

PROCEEDINGS OF THE COUNTY BOARD

State of Minnesota
County of Kanabec
Office of the County Coordinator

April 25, 2001

The Kanabec County Board of Commissioners met at 6:30pm on Wednesday, April 25, 2001 pursuant to adjournment with the following Board Members present: Dennis Schulz, Stan Cooper, Kathi Ellis, Dennis McNally and Dave Ulstrom.

It was moved by Dennis Schulz, and seconded by Dave Ulstrom, and carried unanimously to approve the agenda as amended.

6:35pm - A Public Hearing was held regarding the use of general obligation bond proceeds to construct a medical facility which would be leased in part to a qualified 501(c)(3) organization. The meeting notice was read aloud by the board clerk after which the Chairperson called for public comment. Following the comment period, the Public Hearing was declared closed.

Commissioner Dave Ulstrom introduced the following resolution and its adoption:

Resolution 1-04/25/01

RESOLUTION RELATING TO GENERAL OBLIGATION MEDICAL FACILITIES BONDS, SERIES 2001, OF KANABEC COUNTY; GRANTING FINAL APPROVAL

SECTION 1. RECITALS.

1.01. Pursuant to a resolution adopted by this Board on March 21, 2001 (the Authorizing Resolution), the Board called a public hearing on the issuance by Kanabec County, Minnesota (the County) of its general obligation medical facilities bonds (the Bonds) to construct and equip a medical facility (the Project), to be attached to the Kanabec County Hospital in the city of Mora, Minnesota.

1.02. At a public hearing, duly noticed and held on April 25, 2001, in accordance with the Section 147(f) of the Internal Revenue Code of 1986, on the proposal to undertake the Project and the issuance of Bonds, all parties who appeared at the hearing were given an opportunity to express their views with respect to the proposal to undertake the financing of the Project and the issuance of Bonds, and interested persons were given the opportunity to submit written comments to the County Coordinator before the time of the hearing.

SECTION 2. FINDINGS.

2.01. Based on the public hearing, such written comments (if any) and such other facts and circumstances as this Board deems relevant, this Board hereby finds, determines, declares that the

financing of the Project and the issuance of Bonds in an amount not to exceed \$3,785,000 are in the best interest of the County and final approval is hereby granted.

2.02. The Authority intends to lease a portion of the Project to Allina Health Systems, a Minnesota non-profit corporation and a qualified 501(c)(3) organization.

2.03. All other representations and findings set forth in the Authorizing Resolution are hereby reaffirmed.

2.04. This resolution shall be in full force and effect from and after its passage.

The motion for the adoption of the foregoing Resolution was duly seconded by Commissioner Dennis Schulz and upon a vote being taken thereon, the following voted:

IN FAVOR THEREOF: Dennis McNally, Dennis Schulz, Dave Ulstrom,
Kathi Ellis, Stan Cooper

OPPOSED: None

ABSTAIN: None

whereupon the resolution was declared duly passed and adopted.

It was reported that four sealed bids for the purchase of \$3,785,000 General Obligation Medical Facilities Bonds, Series 2001 were received prior to 10:00 a.m. pursuant to the Official Statement distributed to potential purchasers of the Bonds by Ehlers & Associates, Inc., financial consultant to the County. The bids have been publicly opened, read and tabulated and were found to be as follows:

Cronin & Co., Inc.	= 4.9581%
U.S. Bankcorp	= 4.9581%
Stephens, Inc.	= 4.9995%
Griffin, Kubik, et.al	= 5.0050%

Dennis Schulz introduced the following resolution and its adoption:

Resolution 2-04/25/01

RESOLUTION RELATING TO \$3,785,000 GENERAL OBLIGATION MEDICAL FACILITIES BONDS, SERIES 2001; AUTHORIZING THE ISSUANCE, AWARDDING THE SALE, FIXING THE FORM AND DETAILS, AND PROVIDING FOR EXECUTION AND DELIVERY THEREOF AND SECURITY THEREFOR

BE IT RESOLVED by the Board of County Commissioners (the ABoard@) of Kanabec County, Minnesota (the ACounty@), as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. This Board hereby determines that it is in the best interest of the County to issue its \$3,785,000 General Obligation Medical Facilities Bonds, Series 2001 of the County (the ABonds@), the proceeds to be used to construct and equip a medical facility in the city of Mora, Minnesota (the Project), as approved by the electors at an election held on November 7, 2000.

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 Official Statement, sealed bids for the purchase of the Bonds were received at or before the time specified for receipt of bids. The bids have been opened and publicly 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 proposal received is that of Cronin & Company, Inc., in Minneapolis, Minnesota, and associates (the APurchaser@), to purchase the Bonds at a price of \$3,758,021.50 plus interest accrued on the Bonds to the date of delivery, the Bonds to bear interest at the rates set forth in Section 2.01 hereof.

1.03. Award. The proposal is reasonable and advantageous to the County and is hereby accepted, and the Chairperson of the County Board and the County Coordinator are hereby authorized and directed to execute a contract on the part of the County with the Purchaser for the sale of the Bonds. The County Coordinator shall retain and deposit the good faith deposit of the Purchaser in accordance with the Terms of Proposal but any good faith checks of unsuccessful bidders shall be returned forthwith.

