each or any integral multiple thereof, numbered No. R-1, upward, bearing interest as above set forth, and maturing serially on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2014	\$ 45,000	2022*	\$ 140,000
2015	45,000	2024*	105,000
2016	45,000	2026*	110,000
2017	45,000	2028*	110,000
2018	45,000	2030*	120,000
2019	45,000	2033*	180,000

* *Term Bonds*

1.05. Optional Redemption. The County may elect on February 1, 2020, and on any day thereafter to prepay Bonds due on or after February 1, 2021. Redemption may be in whole or in part and if in part, at the option of the County and in such manner as the County will determine. If less than all Bonds of a maturity are called for redemption, the County will notify DTC (as defined in Section 7 hereof) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus

accrued interest.

1.06 Mandatory Redemption; Term Bonds. The Bonds maturing on February 1, 2022, February 1, 2024, February 1, 2026, February 1, 2028, February 1, 2030, and February 1, 2033 shall hereinafter be referred to collectively as the “Term Bonds.” The principal amount of the Term Bonds subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Bonds credited against future mandatory sinking fund redemptions of such Term Bonds in such order as the County shall determine. The Term Bonds are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on February 1 of the following years and in the principal amounts as follows:

Sinking Fund Installment Date

<u>February 1, 2022 Term Bonds</u>	<u>Principal Amount</u>
2020	\$45,000
2021	45,000
2022*	50,000

* *Maturity*

<u>February 1, 2024 Term Bonds</u>	<u>Principal Amount</u>
2023	\$50,000
2024*	55,000

* *Maturity*

<u>February 1, 2026 Term Bonds</u>	<u>Principal Amount</u>
2025	\$55,000
2026*	55,000

* *Maturity*

<u>February 1, 2028 Term Bonds</u>	<u>Principal Amount</u>
2027	\$55,000
2028*	55,000

* *Maturity*

<u>February 1, 2030 Term Bonds</u>	<u>Principal Amount</u>
2029	\$55,000
2030*	65,000

* *Maturity*

<u>February 1, 2033 Term Bonds</u>	<u>Principal Amount</u>
2031	\$65,000
2032	60,000
2033*	55,000

* *Maturity*

Section 2. Registration and Payment.

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

2.02. Dates; Interest Payment Dates. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond will be dated as of the date of original issue. The interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2013, to the registered owners of record as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day.

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

(a) Register. The Registrar must keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

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

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

(d) Cancellation. Bonds surrendered upon transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the County.

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

(f) Persons Deemed Owners. The County and the Registrar may treat the person in whose name a Bond is registered in the bond register as the absolute owner of the Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes, and payments so made to a

registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

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

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

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

2.04. Appointment of Initial Registrar. The County appoints Northland Trust Services, Inc., Minneapolis, Minnesota, as the initial Registrar. The Chair and the County Auditor are authorized to execute and deliver, on behalf of the County, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar. The County agrees to pay the reasonable and customary charges of the Registrar for the services performed. The County reserves the right to remove the Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and must deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Board, the County Auditor must transmit to the Registrar moneys sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication and Delivery. The Bonds will be prepared under the direction of the County Auditor and executed on behalf of the County by the signatures of the Chair and the County Auditor, provided that all signatures may be printed, engraved or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of any Bond, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond will not be valid or obligatory for any purpose or entitled to any

security or benefit under this Resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on a Bond is conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so prepared, executed and authenticated, the County Auditor will deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

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

Section 3. Form of Bond.

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

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

Section 4. Payment: Security: Pledges and Covenants.

4.01. Debt Service Fund. The Bonds will be payable from the General Obligation Drainage Ditch Bonds, Series 2013A Debt Service Fund (the "Debt Service Fund") hereby created, and the proceeds of special assessments (the "Assessments") levied for the Improvements described in Section 1.01 financed by the Bonds are hereby pledged to the Debt Service Fund. If a payment of principal of or interest on the Bonds becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the County Auditor will pay such principal or interest from the general fund of the County, and the general fund will be reimbursed for such advances out of the proceeds of the Assessments levied by this resolution, when collected. There is hereby appropriated to the Debt Service Fund (i) capitalized interest financed from Bond proceeds, if any; (ii) amounts over the minimum purchase price of the Bonds paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03; and (iii) the accrued interest paid by the Purchaser upon closing and delivery of the Bonds, if any.

