

PROCEEDINGS OF THE COUNTY BOARD

State of Minnesota }
County of Kanabec }
Office of the County Coordinator

November 28, 2007

The Kanabec County Board of Commissioners met at 6:30pm on Wednesday, November 28, 2007 pursuant to adjournment with the following Board Members present: Kim Smith, Jerry Nelson, Kathi Ellis, Kevin Troupe and Les Nielsen.

The Chairperson led the assembly in the Pledge of Allegiance.

Action #1 - It was moved by Kevin Troupe, seconded by Les Nielsen, and carried unanimously to approve the agenda as revised:

- a. \$1,500 Appraisal Claim
- b. Clean Water Restoration Act
- c. Union Negotiation Update

Action #2 - It was moved by Jerry Nelson, seconded by Kim Smith, and carried unanimously to approve the minutes of the November 20, 2007 meeting of the Kanabec County Board of Commissioners as corrected; an older version of the Family Based Service Provider job description was included. Delete this and insert the correct job description.

6:43pm – Carolyn Drude and Todd Hagen with Ehlers & Associates met with the board to discuss the results of a \$5,000,000 jail bond sale.

Action #3 – Commissioner Troupe introduced the following resolution and moved its adoption, which motion was seconded by Commissioner Smith:

Resolution #3 – 11/28/07

RESOLUTION AUTHORIZING ISSUANCE, AWARDING
SALE, PRESCRIBING THE FORM AND DETAILS AND
PROVIDING FOR THE PAYMENT OF GENERAL
OBLIGATION JAIL BONDS, SERIES 2007A

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

SECTION 1. AUTHORIZATION AND SALE.

1.1. Authorization. The Issuer has received approval from the Minnesota Department of Corrections to finance the cost of certain new jail/law enforcement facilities located in the

County (the Project). The Board of County Commissioners hereby determines it is in the best interest of the Issuer to authorize the issuance and sale of \$5,000,000 General Obligation Jail Bonds, Series 2007A (the Bonds) to finance a portion of the costs of the Project. The Board hereby determines that the debt service payable in any year on the Bonds and all other obligations issued pursuant to Minnesota Statutes, Section 641.23 (\$562,680) is less than a levy of 0.09671 percent of the taxable market value of all real property within the Issuer (\$1,262,867,300); therefore, pursuant to Minnesota Statutes, Section 641.23, the Bonds may be issued without an election.

1.2. Sale. Pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, paragraph (9), the requirements as to public sale do not apply to the issuance of the Bonds. Pursuant to the Terms of Proposal and the Official Statement prepared on behalf of the Issuer by Ehlers & Associates, Inc., proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The proposals have been opened, publicly read and considered and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of Stifel, Nicolaus & Co., Inc., in Minneapolis, Minnesota (the Purchaser), to purchase \$5,000,000 principal amount of Bonds at a price of \$4,979,196.00 plus accrued interest on all Bonds to the day of delivery and payment, on the further terms and conditions hereinafter set forth.

1.3. Award. The sale of the Bonds is hereby awarded to the Purchaser and the Chairperson and County Coordinator are hereby authorized and directed to execute a contract on behalf of the Issuer for the sale of the Bonds in accordance with the terms of the proposal. The good faith deposit of the Purchaser, if any, shall be retained and deposited by the Issuer until the Bonds have been delivered, and shall be deducted from the purchase price paid at settlement.

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

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

2.2. Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of December 19, 2007, shall be in the denomination of \$5,000 each, or any integral multiple thereof, of single maturities, shall mature on February 1 in the years and amounts stated below, and shall bear interest from date of original issue until paid or duly called for redemption at the annual rates set forth opposite such years and amounts, as follows (subject to adjustment in accordance with the terms of proposals):

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2012	\$315,000	3.40%	2024	\$880,000	4.05%
2015	265,000	3.60%	2026	960,000	4.15%
2017	175,000	3.75%	2027	515,000	4.20%
2019	180,000	3.875%	2028	540,000	4.20%

2022 1,170,000 4.00%

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 2.7 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.3. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.8 and upon any subsequent transfer or exchange pursuant to Section 2.6, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. The interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing August 1, 2008, to the owner of record thereof as of the close of business on the fifteenth day of the preceding month, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.4. Redemption. Bonds maturing in 2018 and later years shall be subject to redemption and prepayment at the option of the Issuer, in whole or in part, in such order of maturity dates as the Issuer 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 as to Bonds maturing on the same date, on February 1, 2017, 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 2.6 hereof, provided that notice shall be given to any securities depository in accordance with its operational arrangements. No defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

