

RESOLUTION NO. 2015 - 59

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF LEWIS AND CLARK COUNTY, MONTANA, AMENDING RESOLUTION NO. 2014-84, WHICH AUTHORIZED THE ISSUANCE OF A \$815,000.00 PRINCIPAL AMOUNT SEARCH & RESCUE FACILITY BOND, BY AMENDING SECTIONS 1.01, 2.01(B), 2.02(C), 2.03, 2.04, 7.05 AND 7.07 OF RESOLUTION NO. 2014-84 TO REDUCE THE PRINCIPAL AMOUNT OF THE BOND TO \$730,000, SHORTEN ITS TERM TO EIGHT YEARS TO REFLECT THE CHANGE IN THE DATE OF ISSUANCE OF THE BOND AND THE CURRENT INTEREST RATE AND FORM OF THE BOND.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF LEWIS AND CLARK COUNTY, MONTANA, as follows:

WHEREAS, The Board of County Commissioners (the "Board") of Lewis and Clark County, Montana, (the "County") adopted Resolution No. 2014-84 (the "Resolution") on July 31, 2014, which authorized the issuance of its \$815,000 Search and Rescue Facility Revenue Bond (the "Bond") for the purposes of construction a building to house search and rescue equipment and provide meeting and training space; and

WHEREAS, the construction of the Search and Rescue Facility will be completed with the funds collected by the County from the first two years of collections of the voter approved Search and rescue Facility Tax Levy and other County funds intended to be reimbursed by the proceeds of the Series 2015 Bond (as hereinafter defined); and

WHEREAS, the County now intends to borrow \$730,000 payable over eight (8) years, instead of the \$815,000 payable over nine (9) years, as described in Resolution No. 2014-84; and

WHEREAS, Sections 1.01, 2.01(B), 2.02(C), 2.03, 2.04, 7.05 and 7.07 and Exhibit A of Resolution No. 2014-84 shall be amended as provided herein to reflect the issuance of the Bond in 2015 instead of 2014, a Bond principal amount of \$730,000, a term of eight years, the current rate of interest on the Bond and correlating changes to the form of the Bond.

NOW, THEREFORE, it is hereby found, determined and ordered as follows:

Section 1. Amendments to Issue Series 2015 Bond. Sections 1.01, 2.01(B), 2.02(C) 2.03, 2.04, 7.05, 7.07, and Exhibit A of Resolution no. 2014-84 provided information on principal amount, term and interest rate of the Bond and provided an example of the Form of the bond. The Board finds that it is in the public best interest to amend Sections 1.01, 2.01(B), 2.02(C), 2.03, 2.04, 7.05 and 7.07 and Exhibit A of Resolution 2014-84 and continue with the issuance of the Series 2015 Bond.

Section 2. Amendment to Section 1.01. The following definitions in Section 1.01 of Resolution No. 2014-84 are hereby amended to provide as follows:

Series 2015 Bond shall mean the Lewis and Clark County Search and Rescue Facility Bond, Series 2015, in the aggregate principal amount of \$730,000 issued hereunder. Wherever the term "Series 2014 Bond" appears in Resolution No. 2014-84, it is now intended to be a reference to the "Series 2015 Bond."

Revenue shall mean the Search and Rescue Facility Tax Levy in the amount of \$100,000 per year for eight tax years (2015-2022) and the income from investments of



money in the Revenue Bond Debt Service Account.

Section 3. Amendment to Section 2.01(B). Section 2.01(B) of Resolution No. 2014-84 is hereby amended to provide as follows:

B. Costs of the Search and Rescue Facility. The total costs of acquiring, constructing and installing the Search and Rescue Facility are estimated to be approximately \$1,437,180, including contingency, and are to be funded by the \$730,000 Series 2015 Bond proceeds, by ~~\$200,000~~ of the County's first two years of collections of the Search and Rescue Facility Tax Levy, by \$100,000 to be provided by Lewis and Clark County Sheriff's Office and for the remainder to be funded through the County by an interfund loan from the Public Safety Fund payable over eight years. Such costs may include, but are not limited to:

(1) preliminary expenses advanced by the County from funds available for the use therefore, or advanced from any other source, or any combination thereof;

(2) the costs of making surveys, audits, preliminary plans, other plans, specifications, estimates of costs and other preliminaries relating to the Search and Rescue Facility

(3) the acquisition of any properties, rights, easements or other interest in properties, or any licenses, privileges, agreements and franchises necessary for the Search and Rescue Facility;

(4) the costs of construction of the Search and Rescue building facility; and

(5) the costs of services of engineers, architects, financial consultants, attorneys, clerical help or other agents or employees.