1.04. Supplemental Resolution for Term Bonds. Should the Purchaser determine that any Bonds be issued in the form of term bonds, the Board shall, by a separate and supplemental resolution, set forth further terms and provisions as necessary to provide for the issuance of the term bonds. Should the Purchaser determine that the Bonds be issued only in the form of serial bonds, no further resolution of the Board shall be required.

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

2.01. Issuance of Bonds. 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 prior to the issuance of the Bonds having been done, existing, having happened and having been performed, it is now necessary for this Board to establish the form and terms of the Bonds, to provide for the security thereof and to issue the Bonds forthwith.

2.02. Maturities: Interest Rates: Denominations and Payment. The Bonds shall be designated AGeneral Obligation Medical Facilities Bonds, Series 2001,@ shall be in denominations of \$5,000 or any integral multiple thereof, shall mature on May 1 in the years and amounts set forth below, and Bonds maturing in such years and amounts shall bear interest from date of issue until paid, or duly called for redemption, at the annual rates shown opposite such years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2003	\$120,000	4.00%	2013	\$185,000	4.75%
2004	125,000	4.00%	2014	195,000	4.80%
2005	130,000	4.00%	2015	200,000	4.85%
2006	135,000	4.00%	2016	215,000	4.90%
2007	140,000	4.15%	2017	225,000	5.00%
2008	150,000	4.25%	2018	235,000	5.00%

2009	155,000	4.40%	2019	250,000	5.00%
2010	160,000	4.50%	2020	260,000	5.00%
2011	165,000	4.55%	2021	275,000	5.00%
2012	175,000	4.70%	2022	290,000	5.00%

The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof shall be payable by check or draft issued by the Registrar described herein; provided that, so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.07 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.03. Dates and Interest Payment Dates. Each Bond shall bear a date of original issue of May 1, 2001. Upon the initial delivery of the Bonds pursuant to Section 2.08 and upon any subsequent transfer or exchange pursuant to Section 2.06, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. The interest on the Bonds shall be payable on May 1 and November 1, commencing November 1, 2001, to the owners of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day.

2.04. Redemption. Bonds maturing in 2012 and later years shall be subject to redemption and prepayment at the option of the County, in whole or in part, in such order of maturity dates as the County may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in multiples of \$5,000, on May 1, 2011, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The County Coordinator 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 2.06 hereof, 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 owner without charge, representing the remaining principal amount outstanding.

2.05. Appointment of Initial Registrar. The County hereby appoints U.S. Bank Trust National Association Bank, in St. Paul, Minnesota, as the initial bond registrar, transfer agent and paying agent (the Registrar). The Chairperson and the 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 upon thirty days' notice and upon the appointment 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 to the successor Registrar.

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

(a) Register. The Registrar shall keep at its principal corporate trust office a bond

register in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender to the Registrar 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 series, 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 Bond is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Bonds of a like series, aggregate principal amount and maturity, as requested by the registered owner or the owner=s attorney duly authorized in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly cancelled 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 its 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 such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner=s order shall be valid and effectual to satisfy and discharge the liability of the County upon such 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 lost, stolen or destroyed, the Registrar shall deliver a new Bond of like series, 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 such Bond lost, stolen or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Bond was lost, stolen or destroyed, 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 cancelled by it and evidence of such cancellation shall be given to the County. If the mutilated, lost, stolen or destroyed 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.

(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.

2.07. Securities Depository. (a) For purposes of this section the following terms shall have the following meanings:

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

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

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

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

Representation Letter shall mean the Representation Letter pursuant to which the sender agrees to comply with DTC's Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the County may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the County shall be affected by any notice to the contrary. Neither the Registrar nor the County shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, 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 with DTC, 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. 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 of the County Board and the County Coordinator; provided that said signatures may be printed, engraved, or lithographed facsimiles thereof. 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 such 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 so executed and authenticated, they shall be delivered by the County Coordinator to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

SECTION 3. FORM OF BONDS. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF KANABEC

GENERAL OBLIGATION MEDICAL FACILITIES BOND, SERIES 2001

<u>Interest Rate</u>	<u>Date of Maturity Date</u>	<u>Original Issue</u>	<u>CUSIP</u>
		May 1, 2001	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KANABEC COUNTY, MINNESOTA (the County), acknowledges itself to be indebted and, for value received, hereby promises to pay to the registered owner named above, or registered assigns, the principal amount specified above, on the maturity date specified above, with interest thereon from the date of original issue hereof or from the most recent interest payment date to which interest has been paid or duly provided for, at the annual rate specified above. Interest hereon is payable on May 1 and November 1 in each year, commencing November 1, 2001, 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, all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. 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 U.S. Bank Trust National Association, St. Paul, Minnesota, as bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the Registrar). For the prompt and full payment of such principal and interest as the same become due, the full faith, credit and taxing powers of the County are hereby irrevocably pledged.

