



# Resolution

## No. 2017-44

### **Providing for the Issuance, Sale and Delivery of General Obligation Refunding Bonds, Series, 2017A (Northern Lights Health Care Center Project, of Bayfield County Wisconsin; Establishing the Terms and and Conditions Therefor; Creating a Debt Service Account Therefor: and Providing for Awarding the Sale Thereof**

**BE IT RESOLVED**, by the Board of Supervisors (the "Board") of Bayfield County, Wisconsin (the "County"), as follows:

#### **Section 1. Bond Purpose, Authorization, and Award.**

1.01 Under and pursuant to the provisions of Wisconsin Statutes, Chapter 67 and Section 67.04(3), the County is authorized to issue and sell its general obligation bonds to refund municipal obligations issued for a public purpose.

1.02 The County owns a public home for the care of the indigent and the aged, operated as a community nursing home, which is known as the Northern Lights Health Care Center (the "Facility"), which is located at 706 Bratley Drive in Washburn, Wisconsin on the property legally described on Exhibit B attached hereto (the "Real Property").

1.03 The County has previously issued its \$5,910,000 General Obligation Bonds, Series 2007 (Northern Lights Health Care Center Project), dated December 5, 2007 (the "2007 Bonds"). The 2007 Bonds were authorized and issued pursuant to Wisconsin Statutes, Chapter 67 and Section 67.04, to (i) refund on a current refunding basis the outstanding principal balance of the \$1,015,000 Nursing Home Refunding Revenue Bonds, Series 2004 (the "2004 Bonds") of the County issued for the public purpose of improving the Facility, and (ii) to finance an addition to and improvements to the Facility, including the construction and equipping of an approximately 20,000 square foot addition to the Facility for a 16-unit memory care community based residential facility, for a therapy suite providing physical therapy, occupational therapy and speech language pathology services, and for other uses related and ancillary and the remodeling and renovation of the Facility.

1.04 The Board hereby determines that it is necessary and desirable that the County issue and sell its General Obligation Refunding Bonds, Series 2017A (Northern Lights Health Care Center Project) in the approximate amount of \$4,100,000 (the "Bonds"), to refund on a current refunding basis the 2017 through 2027 maturities of the 2007 Bonds, in the total outstanding principal amount of \$4,280,000 which is hereby called for prepayment and redemption on October 1, 2017 (the "Refunded Bonds") and to pay the costs of issuance of the Bonds. The Refunded Bonds were allocated to the financing of the addition and related improvements and not to the refunding of the 2004 Bonds. The sale of the Bonds shall be contingent upon favorable market conditions, as determined by the Administrator, as further described below.

1.05 The Facility, including the 2007 addition and related improvements thereto and the Real Estate is presently leased to Northern Lights Services, Inc. (formerly known as Bayfield County Memorial Hospital, Inc.), a Wisconsin non-stock, nonprofit corporation (the "Company"), pursuant to an Amended and Restated Lease dated December 5, 2007, between the County and the Company. The Company is exempt from federal income tax pursuant to the provisions of Sections 501(a) and 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). (This lease, as a part of this financing, shall be amended as provided for in Section 8 hereof.) As required by Section 147(f) of the Code, the County has held, on July 25, 2017, a public hearing on the issuance of the Bonds.

1.06 The Board hereby finds and determined as follows:

(a) The Bonds shall be dated the date of issuance and shall be bear interest at the rates determined by the successful proposer. Interest shall be payable on June 1 and December 1 (each an "Interest Payment Date") commencing on June 1, 2018.

(b) The Bonds shall mature on the dates and in the amounts set forth in the Notice of Sale of the Bonds attached hereto as Exhibit A (as may be adjusted) (the "Notice of Sale") and as described in a Certificate as to Terms of Bond Sale and Levy of Taxes to be executed by the Administrator; provided, however, the final maturity of the Bonds shall not be later than June 1, 2027. The County, through the Administrator, reserves the right to issue or to not issue the Bonds based on applicable market conditions.

1.07 The Notice of Sale is approved, subject to the changes permitted below. Bids for the Bonds will be received on a date and time determined by the Administrator on the terms and conditions set forth in the Notice of Sale, which terms and conditions may be modified by the Administrator after consulting with the County's municipal advisor, based on market conditions, so long as the sale of the Bonds occurs before August 29, 2017, so long as the true interest cost of the Bonds does not exceed 2.64% and so long as the net cash flow (future value) savings from the refunding of the Refunded Bonds exceeds \$350,000. The Board hereby delegates to the Chair, the Clerk (or in their absence, the Vice-Chair or Deputy Clerk) and the Administrator authority to consider the bids and award the sale of the Bonds, and upon acceptance of the best bid meeting the requirements of this resolution, the Chair, the Clerk (or in their absence, the Vice-Chair or Deputy Clerk) and the Administrator shall execute on behalf of the County an agreement to sell the Bonds to the successful bidder.

