

PROCEEDINGS OF THE MURRAY COUNTY BOARD OF COMMISSIONERS
MURRAY COUNTY GOVERNMENT CENTER – SLAYTON, MINNESOTA
January 29, 2013 10:00 a.m.

Pursuant to notice, the Murray County Board of Commissioners convened with the following members present: Commissioners John Giese, Robert Moline, James Jens and David Thiner. Also present Aurora Heard, County Coordinator, Heidi Winter, Auditor-Treasurer, and Paul Malone, County Attorney. Excused Absence: Commissioner Gerald Magnus

No conflict of interest identified.

The meeting opened by reciting the Pledge of Allegiance to the Flag.

The Vice-Chairman asked if there were any additions to the agenda. Several items were added.

It was moved by Moline, seconded by Jens and passed to approve the agenda as modified.

It was moved by moved Moline, seconded by Thiner and passed to approve the January 22, 2013 minutes.

Open Forum/Public Comment – No members of the public were present.

Ditch Petitions - No petitions were filed.

Ditch Bills

A motion was made by Moline, seconded by Thiner with all members of the Board voting their approval to accept the report of the Ditch Committee of the County and Judicial Ditches lying within the County of Murray on those petitions for repair that have been inspected for determining what repairs, if any, are necessary, the extent and nature of such repairs, an estimated costs of such repairs or a list of bills presented for payment that will enable said ditches to answer their purposes and to pay all bills contained within the report.

<u>Contractor</u>		<u>Amount</u>	<u>Petition #</u>	<u>Inspector</u>
<u>Ryan West Excavating Inc.</u>				
	Co 86	280.00	2012-066	Robert Moline
	Total for Ryan West	280.00		
<u>Bolton & Menk Inc</u>				
	Jud 3	774.00	2012-018 Invoice #153502	James Jens
	Total for Bolton & Menk	774.00		
<u>John Nelson</u>				
	Co 86	705.00	2012-066	Robert Moline
	Jud 27	466.00	2012-063???	Robert Moline
	Total for John Nelson	1,171.00	(SEE NOTE)	
<u>Cooreman Cont. Inc.</u>				
	Co 4	2,744.38	2010-007	James Jens
	Total for Cooreman	2,744.38		
<u>Gass Trenching Inc</u>				
	Co 43M	250.95	2012-061	David Thiner
	Total for Gass Trenching	250.95		
<u>Duane Bendixen - Viewer</u>				
	Co 82	552.75	2012-017	Robert Moline
	Total for D. Bendixen	552.75		
	Total Ditch Bills	5,773.08		

2013 Tobacco Licenses

It was moved by Thiner, seconded by Jens and passed to approve the 2013 tobacco license renewals in accordance to Murray County Tobacco Ordinance No. 98-10-6-1 for the following establishments:

M004 - Carlson's Corner - DeAnn Carlson
M005 - Ruppert Oil - Michael D. Ruppert
M003 - Pete's Corner - Joyce Bloemendaal
M006 - Chandler Coop (dba Cenex Convenience Store - Lake Wilson) – Kevin Deveraux
M009 - Avoca Municipal Liquor Store – City of Avoca
M014 - K & R Beers, Inc d/b/a Trail's Edge General Store

Heat Pumps in Government Center – The board discussed repairing the heat pumps in the Government Center. Consensus for Heidi Winter to contact Steve Robinson at Short Elliot.

Sheep Barn Gates

It was moved by Moline, seconded by Jens and passed to authorize an expenditure of \$9,232.08 to Sydell, Inc. to purchase 32 gates for the Sheep Barn on the Fairgrounds (account code: 01-110-115-6260)

Maintenance Position

It was moved by Jens, seconded by Thiner and passed to approve the updated maintenance position description.

Southwest Regional Development Commission Workshop

It was moved by Moline, seconded by Jens and passed to approve any commissioner to attend the Southwest Regional Development Commission workshop on February 23, 2013.

Information on an upcoming workshop offered by the Southwest Regional Development Commission. No Board action taken.

Commissioner Moline introduced the following Resolution and moved its adoption:

RESOLUTION 2013-01-29-01
Common Entry Point Designation

WHEREAS, each local Board of County Commissioners is required to designate a Common Entry Point in their county that will be available for taking vulnerable adult maltreatment reports within the county, per Minnesota Statute 626.557, and,

WHEREAS, Southwest Health and Human Services desires to assume the designation of Common Entry Point during regular business hours and is willing to provide said services,

BE IT RESOLVED by the Murray County Board as follows:

1. The Board hereby designates Southwest Health and Human Services as the Common Entry Point for taking vulnerable adult maltreatment reports during regular business hours.
2. The Murray County Sheriff's Office will receive adult maltreatment reports after hours, weekends, and holidays. If emergency assistance from Southwest Health and Human Services is needed during those times, they will call the adult services on call phone number.

The motion for the adoption of the foregoing Resolution was duly seconded by Giese and upon a vote being taken thereon, the following voted in favor thereof: Moline, Thiner, Jens and Giese

and the following voted against the same: None.

Whereupon said Resolution was declared duly passed and adopted.