This Bond is one of an issue in the aggregate principal amount of \$3,785,000 (the Bonds), issued by the County for the construction and equipping of a medical facility to be located in the city of Mora, Minnesota, and is issued pursuant to and in full conformity with resolutions of the County Board, including a resolution adopted April 25, 2001 (the Resolution), and authority conferred by more than the requisite majority vote of the qualified electors of the County voting on the question of its issuance at an election duly and legally called and held, and 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 2012 and later years shall be subject to redemption and prepayment at the option of the County, in whole or in part, in such order of maturity dates as the County may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in multiples of \$5,000, on May 1, 2011, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The County Coordinator 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 2.06 hereof, 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 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 agent 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 as Aqualified tax-exempt obligations@ within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

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 precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the County in accordance with its terms have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required; that the County has appropriated the proceeds of the Bonds, together with such other legally available funds of the County as may be required, to pay costs of the Project; that the County anticipates that the net revenues of the Project will be sufficient to pay when due all principal of and interest on the Bonds; that if necessary for payment of such principal and interest, ad valorem taxes are required to be levied upon all taxable property in the County, without limitation as to rate or amount; and that the issuance of this Bond 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, the County of Kanabec, State of Minnesota, by its Board of County Commissioners, has caused this Bond to be executed by the facsimile signatures of the Chairperson of the Board of County Commissioners and the County Coordinator.

KANABEC COUNTY, MINNESOTA

(Facsimile Signature-County Coordinator)

(Facsimile Signature-Chairperson)

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

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

U.S. BANK TRUST NATIONAL ASSOCIATION, as Registrar

By _____ Authorized Representative

[Insert legal opinion]

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

TEN COM -- as tenants in common

UTMA as Custodian for
(Cust) (Minor)

TEN ENT -- as tenants by the entireties

under Uniform Transfers to Minors Act
(State)

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

Additional abbreviations may also be used.

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 enlargement or any change whatsoever.

Signature Guaranteed: _____

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, 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 4. CONSTRUCTION FUND. There is hereby established in the official books and records of the County, a separate Medical Facilities Bonds, Series 2001 Construction Fund (the AConstruction Fund@). The County Auditor-Treasurer shall continue to maintain the Construction Fund until payment of all costs and expenses incurred in connection with the construction of the Project have been paid. To the Construction Fund there shall be credited from the proceeds of the Bonds, exclusive of accrued interest, capitalized interest or unused discount, received from the Purchaser and from the Construction Fund there shall be paid all construction costs and expenses of the Project and the issuance of the Bonds. After payment of all costs incurred with respect to the Project and the issuance of the Bonds, the Construction Fund shall be discontinued and any proceeds of the Bonds remaining therein shall be credited to the Bond Fund described in Section 5 hereof.

SECTION 5. BOND FUND. So long as any of the Bonds are outstanding and any principal of or interest thereon unpaid, the County Auditor-Treasurer shall maintain a separate debt service fund on the official books and records of the County to be known as the General Obligation Medical Facilities Bonds, Series 2001 Bond Fund (the Bond Fund), and the principal of and interest on the Bonds shall be payable from the Bond Fund. The County irrevocably appropriates to the Bond Fund (a) any amount in excess of \$3,728,225 received from the Purchaser; (b) the amounts specified in Section 4 above, after payment of all costs of the Projects; (c) all taxes levied and collected in accordance with this resolution; and (d) all other moneys as shall be appropriated by the County Board to the Bond Fund from time to time, including revenues (including lease revenues) derived from the Project.

There are hereby established two accounts in the Bond Fund, designated as the "Debt Service Account" and the "Surplus Account." There shall initially be deposited into the Debt Service Account upon the issuance of the Bonds the amount set forth in (a) above. Thereafter, during each Bond Year (i.e., each twelve month period commencing on May 2 and ending on the following May 1), as monies are received into the Bond Fund, the County Auditor-Treasurer shall first deposit such monies into the Debt Service Account until an amount has been appropriated thereto sufficient to pay all principal and interest due on the Bonds through the end of the Bond Year. All subsequent monies received in the Bond Fund during the Bond Year shall be appropriated to the Surplus Account. If at any time the amount on hand in the Debt Service Account is insufficient for the payment of principal and interest then due, the County Auditor-Treasurer shall transfer to the Debt Service Account amounts on hand in the Surplus Account to the extent necessary to cure such deficiency. Investment earnings (and losses) on amounts from time to time held in the Debt Service Account and Surplus Account shall be credited or charged to said accounts.

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 Surplus Account in the Bond Fund when the balance therein is sufficient, and the County 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 6. PLEDGE OF FULL FAITH AND CREDIT. The full faith, credit and taxing powers of the County are hereby irrevocably pledged for the prompt and full payment of the principal of and interest on the Bonds when due, and if necessary for the payment of such principal and interest the County will levy ad valorem taxes on all taxable property within its corporate limits, without limitation as to rate or amount. However, the County presently estimates that the revenues from the Project available to be appropriated to the Bond Fund, together with any other funds to be appropriated by the County to the Bond Fund, will be at least five percent in excess of the amounts needed to meet when due the principal and interest payments on the Bonds and therefore no ad valorem taxes are required to be levied at this time.

SECTION 7. DEFEASANCE. When any Bond has been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holder of such Bond shall cease. The County may discharge its obligations with respect to any Bonds which are due on any date by irrevocably 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 to the date of such deposit. 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 qualified by law as an escrow agent for this purpose, cash or securities which are general obligations of the United States or securities of United States agencies which are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to pay all principal and interest to become due thereon to maturity.