Bonds maturing on February 1, 2012, 2015, 2017, 2019, 2022, 2024, and 2026 (the Term Bonds) shall be subject to mandatory redemption prior to maturity pursuant to the sinking fund requirements of this Section 2.4 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 February 1 in each of the following years the following stated principal amounts of such Bonds:

<u>Year</u>	<u>Principal Amount</u>
2009	\$60,000

2010	80,000
2011	85,000

The remaining \$90,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2012.

<u>Year</u>	<u>Principal Amount</u>
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2013	\$85,000
2014	90,000

The remaining \$90,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2015.

<u>Year</u>	<u>Principal Amount</u>
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2016	\$90,000
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The remaining \$85,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2017.

<u>Year</u>	<u>Principal Amount</u>
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2018	\$85,000
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The remaining \$95,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2019.

<u>Year</u>	<u>Principal Amount</u>
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2020	\$370,000
2021	390,000

The remaining \$410,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2022.

<u>Year</u>	<u>Principal Amount</u>
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2023	\$430,000
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The remaining \$450,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2024.

<u>Year</u>	<u>Principal Amount</u>
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2025	\$470,000
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The remaining \$490,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2026.

Notice of redemption shall be given as provided in the preceding paragraph.

2.5. Appointment of Initial Registrar. The Issuer hereby appoints U.S. Bank National Association in St. Paul, Minnesota, as the initial bond registrar, transfer agent and paying agent (the Registrar). The Chairperson and County Coordinator are authorized to execute and deliver,

on behalf of the Issuer, a contract with the Registrar. The contract will contain a provision, pursuant to Minnesota Statutes, Section 373.45, Subdivision 3(b)(3), requiring the Registrar to inform the Minnesota Commissioner of Finance if (1) it becomes aware of a default or potential default in the payment of principal of and interest on the Bonds and (2) on the day two business days before the date a payment is due on the Bonds, there are insufficient funds to make the payment on deposit 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 Issuer agrees to pay the reasonable and customary charges of the Registrar for the services performed. The Issuer reserves the right to remove the Registrar, effective upon not fewer than thirty days' written notice and upon the appointment and acceptance of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar.

2.6. Registration. The effect of registration and the rights and duties of the Issuer 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. The term Holder or Bondholder as used herein shall mean the person (whether a natural person, corporation, association, partnership, trust, governmental unit or other legal entity) in whose name a Bond is registered in the bond register.

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

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

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

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for

the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

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

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

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

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

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

(k) Commissioner Notification. The Registrar, as paying agent, hereby agrees pursuant to Minnesota Statutes, Section 373.45, Subdivision 3(b)(3), to inform the Minnesota Commissioner of Finance if (1) it becomes aware of a default or a potential default in the payment of principal and interest on the Bonds, and (2) on the day two business days before the date a payment is due on the Bonds, there are insufficient funds to make the payment on deposit with the Registrar.

2.7. Securities Depository. The following provisions shall apply, unless otherwise designated by the Purchaser:

(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 Issuer 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 Issuer shall be affected by any notice to the contrary. Neither the Registrar nor the Issuer 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 Issuer’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 Issuer 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 Issuer 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 Issuer 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 Issuer 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.

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

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

UNITED STATES OF AMERICA
STATE OF MINNESOTA

COUNTY OF KANABEC
GENERAL OBLIGATION JAIL BOND, SERIES 2007A

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
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December 19, 2007

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KANABEC COUNTY, MINNESOTA (the Issuer), 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 and promises to pay interest thereon from the date of original issue specified above or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, at the annual rate specified above, payable on February 1 and August 1 in each year, commencing August 1, 2008 (each such date, an Interest Payment Date), all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. The interest so payable on any Interest Payment Date shall be paid 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 month next preceding such Interest Payment Date. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof at the principal office of the agent of the Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on U.S. Bank National Association, St. Paul, Minnesota, as bond registrar, transfer agent and paying agent (the Registrar), 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 Issuer have been and are hereby irrevocably pledged.