## **Section 2. Terms of the Bonds.**

2.01 A. The Bonds maturing in the years 2018 through 2024 shall not be subject to redemption and prepayment before maturity, but those maturing in the year 2025 and subsequent years shall be subject to redemption and prepayment at the option of the County on June 1, 2024, and on any day thereafter, in whole or in part, and if in part, at the option of the County and in such manner as the County shall determine.

B. The Bonds are subject to optional redemption, in whole or in part, in case of damage to or destruction or condemnation of the Facility, as provided in Section 2.10 hereof.

C. The Bonds are subject to optional redemption, in whole but not in part, upon the occurrence of a Determination of Taxability, as described in Section 2.11 hereof, that interest on the Bonds is subject to federal income taxation under Section 103 and related sections of the Internal Revenue Code of 1986, as amended (the "Code") and regulations thereunder, at a redemption price equal to par plus accrued interest. Accrued interest shall include additional interest at the increased rate provided in Section 2.11 hereof for the period between the Date of Taxability and the date of redemption. The date of redemption shall be established by the County as provided in Section 2.11 hereof, upon notice as provided herein.

D. If less than all the Bonds of a maturity are called for redemption, the County will notify The Depository Trust Company, Jersey City, New Jersey ("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. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest. No more than 60 days and no fewer than 30 days prior to the date fixed for redemption and prepayment of any Bonds, notice of redemption shall be mailed to each registered owner of a Bond to be redeemed, at the address shown on the registration books of the County.

2.02 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 County Treasurer 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 registration records maintained by the County Clerk at the close of business on the 15<sup>th</sup> day (whether or not on a business day) of the month next preceding the Interest Payment Date at such owners' addresses shown on such registration records.

2.03 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 Chairperson and attested by the manual signature of the County Clerk. 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 County Clerk is authorized and directed to obtain the approving legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A., Duluth, Minnesota, which is to be attached to each Bond.

2.04 A. In order to make the Bonds eligible for the services provided by DTC, the County has previously agreed to the applicable provisions set forth in the Blanket Issuer Letter of Representations which has been executed by the County and DTC (the "Representation Letter").

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 thereafter as possible thereafter 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 bond holders and payments on the Bonds are set forth in the Representation Letter.

2.05 The County Clerk, as the bond registrar, shall keep books for the registration and for the transfer of the Bonds. Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the County Clerk, duly endorsed for the transfer for accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Chairperson and the County Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity, and the County Clerk shall record the name of each transferee in the registration book. No registration shall be made to bearer. The County Clerk shall cancel any Bond surrendered for transfer. The County shall cooperate in any such transfer, and the Chairperson and the County Clerk are authorized to execute any new Bond or Bonds necessary to effect such transfer.

2.06 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 County Clerk as of the date of its execution. The County 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.

2.07 The County 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 the County shall not be affected by notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

2.08 The principal of and interest on the Bonds shall be payable by the County Treasurer in such funds as are legal tender for the payment of debts due the United States of America.

2.09 Delivery of the Bonds and payment of the purchase price shall be made at a place mutually satisfactory to the County and the Purchaser. Executed Bonds shall be furnished by the County 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 County Treasurer to the Purchaser thereof upon receipt of the purchase price plus accrued interest.

2.10 A. The County shall have the option to redeem and prepay the Bonds, in whole or in part, in the event of (i) total damage to or destruction of the Facility or substantially all of the Facility by any casualty; or (ii) the condemnation of all or substantially all of the Facility. The County shall have six months after the date of such casualty or the date of taking to make an election to redeem the Bonds.

B. If the County makes such election to redeem, the outstanding Bonds to be redeemed shall be redeemed on the next date for which due notice can be given or any date thereafter at a redemption price of par plus accrued interest.