Section 3. Amendment of Section 2.02(C). Section 2.02(C) of Resolution No. 2014-84 is hereby amended to provide as follows:

C. Determination by Board As To Collection of Search and Rescue Facility Tax Levy. The Board, upon advice and analysis from its Financial Officer determines that: (1) the annual principal and interest payment for the Series 2015 Bond will likely be no more than \$100,000 for eight years; (2) the amount collected by the County by the Search and Rescue Facility Tax Levy for 2013 and 2014 tax year thus far has been ~~\$200,000~~; (3) that the current interest rate on the Series 2015 Bond under the MBOI INTERCAP Program is 1.25% which results in an annual debt service payment of \$96,158; (4) that a variable rate of interest under the MBOI INTERCAP Program could average as high as 2.125% for the next 8 years and still allow for annual payments on the \$730,000 principal amount of the Series 2015 Bond to be less than \$100,000 per year; (5) that the average rate of interest for the MBOI INTERCAP Program for the last 10 years has been 2.550% and has been less than 2.00% the last six years (including 2015); and (6) the County, through the Search and Rescue Facility Tax Levy and other available County funds, will have available funds to timely pay the Series 2015 Bond.

Section 4. Amendment to Section 2.03. Section 2.03 of Resolution No. 2014-84 is hereby amended to provide as follows:

Section 2.03. Description of Series 2015 Bond.

The Series 2015 Bond is hereby authorized to be issued in the aggregate principal amount of \$730,000 and, designated Lewis and Clark County, Montana, Search & Rescue Facility Bond, Series 2015. The Series 2015 Bond shall be issued as a single amortized Bond, shall be dated as of its date of delivery to MBOI, and shall mature on August 15, 2023.

The Series 2015 Bond is payable from the County's Search and Rescue Facility Tax Levy and other available County funds. The Series 2015 Bond shall be registered as of its date of delivery to MBOI, and is in a single denomination. Upon each disbursement of the Series 2015 Bond proceeds, the MBOI shall enter the amount advanced on the amortization schedule attached thereto and the total amount advanced under this Resolution. The Series 2015 Bond shall be lettered and numbered R-1 and shall mature on August 15, 2023 (the "Stated Maturity"), subject to redemption as herein provided, and shall bear interest on the principal amount thereof advanced and outstanding at the rate per annum equal to the Variable Rate (as hereinafter defined), as such may be adjusted from time to time as hereinafter provided. Interest shall be computed on the basis of the actual number of days in the year and the actual number of days outstanding.

Principal of the Series 2015 Bond from time to time outstanding shall bear interest from the date of issuance thereof, until paid at the Variable Rate, as may be adjusted from time to time as hereinafter provided. Until the initial Adjustment Date (as hereafter defined), the Variable Rate shall be one and one-quarter percent (1.25%) per annum. Thereafter, for the Adjustment Period (as hereafter defined), the Variable Rate shall be the rate per annum equal to the interest rate then borne by the MBOI's INTERCAP Program, as certified by the MBOI as of the Adjustment Date, but in no event to exceed fifteen percent (15.00%) per annum. If for any reason the interest rate cannot be established as so provided or is held invalid or unenforceable by a court of law, the interest rate for the Series 2015 Bond for the Adjustment Period shall be a rate equal to the largest integral multiple of five hundredths of one percent (.05%) that is equal to or less than eight percent (80%) of the average yield, evaluated at par, of the United States Treasury obligations with a stated or remaining maturity of one year, as reported in The Wall Street Journal (Des Moines Edition) (or, if such paper is no longer published or fails to report such information, in any other financial periodical selected by the MBOI and reasonably acceptable to the holders of the Series 2015 Bond) on the Adjustment Date or, if the Adjustment Date is not a Business Day, the next preceding Business Day, but in no event to exceed fifteen percent (15.00%) per annum. As used herein, "Adjustment Date" means February 16 and "Adjustment Period" means the period beginning on an Adjustment Date and ending on the day before the next succeeding Adjustment Date of the final Stated Maturity of the Series 2015 Bond, whichever is earlier; provided that if the Series 2015 Bond is not paid at its final Stated Maturity, the final Adjustment Period with respect to the Series 2015 Bond shall extend until it is paid or provisions have been duly made for its payment.