Commissioner Moline introduced the following Resolution and moved its adoption:

RESOLUTION 2013-01-29-02
County Probation Officer Reimbursement

WHEREAS, Minnesota Statutes 244.19 subdivision 6 outlines a process for state reimbursement to participating counties of 50% of the previous year's expenditure for their probation officer salaries, and

WHEREAS, 27 County Probation Officer counties and 28 Department of Corrections Contract counties participate in this process, and

WHEREAS, appropriations from the state have steadily decreased from 50% in 1996 to an all-time low of 31% in FY 2012, and

WHEREAS, the 55 counties participating in this process have been forced to absorb the \$2,963,000 deficit in the FY 2012 reimbursement funding for their probation officers, and

WHEREAS, the 2013 legislative session will be establishing the FY 14 and FY15 appropriation for probation officer salary reimbursement for these 55 counties, and

WHEREAS, the Minnesota Association of County Probation Officers has been working with the Department of Corrections and legislative staff to ensure that an accurate FY 14 and FY 15 appropriation amount is determined, and

NOW, THEREFORE, BE IT RESOLVED, that the Murray County Board of Commissioners strongly requests the 2013 Minnesota Legislature to appropriate sufficient funds to reimburse the 55 participating counties for the full 50% of the cost of their probation officer salaries.

The motion for the adoption of the foregoing Resolution was duly seconded by Thiner and upon a vote being taken thereon, the following voted in favor thereof: Thiner, Moline, Jens and Giese

and the following voted against the same: None.

Whereupon said Resolution was declared duly passed and adopted.

Temporary Part-Time Maintenance Position

It was moved by Thiner, seconded by Jens and passed to approve hiring Ken Hakeman as a temporary part-time maintenance position at 20 hours per week with a start date of February 6, 2013 and end date of March 29, 2013 and an hourly wage of \$16.23.

Commissioner Moline introduced the following Resolution and moved its adoption:

RESOLUTION NO. 2013-01-29-03

RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF \$2,605,000
GENERAL OBLIGATION SEWER REVENUE CROSSOVER REFUNDING BONDS, SERIES
2013A AND AWARDED THE SALE THEREOF

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

RESOLUTION NO. 2013-01-29-03

**RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY
OF \$2,590,000 GENERAL OBLIGATION SEWER REVENUE CROSSOVER
REFUNDING BONDS, SERIES 2013A AND AWARDED THE SALE
THEREOF**

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

Section 1. Bond Purpose, Authorization and Award.

1.01 Recitals.

A. *Creation of District.* Pursuant to the provisions of Minnesota Statutes, Sections 116A.01 through 116A.26, the Issuer established the Shetek Area Water and Sewer District (the “District”) in order to provide for wastewater collection and treatment within the District.

B. *Appointment of Commission.* Pursuant to the requirements of Minnesota Statutes, Section 116A.24, the Issuer appointed a Sewer and Water Commission for the District (the “Commission”) to do all things necessary to establish, construct, operate and maintain one or more wastewater treatment and collection systems within the District (along with the Project described below, the “System”), to act as agent of the Issuer in supervising the construction, improvement and extension of the System and in operating and maintaining the System as further set forth in Minnesota Statutes, Section 116A.24.

C. *Municipal Powers.* Pursuant to an Order of the District Court of the Fifth Judicial District on June 1, 1998, the Issuer was authorized to acquire, construct, finance, operate and maintain District in the same manner and to the same extent accorded a statutory city under Minnesota Statutes, Chapters 117, 412, 429 and 475 and Sections 115.46, 444.075 and 471.59 within the area of the District.

D. *Board Waiver of Certain Approvals.* Issuer Resolution No. 98-09-01-4, Order Waiving Board Approval of Certain Actions by the Shetek Area Water and Sewer District, was confirmed by an Order of the District Court of the Fifth Judicial District on September 14, 1998.

1.01 Prior Bonds. Pursuant to Minnesota Statutes, Chapters 116A and 475 and Sections 115.46 and 444.075 (collectively, the “Act”), the Issuer previously issued the following obligations to finance the construction of a wastewater collection and treatment system within the Issuer to serve the area surrounding Lake Shetek (the “Sewer Utility”):

a. its \$1,715,000 General Obligation Sewer Revenue Bonds, Series 2007 dated August 1, 2007 (the “2007 Bonds”), of which \$1,205,000 in principal amount maturing on February 1 in the years 2017, 2019, 2022, 2024 and 2027 (the “2007 Refunded Bonds”) is subject to redemption and prepayment on any date at a price of par plus accrued interest. The 2007 Bonds were issued to finance improvements to the Sewer Utility (the “2007 Project”); and

b. its \$2,080,000 General Obligation Sewer Revenue Bonds, Series 2007B dated December 1, 2007 (the “2007B Bonds”, and together with the 2007 Bonds, the Prior Bonds”), of which \$1,485,000 in principal amount maturing on February 1 in the years 2018, 2020, 2022, 2024, 2026 and 2028 (the “2007B Refunded Bonds” and together with the 2007 Refunded Bonds, the “Refunded Bonds”) is subject to redemption and prepayment on any date at a price of par plus accrued interest. The 2007B Bonds were issued to finance the completion of improvements to the Sewer Utility (the “2007B Project” and together with the 2007 Sewer Project, the “Project”).