2.11 A. If a Determination of Taxability is made, the Bonds shall bear additional interest at a rate of two percent per annum from the Date of Taxability until the respective dates on which the principal of the Bonds is paid. Such additional interest shall be payable semiannually to the owners of the Bonds on each regular semiannual interest payment date following the Determination of Taxability. Additional interest for the period from the Date of Taxability to the first regular semiannual interest payment date following the Determination of Taxability (or, if earlier, the respective dates of payment or redemption of bonds) shall be payable to the owners of the Bonds (or with respect to the Bonds paid or redeemed after the Date of Taxability, the respective owners at the respective dates of payment and redemption) or other persons entitled thereto, as reflected in the registration records maintained by the Fiscal Agent, on the first regular semiannual interest payment date following the Determination of Taxability. Notwithstanding any provisions herein to the contrary, if a Determination of Taxability should occur, any monetary damages or loss resulting from or incident thereto shall be limited to the additional interest rate on the Bonds provided for by this Section 2.11A.

B. In the event such a Determination of Taxability is made, at the option of the County, the outstanding Bonds may be redeemed, in whole but not in part, on the next date for which due notice can be given and any date thereafter at a redemption price of par plus accrued interest (including additional interest from the Date of Taxability).

C. "Determination of Taxability" as described in the foregoing paragraphs shall mean a Notice of Deficiency issued by the Internal Revenue Service or a final decision of a court of competent jurisdiction to the effect that interest on the Bonds is includable in the gross income of the recipient under

Section 103 of the Code, related sections and regulations thereunder, as in effect from time to time, provided that such event shall not be deemed a Determination of Taxability until after the period, if any, for contest or appeal of such Notice of Deficiency or decision by the bondholders, the County or any other interested party has expired without any such contest or appeal having been properly instituted. A determination that interest on the Bonds is includable in the computation of any alternative minimum tax is not a Determination of Taxability. "Date of Taxability" shall mean that date as of which the interest on the Bonds shall be so determined to be includable in the gross income of the owners thereof; provided that no Bond shall bear additional interest for any period for which the statute of limitations shall be a bar to the assertion or collection of a deficiency of federal income taxes from the owner of such Bond.

**Section 3. Form of the Bonds.**

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

UNITED STATES OF AMERICA  
STATE OF WISCONSIN  
  
BAYFIELD COUNTY

R-\_\_ \$ \_\_\_\_\_

GENERAL OBLIGATION REFUNDING BOND, SERIES 2017A  
(NORTHERN LIGHTS HEALTH CARE CENTER PROJECT)

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
___%	June 1, ___	September ___, 2017	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

Bayfield County, Wisconsin (the "County"), 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 the Date of Original Issue set forth above, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal amount is paid, said interest being at the rate per annum specified above. Interest is payable semiannually on June 1 and December 1 of each year (each referred to herein as an "Interest Payment Date") commencing on June 1, 2018. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft from the office of the County Treasurer. The County Treasurer 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 County by the County Clerk at the close of business on the 15<sup>th</sup> 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 obligation of the County to the extent of the payments so made. Payment of principal shall be made when due upon presentation and surrender of this Bond to the County Treasurer. For the prompt and full payment of such principal and interest as they become due, the full faith and credit and resources of the County are irrevocably pledged.

This Bond is one of a series issued by the County in the aggregate amount of \$ \_\_\_\_\_, all of like date and tenor, except as to number, maturity date, denomination, redemption privilege and interest rate, pursuant to the authority contained in Wisconsin Statutes, Chapter 67, and all other laws thereunto enabling, and pursuant to an authorizing resolution adopted by the governing body of the County on July 25, 2017, the award of the sale of the Bonds by the authorized officers of the County, as evidenced by the Certificate as to Terms of Bond Sale and Levy of Taxes dated \_\_\_\_\_, 2017 (the "Resolution"), to (i) to refund on a current refunding basis the 2017 through 2027 maturities of the County's \$5,910,000 General Obligation Bonds, Series 2007 (Northern Lights Services, Inc. Project). The Bonds are payable from the 2017A General Obligation Bonds Debt Service Account in the County's Debt Service Fund and a direct annual ad valorem tax has been levied upon all of the taxable property within the County, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred.

In the event of a Determination of Taxability, as defined in the Resolution, to the effect that interest on the Bonds is includable in gross income for purposes of federal income taxation under Section 103 and related Sections of the Internal Revenue Code and regulations thereunder, this Bond shall bear additional interest from the Date of Taxability (as defined in the Resolution) to the date of payment of the principal hereof at an additional rate of interest equal to two percent per annum, for an aggregate rate of

interest two percent per annum higher than the interest rate set forth above, payable semiannually as more fully set forth in the Resolution. Any monetary damages or loss resulting from or incident to a Determination of Taxability shall be limited to such additional interest on the Bonds.