Upon each disbursement of the Series 2015 Bond proceeds, the Board of Investments shall enter the amount advanced on Schedule A attached to the Series 2015 Bond under "Advances" and the total amount advanced under the Bond Resolution, including such disbursement, under "Total Amount Advanced". Upon the advancement of all Series 2015 Bond proceeds, the Board of Investments shall prepare and deliver to the County an amortization schedule for the payment of the Series 2015 Bond for the then applicable Variable Rate. After each Adjustment Date, the Board of Investments will prepare and deliver a new amortization schedule showing the Series 2015 Bond principal and interest payment amounts for the applicable Variable Rate. Interest shall be computed on the basis of the actual number of days in the year and the

actual number of days outstanding. The Series 2015 Bond shall be substantially in the form set forth in Exhibit A attached hereto.

Section 5. Amendment of Section 2.04. Section 2.04 of Resolution No. 2014-84 is amended to provide as follows:

Section 2.04. Payment Dates and Manner of Payment.

Principal of and interest on the Series 2015 Bond is payable in lawful money of the United States of America to the Montana Board of Investments or its assigns as indicated on the Bond Register. Interest only on the Series 2015 Bond shall be payable on August 15, 2015, thereafter interest on and principal of the Series 2015 Bond shall be payable on each February 15 and August 15, commencing February 15, 2016, to the owner of record thereof as such appears on the Series 2015 Bond Register at the close of business on the first day for the month the payment is due, whether or not such day is a business day. The interest on and the principal of the Series 2015 Bond, shall be payable by check, draft or wire transfer from the Revenue Bond Debt Service Account of the County's Search and Rescue Enterprise Fund.

Section 6. Amendment of Section 7.05. Section 7.05 of Resolution No. 2014-84 is amended to provide as follows:

Section 7.05. Bank Qualification.

Pursuant to Section 265(b)(3)(B)(ii) of the Code, the County designates the Series 2015 Bond as a "qualified tax-exempt obligation". The County has thus far so designated \$0.00 principal amount of other bonds this calendar year and anticipates issuing \$0.00 principal amount additional bonds this calendar year, other than the Series 2015 Bond.

Section 7. Amendment of Section 7.07. Section 7.07 of Resolution No. 2014-84 is amended to provide as follows:

Section 7.07. Small Issuer Exemption.

The County hereby represents that the Series 2015 Bond qualifies for the exception for small governmental units to the arbitrage rebate provisions contained in Section 148(f) of the Code. Specifically, the County represents:

(1) Substantially all (not less than 95%) of the proceeds of the Series 2015 Bond will be used for local governmental activities of the County;

(2) The aggregate face amount of all "tax-exempt bonds" (including warrants, contracts, leases and other indebtedness, but excluding private activity bonds) issued by or on behalf of the County and all subordinate entities thereof during 2015 is reasonably expected not to exceed \$5,000,000. To date in 2015, the County has issued \$0.00 of tax-exempt bonds and, in addition to the Series 2015 Bond, expects to issue \$0.00 of additional bonds in calendar year 2015; and

(3) The County has general taxing powers.

If notwithstanding the provisions of paragraph (a) of this Section 7.07, the arbitrage rebate provisions of Section 148(f) of the Code apply to the Series 2015 Bond, the County hereby covenants and agrees to make the determinations, retain records and rebate to the United States the amounts at the times and in the manner required by said Section 148(f).

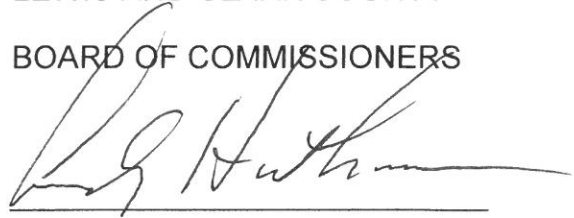
Section 8. Amendment of Bond Form. Exhibit A to Resolution No. 2014-84 is amended as provided in the attached Exhibit.

Section 9. Remainder of Resolution No. 2014-84 Remains in Effect. Except

as amended herein, Resolution 2014-84 shall be in full force and effect.

ADOPTED by the Board of Commissioners of Lewis and Clark County, Montana at a regular meeting thereof, held on April 14, 2015.