SECTION 8 CERTIFICATION OF PROCEEDINGS.

8.01. Registration of Bonds. The County Coordinator is hereby authorized and directed to file a certified copy of this resolution in the records of the County, together with such additional information as required, and to issue a certificate that the Bonds have been duly entered upon the County Auditor-Treasurer's bond register.

8.02. Authentication of Transcript. The officers of the County are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records of the County relating to the Bonds and to the financial condition and affairs of the County, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds as they appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the County to the facts recited herein.

8.03. Official Statement. The Official Statement relating to the Bonds, dated April 12, 2001, and the supplement thereto, prepared and delivered on behalf of the County by Ehlers & Associates, Inc., 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 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 thereof.

8.04. Authorization of Payment of Certain Costs of Issuance of the Bonds. The County authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to Resource Bank & Trust Company, Minneapolis, Minnesota, on the closing date for further distribution as directed by the County's financial advisor, Ehlers & Associates, Inc.

SECTION 9 TAX COVENANTS; ARBITRAGE MATTERS; REIMBURSEMENT AND CONTINUING DISCLOSURE.

9.01. General Tax Covenant. The County covenants and agrees with the registered owners from time to time of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any action which would cause the interest payable on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the Code) and regulations issued thereunder, in effect at the time of such action, and that it will take, or it will cause its officers, employees or agents to take, all affirmative actions within its powers which may be necessary to 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.

9.02. Specific Tax Covenants. In order to ensure that the interest on the Bonds shall at all times be not includable in gross income for purposes of federal income taxation, the County specifically represents, warrants and covenants with the Registrar and all Holders from time to time of the Bonds:

(a) that it will fulfill all conditions specified in Section 103 and 141 through 150 of the Code and applicable Treasury Regulations as necessary to maintain the tax-exempt status of the interest borne by the Bonds;

(b) that all of the Project is and will be owned and operated by a governmental unit or organizations described in Section 501(c)(3) of the Code;

(c) that less than five percent (5%) of the net proceeds of the Bonds will be used to provide property used either (i) by an organization described in Section 501(c)(3) of the Code in an activity which constitutes an unrelated trade or business, or (ii) in a trade or business by a Person other than an organization described in Section 501(c)(3) of the Code or a governmental unit (within the meaning of Section 141 of the Code), or (iii) will be used to pay costs of issuance of the Bonds;

(d) that not more than two percent (2%) of the Bonds will be applied to the payment of issuance costs within the meaning of Section 147(g) of the Code, and that all costs of issuance in excess of that amount will be paid by the County from funds other than proceeds of the Bonds;

(e) that the County has not leased, sold assigned, granted or conveyed and will not lease, sell, assign, grant or convey all or any portion of the Project or any interest therein to the United States of any agency or instrumentality hereof thereof within the meaning of Section 149(b) of the Code;

(f) that there are no outstanding obligations of a political subdivision the proceeds of which have been or will be used by the County or any affiliate with respect to the facilities

financed by the Bonds;

(g) that as of the date hereof, the County and the Allina Health Systems are the only principal users of the Project and that the County will not permit any Person to become a principal user of those facilities if such transaction would cause the interest on the Bonds to become includable in gross income for federal income tax purposes;

(h) that the average maturity of the Bonds does not exceed 120% of the average reasonably expected economic life of the Project as determined in accordance with Section 147(b) of the Code;

(i) that no obligations have been or will be issued under the Code that are sold at substantially the same time as the Bonds pursuant to the same plan of marketing that are reasonably expected to be paid in whole or in part by the County or have with the Bonds any common or pooled security for the payment of debt service thereon, without regard to guaranties from unrelated parties;

(j) that it will provide all information required to satisfy the informational requirements set forth in Section 149(e) of the Code, including the information necessary to complete IRS Form 8038;

(k) that it will not use the proceeds of the Bonds in such a manner as to cause the Bonds to be Arbitrage bonds within the meaning of Section 148 of the Code and applicable Treasury Regulations; that it will pay any amount necessary to be paid the United States as an arbitrage rebate; the provisions of this subparagraph (k) shall survive the retirement and payment of the Bonds and the discharge of the other obligations of the County hereunder;

(l) that all capital expenditures to be financed with proceeds of the Bonds were or will be paid or incurred after August 5, 1997, and thereof the limitation contained in Section 145(b) of the Code is inapplicable to the Bond;

(m) that it will comply with and fulfill all other requirements and conditions of the Code and Treasury Regulations and rulings issued pursuant thereto relating to the acquisition, construction and operation of the facilities financed or refinanced by the Bonds to the end that interest on the Bonds shall at all times not be includable in gross income for purposes of federal income taxation; and

(n) that the County will deliver to the Purchaser, at or before the bond closing date, a County Tax Certificate stating the County's expectations as to the application of proceeds of the Bonds and as to such other matters as are required by Bond Counsel.

9.03. 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 the applicable provisions of the Code and Treasury Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds, it is reasonably expected that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be Arbitrage bonds within the meaning of the Code and Treasury Regulations.