This Bond has been designated by the County as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Bonds maturing in the years 2018 through 2024 shall not be subject to redemption and prepayment before maturity, but those maturing in the year 2025 and in subsequent years shall be subject to redemption and prepayment at the option of the County on June 1, 2024, and on any day thereafter, in whole or in part, and if in part at the option of the County and in such manner as the County shall determine and by lot as to Bonds maturing in the same year, at a price of par plus accrued interest to the redemption date.

The Bonds are also subject to optional redemption at par and accrued interest, in whole or in part, on any date, in certain events of damage to or destruction or condemnation of the Facility, and in whole but not in part, on any date in the event of a Determination of Taxability, are subject to optional redemption on the next date for which due notice can be given and any date thereafter as provided in the Resolution.

Not more than 60 days and no fewer than 30 days prior to the date fixed for redemption and prepayment of any Bonds, notice of redemption shall be mailed to each registered owner of a Bond to be redeemed. If any Bond is redeemed in part, upon surrender of the Bond being redeemed, the County shall deliver or cause to be delivered to the registered owner of such Bond a Bond in like form in the principal amount equal to that portion of the Bond so surrendered not being redeemed.

The Bonds of this series are issued as fully registered bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof. Subject to limitations in the Resolution, the County 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, all of like tenor except as to number and principal amount. Subject to limitations in the Resolution, this Bond is transferable by the registered owner hereof upon surrender of this Bond for transfer at the office of the Fiscal Agent, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Fiscal Agent and executed by the registered owner hereof or the owner's attorney duly authorized in writing. Thereupon the County shall execute and the Fiscal Agent shall authenticate 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 unpaid principal amount of this Bond, of the same maturity, and bearing interest at the same rate.

**IT IS CERTIFIED AND RECITED** that all acts and conditions required by the Constitution and laws of the State of Wisconsin 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 County 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 limits of the County 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 County to exceed any constitutional or statutory limitation.

**IN WITNESS WHEREOF**, Bayfield County, Wisconsin, by its governing body, has caused this Bond to be executed in its name by the signatures of the Chairperson and the County Clerk and its corporate seal or a true facsimile thereof to be impressed or imprinted hereon, all as of the date of original issue specified above.

**ATTEST:**

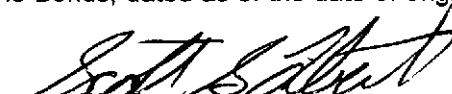
(form-no signature required)  
County Clerk

(form - no signature required)  
Chairperson

(SEAL)

**BOND COUNSEL OPINION**

I certify that the above is a full, true and correct copy of the legal opinion rendered by Bond Counsel on the issuance of the Bonds, dated as of the date of original delivery of and payment for the Bonds.

  
County Clerk

**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 the County Clerk. 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 County Clerk in the name of the registered owner last noted below.

<u>Date</u>	<u>Registered Owner</u>	<u>Signature of County Clerk</u>
__/__/2017	Cede & Co. c/o The Depository Trust Company 570 Washington Blvd. Jersey City, NJ 07310 Federal Taxpayer I.D. No.: 13-2555119	<u>(form-no signature needed)</u>

**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 does hereby irrevocably constitute and appoint \_\_\_\_\_ 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 of 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 County 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. Redemption of the Refunded Bonds.**

**4.01 2007 General Obligation Bonds.**

A. Proceeds of the Bonds in the amount of \$4,015,021.00 are hereby irrevocably appropriated to the 2007 Bonds Debt Service Account within the County's Debt Service Fund (the "2007 Bonds Debt Service Account"), which funds and the monies previously appropriated and deposited in the 2007 Bonds Debt Service Account (\$322,364.00) shall be segregated and shall constitute a separate trust fund to be used for no purpose other than the prepayment and redemption of the Refunded Bonds maturing on and after December 1, 2017, on October 1, 2017 (the "Redemption

Date"). Such proceeds, together with the other monies on deposit in the 2007 Bonds Debt Service Account, may be invested only in direct obligations of the United States of America maturing in time to pay the principal of and interest on the entire outstanding Refunded Bonds on the Redemption Date.

B. It is hereby found and determined that the proceeds of the Bonds in the amount of \$4,015,021.00, together with funds on deposit in the 2007 Bonds Debt Service Account in the amount of \$322,364.00, will be sufficient to prepay and redeem the outstanding principal (\$4,280,000.00) of the Refunded Bonds maturing on and after December 1, 2017, and interest thereon (\$57,385.00), on the Redemption Date.