This Bond is one of an issue in the aggregate principal amount of \$5,000,000 issued pursuant to a resolution adopted by the Board of County Commissioners on November 28, 2007 (the Resolution) to finance a portion of the costs of acquiring, constructing and equipping a new correctional facility of the Issuer and is issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapter 475 and Section 641.23. The Bonds are issuable only in fully registered form, in denominations of \$5,000 or any integral multiple thereof, of single maturities.

Bonds having stated maturity dates in 2018 and later years are each subject to redemption and prepayment at the option of the Issuer, in whole or in part, and if in part in such order of maturity dates as the Issuer 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 as to Bonds maturing on the same date, on February 1, 2017, and on any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date of redemption. Prior to the date specified for the redemption of any Bond prior to its stated maturity date, the Issuer will cause notice of the call for redemption to be published as required

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

Bonds maturing in the years 2012, 2015, 2017, 2019, 2022, 2024, and 2026 shall be subject to mandatory redemption, at a redemption price equal to their principal amount plus interest accrued thereon to the redemption date, without premium. The Registrar shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the years shown below, in an amount equal to the following principal amounts:

a.	<u>Term Bonds Maturing in 2012</u>	b.	<u>Term Bonds Maturing in 2015</u>
	<u>Sinking Fund Payment Date</u>	<u>Aggregate Principal Amount</u>	<u>Sinking Fund Payment Date</u>
	<u>Aggregate Principal Amount</u>	<u>Sinking Fund Payment Date</u>	<u>Aggregate Principal Amount</u>
	2/01/2009	\$60,000	2/01/2013
	2/01/2010	80,000	2/01/2014
	2/01/2011	85,000	2/01/2015
	2/01/2012	90,000	90,000
c.	<u>Term Bonds Maturing in 2017</u>	d.	<u>Term Bonds Maturing in 2019</u>
	<u>Sinking Fund Payment Date</u>	<u>Aggregate Principal Amount</u>	<u>Sinking Fund Payment Date</u>
	<u>Aggregate Principal Amount</u>	<u>Sinking Fund Payment Date</u>	<u>Aggregate Principal Amount</u>
	2/01/2016	\$90,000	2/01/2018
	2/01/2017	85,000	2/01/2019
			\$85,000
			95,000
e.	<u>Term Bonds Maturing in 2022</u>	f.	<u>Term Bonds Maturing in 2024</u>
	<u>Sinking Fund Payment Date</u>	<u>Aggregate Principal Amount</u>	<u>Sinking Fund Payment Date</u>
	<u>Aggregate Principal Amount</u>	<u>Sinking Fund Payment Date</u>	<u>Aggregate Principal Amount</u>
	2/01/2020	\$370,000	2/01/2023
			\$430,000

2/01/2021	390,000	2/01/2024	450,000
2/01/2022	410,000		

g. Term Bonds Maturing in 2026

<u>Sinking Fund Payment Date</u>	<u>Aggregate Principal Amount</u>
2/01/2025	\$470,000
2/01/2026	490,000

Notice of redemption shall be given as provided in the preceding paragraph.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the Issuer 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 Issuer 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 Issuer 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 Issuer nor the Registrar shall be affected by any notice to the contrary.

The Bonds have been designated by the Issuer as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended.

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 Issuer.

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 Issuer in accordance with its terms, have been done, do exist, have happened and have been performed as so required; that, prior to the issuance hereof the Board of Commissioners has levied ad valorem taxes upon all taxable

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.

[end of form of bond]

SECTION 3. USE OF PROCEEDS. There is hereby established on the official books and records of the Issuer a General Obligation Jail Bonds, Series 2007A Construction Fund (the Construction Fund). The County Coordinator 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 the proceeds of the Bonds, exclusive of accrued interest or capitalized interest, 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 4 hereof.