9.04. 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 and to the extent the Bonds qualify for the spending exceptions from the rebate requirement under Section 148(f)(4)(B) of the Code and 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. In furtherance of the foregoing, the Chairperson and the County Coordinator are hereby authorized and directed to execute a Rebate Certificate, in the form prepared by Bond Counsel, and the County hereby covenants and agrees to observe and perform the covenants and agreements contained therein, unless amended or terminated in accordance with the provisions thereof.

9.05. Qualified Tax-exempt Obligations. The Board of Commissioners 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 qualified tax-exempt obligations (within the meaning of Section 265(b)(3) of the Code) which will be issued by the County and all subordinate entities during calendar year 2001 does not exceed \$10,000,000.

9.06. Reimbursement. The County certifies that the proceeds of the Bonds will not be used by the County to reimburse itself for any expenditure with respect to the Project which the County paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the County shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations; provided that a declaration of official intent shall not be required (i) with respect to certain de minimis expenditures, if any, with respect to the Project meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to "preliminary expenditures" for the Project as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the "issue price" of the Bonds.

9.07 Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. ' 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Bonds, the County hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The County is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. 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 Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered

owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (b) 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:

(10) on or before 365 days after the end of each fiscal year of the County, commencing with the fiscal year ending December 31, 2000, the following financial information and operating data in respect of the County (the Disclosure Information):

(1) the audited financial statements of the County for such fiscal year, 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

(2) 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, Larger Taxpayers, Direct Debt, Debt Ratios, Tax Levies and Collections, Population Trend and Employment/Unemployment.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the County shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the County shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to each of the repositories hereinafter referred to under subsection (c) or the SEC. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The County shall clearly identify in the Disclosure

Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the County have materially changed or been discontinued, such Disclosure Information need no longer be provided if the County includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other County operations in respect of which data is not included in the Disclosure Information and the County determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the County shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner, notice of the occurrence of any of the following events which is a Material Fact (as hereinafter defined):

- (A) Principal and interest payment delinquencies;
- (B) Non-payment related defaults;
- (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 or events affecting the tax-exempt status of the security;
- (G) Modifications to rights of security holders;
- (H) Bond calls;
- (I) Defeasances;
- (J) Release, substitution, or sale of property securing repayment of the securities;
and
- (K) Rating changes.

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

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

- (3) the failure of the County to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
- (4) 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);
- (5) the termination of the obligations of the County under this section pursuant to subsection (d);
- (6) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
- (7) any change in the fiscal year of the County.

(c) Manner of Disclosure. The County agrees to make available the information described in subsection (b) to the following entities by telecopy, overnight delivery, mail or other means, as appropriate:

- (1) the information described in paragraph (1) of subsection (b), to each then nationally recognized municipal securities information repository under the Rule and to any state information depository then designated or operated by the State of Minnesota as contemplated by the Rule (the State Depository), if any;
- (2) the information described in paragraphs (2) and (3) of subsection (b), to the Municipal Securities Rulemaking Board and to the State Depository, if any; and
- (3) 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 paragraphs (1) or (2) of this subsection (c), as the case may be, or, if such information is transmitted with a subsequent time of release, at the time such information is to be released.

(d) Term; Amendments; Interpretation.

- (1) The covenants of the County in this section shall remain in effect so long as any Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the County under this section shall terminate and be without further effect as of any date on which the County delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the County to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.
- (2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the County from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of this Council filed in the office of the recording officer of the County accompanied by an opinion of Bond Counsel, who may rely on certificates of the County and others and the opinion may be subject to customary qualifications, to the

effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the County or the type of operations conducted by the County, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

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

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

The motion for the adoption of the foregoing Resolution was duly seconded by Dave Ulstrom and upon a vote being taken thereon, the following voted:

IN FAVOR THEREOF: Dennis McNally, Dennis Schulz, Dave Ulstrom,
Kathi Ellis, Stan Cooper

OPPOSED: None

ABSTAIN: None

whereupon the resolution was declared duly passed and adopted.

Kathi Ellis introduced the following resolution and its adoption:

Resolution 3-04/25/01

SUPPLEMENTAL RESOLUTION RELATING TO \$3,785,000 GENERAL OBLIGATION MEDICAL FACILITIES BONDS, SERIES 2001

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

SECTION 1. AWARDING RESOLUTION. By resolution duly adopted on April 25, 2001, entitled "Resolution Relating to \$3,785,000 General Obligation Medical Facilities Bonds, Series 2001; Authorizing the Issuance, Awarding the Sale, Fixing the Form and Details, and Providing for Execution and Delivery Thereof and Security Therefor" (the Awarding Resolution) the Board awarded the sale of

\$3,785,000 General Obligation Medical Facilities Bonds, Series 2001 (the Bonds) to the Purchaser, as described in the Awarding Resolution.

SECTION 2. DESIGNATION OF TERM BONDS BY PURCHASER. In accordance with the Terms of Proposal, the Purchaser was allowed the option of designating a maturity schedule consisting of serial and/or term bonds subject to mandatory redemption. The Purchaser offered to purchase the Bonds based on a maturity schedule including term bonds, the Board accepted such bid and Chairperson and County Coordinator have executed a contract on behalf of the County for the sale of the Bonds to the Purchaser.