1.02 Authority; Findings.

A. Under and pursuant to the provisions of the Act and, specifically, Section 475.67, Subdivisions 1 through 3 and 13 of the Act, the Issuer is authorized to issue and sell its general obligation bonds to refund certain maturities of the Refunded Bonds in advance of their scheduled maturities, if consistent with covenants made with the holders thereof, when determined by the Issuer to be necessary or desirable for the reduction of debt service cost to the Issuer or for the extension or adjustment of maturities in relation to the resources available for their payment.

B. The Board directs the issuance and sale of \$2,590,000 General Obligation Sewer Revenue Crossover Refunding Bonds, Series 2013A, for the purpose of providing funds to (i) pay the outstanding principal amount of the Refunded Bonds on February 1, 2017 (the “Redemption Date”); and (ii) pay expenses incurred by the Issuer related to the issuance of the Bonds.

C. The Board finds that it is necessary, expedient, desirable and in the best interest of the Issuer’s residents in order to reduce debt service cost to the Issuer, that the Issuer issue, sell and deliver the Bonds.

D. The principal of and interest on the Bonds shall be paid primarily from (i) investment earnings on the Escrow Account hereinafter created (the “Escrow Earnings”); and (ii) revenues of the Sewer Utility in excess of claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the Sewer Utility, and to maintain such reasonable reserves for such expenses as the Board shall determine to be necessary from time to time (the “Net Revenues”) (the Escrow Earnings and Net Revenues are hereinafter collectively referred to as the “Pledged Revenues”).

1.03 Award of Sale. The Issuer has received an offer from Northland Securities, Inc., of Minneapolis, Minnesota (the “Purchaser”), to purchase the Bonds at a cash price of \$2,601,173.55 plus accrued interest on the total principal amount from March 1, 2013, to the date of delivery of the Bonds (the “Accrued Interest”) and upon condition that the Bonds mature and bear interest at the times and annual rates set forth in Section 2. The Issuer, after due consideration, finds such offer reasonable and proper and the offer of the Purchaser is accepted. The actions of the Vice-Chair and the Auditor-Treasurer taken with respect to execution on the part of the Issuer of a contract for the sale of the Bonds in accordance with the Purchaser’s proposal and a resolution of the Board adopted January 29, 2013 are ratified and approved.

Section 2. Terms of the Bonds.

2.01 Date, Maturities and Interest Rates. The Bonds shall be dated March 1, 2013, as the date of original issue, shall be issued in the denomination of \$5,000, or any integral multiple thereof, in fully registered form and lettered and numbered R-1 and upward. The Bonds shall bear interest at the annual rates indicated below and shall mature on February 1 in the following respective years and amounts:

Year (February 1)	Amount	Interest Rate
2018	\$225,000	2.00%
2019	\$230,000	2.00%
2020	\$235,000	2.00%
2021	\$235,000	2.00%
2022	\$240,000	2.00%
2023	\$245,000	2.00%
2024	\$250,000	2.00%
2025	\$255,000	2.00%
2026	\$260,000	2.15%
2027	\$265,000	2.25%
2028	\$150,000	2.35%

2.02 Redemption. A. The Bonds maturing on and prior to February 1, 2020 shall not be subject to redemption and prepayment before maturity, but those maturing after such date and in subsequent years shall each be subject to redemption and prepayment at the option of the Issuer on such date and on any day thereafter, in whole or in part, in such order of maturity as the Issuer may determine and by lot as to the Bonds maturing in the same year, at a price equal to the principal amount thereof plus accrued interest to the redemption date.

B. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will be given by the Bond Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) not more than 60 and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Bond Registrar and by publishing the notice of redemption, if required by law, in the manner required by Minnesota Statutes, Section 475.54, Subdivision 4; provided, however, that so long as the Bonds are registered in the name of Cede & Co., notice of redemption shall be given in accordance with the terms of the Representation Letter. Failure to give notice by mail

to any registered owner, or any defect therein, will not affect the validity of any proceeding for the redemption of Bonds not affected by such defect or failure. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

C. If less than all the Bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the Issuer or the Bond Registrar designated below will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest.

2.03 Interest Payment Dates. The Bonds shall bear interest at the annual rates stated therefor in Section 2.01. The interest shall be payable semiannually on February 1 and August 1 in each year (each herein referred to as an "Interest Payment Date") commencing on August 1, 2013. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The Bond Registrar appointed below shall make all interest payments with respect to the Bonds by check or draft mailed to the registered owners of the Bonds shown on the bond registration records maintained by the Bond Registrar at the close of business on the 15th day (whether or not on a business day) of the month next preceding the Interest Payment Date at such owners' addresses shown on such bond registration records.

2.04 Preparation of Bonds. A. The Bonds shall be prepared for execution in accordance with the approved form and shall be signed by the manual or facsimile signature of the Chair and attested by the manual or facsimile signature of the Auditor-Treasurer. The corporate seal of the Issuer may be omitted as permitted by law. In case any officer whose signature shall appear on the Bonds shall cease to be an officer before delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes, as if he or she had remained in office until delivery.

B. The Auditor-Treasurer is authorized to obtain a copy of the approving legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A. of Duluth, Minnesota, and cause the opinion to be attached to each Bond.