Section 4. GENERAL OBLIGATION JAIL BONDS, SERIES 2007A BOND FUND. The Bonds shall be payable from a separate General Obligation Jail Bonds, Series 2007A Bond Fund (the Bond Fund) of the Issuer, which the Issuer agrees to maintain until the Bonds have been paid in full. If the moneys in the Bond Fund should at any time be insufficient to pay principal and interest due on the Bonds, such amounts shall be paid from other moneys on hand in other funds of the Issuer, which other funds shall be reimbursed therefor when sufficient moneys become available in the Bond Fund. The moneys on hand in the Bond Fund from time to time shall be used only to pay the principal of and interest on the Bonds. The Issuer irrevocably appropriates to the Bond Fund (a) any amount in excess of \$4,950,000 received from the Purchaser; (b) all taxes levied and collected in accordance with this resolution; and (c) all other moneys as shall be appropriated by the Board to the Bond Fund from time to time. 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 Issuer which is available for that purpose, subject to reimbursement from the Bond Fund when the

balance therein is sufficient, and the Board covenants and agrees that it will each year levy a sufficient amount of ad valorem taxes to take care of any accumulated or anticipated deficiency, which levy is not subject to any constitutional or statutory limitation. Pursuant to the Agreement, the Bonds are also payable by the State of Minnesota, acting through the Authority, subject to the Act (the Agreement, the Authority and the Act each as hereinafter defined) and provided that funds are available therefor in the State General Fund.

SECTION 5. PLEDGE OF TAXING POWERS. For the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, the full faith, credit and unlimited taxing powers of the Issuer shall be and are hereby irrevocably pledged. In order to produce aggregate amounts which, together with the collections of other amounts as set forth in Section 4, will produce amounts not less than 5% in excess of the amounts needed to meet when due the principal and interest payments on the Bonds, ad valorem taxes are hereby levied on all taxable property in the Issuer, the taxes to be levied and collected in the following years and amounts:

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

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

SECTION 6. STATE PAYMENT; COUNTY AND REGISTRAR OBLIGATIONS. The Issuer hereby covenants and obligates itself to notify the Public Facilities Authority (the Authority) of any potential default in the payment of the principal and interest on the Bonds and to use the provisions of Minnesota Statutes, Section 373.45 (the State Payment Law), to guarantee (to the extent provided therein) payment of the principal of and interest on the Bonds when due. The Issuer further covenants to deposit with the Registrar not less than three business days prior to each February 1 and August 1 as set forth in Section 2.03 hereof, an amount sufficient to make that payment or to notify the Authority as provided in the State Payment Law that it will be unable to make all or a portion of such payment. The Registrar will notify the Authority if it becomes aware of a potential default in the payment of principal of and interest on the Bonds on any payment date or if, on the date two business days prior to the date on which a payment is due, there are insufficient funds on deposit with the Registrar to make the required payment on such date. The Registrar will cooperate with the Issuer, the Authority and the Minnesota Commissioner of Finance in implementing the provisions of the State Payment Law. In the event that amounts sufficient to make any such interest or principal payment are held by an escrow or paying agent and invested as authorized by Minnesota Statutes, Chapter 475 and such escrow or paying agent is required to use proceeds from such investment to pay to the Registrar the amount necessary to pay such interest or principal on such payment date, then the requirements of the State Payment Law relating to the deposit of such amounts with the Registrar prior to the payment date of such interest or principal shall be deemed satisfied and neither the Issuer nor the Registrar shall be required to notify the Authority that insufficient funds are available to pay such interest or principal on such payment date. The Issuer shall do all other

things which may be necessary to perform the obligations hereby undertaken under the State Payment Law, including any requirements hereafter adopted by the Authority.

SECTION 7. DEFEASANCE. When all of the Bonds have been discharged as provided in this section, all pledges, covenants and other rights granted by this Resolution to the registered owners of the Bonds shall cease. The Issuer may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The Issuer may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms by depositing with the Registrar on or before that date an amount equal to the principal and interest which are then due, provided that notice of such redemption has been duly given as provided herein. The Issuer may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank or trust company qualified by law as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited, bearing interest payable at such time and at such rates and maturing or callable at the holder's option on such dates as shall be required, without reinvestment, to pay all principal, interest and redemption premiums to become due thereon to maturity or earlier designated redemption date, provided, however, that if such deposit is made more than ninety days before the maturity date or specified redemption date of the Bonds to be discharged, the Issuer shall have received a written opinion of Bond Counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal of and interest on the Bonds to be discharged on and before their maturity dates or earlier designated redemption date.

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

8.1. Covenant. The Issuer 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 on the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986 (the Code) and applicable Treasury Regulations (the Regulations), and covenants to take any and all affirmative actions within its powers to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. It is hereby certified that the facilities to be financed with proceeds of the Bonds are and will be owned and operated by the Issuer. The Issuer has not and will not enter into any lease, management contract, operating agreement, use agreement or other contract relating to the use or operation of the Project, or any portion thereof, which would cause the Bonds to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code.