SECTION 2. The following modifications to the Awarding Resolution are necessary:

(A) The maturity schedule set forth in Section 2.02 shall be revised to read as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2003	\$120,000	4.00%	2012	\$175,000	4.70%
2004	125,000	4.00%	2013	185,000	4.75%
2005	130,000	4.00%	2014	195,000	4.80%
2006	135,000	4.00%	2015	200,000	4.85%
2007	140,000	4.15%	2016	215,000	4.90%
2008	150,000	4.25%	2017	225,000	5.00%
2009	155,000	4.40%	2021	1,020,000	5.00%
2010	160,000	4.50%	2022	290,000	5.00%
2011	165,000	4.55%			

(B) A new paragraph shall be added to Section 2.04, reading as follows:

Bonds maturing on May 1, 2021, shall be subject to mandatory redemption prior to maturity pursuant to the sinking fund requirements of this Section 2.04 at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Registrar shall select for redemption, by lot or other manner deemed fair, on May 1 in each of the following years the following stated principal amounts of such Bonds:

<u>Year</u>	<u>Principal Amount</u>
2018	\$235,000
2019	250,000
2020	260,000

The remaining \$275,000 stated principal amount of such Bonds shall be paid at maturity on May 1, 2021. Notice of redemption shall be given as provided in the preceding paragraph.

(C) Section 3 is modified by adding the following paragraph to the Form of Bonds following the paragraph beginning with the words "Bonds maturing in 2012..." and ending with the words "...representing the remaining principal amount outstanding.":

Bonds maturing in the year 2021 shall be subject to mandatory redemption prior to maturity by lot pursuant to the mandatory sinking fund requirements of the Resolution on May 1 in the years and in the principal amounts specified in the Resolution at a redemption price equal to the stated principal amount thereof to be redeemed plus interest accrued thereon to the redemption date, without premium. Notice of redemption shall be given as provided in the preceding paragraph.

SECTION 3. APPROVAL OF MODIFICATION OF AWARDING RESOLUTION; NO FURTHER ACTION OF BOARD REQUIRED. Such modifications to the Awarding Resolution are hereby approved. Except as expressly modified hereby, the Awarding Resolution shall remain in full force and effect.

The motion for the adoption of the foregoing Resolution was duly seconded by Dennis McNally and upon a vote being taken thereon, the following voted:

IN FAVOR THEREOF: Dennis McNally, Dennis Schulz, Dave Ulstrom,
Kathi Ellis, Stan Cooper

OPPOSED: None

ABSTAIN: None

whereupon the resolution was declared duly passed and adopted.

It was moved by Kathi Ellis, seconded by Dave Ulstrom, and carried unanimously to approve the March 26, 2001 minutes of the Kanabec Hospital Board.

Dennis Schulz introduced the following resolution and its adoption:

Resolution 4-04/25/01

BE IT RESOLVED to extend the Date of Closing for the property known as the Mora Motel on the Purchase Agreement with Michael & Connie Corbin from May 1, 2001 to June 1, 2001 or such earlier date as the parties may agree.

The motion for the adoption of the foregoing Resolution was duly seconded by Kathi Ellis and upon a vote being taken thereon, the following voted:

IN FAVOR THEREOF: Dennis Schulz, Dave Ulstrom, Kathi Ellis

OPPOSED: Dennis McNally, Stan Cooper

ABSTAIN: None

whereupon the resolution was declared duly passed and adopted.

It was moved by Kathi Ellis, seconded by Dave Ulstrom, and carried unanimously to authorize the release of a call for bid on Motel Demolition.

It was moved by Dennis Schulz, seconded by Dave Ulstrom, and carried unanimously to

approve the following resolution:

Resolution 5-04/25/01

WHEREAS Michael & Connie Corbin have requested the county=s cooperation on a IRS Code 1031 or 1033 tax exchange, and

WHEREAS there would be no cost or liability to the county for such cooperation;

BE IT RESOLVED that the county agrees to cooperate with Michael & Connie Corbin on a IRS Code 1031 or 1033 tax exchange to the extent that there is no cost or liability to the county.

It was moved by Kathi Ellis, seconded by Dave Ulstrom, and carried unanimously to approve payment of the following claims on hospital funds:

VENDOR	AMOUNT
Ace Hardware	281.34
Acom Solutions Inc	2,025.00
Ahima	8.75
Airgas North Central	1,856.79
Akkerman, Grace	47.61
Allina Health Services	761.95
Allina Laboratories	2,025.00
Allina Medical Clinic	111.55
American Society/Healthcare	115.00
Anderson, Candace	51.75
Anderson, Craig	51.75
Angelica Uniform Group	393.25
Apple Medical Corp	398.45
Arrow International, Inc	179.12
Bachman's Variety & Craft	13.74
Bard Peripheral Technology	329.35
Beiersdorf-Jobst, Inc	235.00
Biodex Medical Systems, Inc	218.00
Blegen, Cheryl	17.25
Bragelman, Shelley	39.22
Briggs Corp	72.03
Buckley, Joseph	155.90
Central Minn Diagnostic	128,662.00
Central Minnesota Surgeon	2,000.00
Chief Supply	67.99
Circon Corp	714.50
Coborn's Inc	104.37