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

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

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

(a) Levy of Assessments. The County will cause the Assessments for the Improvements to be promptly levied so that the first installment will be collectible not later than 2013 and will take all steps necessary to assure prompt collection, and the levy of the Assessments is hereby authorized. The Board will cause all further actions and proceedings relative to the making and financing of the Improvements financed hereby to be taken with due diligence that are required for the construction of each Improvement financed wholly or partly from the proceeds of the Bonds, and for the final and valid levy of Assessments and the appropriation of any other funds needed to pay the Bonds and interest thereon when due.

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

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

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

4.05. County Auditor Certificate as to Registration. The County Auditor is authorized and directed to file a certified copy of this resolution and to provide the certificate required by Section 475.63 of the Act.

Section 5. Authentication of Transcript.

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

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

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

deliver to the Purchaser a suitable certificate as to absence of material litigation, and the County Auditor shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

Section 6. Tax Covenant.

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

6.02. No Rebate Required.

(a) The County will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds, and the rebate of excess investment earnings to the United States if the Bonds (together with other obligations reasonably expected to be issued in calendar year 2013) exceed the small-issuer exception amount of \$5,000,000.

(b) For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements, the County hereby finds, determines and declares that the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the County (and all subordinate entities of the County) during the calendar year in which the Bonds are issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

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

6.04. Qualified Tax-Exempt Obligations. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the County makes the following factual statements and representations:

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

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

(c) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) which will be issued by the County (and all subordinate entities of the County) during calendar year 2013 will not exceed \$10,000,000; and

(d) not more than \$10,000,000 of obligations issued by the County during calendar year 2013 have been designated for purposes of Section 265(b)(3) of the Code.

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

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

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

7.02. Participants. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the County, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository (the “Participants”) or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar) of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The County, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the County’s obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the County Auditor of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words “Cede & Co.” will refer to such new nominee of DTC; and upon receipt of such a notice, the County Auditor will promptly deliver a copy of the same to the Registrar and Paying Agent.

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

7.04. Transfers Outside Book-Entry System. In the event the County, by resolution of the Board, determines that it is in the best interests of the persons having beneficial interests in the Bonds that they be able to obtain Bond certificates, the County will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the County will issue, transfer and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Resolution. DTC may determine to discontinue providing its

services with respect to the Bonds at any time by giving notice to the County and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the County will issue and the Registrar will authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

7.05. Payments to Cede & Co. Notwithstanding any other provision of this resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and notices with respect to the Bond will be made and given, respectively in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 8. Continuing Disclosure.

8.01. Limited Continuing Disclosure. In order to qualify the Bonds for limited continuing disclosure under paragraph (d)(2) of Securities and Exchange Commission Rules, Section 15c2-12 (the "SEC Rule"), the County makes the following factual statement and representation: As of the date of delivery of the Bonds, the County will not be an obligated person (as defined in paragraph (f) of the SEC Rule) with respect to more than \$10,000,000 in aggregate amount of outstanding municipal securities, including the Bonds and excluding municipal securities that were exempt from the SEC Rule pursuant to paragraph (d)(1) thereof.

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

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

Section 9. Defeasance. When all Bonds and all interest thereon have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds will cease, except that the pledge of the full faith and credit of the County for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The County may discharge all Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full. If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner N. Peterson, and upon vote being taken thereon, the following voted in favor thereof: Jensen, Peterson, Hempel, Tveitbakk and Swanson. and the following voted against the same: None whereupon said resolution was declared duly passed and adopted.

EXHIBIT A

PROPOSALS



TABULATION OF BIDS
PENNINGTON COUNTY, MINNESOTA
\$1,035,000*
GENERAL OBLIGATION DRAINAGE DITCH BONDS, SERIES 2013A

AWARD: BOSC, INC
 DATE OF SALE: TUESDAY, JANUARY 22, 2013
 S&P RATINGS SERVICES UNDERLYING RATING: A+

BIDDER		ADJUSTED PURCHASE PRICE	NET INTEREST COST	TRUE INTEREST COST (TIC)					
BOSC, INC. Milwaukee, WI		\$1,042,928.50	\$283,271.50	2.4223777%					
<i>Amount</i>	<i>Rate</i>	<i>Maturity</i>	<i>Yield</i>	<i>Price</i>	<i>Amount</i>	<i>Rate</i>	<i>Maturity</i>	<i>Yield</i>	<i>Price</i>
\$45,000	2.00%	02/01/14	0.50%	101.440%	\$140,000	2.00%	02/01/22 [‡]	1.65%	102.293 [†] %
45,000	2.00	02/01/15	0.70	102.531	105,000	2.00	02/01/24 [‡]	1.95	100.323 [†]
45,000	2.00	02/01/16	0.80	103.507	110,000	2.25	02/01/26 [‡]	2.10	100.966 [†]
45,000	2.00	02/01/17	1.00	103.876	110,000	2.50	02/01/28 [‡]	2.30	101.279 [†]
45,000	2.00	02/01/18	1.10	104.335	120,000	2.75	02/01/30 [‡]	2.50	101.588 [†]
45,000	2.00	02/01/19	1.25	104.297	180,000	3.00	02/01/33 [‡]	2.80	101.256 [†]