8.2. Arbitrage Certification. The Chairperson and County Coordinator being the officers of the Issuer charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance

with the provisions of Section 148 of the Code and applicable 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 the applicable Regulations.

8.3. Arbitrage Rebate. (a) It is hereby found that the Issuer has general taxing powers, that no Bond is a "private activity bond" within the meaning of Section 141 of the Code, that 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer, and that the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued by the Issuer and all subordinate entities thereof during the year 2007 is not reasonably expected to exceed \$5,000,000. Therefore, pursuant to Section 148(f)(4)(D) of the Code, the Issuer shall not be required to comply with the arbitrage rebate requirements of paragraphs (2) and (3) of Section 148(f) of the Code.

(b) Notwithstanding the provisions of paragraph (a) of this Section 8.3, if the arbitrage rebate provisions of Section 148(f) of the Code apply to the Bonds, the Issuer hereby covenants and agrees to make the determinations, retain records and rebate to the United States the amounts at the times and in the manner required by said Section 148(f) and applicable Regulations.

8.4. Reimbursement. The Issuer certifies that the proceeds of the Bonds will not be used by the Issuer to reimburse itself for any expenditure with respect to the Project which the Issuer paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the Issuer 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.

8.5. Qualified Tax-Exempt Obligations. In order to enhance the marketability of the Bonds, and since the Issuer and all subordinate entities do not reasonably expect to issue in excess of \$10,000,000 of governmental and qualified 501(c)(3) bonds during calendar year 2007, the Bonds are hereby designated by the Issuer as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Code.

8.6. County Credit Enhancement Program. The Issuer has previously, pursuant to Minnesota Statutes, Section 373.45 (the Act), entered into a Minnesota Public Facilities Authority County Credit Enhancement Program Agreement (the Agreement) with the Minnesota Public Facilities Authority (the Authority) and the Commissioner of Administration whereby the Issuer and the Authority make certain covenants with respect to the method and source of payment for the Bonds, including that if the Issuer is unable to make any portion of the payment on the Bonds on or before the date due, the State of Minnesota, acting through the Authority, shall make such payment in its place pursuant to the Act, provided that funds are available in the State General Fund and subject to certain other qualifications set forth in the Agreement.

Notwithstanding anything else to the contrary contained herein, the terms of the Agreement are hereby incorporated in this resolution.

8.7. 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 original purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the Securities and Exchange Commission (the SEC) under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Bonds, the Issuer 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 Issuer 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 Issuer has complied in all material respects with any undertaking previously entered into by it under the Rule. If the Issuer 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 an Obligation, 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 an Obligation, 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 Obligation (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Obligation for federal income tax purposes.

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

(1) on or before 365 days after the end of each fiscal year of the Issuer, commencing with the fiscal year ending December 31, 2007, the following financial information and operating data in respect of the Issuer (the Disclosure Information):

(A) the audited financial statements of the Issuer 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 Issuer, 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 Issuer, 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 Issuer; and

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

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the Issuer 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 Issuer 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 (b) 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 Issuer 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 Issuer have materially changed or been discontinued, such Disclosure Information need no longer be provided if the Issuer includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other Issuer operations in respect of which data is not included in the Disclosure Information and the Issuer 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 Issuer 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 an Obligation 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 an Obligation 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:

(A) the failure of the Issuer to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;

(B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the Issuer under subsection (d)(2);

(C) the termination of the obligations of the Issuer under this section pursuant to subsection (d);

(D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and

(E) any change in the fiscal year of the Issuer.

(c) Manner of Disclosure. The Issuer 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; and

(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 Issuer 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 Issuer in this section shall remain in effect so long as any Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the Issuer under this section shall terminate and be without further effect as of any date on which the Issuer 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 Issuer 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 Issuer 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 Board filed in the office of the recording officer of the Issuer accompanied by an opinion of Bond Counsel, who may rely on certificates of the Issuer 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 Issuer or the type of operations conducted by the Issuer, 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 Issuer 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.

SECTION 9. CERTIFICATION OF PROCEEDINGS.