Coborns Pharmacy	28.78
Conmed Corp	2,530.88
Cook Inc	44.50
Cook Urological/Cook Obgy	19.75
Cooper, Stan	125.00
CPI User's Group	470.41
Curt's Dairy	1,643.54
Davol/Bard, Inc	999.86
Depuy Orthopaedics, Inc	769.63
Downtown Deli	32.69
E.L. Lewis, Inc	375.00
Ellis, Kathi	125.00
Emed Company	228.63
Emergency Apparatus Maint	2,249.29
Emergency Medical Product	324.84
Endodynamics	215.63
Fairview	864.00
FFF Enterprises, Inc	1,800.00
Fisher Healthcare	615.26
Flex Tax	166.25
Fredrickson & Byron PA	14,002.05
Fryer Company, Inc	22.45
Gall's Inc	32.98
Genesis Computers, Inc	2,730.55
Getinge Castle	801.13
Gillett, Jamie	127.65
Grainger	167.25
Gross, Craig	6.90
Hall Drug Co	11.55
Handyman's Inc	31.20
Healthcare Financial Mg	274.00
Hellzen, Gus	171.26
Hendrickson, Melody	61.17
Hollister, Inc	99.96
Holmes, Howard	18.75
Hruby, Mark	25.00
Huntleigh Healthcare, Inc	227.50
Ideacom Mid-America, Inc	2,445.53
Identisys Incorporated	67.48
Imagyn Medical Tech	69.32
Immucor	10.90
Imperial Fastener Co Inc	135.00
J&J Health Care Systems	2,047.50
J.N. Johnson Sales & Serv	132.50
Jays Company	17.54
Johnson, Lucille	76.59
Jola Publications	20.00

Kanabec Hospital Incident	7,989.90
Kanabec Publications	2,307.40
Kaufman, Tom	146.76
KBEK 95.5 FM	216.30
Kendall-LTP	434.30
Kohl, Dorothy	78.30
Koppen, Jim	17.75
Krames/Staywell	126.65
Lab Safety Supply	103.14
Lake Superior Laundry	6,039.22
Lakeberg, Robert	600.00
Larson, Allen, Weishair	1,800.00
L'Heureux, Jack	25.00
Lintex Corp	291.67
Lopez, Rene M.	199.00
Losinger, Kitty	24.84
M.A.Y.R.A.	150.00
Martineau, James Earl	5,055.00
McNally, Dennis	125.00
Medical Technologies, Inc	78.00
Medtox Laboratories	733.95
Medtronic Physio-Control	8,883.26
Midwest Surgical Services	5,490.00
Minar, Dennis	47.27
Minneapolis Clinic of Neu	160.00
Minnesota Board of Pharmacy	105.00
Minnesota Elevator Inc	167.00
MN Center for Rural Health	25.00
MN Hosp & Healthcare Pa	528.00
MN Hwy Safety & Research	271.00
Mora Bakery	664.64
Mora Unclaimed Freight	41.40
Mork, Jean	183.13
National Bushing & Parts	13.42
National Info Data Center	48.90
Nelson, Cynthia	414.50
North Coast Medical, Inc	104.65
North Country Internet Service	29.95
Or Direct	116.62
Orange Commercial Credit	1,980.00
Oslin Lumber	68.21
Osterman, Karen	198.44
Oxoid, Inc	404.10
Pamida	249.43
Pine Lake Communication	196.30
Positex, Inc	60.45
Positive Promotions	295.12

Precision Diagnostic Serv	15,200.00
Price, Robert	39.67
Primedco	108.00
Pryor Resources, Inc	40.00
Quality Disposal Systems	576.50
Radio Shack	157.42
Radiometer America, Inc	278.85
Ram Scientific, Inc	230.00
Recourse Communications	250.00
Revco Technologies	60.83
Rusch Inc	66.16
S&S Worldwide	176.36
Saari, Dianne	1,014.39
Sammons Preston, Inc	29.74
Sawyer, Jill	100.05
Schultz, John	356.25
Schulz, Dennis	125.00
Sigma-Aldrich Inc	91.08
Sims-Deltec, Inc	299.00
Skillicorn, John	25.00
Sleiter, Merle	12.50
Smith & Nephew Rehab Med	68.99
Spacelabs Medical	1,537.58
Standard Register	254.89
State of Minn, Dept of Admin	175.23
Stenstroms	9.00
Steris Corp	1,510.67
Stryker Sales Corp	909.90
Sunstone Behavioral Health	15,500.00
Surgipath Medical Indust	110.48
Tackelson, Brenda	60.72
The Araz Group	61.40
Tim Anderson	117.00
Tolan, Jim	60.03
Treague, Robert	125.00
T-System, Inc	855.00
Tweet, Catherine	55.20
Ulstrom, David	125.00
United States Postal Service	1,500.00
United States Surgical	2,579.02
Universal Hospital Service	4,610.28
USI, Inc	103.93
Vaughan, Carol	41.40
Velocity Express, Inc	212.80
Veriad	16.45
Virginia Medical Center	2,644.15
Viziflex Seels, Inc	88.50

Voss, Hiedi	412.50
Westerman, Richard	116.07
Wheaton Brace Co	97.50
World Point Ecc, Inc	153.25
Wright, Debra	282.56
TOTAL	279,318.58

Dave Ulstrom introduced the following resolution and its adoption:

Resolution 6-04/25/01

BE IT RESOLVED to approve an Onanagozie grantwriting project to assist the Mora and Ogilvie school districts.