2.05 Appointment and Duties of Bond Registrar; Record Date. The Board appoints Northland Trust Services, Inc., of Minneapolis, Minnesota, as registrar, authenticating agent, paying agent and transfer agent for the Bonds (such bank or its successor is herein referred to as the "Bond Registrar"). No Bond shall be valid or obligatory for any purpose unless or until either (i) the Bond Registrar's authentication certificate on such Bond, substantially set forth in Section 2.08 hereof, shall have been duly executed by an authorized representative of the Bond Registrar or (ii) the Bonds have been manually executed by at least one officer of the Issuer. Authentication certificates on different Bonds need not be signed by the same representative. The executed Authentication Certificate or the manual signature of at least one officer of the Issuer on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

2.06 Global Book Entry. A. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the Issuer has agreed to the applicable provisions set forth in the Blanket Issuer Letter of Representations executed by the Issuer and DTC (the "Representation Letter"). The terms of the Representation Letter are ratified and confirmed.

B. All of the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest on and principal of any Bond registered in the name of Cede & Co. shall be made by wire transfer or New York Clearing House or equivalent same day funds by 10:00 a.m. CT or as soon as possible thereafter following the Bond Registrar's receipt of funds from the Issuer on each Interest Payment Date to the account of Cede & Co. on each Interest Payment Date at the address indicated in or pursuant to the Representation Letter.

C. Additional matters with respect to, among other things, notices, consents and approvals by bondholders and payments on the Bonds are set forth in the Representation Letter.

2.07 Registration, Transfer and Exchange. A. The Issuer shall cause to be kept at the principal corporate office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Issuer shall provide for the registration of the Bonds and the registration of transfers of the Bonds entitled to be registered or transferred as herein provided. In the event of the resignation or removal of the Bond Registrar or its incapability of acting as such, the bond registration records shall be maintained at the office of the successor Bond Registrar as may be appointed by the Board.

B. Upon surrender for transfer of any Bond at the principal corporate office of the Bond Registrar, the Issuer shall execute and the Bond Registrar shall authenticate if required by this Resolution and deliver, in the names(s) of the designated transferee(s), one or more new bonds of a like aggregate principal amount, as requested by the transferor.

C. At the option of the registered owners, the Bonds may be exchanged for other Bonds of any authorized denomination, of a like aggregate principal amount, maturing upon the same date, upon surrender of the Bonds to be exchanged at the principal corporate office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute and the Bond Registrar shall authenticate if required by this Resolution and deliver the Bonds which the registered owner making the exchange is entitled to receive.

D. All Bonds surrendered upon the exchange provided for in this Resolution shall be promptly cancelled by the Bond Registrar and thereafter disposed of as directed by the Board.

E. All Bonds issued in exchange for or upon transfer of the Bonds shall be valid obligations of the Issuer evidencing the same debt and entitled to the same benefits under this Resolution as the Bonds surrendered for such exchange or transfer.

F. Every Bond presented for a transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Issuer and the Bond Registrar, duly executed by the registered owner thereof or the owner's attorney duly authorized in writing.

G. The Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of the Bonds, other than exchange expressly provided in this Resolution to be made, without expense or without charge to the registered owner.

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

2.08 Authentication. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all of the rights to interest, accrued and unpaid and to accrue, which are carried by such other Bond. Each Bond shall be dated by the Bond Registrar as of the date of its authentication or manual execution, as the case may be. The Issuer and the Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption or to make any such exchange or transfer of the Bonds during the 15 days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of the Bonds.

2.09 Payment. A. The Issuer and the Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and interest on such Bond and for all other purposes whatsoever, whether or not such Bond be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

B. The principal of and interest on the Bonds shall be payable by the Bond Registrar in such funds as are legal tender for the payment of debts due the United States of America. The Issuer shall pay the reasonable and customary charges of the Bond Registrar for the disbursement of principal and interest.

2.10 Delivery. Delivery of the Bonds and payment of the purchase price shall be made at a place mutually satisfactory to the Issuer and the Purchaser. Printed or typewritten and executed Bonds shall be furnished by the Issuer without cost to the Purchaser. The Bonds, when prepared in accordance with this Resolution and executed, shall be delivered by or under the direction of the Auditor-Treasurer to the Purchaser upon receipt of the purchase price plus accrued interest.

Section 3. Form of the Bonds.

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

UNITED STATES OF AMERICA
STATE OF MINNESOTA

R-__ \$_____

MURRAY COUNTY
GENERAL OBLIGATION SEWER REVENUE CROSSOVER REFUNDING
BOND, SERIES 2013A

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

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

Murray County, Minnesota (the "Issuer"), for value received, promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity date specified above, and to pay interest on said principal amount to the registered owner hereof from March 1, 2013, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal amount is paid or discharged, said interest being at the interest rate per annum specified above.

Payment. Interest is payable semiannually on February 1 and August 1 of each year (each referred to herein as an "Interest Payment Date") commencing on August 1, 2013. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the main office of Northland Trust Services, Inc., in Minneapolis, Minnesota, as registrar, paying agent, authenticating agent and transfer agent (the "Bond Registrar"), or at the office of such successor bond registrar as may be designated by the Issuer. The Bond Registrar shall make all interest payments with respect to this Bond directly to the registered owner hereof shown on the bond registration records maintained on behalf of the Issuer by the Bond Registrar at the close of business on the 15th day of the month next preceding the Interest Payment Date (whether or not a business day) at such owner's address shown on said bond registration records, without, except for payment of principal on the Bond, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Issuer to the extent of the payments so made. Payment of principal shall be made upon presentation and surrender of this Bond to the Bond Registrar when due. For the prompt and full payment of such principal and interest as they become due, the full faith and credit of the Issuer are irrevocably pledged.