C. The County Clerk or the designee thereof is hereby authorized and directed to send the Notice of Call for Redemption attached hereto as Exhibit C to the holders of the Refunded Bonds to be redeemed, in accordance with its terms and in accordance with the Representation Letter.

D. The County Clerk or the designee thereof is hereby authorized and directed to cause to be provided a material event notice regarding the Refunded Bonds in accordance with the Limited Continuing Disclosure Certificate of the County dated December 5, 2007, and delivered in connection with the 2007 Bonds.

E. There is hereby appropriated any balance of the monies in the 2007 Bonds Debt Service Account to the Debt Service Account after payment of the Refunded Bonds.

## **Section 5. Debt Service Fund.**

5.01 Debt Service Fund. There is hereby established in the treasury of the County, if it has not already been created, a debt service fund separate and distinct from every other fund (the "Debt Service Fund"), which shall be maintained in accordance with generally accepted accounting principles. Sinking funds established for obligations previously issued by the County may be considered as separate and distinct accounts within the Debt Service Fund. There shall be maintained in the Debt Service Fund a separate account, to be designated the 2017A General Obligation Bonds Debt Service Account.

5.02 The 2017A General Obligation Bonds Debt Service Account. To the 2017A General Obligation Bonds Debt Service Account (the "Debt Service Account") there is hereby pledged and irrevocably appropriated and there shall be credited: (1) all collections of all taxes levied herein for the payment of the Bonds and interest thereon; (2) all investment earnings on funds in the Debt Service Account; (3) accrued interest, if any, received upon delivery of the Bonds; (4) any balance remaining in the debt service account created for the 2007 Bonds after payment of all principal and interest on the 2007 Bonds on October 1, 2017; (5) the rounding amount, if any; and (6) any and all other monies which are properly available and are appropriated by the Board to the Debt Service Account, and any further deposits as may be required by Section 67.11 of Wisconsin Statutes. The amount of any surplus remaining in the Debt Service Account when the Bonds and interest thereon are paid shall be used to reduce the amount of taxes levied herein. No money shall be withdrawn from the Debt Service Account and appropriated for any purpose other than the payment of principal of and interest on the Bonds until all such principal and interest has been paid in full and canceled; provided (i) the funds to provide for each payment of principal of and interest on the Bonds prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due; and (ii) any funds over and above the amount of such principal and interest payments on the Bonds may be used to reduce the next succeeding tax levy, or may, at the option of the County, be invested by purchasing the Bonds as permitted by and subject to Section 67.11(2)(a), Wisconsin Statutes, in interest bearing obligations of the United States of America, or in other obligations of the County, which investments shall continue to be a part of the Debt Service Account. When all of the Bonds have been paid in full and cancelled, and all permitted investments disposed of, any money remaining in the Debt Service Account shall be deposited in the general fund of the County, unless the Board directs otherwise.

5.03 The Board covenants and agrees that the full faith and credit and resources of the County are hereby irrevocably pledged for the prompt and full payment of the principal of and interest on the Bonds as such principal and interest respectively become due, and the Board will levy upon all taxable property within the County and cause to be extended, assessed, and collected, any taxes found necessary for full payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

5.04 A. For the purpose of paying the principal of and interest on the Bonds as the same become due, the full faith, credit and resources of the County are hereby irrevocably pledged and there hereby is levied on all the taxable property in the County a direct, annual, irrevocable tax in such years and in such amounts as are sufficient to meet such principal and interest payments when due; said tax is hereby levied in the years and in the minimum amounts to be shown on the Certificate as to Terms of Bond Sale and Levy of Taxes, which is incorporated by reference as though fully set forth herein.

B. The County shall be and continue to be without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Bonds, said tax shall be, from year to year, carried into the tax rolls of the County and collected as other taxes are collected, provided that the amount of tax carried into said tax rolls may be reduced in any year by the amount of any surplus money in the Debt Service Account created in Section 5.02 hereof.

5.05 The County authorizes the Purchaser to forward proceeds of the Bonds allocable to the payment of issuance expenses to KleinBank, Chaska, Minnesota, on the date of closing and delivery of the Bonds (the "Closing Date") for further distribution as directed by the County's municipal advisor, Ehlers & Associates, Inc. and as set forth in the officers' certificate provided to the Purchaser on the Closing Date.