The motion for the adoption of the foregoing Resolution was duly seconded by Kathi Ellis and upon a vote being taken thereon, the following voted:

IN FAVOR THEREOF: Dennis Schulz, Dave Ulstrom, Kathi Ellis, Stan Cooper
OPPOSED: Dennis McNally
ABSTAIN: None

whereupon the resolution was declared duly passed and adopted.

It was moved by Dennis Schulz, seconded by Dennis McNally, and carried unanimously to pay a claim of \$147.20 on SCORE Funds to the Kanabec County Times.

7:30pm - Pam Arachikavitz and others met with the County Board to discuss matters concerning a Dog Ordinance. Following discussion, the board took the matter under advisement for future consideration.

It was moved by Dave Ulstrom, seconded by Kathi Ellis, and carried unanimously to approve the following resolution:

Resolution 7-04/25/01

WHEREAS the Job Evaluation Committee has evaluated the position of Data Processing Assistant/Clerk II in accordance with County Policy, and

WHEREAS the recommendation appears consistent with county policy and practice;

BE IT RESOLVED to adopt the recommendations of the Job Evaluation

Committee and approve the following rankings:

FACTOR	Recommended	
	Value	Points
Education	3	55
Experience	3	60
Mental Effort	3+	84
Physical Effort	1+	4
Accuracy	2+	68
Supervision Given	1	0
Independent Judgement	2	45
Contact with Others	2+	30
Working Conditions	2	8
TOTAL		354

which results in pay range 5.

It was moved by Dennis McNally, seconded by Kathi Ellis, and carried unanimously to approve the following resolution:

Resolution 8-04/25/01
ORDER OF THE BOARD

WHEREAS there is a upcoming vacancy in the position of Clerk II in the Assessor=s Office, and

WHEREAS the board desires to replace this position with a Data Processing Assistant/Clerk II;

BE IT RESOLVED that the County Board authorizes County Assessor Sue Kondratowicz and the County Personnel Director to hire a Data Processing Assistant/Clerk II to fill the position at Step A, Range 5 of the pay plan which is \$9.74 per hour.

It was moved by Dennis Schulz, seconded by Dave Ulstrom, and carried unanimously to approve the following resolution:

Resolution 9-04/25/01

WHEREAS, the County of Kanabec has sustained severe losses of major proportion, caused by severe winds, heavy rains and flooding beginning on April 5, 2001, and continuing to date.

WHEREAS, Kanabec County is a political subdivision within the State of Minnesota; and

WHEREAS, these winds and water have caused substantial damage to public and private property, and

WHEREAS, the cost of recovery from this disaster is beyond the resources available within the County, and state and federal resources are necessary to undertake the massive recovery efforts required; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of County Commissioners, for and on behalf of the citizens of Kanabec County, request that Governor of the State of Minnesota to petition the President of the United States to declare the County of Kanabec, Minnesota, to be a disaster area.

BE IT FURTHER RESOLVED, that this request is for any and all available emergency or disaster relief funding.

BE IT FURTHER RESOLVED, that the County Emergency Management Director is authorized to coordinate the damage survey teams with local government, and assist in the administration of the disaster recovery process, as needed.

9:00pm - County Engineer Greg Nikodym met with the County Board to discuss matters concerning the Highway and Zoning Departments.

It was moved by Dave Ulstrom, seconded by Dennis McNally, and carried unanimously to authorize County Engineer Greg Nikodym to advertise for bids to replace bridges L2562, L2563 and 89709.

It was moved by Dennis Schulz, seconded by Kathi Ellis, and carried unanimously to approve the purchase of a pull-type pneumatic roller from Swanton Equipment Corporation at a cost of \$9,800.00.

It was moved by Dave Ulstrom, and carried unanimously to Dennis Schulz, and carried unanimously to approve the following resolution:

Resolution 10-04/25/01

WHEREAS Kanabec County has applied for funds for the local administration of

the Minnesota Pollution Control Agency's ISTS program, and

WHEREAS Kanabec County has met the criteria established by statute, BWSR, and the Minnesota Pollution Control Agency;

BE IT RESOLVED that Kanabec County Board of Commissioners approves amending the grant agreement for the local administration of the Minnesota Pollution Control Agency's ISTS program to receive \$988.00 in ISTS funding and authorize the Chairperson to sign an agreement to this effect.

It was moved by Kathi Ellis, seconded by Dave Ulstrom, and carried unanimously to approve the Gary Heald Erosion Control Project for reimbursement of 25% of construction costs, up to \$1,000.00 in water plan funds.

9:45pm - The chair extended the meeting.

10:00pm - The meeting adjourned by standing, prior resolution to meet in regular session on Wednesday, May 9, 2001 at 9:00am.

Signed _____
Chairperson of the Kanabec County Board of Commissioners,
Kanabec County, Minnesota

Attest: _____
Kanabec County Coordinator