BIDDER	PURCHASE PRICE	NET INTEREST COST	TRUE INTEREST COST (TIC)
BOSC, INC. Milwaukee, WI	\$1,057,954.85	\$292,095.15	2.4351400%
ROBERT W. BAIRD & CO., INC. Milwaukee, WI	\$1,035,474.15	\$343,875.85	2.9113452%

* Par amount decreased from \$1,050,000 to \$1,035,000.

[‡] Bonds maturing in the years 2022, 2024, 2026, 2028, 2030, and 2033 shall be redeemed by lot on February 1 at their principal amount, without any premium, plus accrued interest thereon to such redemption date in the following years and principal amounts or, if less than such amount is then outstanding, an amount equal the aggregate principal amount of the Bonds then outstanding: (i) February 1, 2020 \$45,000, February 1, 2021 \$45,000, and February 1, 2022 \$50,000, (ii) February 1, 2023 \$50,000 and February 1, 2024 \$55,000, (iii) February 1, 2025 \$55,000 and February 1, 2026 \$55,000, (iv) February 1, 2027 \$55,000 and February 1, 2028 \$55,000, (v) February 1, 2029 \$55,000 and February 1, 2030 \$65,000, (vi), and February 1, 2031 \$65,000, February 1, 2032 \$60,000, and February 1, 2033 \$55,000.

[†] Bonds priced to par call.

EXHIBIT B
FORM OF BOND

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

GENERAL OBLIGATION DRAINAGE DITCH BOND
SERIES 2013A

<u>Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	February 1, 20__	February 1, 2013	

Registered Owner: Cede & Co.

Pennington County, Minnesota (the “County”), a duly organized and existing municipal corporation in Minnesota, acknowledges itself to be indebted and for value received promises to pay to the Registered Owner specified above or registered assigns, the principal sum of \$_____ on the maturity date specified above, with interest thereon from the date hereof at the annual rate specified above, payable February 1 and August 1 in each year, commencing August 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. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by Northland Trust Services, Inc., Minneapolis, Minnesota, as Registrar, Paying Agent, Transfer Agent and Authenticating Agent, or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the County have been and are hereby irrevocably pledged.

The County may elect on February 1, 2020, and on any day thereafter to prepay Bonds due on or after February 1, 2021. Redemption may be in whole or in part and if in part, at the option of the County and in such manner as the County will determine. If less than all Bonds of a maturity are called for redemption, the County will notify Depository Trust Company (“DTC”) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

The Bonds maturing on February 1, 2022, February 1, 2024, February 1, 2026, February 1, 2028, February 1, 2030, and February 1, 2033 shall hereinafter be referred to collectively as the “Term Bonds.” The principal amount of the Term Bonds subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Bonds credited against future mandatory sinking fund redemptions of such Term Bonds in such order as the County shall determine. The Term Bonds are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on February 1 of the following years and in the principal amounts as follows:

Sinking Fund Installment Date

<u>February 1, 2022 Term Bonds</u>	<u>Principal Amount</u>
2020	\$45,000
2021	45,000
2022*	50,000

* *Maturity*

<u>February 1, 2024 Term Bonds</u>	<u>Principal Amount</u>
2023	\$50,000
2024*	55,000

* *Maturity*

<u>February 1, 2026 Term Bonds</u>	<u>Principal Amount</u>
2025	\$55,000
2026*	55,000

* *Maturity*

<u>February 1, 2028 Term Bonds</u>	<u>Principal Amount</u>
2027	\$55,000
2028*	55,000

* *Maturity*

<u>February 1, 2030 Term Bonds</u>	<u>Principal Amount</u>
2029	\$55,000
2030*	65,000

* *Maturity*

<u>February 1, 2033 Term Bonds</u>	<u>Principal Amount</u>
2031	\$65,000
2032	60,000
2033*	55,000

* *Maturity*

This Bond is one of an issue in the aggregate principal amount of \$1,035,000 all of like original issue date and tenor, except as to number, maturity date, redemption privilege, and interest rate, all issued pursuant to a resolution adopted by the Board of Commissioners on January 22, 2012 (the "Resolution"), for the purpose of providing money for the construction of assessable improvements to various public drainage ditches within the County, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapters 103D, 103E and 475, as amended, and the principal hereof and interest hereon are payable primarily from special assessments levied against properties specially benefited by the improvements, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the County are irrevocably

pledged for payment of this Bond and the Board of Commissioners has obligated itself to levy ad valorem taxes on all taxable property in the County in the event of any deficiency in special assessments, which taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

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

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

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

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the County in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond does not cause the indebtedness of the County to exceed any constitutional or statutory limitation of indebtedness.