LEWIS AND CLARK COUNTY
BOARD OF COMMISSIONERS

A handwritten signature in black ink, appearing to read "Andy Hunthausen", written over a horizontal line.

Andy Hunthausen, Chairman

ATTEST:

A handwritten signature in black ink, appearing to read "Paulette DeHart", written over a horizontal line.

Paulette DeHart, Clerk of the Board

* * * * *

CERTIFICATE

I, Paulette DeHart, the Clerk and Recorder of the Lewis and Clark County, hereby certify that the foregoing resolution is a full, true and correct copy of a resolution duly passed and adopted at a regular meeting of Board of Commissioners of Lewis and Clark County, duly held at the regular meeting place thereof on April 14, 2015, of which meeting all Commissioners had due notice, and at which a majority thereof were present, and that at said meeting said resolution was adopted by the following vote:

3 AYES, and in favor thereof, Commissioners: Andy Hunthausen, Susan Good
NAYS, Commissioners: Geise, Mike Murray

ABSENT, Commissioners:

ABSTAIN, Commissioners:

I further certify that I have carefully compared the same with the original resolution on file and of record in my office; that said resolution is a full, true and correct copy of the original resolution adopted at said meeting; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and is now in full force and effect.

IN WITNESS WHEREOF, I have set my hand on April 14, 2015.



Paulette DeHart
Clerk and Recorder of Lewis and Clark County,
Montana

EXHIBIT "A" TO SERIES 2015 BOND RESOLUTION

UNITED STATES OF AMERICA
STATE OF MONTANA
LEWIS AND CLARK COUNTY, MONTANA
SEARCH & RESCUE FACILITY
REVENUE BOND, SERIES 2015

Number R-1

\$730,000

INTEREST RATE	MATURITY DATE	DATE OF ORIGINAL ISSUE
(Variable)	August 15, 2023	_____, 2015

Lewis and Clark County, Montana, (the "County") hereby acknowledges itself to owe and for value received, promises to pay pursuant to its Resolution No. 2014-84, as amended by Resolution No. _____ (collectively, the "Bond Resolution") to the Montana Board of Investments or registered assigns solely from the County's Search and Rescue Enterprise, the principal sum of Seven Hundred Thirty Thousand and no/100ths Dollars (\$730,000) in installments as set forth below and to pay interest on the principal amount advanced and outstanding at a variable rate of interest with the initial rate being one and one-quarter percent (1.25%) per annum. The rate of interest will be equal to the interest rate then applicable to the Montana Board of Investments INTERCAP Program as adjusted as herein described (the "Variable Rate"). The Variable Rate shall be the rate per annum equal to the interest rate then borne by the Board of Investments' INTERCAP Program as of the Adjustment Date, but in no event to exceed fifteen percent (15.00%) per annum. As used herein, "Adjustment Date" means February 16 in the years 2016 through 2023, and "Adjustment Period" means the period beginning on an Adjustment Date and ending on the day before the next succeeding Adjustment Date or the final stated maturity of the Series 2015 Bond, whichever is earlier; provided that if the Series 2015 Bond is not paid at its final stated maturity, the final Adjustment Period with respect to the Series 2015 Bond shall extend until all principal installments hereof are paid or provision has been duly made for their payment. Interest on the acquired and unpaid outstanding principal amount of the Series 2015 Bond shall be payable on each February 15 and August 15, commencing August 15, 2015, with principal of the Series 2015 Bond being paid in installments on each February 15 and August 15, commencing February 15, 2016 to the maturity date stated above, to the owner of record thereof as such appears on the Series 2015 Bond Register. All outstanding principal, together with accrued and unpaid interest hereon, shall be payable on the final payment date. Upon each disbursement of the Series 2015 Bond proceeds, the Board of Investments shall enter the amount advanced on Schedule A attached to the Series 2015 Bond under "Advances" and the total amount advanced under the Bond Resolution, including such disbursement, under "Total Amount Advanced". Upon the advancement of all Series 2015 Bond proceeds, the Board of Investments shall prepare and deliver to the

County an amortization schedule for the payment of the Series 2015 Bond for the then applicable Variable Rate. After each Adjustment Date, the Board of Investments will prepare and deliver a new amortization schedule showing the Series 2015 Bond principal and interest payment amounts for the applicable Variable Rate. Interest shall be computed on the basis of the actual number of days in the year and the actual number of days outstanding.