Authority; Purpose. This Bond is one of a series issued by the Issuer in the aggregate amount of \$2,590,000, all of like original issue date and tenor, except as to number, maturity date, redemption privilege, denomination and interest rate, (i) by the

authority of and in strict compliance with Minnesota Statutes, Sections 115.46 and 116A.01 through 116A.26 and Chapters 444 and 475; (ii) pursuant to the Constitution of the State of Minnesota and all other laws thereunto enabling; and (iii) pursuant to an authorizing resolution adopted by the governing body of the Issuer on January 29, 2013 (the “Issuer Resolution”), for the purpose of providing funds to refund in advance of their maturity the outstanding principal amount of certain general obligation bonds of the Issuer on February 1, 2017 (the “Prior Bonds”). The Prior Bonds were issued to pay the cost of design and construction of a wastewater collection and treatment system within the Issuer to serve the area surrounding Lake Shetek for the benefit of the Shetek Area Water and Sewer District (the “System”). The principal of and interest on the Bonds are payable primarily, in part, out of investment earnings on the Escrow Account in the Issuer’s 2013A General Obligation Sewer Revenue Crossover Refunding Bonds Fund (the “Escrowed Funds”) and from net revenues from time to time received in excess of the current costs of operating and maintaining the System (the “Net Revenues”) and from a portion of the proceeds of the Bonds. The Board of Commissioners of the System, by resolution adopted January 29, 2013 (the “Commission Resolution” and together with the Issuer Resolution, the “Resolution”), has pledged and appropriated the Net Revenues for the payment of the principal and interest when due on the Bonds, and has covenanted and agreed that it will establish rates and charges for the service of the System, sufficient to pay all costs of operation and maintenance thereof and to produce net revenues adequate, along with any special assessments levied against properties specially benefited by improvements to the System, to pay all of the Bonds of this series and interest thereon when due. Reference is made to the Resolution for a full statement of rights and powers thereby conferred.

Optional Redemption. The Bonds maturing on and prior to February 1, 2020 shall not be subject to redemption and prepayment before maturity, but those maturing after such date and in subsequent years shall each be subject to redemption and prepayment at the option of the Issuer on such date and on any day thereafter, in whole or in part, in such order of maturity as the Issuer may determine and by lot as to the Bonds maturing in the same year, at a price equal to the principal amount thereof plus accrued interest to the redemption date.

Notice of Redemption. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will be given by the Bond Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) not more than 60 and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Bond Registrar and by publishing the notice of redemption, if required by law, in the manner required by Minnesota Statutes, Section 475.54, Subdivision 4; provided, however, that so long as the Bonds are registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), notice of redemption shall be given in accordance with the terms of the Blanket Letter of Representations between the issuer and DTC. Failure to give notice by mail to any registered owner, or any defect therein, will not affect the validity of any proceeding for the redemption of Bonds not affected by such defect or failure. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

If less than all of the bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the Issuer or the Bond Registrar designated below will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest.

Transfer and Exchange. The Bonds of this series are issued as fully registered bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof. The Issuer will, at the request of the registered owner, issue one or more new fully registered Bonds in the name of the registered owner in the aggregate principal amount

equal to the unpaid principal balance of this Bond, and of like tenor except as to number and principal amount. This Bond is transferable by the registered owner hereof upon surrender of this Bond for transfer at the principal corporate office of the Bond Registrar, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Bond Registrar and executed by the registered owner hereof or the owner's attorney duly authorized in writing. Thereupon the Issuer shall execute and the Bond Registrar shall authenticate, if required by the Resolution, and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee, of an authorized denomination, in an aggregate principal amount equal to the principal amount of this Bond, of the same maturity, and bearing interest at the same rate. No service charge shall be made for any transfer or exchange hereinbefore referred to but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Qualified Tax Exempt Obligations. The Bonds of this issue have been designated by the Issuer as "qualified tax exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

Authentication. 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 Bond Registrar's Authentication Certificate hereon shall have been executed by the Bond Registrar by one of its authorized representatives or this Bond has been manually executed by at least one officer of the Issuer.

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

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

ATTEST:

(Form- no signature required)
Auditor-Treasurer

(Form-no signature required)
Chair

Date of Authentication: _____

BOND REGISTRAR'S AUTHENTICATION CERTIFICATE

The Bond Registrar confirms that the books reflect the ownership of the Bond registered in the name of the owner named above in the principal amount and maturity date stated above and this Bond is one of the Bonds of the series issued pursuant to the Resolution hereinabove described.

NORTHLAND TRUST SERVICES, INC.
Bond Registrar
Minneapolis, Minnesota

By _____
Authorized Representative

REGISTRATION CERTIFICATE

This Bond must be registered as to both principal and interest in the name of the owner on the books to be kept by Northland Trust Services, Inc. of Minneapolis, Minnesota, as Bond Registrar. No transfer of this Bond shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The ownership of the unpaid principal balance of this Bond and the interest accruing thereon is registered on the books of the Bond Registrar, in the name of the registered owner last noted below.