9.1. Registration and Levy of Taxes. The County Auditor is hereby authorized and directed to file a certified copy of this resolution in the records of the Issuer, together with such additional information as required, and to issue a certificate that the Bonds have been duly entered upon the County Auditor's bond register and the tax required by law has been levied.

9.2. Certification of Records. The officers of the Issuer 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 Issuer relating to the Bonds and to the financial condition and affairs of the Issuer, 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 Issuer to the facts recited herein.

9.3. Authorization of Payment of Certain Costs of Issuance of the Bonds. The Issuer 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 Issuer's financial advisor, Ehlers & Associates, Inc.

9.4. Official Statement. The Official Statement relating to the Bonds, dated November 16, 2007, and the supplement thereto, relating to the Bonds prepared and distributed by Ehlers & Associates, Inc., the financial consultant for the Issuer, is hereby approved. Ehlers & Associates, Inc. is hereby authorized on behalf of the Issuer 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 Issuer are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

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

Kathi Ellis, Jerry Nelson, Les Nielsen, Kim Smith, Kevin Troupe

and the following voted against the same:

None

whereupon the resolution was declared duly passed and adopted.

7:10pm – Members of the East Central Minnesota Early Childhood Association met with the board to discuss background and licensing fees for daycare providers. Association Chairperson Melissa Poiski and Vice-Chairperson Pam Mattson presented. Also present was Kanabec County Social Service Supervisor Chuck Hurd. The matter was taken under advisement.

7:55pm - The Chairperson then called for public comment three times. None responded.

7:57pm - The Chairperson closed public comment.

Action #4 – It was moved by Jerry Nelson, seconded by Kim Smith, and carried unanimously to pay the following claims on Hospital Funds:

Vendor		Amount
3M HEALTH	MCP1191	19,874.00

AARON KORTE	232.80
ACE HARDWARE	542.32
ADAM STOUT	907.92
AIRGAS NORTH CENTRAL	2,159.97
ALLINA HOSPITALS & CLINICS	2,485.00
AMBU, INC.	78.83
AMERICAN PROFICIENCY INSTITUTE	4,570.00
AMY McDANIEL, PA	150.00
ANDREW WESTEREN	87.30
ARROWHEAD MEDICAL RESOURCES, LLC	6,430.65
ASPEN MILLS	318.21
ASPEN PUBLISHERS, INC.	432.81
B.BRAUN MEDICAL INC.	705.64
BACHMAN'S VARIETY & CRAFTS	3.49
BARD ACCESS	741.61
BARD UROLOGICAL DIVISION	642.62
BARRY VERMILYEA	48.50
BAUDVILLE	35.25
BECKY PONTO	81.48
BEN SICKLER	595.00
BERGMAN COMPANIES, INC.	400.00
BIO MERIEUX, INC.	230.73
BREG INC.	291.00
BRENT THOMPSON	87.30
CABLE UP	34.81
CATHERINE TWEET	109.13
CENTRAL MINN. DIAGNOSTIC, INC.	154,976.00
CENTRAL MINNESOTA SURGEONS,LTD	2,000.00
CHANNING L. BETE CO., INC.	725.71
CITON TECHNOLOGY SOLUTIONS	11,298.00
CIVCO MEDICAL SOLUTIONS	390.00
COBORNS PHARMACY	23.83
CONSULTING RADIOLOGISTS, LTD	130.00
CRAIG ANDERSON	139.68
CUYUNA REGIONAL MEDICAL CENTER	108.75
CYTYC CORPORATION	90.90
DANA OSTROM	8.65
DANDELION FLORAL	30.00
DARLA R. ANDERSON	73.72
DATEX-OHMEDA, INC.	672.04
DAWN HINRICHS	22.31
DEBRA WRIGHT	48.69
DEPUY ORTHOPAEDICS, INC	52,118.47
DIANE BANKERS	72.75
DIRECT DIGITAL CONTROLS	2,900.78
DOROTHY KOHL	111.55
DUSTIN PAULSON	595.00
EAST CENTRAL WINDOW CLEANERS, LLC	525.00
ECOLAB	112.58
EMERGENCY APPARATUS MAINT.	1,990.01