The Series 2015 Bond is issued by the County pursuant to and in full compliance with the Constitution and laws of the State Montana, particularly: Title 7, Chapter 7, Part 25; Title 7, Chapter 7, Part 44; Title 7, Chapter 7, Section 2111 and Title 7, Chapter 32, section 235, Montana Code Annotated, and proceedings duly adopted and authorized by the County, more particularly the Bond Resolution, for the purpose of providing funds for the construction of the Search and Rescue Facility Building.

The Series 2015 Bond has a first lien upon the Revenue as defined in the Bond Resolution as \$100,000 per year for eight years from the County's Search and Rescue Facility Tax Levy approved by voters in the County on November 6, 2012.

The Series 2015 Bond may be redeemed at any time upon 30 days prior written notice, without penalty.

The County has covenanted and agreed with the Registered Owner of the Series 2015 Bond that it will keep and perform all of the covenants of the Series 2015 Bond and of the Bond Resolution to be by it kept and performed. The County has further covenanted to cause the Search and Rescue Facility to be maintained in good repair, working order and condition.

This Series 2015 Bond is transferable or exchangeable by the Registered Owner hereof in person or by its attorney duly authorized in writing upon presentation and surrender of this Series 2015 Bond at the office of the Registrar. Upon such transfer or exchange, a new Series 2015 Bond of the same maturity and interest rate and for the remaining principal amount will be issued to the transferee or exchangee, in exchange therefor.

The County and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payments of principal hereof and interest due hereon and for all other purposes, and neither the County nor the Registrar shall be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that the County has duly authorized and will forthwith construct the Search and Rescue Facility hereinabove described, and will annually levy taxes for eight years to provide \$100,000 annually for the payments on the Series 2015 Bond.

Both principal of and interest on this Series 2015 Bond are payable in lawful money of the United States of America to the registered owner hereof, whose name and address shall appear on the registration books of the County (the "Bond Register") maintained by the County Treasurer/Clerk and Recorder (the "Registrar"). Interest shall be paid to the registered owner whose name appears on the Bond Register as of the close of business on the

first day of the calendar month next preceding the interest payment date, and shall be paid by check or draft of the Registrar or wire transfer from the Revenue Bond Debt Service Account of the Search and Rescue Enterprise Fund. The Series 2015 Bond is a special, limited obligation of the County, payable by the County out of the tax levies authorized by the November 6, 2012 Lewis and Clark County election and other available funds of the County. The Series 2015 Bond is not a general obligation of, and does not constitute a debt of, the County within the meaning of any constitutional or statutory limit or provision.

Reference is hereby made to additional provisions of this Series 2015 Bond set forth in the Bond Resolution and such additional provisions shall for all purposes have the same effect as if set forth in this space.

This Series 2015 Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by the Registrar.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that this Series 2015 Bond is issued pursuant to and in strict compliance with the Constitution and the laws of the State of Montana, and the resolutions, regulations, and rules of the County, specifically the Bond Resolution; that all acts, conditions and things required to be done precedent to and in the issuance of this Series 2015 Bond have happened, been done and performed; and that the issuance of this Series 2015 Bond, together with all other obligations of the County, does not exceed or violate any constitutional or statutory limitation of indebtedness applicable to the County.

IN WITNESS WHEREOF, Lewis and Clark County, Montana, by its Board of County Commissioners, has caused this Series 2015 Bond to be executed by the signatures of its Chair of the Board of Commissioners and the County Treasurer/Clerk and Recorder, and to be imprinted with the official seal of the County, as of _____, 2015.

SAMPLE
Chair

SAMPLE
County Treasurer/Clerk and Recorder

(COUNTY SEAL)

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____, 2015

This Series 2015 Bond is the Lewis and Clark County, Montana, Search & Rescue Facility Bond, Series 2015, dated as of _____, 2015 and described in the within-mentioned Bond Resolution.

Lewis and Clark County Treasurer/Clerk and Recorder.

SAMPLE

ASSIGNMENT

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

Name of Transferee: _____

Address: _____

Tax Identification No. _____

the within Series 2015 Bond and hereby irrevocably constitutes and appoints

_____, to transfer said Series 2015 Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Register Owner

NOTE: The signature on this Assignment must correspond with the name of the registered owner as it appears upon the face of the within Series 2015 Bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED:

By a Commercial Bank, Trust Company
or brokerage firm having membership
in a major stock exchange.

Authorized Officer