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12/17/13

MINUTES FOR ADOPTION OF COMPLIANCE PROCEDURES

Sioux City, Iowa

December 17, 2013

The Board of Supervisors of Woodbury County, Iowa, met on the above date, at 10:35 o'clock a.m. at the Board of Supervisor's Board Room at the Woodbury County Courthouse, Sioux City, Iowa.

The meeting was called to order by the Chairperson, and the roll was called showing the following Supervisors present and absent:

Present: Larry Clausen, George Boykin, Mark Monson, Jackie Smith

Absent: David Tripp

* * * Other Business * * *

The Board took up and considered matters relating to post issuance compliance for conduit bonds. After due consideration and discussion, Supervisor Monson introduced the following resolution, related to the adoption of tax compliance procedures relating to tax exempt conduit bonds, and moved its adoption, seconded by Supervisor Boykin. The Chairperson put the question upon the adoption of said resolution, and the roll being called, the following Supervisors voted:

Ayes: Clausen, Boykin, Monson, Smith

Nays: _____

Whereupon, the Chairperson declared the resolution duly adopted as hereinafter set out.

....

At the conclusion of the meeting, and upon motion and vote, the Board adjourned.

Larry Clausen
Chairperson, Board of Supervisors

Attest:

John D. Bill
County Auditor

RESOLUTION NO. 11,948

Resolution adopting and approving Tax Compliance Procedures Relating to Conduit Tax-Exempt Bonds

WHEREAS, pursuant to Chapter 419 of the Code of Iowa (the "Act") and Section 103 of the Internal Revenue Code, Woodbury County, Iowa (the "County"), acting by and through the authority of its Board of Supervisors, has issued, and likely will issue in the future, tax exempt bonds, notes or other obligations (the "Conduit Tax Exempt Bonds") and loan the proceeds to private parties ("Conduit Borrowers") to finance project authorized by the Act; and

WHEREAS, in response to recommended best practices by the Internal Revenue Service, the County deems it necessary and desirable to adopt certain procedures and practices to be followed in connection with the issuance of Conduit Tax Exempt Bonds to insure compliance with the requirements of the Internal Revenue Code by such conduit borrowers and there has been presented for consideration by the Board proposed tax compliance procedures attached hereto as Exhibit A (the "Compliance Procedures"); and

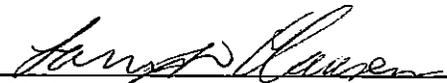
NOW, THEREFORE, Be It Resolved by the Board of Supervisors of Woodbury County, Iowa, as follows:

Section 1. The Compliance Procedures attached hereto as Exhibit A are hereby adopted and shall be dated as of the date hereof.

Section 2. The Board will periodically update the Compliance Procedures in accordance with the Internal Revenue Code and supporting Internal Revenue Service Rulings and Regulations, with advice from bond counsel.

Section 3. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved December 17, 2013.



Chairperson, Board of Supervisors

Attest:



County Auditor

EXHIBIT A

WOODBURY COUNTY, IOWA TAX COMPLIANCE PROCEDURES RELATING TO CONDUIT TAX-EXEMPT BONDS

It is the policy of Woodbury County, Iowa (the "Issuer") that for any conduit bonds (the "Conduit Bonds") issued on behalf of a conduit borrower (the "Borrower") the Borrower shall be responsible for and shall establish written procedures in the applicable bond documents for the issuance such Conduit Bonds (the "Conduit Bond Documents") to address ongoing compliance with applicable financial and tax requirements, arbitrage/rebate requirements, remedial actions and other applicable post-issuance requirements of federal tax law throughout the term of the Conduit Bonds (collectively, the "Borrower's Post Issuance Compliance Procedures") to ensure that interest on such Conduit Bonds remains excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code").

It is the Issuer's policy that the Borrower shall be responsible for compliance with all of the following:

A. Arbitrage Rebate and Yield Requirements

- (i) determining the likelihood of complying with an arbitrage rebate exemption;
- (ii) if necessary, engaging the services of a rebate service provider;
- (iii) assuring payment of required rebate amounts, if any, no later than 60 days after each 5 year anniversary of the issue date of the Conduit Bonds, and no later than 60 days after the last Conduit Bond of each issue is paid or redeemed; and
- (iv) during the construction period of each capital project financed in whole or in part by Conduit Bonds, monitoring the investment and expenditure of Conduit Bond proceeds and consulting with the rebate service provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month, 18 months or 2 year spending period, as applicable, following the issue date of the Conduit Bonds.

B. Use of Bond Proceeds and Bond-Financed or Refinanced Assets

- (i) monitoring the use of Conduit Bond proceeds (including investment earnings and including reimbursement of expenditures made before bond issuance) and the use of Bond-financed or refinanced assets (e.g., facilities, furnishings or equipment) (the "Conduit Bond-Financed Property") throughout the term of the Conduit Bonds to ensure compliance with covenants and restrictions set forth in the Conduit Bond Documents;
- (ii) maintaining records identifying the Conduit Bond-Financed Property with proceeds of each issue of Conduit Bonds (including investment earnings and including reimbursement of expenditures made before bond issuance), including a final allocation of Conduit Bond proceeds as described below under "Record Keeping Requirements";

- (iii) consulting with bond counsel and other legal counsel and advisers in the review of any change in use of Conduit Bond-Financed Property to ensure compliance with all covenants and restrictions set forth in the Conduit Bond Documents; and
- (iv) to the extent that the Borrower discovers that any applicable tax restrictions regarding use of Conduit Bond proceeds and Conduit Bond-Financed Property will or may be violated, consulting promptly with bond counsel and other legal counsel and advisers to determine a course of action to remediate all nonqualified bonds, if such counsel advises that a remedial action is necessary.

C. Record Keeping Requirement

- (i) retaining copies of the Conduit Bond closing transcript(s) and other relevant documentation delivered to the Borrower at or in connection with closing of the issue of Conduit Bonds;
- (ii) retaining copies of all material documents relating to capital expenditures financed or refinanced by Conduit Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with Conduit Bond proceeds and records identifying the Conduit Bond-Financed Property, including a final allocation of Conduit Bond proceeds;
- (iii) retaining copies of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements, in connection with any investment agreements, and copies of all bidding documents, if any; and
- (iv) ensuring the required 8038 forms (including 8038-T forms) are filed on a timely basis.

Approved by Resolution of the Board of Supervisors of Woodbury County, Iowa adopted December 17, 2013.

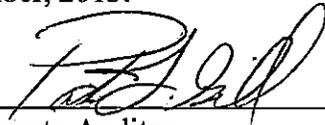
STATE OF IOWA

SS:

WOODBURY COUNTY

I, the undersigned, County Auditor of Woodbury County, Iowa, do hereby certify that attached hereto is a true and correct copy of the proceedings of the Board of Supervisors relating to the adoption of compliance procedures with regard to the issuance of conduit tax exempt bonds.

WITNESS MY HAND this 17th day of December, 2013.



County Auditor