EMS REGULATORY BOARD	141.08
EMSAR TWIN CITIES	744.50
ENCOMPASS GROUP, LLC	200.00
ENVENTIS TELECOM, INC.	2,757.58
FAIRVIEW	449.28
FEDERATED CO-OP INC.	1,242.19
FRANKLIN OUTDOOR ADVERTISING	1,150.00
FREDRICKSON & BYRON, P.A.	215.00
GARDNER OPENING TECHNOLOGIES, INC.	1,812.00
GARY OLSON CONSTRUCTION	500.00
GAYMAR	98.99
GLAXO SMITH KLINE PHARMACEUTICALS	1,620.00
GRACE AKKERMAN	63.24
GRAINGER	2,045.35
GRANITE ELECTRONICS	5,959.50
GUS HELLZEN	317.88
GYRUS ACMI	2,920.00
GYRUS ENT LLC	205.18
HANDYMAN'S, INC.	1,223.93
HAPAD, INC.	145.00
HEATHER MURAWSKI	72.75
HINCKLEY CONVENTION & VISITORS BUR	1,225.00
HINCKLEY NEWS	52.50
HWS OF MINNESOTA	1,060.50
I-FLOW CORPORATION	1,882.50
IMPRINT ENTERPRISES OF MN, LLC	199.26
INFO RAD, INC.	2,482.00
INGERSOLL RAND	8,770.16
INTERACTIVE THERAPEUTICS, INC.	52.00
INTERNET DEPOT	30.00
ISA MEDICAL SOLUTIONS	2,036.77
JAYME CLUKA	14.12
JENNY HOUGLUM	314.54
JENNY MATYKIEWICZ	12.61
JOHNSONS HARDWARE & RENTAL	10.46
JUDY HANSON	105.17
JULIANNE WALCHESKI	46.19
JULIUS ZORN, INC.	209.45
KANABEC COUNTY AUD.- TREASURER	300.00
KANABEC HOSPITAL/AMC-MORA DIAG	85,217.95
KANABEC PUBLICATIONS	5,619.99
KBK 95.5 FM	877.00
KELLY CASWELL	38.80
KEY SURGICAL INC.	35.00
KIM SMITH	278.04
KITTY LOSINGER	91.08
KRIS BOMBARD	26.65
KRISTIE KLEVEN	119.94
LAKE SUPERIOR LAUNDRY	8,551.42
LARSON ALLEN LLP	350.00

LAUREATE LEARNING SYSTEMS, INC.	835.00
LINDA KITTERMAN	280.00
MARSUZ, LLC	30.00
MARY ANN LIEBERT, INC.	91.00
MARY HOPKINS	138.57
MARY KATHI ELLIS	16.59
MATTSON ELECTRIC,LLC	2,919.89
MED-ALLIANCE GROUP, INC.	1,342.78
MEDTOX LABORATORIES	713.07
MEDTRONIC USA, INC.	333.20
MELISSA MAGNUSON	154.22
MELISSA PETERSON	46.24
MERSC	175.00
MIDWEST STONE MANAGEMENT	2,300.00
MINNEAPOLIS CLINIC OF NEUROLOG	481.32
MINNESOTA ELEVATOR, INC.	1,379.42
MINNESOTA OFFICE OF ENTERPRISE TEC	9.95
MINNESOTA SHREDDING LLC.	220.00
MISUHO OSI	1,175.69
MN DEPT OF LABOR AND INDUSTRY	110.00
MORA BAKERY	684.01
NAOMI KOENIG	2,000.00
NATIONAL BUSHING & PARTS	88.11
NELSON'S MARKET	35.37
NORTH CENTRAL INSTRUMENTS	791.86
NUANCE COMMUNICATIONS	9.00
OAK GALLERY & FRAME SHOP	2,003.70
OHIC INSURANCE CO.	249.00
OSLIN LUMBER CO.	395.00
OSTEOMED CORPORATION	260.00
OTTE DAIRY DELIVERY	993.58
OWENS COMPANIES, INC.	445.22
PACIFIC SURGICAL, LLC	1,426.56
PAMIDA, INC.	93.10
P-D'S EMBROIDERY	101.00
PER-SE' TECHNOLOGIES INC.	1,308.30
PHILIPS MEDICAL SYSTEMS	4,740.00
PINE CITY PIONEER	265.00
PRECISION DYNAMICS CORP.	108.11
RADIO SHACK	30.76
RAYMOND FORE	154.00
REGENT BROADCASTING OF ST. CLOUD	2,480.00
RESTORATIVE CARE OF AMERICA,INC	278.00
RICK'S HOME FURNISHINGS	387.95
RJ MECHANICAL INC.	499.23
ROBERT PRICE	112.75
ROBERT WOODS	742.38
ROCHE DIAGNOSTICS CORP	1,433.85
RONDA JANNETT	61.72
ROYCE ROLLS RINGER CO.	20.41

BE IT RESOLVED to approve the Premises Permit Application for the Mille Lacs Drift Skippers Snowmobile Club for charitable gambling to be held at Woodland Jacks, 3603 Hwy 65, Isle, MN 56342.