<u>Date</u>	<u>Registered Owner</u>	<u>Signature of Bond Registrar</u>
3/7/13	Cede & Co. c/o The Depository Trust Company 55 Water Street New York, NY 10041 Federal Taxpayer I.D. No.: 13-2555119	_____

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

_____ Social Security or Other
Identifying Number of Assignee

the within Bond and all rights thereunder and irrevocably constitutes and appoints _____ attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

(Bank, Trust Company, member of
National Securities Exchange)

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Section 4. Escrow Agreement; Escrow Agent.

4.01 Designation of Escrow Agent. Northland Trust Services, Inc. of Minneapolis, Minnesota, which is a suitable financial institution within the State of Minnesota whose deposits are insured by the Federal Deposit Insurance Corporation whose combined capital and surplus is not less than \$500,000, is designated escrow agent (the “Escrow Agent”) with respect to the Bonds.

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

Section 5. Covenants and Accounts.

5.01 Covenants. The Commission has covenanted and agreed with the Issuer, the holders of the Bonds from time to time outstanding and with its customers that it will impose and collect just and equitable rates and charges for all use and for the availability of all facilities of the System at the times and in the amounts required to pay the normal, reasonable, and current expenses of operating and maintaining the System and to maintain a reasonable operating reserve, and also to produce Net Revenues which, along with any special assessments levied against properties specially benefited by the Project and ad valorem taxes, as necessary, will be at least adequate at all times to pay the principal and interest due on the Bonds issued hereunder and on all other bonds heretofore or hereafter issued and made payable from said Net Revenues, and will operate the System and segregate and account for the revenues thereof as provided in this Section.

5.02 Funds and Accounts.

A. *Sewer Fund.*

(1) The Commission has agreed to place all charges described in Section 5.01 above when collected, and all money received from the sale of any facilities or equipment of the System in the Sewer Fund (the "Sewer Fund") previously established by the Commission.

(2) The Sewer Fund will be continued as a single fund administered by the Commission on behalf of the Issuer and held to serve as a depository for all sums, including bond proceeds, tax levies and Net Revenues received on account of the System.

(3) Except as provided in this Section, the Sewer Fund may be used only to pay claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the System; to maintain such reasonable reserves for such expenses and other reasonable operating reserves as the Commission determines to be necessary from time to time; and as may otherwise be permitted by the Act. Sums required to make such payments and maintain such reserves, constitute the Net Revenues which are herein pledged and appropriated first to pay the principal of and interest when due on the Bonds.

(4) The depository bank selected by the Commission for deposit of the monies constituting the Sewer Fund is deemed designated by the Board for purposes of Section 116A.24, subdivision 3(d).

(5) Three separate accounts shall be maintained in the Sewer Fund which shall be designated the "Debt Service Account," "Escrow Account," and "Costs of Issuance Account" respectively:

(1) *Debt Service Account.*

(a) A separate debt service account is created with the Commission in the Sewer Fund. The Debt Service Account will be a joint account administered by the Commission on behalf of the Issuer.

(b) The Commission is directed that prior to each Interest Payment Date, its authorized representative must transfer from the Sewer Fund to the Debt Service Account amounts of Net Revenues which, along with any special assessments levied against properties specially benefited by the Project and ad valorem taxes on deposit therein will be sufficient for the payment of all interest and principal then due on the Bonds.

(c) The Board pledges and appropriates to the Debt Service Account: (i) Net Revenues at the times and in the amounts described in (b) below; (ii) the amount used to pay part of the interest cost of the issue as allowed by Minnesota Statutes, Section 475.56 (the "Additional Interest") to the extent not required to fund the Escrow Account; (iii) the Accrued Interest to the extent not required to fund the Escrow Account; (iv) any balance remaining on the Redemption Date in the Debt Service Account in the Sewer Fund (the "2007 Debt Service Fund") created in the Issuer's Resolution No. 2007-7-17-01 adopted July 17, 2007 (the "2007 Resolution"); (v) any balance remaining on the Redemption Date in the Debt Service Account in the Sewer Fund (the "2007B Debt Service Fund" and together with the 2007 Debt Service Fund, the "Prior Debt Service Funds") created in the Issuer's Resolution No. 2007-11-13-04 adopted November 13, 2007 (the "2007B Resolution" along with the 2007 Resolution, the "Prior Resolutions"); (vi) all funds remaining in the Project Account in the Sewer Fund (the "2007 Project Account") created in the Issuer's 2007 Resolution; (vii) all funds remaining in the Project Account in the Sewer Fund (the "2007B Project Account," and together with the 2007 Project Account, the "Project Accounts") created in the Issuer's 2007B Resolution; (viii) any balance remitted to the Issuer upon termination of the Escrow Agreement; (ix) any and all other moneys which are properly available and are appropriated by the governing body of the Issuer to the Debt Service Account; and (x) investment earnings on the moneys identified in the foregoing clauses (i) through (ix). The proceeds of the Bonds described in clauses (ii) and (iii) of the preceding sentence shall be used for payment of interest on the Bonds. The money in such account shall be used for no purpose other than the payment of principal and interest on the Bonds and any other general obligation bonds of the Issuer hereafter issued by the Issuer and made payable from said account as provided by law.