**Section 6. Certificate of Proceedings.**

6.01 The officers of the County are authorized and directed to prepare and furnish to the Purchaser and to bond counsel certified copies of all proceedings and records of the County 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 County as to the correctness of facts recited therein and the actions stated therein to have been taken.

6.02 The Chairperson and the County Clerk 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.

6.03 The County Clerk shall provide and keep a separate record book and shall record a full and correct statement of entry step or proceeding had or taken in the course of authorizing and issuing the Bonds.

6.04 In the event of the absence or disability of the Chairperson, Clerk or Treasurer, such officers of the County or members of the Board as in the opinion of the County's attorney may act in their behalf shall, without further act or authorization, execute and deliver the Bonds, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

**Section 7. Tax Covenants.**

7.01 A. The County covenants and agrees with the holders of the Bonds that the County 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. Based on representations of the Company, the Bonds will be "private activity bonds" within the meaning of Section 141(a) and "qualified 501(c)(3) bonds" within the meaning of Section 145 of the Code. The Company will represent in the Lease to do those things necessary to establish or preserve the exception of interest on the Bonds and not to use or to permit the use of the Facility in a manner that the Bonds cease to be "qualified 501(c)(3) bonds" within the meaning of Section 145 of the Code.

B. The proceeds of the Refunded Bonds have been totally expended for the governmental purpose for which they were issued; the gross proceeds of the Bonds will be totally expended for the purpose of refunding the outstanding principal amount of the Refunded Bonds and interest thereon and paying the costs of issuance of the Bonds within six months of the date of issuance of the Bonds. Therefore, no rebate of arbitrage profit is required under the Code pursuant to Section 148(f)(4)(B) of the Code under Regulation Section 1.148-9(h).

C. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the code, the County hereby makes the following factual statements and representations:

(i) based upon representations of the Company, the Bonds, when issued, will be qualified 501(c)(3) bonds under Section 145 of the Code;

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

(iii) 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 County (and all entities whose obligations will be aggregated with those of the County) during the calendar year in which the Bonds were issued will not exceed \$10,000,000; and

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

D. The County shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this section.

**Section 8. Approval of Amended and Restated Lease.** It is the intent of the County and the Company to amend and restate the Amended and Restated Lease dated as of December 5, 2007, between the County and the Company to provide for the acknowledgement of the refunding of the 2007 Bonds, the issuance of the Bonds and provide for amended terms of the Lease. Such amendment shall be approved by the Company and the County prior to issuance and delivery of the Bonds.

**Section 9. Continuing Disclosure.** The County acknowledges that the Bonds are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the "Rule"). The Rule governs the obligations of certain underwriters to require that issuers of municipal bonds enter into agreements for the benefit of the bondholders to provide continuing disclosure with respect to such bonds. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit underwriters of the Bonds to comply with the Rule, which will enhance the



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**Section 10. Post-Issuance Compliance Policy and Procedures.** The Board has been provided with a Post-Issuance Debt Compliance Policy and Post-Issuance Debt Compliance Procedures which shall apply to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the "Policy and Procedures"). The Board hereby approves the Policy and Procedures for the Bonds. The County Clerk is designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

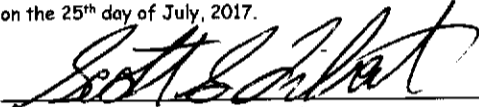
Adopted July 25, 2017.

By Action of the  
**Bayfield County Board of Supervisors**

  
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 Dennis M. Pocernich, *Chairman*

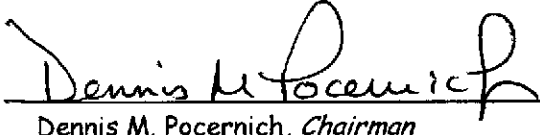
STATE OF WISCONSIN )  
                                   ) ss.  
 COUNTY OF BAYFIELD )

I, Scott S. Fibert, Bayfield County Clerk, hereby certify that the foregoing is a true and correct copy of Resolution No. 2017-44, Volume 25, adopted by the Bayfield County Board of Supervisors at their meeting held on the 25<sup>th</sup> day of July, 2017.

  
 \_\_\_\_\_  
 Scott S. Fibert, Bayfield County Clerk

Adopted July 25, 2017.

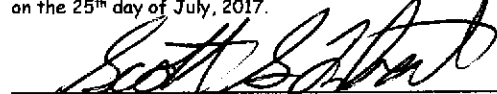
By Action of the  
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Dennis M. Pocernich, *Chairman*

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Scott S. Fibert, Bayfield County Clerk