Resolution #5b – 11/28/07

WHEREAS the Kanabec County Board of Commissioners has been presented with a request for lawful gambling within Kanabec County, and

WHEREAS the application was complete, included all necessary documentation, appears in accordance with County Policies and the applicant and facility owners are in good standing with the County;

BE IT RESOLVED to approve the Premises Permit Application for the Knife Lake Sportsman Club for a bingo event to be held at Crows Nest, 2743 Hwy 65 N, Mora, MN 55051 on the following dates: January 19, 2008 and November 15, 2008.

Resolution #5c – 11/28/07

WHEREAS the Kanabec County Board of Commissioners have been presented with a request to pay a claim on Knife Lake Improvement District funds, and

WHEREAS the request was accompanied by an invoices and verification in the Knife Lake Improvement District Board minutes of November 19, and

WHEREAS the Knife Lake Improvement District has sufficient funds on hand to cover these claims;

BE IT RESOLVED to pay the following claims: Aeromix Systems \$3,774.00.

Action #6 – It was moved by Kim Smith, seconded by Jerry Nelson, and carried unanimously to approve the following resolution:

Resolution #6 – 11/28/07

Copier Purchase

WHEREAS the County Coordinator has presented the board with as request to replace aging equipment in the Extension Office, and

WHEREAS the board has reviewed competitive quotes for such equipment;

BE IT RESOLVED to authorize the purchase of a Sharp MX450N without print controller at a cost of \$6,556.00 + tax, and

BE IT FURTHER RESOLVED to authorize the purchase of a Ricoh C210SF multi-function, networked printer/copier/scanner/fax at a cost of \$399.00 + tax, and

BE IT FURTHER RESOLVED that both purchases are from MCIT Dividend funds.

Action #7 – It was moved by Jerry Nelson, seconded by Kim Smith, and carried unanimously to approve payment of a \$1,500.00 claim on the Building Fund to Cyphers Appraisal for an appraisal related to the Hawkins condemnation.

Action #8 - It was moved by Jerry Nelson, seconded by Kevin Troupe, and carried unanimously to approve the following resolution:

Resolution #8 – 11/28/07

Clean Water Authority Restoration Act

WHEREAS, The Clean Water Authority Restoration Act has been introduced with bipartisan support in Congress in 2002, 2003 and 2005 and will be re-introduced this session; and,

WHEREAS, The bill changes the definition of waters under the 1972 Federal Water Pollution Control Act from “navigable” waters to “waters of the United States”, and,

WHEREAS, The bill’s new definition of waters under federal control is expanded to include “wetlands, streams (including intermittent streams), mudflats, sandflats, sloughs, wet meadows, playa lakes and natural ponds”; and,

WHEREAS, The bill also would regulate “activities affecting these waters”; and,

WHEREAS, This is an attempt to control non-point source water pollution which includes any significant human activity that occurs on public or private lands; and

WHEREAS, The bill represents an unprecedented expansion of federal control over land, water and people; and,

WHEREAS, The cost to American society of implementing such a sweeping initiative has not been estimated nor can it be accurately assessed; and,

WHEREAS, There are local, regional and statewide alternatives to water and land management that can achieve both environmental and economic goals at an acceptable cost; and,

WHEREAS, Two recent U.S. Supreme Court decisions concluded that the federal government had overstepped its authority under the Federal Water Pollution Control Act;

BE IT RESOLVED that the Kanabec County Board of Commissioners wishes to go on record as opposing the Clean Water Authority Restoration Act.

Action #9 – It was moved by Kim Smith, seconded by Kevin Troupe, and carried unanimously to adjourn at 9:15pm to meet in regular session on Wednesday, December 5, 2007 at 9:00am.

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

Attest: _____
Alan B. Peterson, Kanabec County Coordinator