(2) *Escrow Account.*

(i) To the Escrow Account there is pledged and irrevocably appropriated and there shall be credited: (a) the proceeds of the Bonds received from the Purchaser which are not appropriated to the Debt Service Account or the Costs of Issuance Account; (b) if necessary, the Accrued Interest; (c) if necessary, the Additional Interest [amounts referenced in clauses (a), (b) and (c) are herein referred to as the "Proceeds"]; (d) funds of the Issuer in an amount sufficient to meet the requirements of the Escrow Account as necessary (the "Funds"); and (e) investment earnings on such monies referenced in clauses (a) through (d), for the payment and redemption on the Redemption Date of the principal amount of the Refunded Bonds and for payment of the interest to become due on the Bonds through and including the Redemption Date (the "Escrow Flow of Funds").

(ii) The Escrow Account shall be maintained with the Escrow Agent pursuant to the Escrow Agreement and this Resolution. The Escrow Account shall be invested in accordance with the Act, the Escrow Agreement and this Section, in securities specified in Section 475.67, Subdivision 8 of the Act or in an investment contract or similar agreement with a bank or insurance company meeting the requirements of Minnesota Statutes, Section 118A.05, Subdivision 5, which investments will provide sufficient funds together with any cash or other funds retained in the Escrow Account to meet the requirements of the Escrow Flow of Funds.

(iii) From the Escrow Account there shall be paid all amounts necessary to meet the requirements of the Escrow Flow of Funds.

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

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

(3) *Costs of Issuance Account.* The moneys in the Costs of Issuance Account may be held by the Escrow Agent. On receipt of the purchase price of the Bonds, the Issuer shall credit to the Costs of Issuance Account the proceeds from the sale of the Bonds in an amount necessary to pay the costs of issuance of the Bonds. In the event the proceeds of the Bonds, after meeting the requirements for deposits to the other Accounts are insufficient for payment of costs of issuance of the Bonds, the Issuer will appropriate available funds to meet any deficiency. Any balance remaining in the Costs of Issuance Account after payment in full of the costs of issuance of the Bonds shall be transferred to the Debt Service Account. Costs of issuance of the Bonds may be disbursed by the Escrow Agent.

(4) *Termination of Prior Accounts.* The Project Accounts created by the Prior Resolutions are terminated and any monies remaining therein shall be transferred to the Debt Service Accounts established in the Prior Resolutions.

5.03 No Tax Levy. It is estimated that the Net Revenues herein pledged are in an amount not less than 5% in excess of the amounts needed to meet when due the principal and interest payments on the Bonds and, as allowed by Minnesota Statutes, Section 475.61, Subdivision 6, no tax is presently levied for this purpose.

5.04 General Obligations. It is recognized that the Issuer's liability on the Bonds is not limited to the Pledged Revenues, and the Board covenants and agrees that in the event of any current or anticipated deficiency in the Pledged Revenues, it will levy upon all taxable property within the Issuer and cause to be extended, assessed, and collected, any additional taxes found necessary for full payment of the principal of and interest on the Bonds, without limitation as to rate or amount. If any payment of principal or interest on the Bonds shall become due when there is not sufficient money in the Debt Service Account or the Escrow Account, the Auditor-Treasurer shall pay the same from any

other fund of the Issuer, which fund shall be reimbursed from the Debt Service Account when the balance therein is sufficient.

5.05 Surplus Revenues. The Board consents to the use of surplus revenues from time to time received in the Sewer Fund, in excess of payments due from and reserves required to be maintained in the Sewer Fund and in the Debt Service Account, for necessary expenditures for the improvement or extension of the System, for the prepayment and redemption of bonds constituting a lien on the System, and for any other proper purpose consistent with the Act and the policies established by resolution of the Commission.

5.06 Investments. Monies on deposit in the Sewer Fund and the accounts therein may, at the discretion of the Auditor-Treasurer, be invested in securities permitted by Minnesota Statutes, Chapter 118A; provided, that any such investments shall mature at such times and in such amounts as will permit payment of the principal and interest on the Bonds when due.

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

6.01 Findings. It is found and determined that:

A. based upon information presently available from the Issuer's financial advisers, that as of the Redemption Date, the issuance of the Bonds will result in a reduction of debt service cost to the Issuer on the Refunded Bonds;

B. in accordance with Section 475.67 of the Act, as of the Redemption Date, the present value of the dollar amount of the debt service on the portion of the Bonds allocable to refunding the Refunded Bonds, computed to their stated maturity dates, after deducting any premium, is lower by at least three percent than the present value of the dollar amount of debt service, on the Refunded Bonds, exclusive of any premium, computed to their stated maturity dates (present value of the dollar amount of debt service means the dollar amount of debt service to be paid, discounted to the nominal date of the Bonds at a rate equal to the yield on the Bonds);

C. the Proceeds and Funds available and appropriated to the Escrow Account will be sufficient, together with the permitted earnings on the investment of the Escrow Account, to meet the requirements of the Escrow Flow of Funds;

D. the proceeds of the Prior Bonds have been fully expended for the governmental purpose for which the Prior Bonds were issued; and

E. the Project is complete.

6.02 Redemption. The Refunded Bonds shall be redeemed and prepaid in accordance with: (i) their terms; (ii) with the terms and conditions set forth in the form of Notices of Call for Redemption for the Refunded Bonds attached to the Escrow Agreement as EXHIBITS D-1 and D-2; and (iii) with the terms and conditions of the Representation Letter, all of which terms and conditions are approved and incorporated herein by reference.

Section 7. Certificate of Proceedings.