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

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

Dated: February 1, 2013

**PENNINGTON COUNTY,
MINNESOTA**

(Facsimile)
Chair

(Facsimile)
County Auditor

CERTIFICATE OF AUTHENTICATION

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

**NORTHLAND TRUST SERVICES,
INC.**

By _____
Authorized Representative

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

UNIF GIFT MIN ACT

Custodian _____
(Cust) (Minor)

TEN ENT -- as tenants by entireties

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

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

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP"), the New York Stock Exchange, Inc. Medallion Signatures Program ("MSP") or other such "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

The Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address: _____

(Include information for all joint owners if this Bond is held by joint account.)

Please insert social security or other identifying number of assignee

PROVISIONS AS TO REGISTRATION

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

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

Scott Sommers, Human Services Financial officer, presented the Human Service Consent Agenda from the January 15th Committee Meeting. On a motion by Commissioner Jensen, seconded by Commissioner Tveitbakk, the following recommendations of the Pennington County Human Services Committee for January 15th, 2013 (detailed minutes on record) are hereby adopted:

SECTION A

- I. Approval of the December 18, 2012 Human Service Committee meeting minutes.

- II. Approval to renew the contract with the Minnesota Department of Human Services to participate in the Local Collaborative Time Study.

SECTION B

- I. Approve payment of the agency's bills.

County Sheriff, Ray Kuznia, discussed applying for an Emergency Management Preparedness Grant to help fund a part-time Emergency Management staff. Moved by Commissioner Peterson, seconded by Commissioner Jensen to authorize the County Sheriff to apply for the Emergency Management Preparedness Grant as discussed. Motion unanimously carried.

Lori Marquis, Highway Accountant, presented a request to advertise for fuel, equipment rental and culvert bids for 2013 and to approve the Truck Highway #59 Detour Route as requested from MNDOT.

Commissioner Jensen moved, seconded by Commissioner Peterson, to authorize the County Engineer and County Auditor to advertise for Fuel, Culvert and Equipment Rental bids for 2013, with bids to be opened March 12th, 2013 at 10:00 a.m. Motion unanimously carried.

Commissioner Peterson moved, seconded by Commissioner Jensen to approve the MNDOT Detour Agreement No. 02892 allowing CSAH #3 to be used as a detour route while MNDOT replaces a bridge along TH #59 in Plummer starting June 17th, 2013. Motion unanimously carried.

The County Auditor presented a request from the Northwest Minnesota Multi-County Housing and Redevelopment Authority for a letter of support to continue their tax levy legislation for an addition five year period.

Moved by Commissioner Swanson, seconded by Commissioner Tveitbakk, to send a letter of support for a five year extension of the Northwest Minnesota Multi County Housing and Redevelopment Authority levy. Motion unanimously carried.

The County Board then reviewed correspondence from the University of Minnesota Extension regarding funding of the Supplemental Nutrition Assistance Program. There has been a 28% reduction in federal funding for FY 2013.

Motioned by Commissioner Tveitbakk, seconded by Commissioner Peterson, to approve payment of the Human Services warrants totaling \$184,263.43 and also the following Commissioner warrants. Motion unanimously carried.

WARRANTS

County Revenue	\$33,965.71
Road & Bridge	\$68,665.19
Solid Waste Facility	\$ 8,474.80

Per diems and meal reimbursements in the amount of \$316.16 were also approved.

Moved by Commissioner Jensen, seconded by Commissioner Tveitbakk, to approve the minutes of January 8th, 2013 as written. Motion carried.

The County Board then discussed looking at a Personal Computer replacement Plan, new chairs for the Board Room, Department Head meetings and Planning. Need two representatives one from the Highway Department and one from the Sheriff's Department to attend LEAN Training.

Moved by Commissioner Tveitbakk, seconded by Commissioner Swanson to adjourn to 10:00 a.m. February 12th, 2013. Motion carried.

ATTEST:

Kenneth Olson, Auditor
Pennington County

Cody Hempel, Chairman
Board of Commissioners