7.01 Filing of Resolution. The Auditor/Treasurer is directed to file a certified copy of this Resolution and such other information as may be required in her official records, and to provide to bond counsel a certificate stating that the Bonds herein authorized have been duly entered on her register.

7.02 Proceedings. The officers of the Issuer are authorized and directed to prepare and furnish to the Purchaser and to bond counsel certified copies of all proceedings and records of the Issuer relating to the authorization and issuance of the Bonds and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Bonds as such facts appear from the official books and records of the officers' custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the Issuer as to the correctness of facts recited therein and the actions stated therein to have been taken.

7.03 Absent or Disabled Officers. In the event of the absence or disability of the Chair or the Auditor-Treasurer, such officers or members of the Board as in the opinion of the Issuer's attorney may act in their behalf shall, without further act or authorization, execute and deliver the Certificates, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

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

7.05 Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The Issuer may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond 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 Bond Registrar a sum sufficient for the payment thereof in full with interest accrued 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 Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. 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 suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Chapter 118A bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

Section 8. Tax Covenants.

8.01 General. A. The Issuer covenants and agrees with the holders of the Bonds that the Issuer will (i) take all action on its part necessary to cause the interest on the Bonds to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Bonds to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes.

B. The Issuer covenants with the Holders from time to time of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any action which would cause the interest payable on the Bonds to become subject to taxation under the Internal Revenue Code; 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 insure that such interest will not become subject to taxation under the Code. The term "Internal Revenue Code" or "Code" as used herein includes the Internal Revenue Code of 1986, as amended, and all regulations, amended regulations and proposed regulations issued thereunder, as now existing, or as hereafter amended or proposed.

C. No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued, and (ii) in addition to the above, in an amount not greater than the lesser of five percent of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Debt Service Account (or any other Issuer account which will be used to pay principal and interest to become due on the Bonds) in excess of amounts which under the applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after taking into account any applicable temporary periods of minor portion made available under the federal arbitrage regulations. In addition, the proceeds of the Bonds and money in the Debt Service Account shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the

extent that such investment would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

8.02 Spending Exemption to Rebate. The Issuer elects to treat the Bonds as a multi purpose issue, one issue to fund the Escrow Account (the "Refunding Portion") and one issue consisting of the balance of the proceeds of the Bonds (the "Non-refunding Portion"). The Prior Bonds qualified for and were taken into account under Section 148 (f)(4)(D) of the Code, the "small issuer" exception to the arbitrage rebate requirements. The aggregate amount of the Bonds does not exceed \$5,000,000. The weighted average maturity of the Bonds does not exceed the weighted average maturity of the Prior Bonds. The Bonds do not mature more than 30 years after the date of issue of the Prior Bonds (August 1, 2007 and December 1, 2007). Issuer expects all proceeds of the Non-refunding Portion will be spent within six months of the date of closing and delivery of the Bonds.

8.03 Bank Qualification. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the Issuer makes the following factual statements and representations:

- A. the Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- B. the Issuer designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;
- C. the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the Issuer (and all entities whose obligations will be aggregated with those of the Issuer) during the calendar year in which the Bonds are being issued will not exceed \$10,000,000; and
- D. not more than \$10,000,000 of obligations issued by the Issuer during the calendar year in which the Bonds are being issued have been designated for purposes of Section 265(b)(3) of the Code.

8.04 Arbitrage Certification. The Chair and Auditor-Treasurer, 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 an arbitrage certification in order to satisfy the provisions of the Code and the regulations promulgated thereunder.

8.05 Opinion of Counsel. Notwithstanding any other provision of this Section 8, any requirement imposed hereunder or under Section 5 hereof may be deemed inapplicable and of no force or effect if an opinion of counsel is rendered to the Issuer by nationally recognized Bond Counsel to the effect that the failure to impose such requirement will not adversely effect the tax exempt status of interest on the Bonds.

Section 9. Payment of Issuance Costs. The Issuer authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to Northland Trust Services, Inc. on the closing date for further distribution as directed by the Purchaser.

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The motion for the adoption of the foregoing Resolution was duly seconded by Jens and upon a roll call vote being taken thereon:

Thiner: yes

Moline: yes

Jens: yes

Giese: yes

Whereupon said Resolution was declared duly passed and adopted.

Adopted: January 29, 2013

Vice-Chair

Attest:

Auditor-Treasurer

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Memorandum of Understanding with city of Hadley

It was moved by Moline, seconded by Giese and passed to approve and authorize the Vice-Chair and County Coordinator to sign a Memorandum of Understanding (MOU) with the City of Hadley (City) for Murray County (County) to regulate and enforce Shoreland and Floodplain development within the City.

It was moved by Jens, seconded by Moline and passed to approve the hourly rate and benefits for reimbursement for the Zoning Administrator, Secretary II- Environmental Services, and Water Resources Administrator rates per attachment 1, A. Administrative Provisions, Section 9 of the Memorandum of Understanding between Murray County and the city of Hadley.

Feedlot Report

It was moved by Jens, seconded by Moline and passed to approve and authorize the Vice-Chair to sign the feedlot report for the Minnesota Pollution Control Agency.

Maintenance Position

It was moved by Moline, seconded by Thiner and passed to approve the recruitment process for a full time maintenance position.

There being no further business the meeting was adjourned at 11:58 a.m.

ATTEST: _____
Aurora Heard, Murray County Coordinator

John Giese, Vice-Chairman of the Board