

RESOLUTION NO. 2415B

RESOLUTION RELATING TO \$57,000.00 RURAL SPECIAL IMPROVEMENT DISTRICT BONDS (RURAL SPECIAL IMPROVEMENT DISTRICT NO. 157); AUTHORIZING THE ISSUANCE AND CALLING FOR THE PUBLIC SALE THEREOF

BE IT RESOLVED by the Board of County Commissioners (the "Board") of Flathead County, Montana (the "County"), as follows:

Section 1. Recitals.

(a) This Board has duly and validly created and established in the County under Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended (the "Act"), Rural Special Improvement District No. 157 (the "District"), for the purpose of financing costs of certain public improvements of special benefit to the properties within the District (the "Improvements") and paying costs incidental thereto, including costs associated with the sale and the security of rural special improvement district bonds of the County drawn on the District (the "Bonds"), the creation and administration of the District, the funding of a deposit to the County's Rural Special Improvement District Revolving Fund (the "Revolving Fund"). The total estimated costs of the Improvements, including such incidental costs, to be paid and financed by the District are \$57,000.00, which costs of the Improvements are to be paid from the proceeds of the Bonds (which are to be payable from special assessments to be levied against property in the District) and pre-payments by District property owners, and which property will be specially benefitted by the Improvements in an amount not less than \$57,000.00.

(b) It is necessary that the Bonds be issued and sold in an aggregate principal amount of \$57,000.00 to finance costs of the Improvements within the District, including incidental costs, described in Subsection (a). The total costs of the Improvements and costs incidental thereto are currently estimated as \$57,000.00.

Construction	\$ 47,381.00
Engineering and Testing	\$ 4,400.00
County Administration	\$ 2,500.00
Revolving Fund Deposit	\$ 2,719.00
Total	\$ 57,000.00

(c) The County is authorized by Montana Code Annotated, Section 7-12-2172(1) to sell the Bonds at a price less than the principal amount thereof, but including interest thereon to the date of delivery, if this Board determines that such sale is in the best interests of the District and the County. This Board further determines to fix the minimum price for the Bonds at \$57,000.00, plus interest accrued thereon to the date of delivery.

Section 2. Findings and Determination to Pledge the Revolving Fund. In the Resolution Creating Rural Special Improvement District No. 157, adopted on November 12, 2015, this Board found it to be in the public interest, and in the best interest of the County and the District, to secure payment of principal of and interest on the Bonds by the Revolving Fund and authorized the County to enter into the undertakings and agreements authorized in the Act in respect of the Bonds, based on the factors required to be considered under Section 7-12-2185 of the Act. Those findings and determinations are hereby ratified and confirmed. It is hereby covenanted and recited that the County has the power under the Act to pledge the Revolving Fund to payment of the principal of and interest on the Bonds.

Section 3. Terms of the Bonds. This Board hereby authorizes the issuance and sale of Rural Special Improvement District Bonds, Series 2016 (Rural Special Improvement District No. 157) of the County in the aggregate principal amount of \$57,000.00 (the "Bonds") for the purpose of financing the Improvements. The Bonds shall be dated, as originally issued, as of July 27, 2016, and shall bear interest payable semiannually on January 1 and July 1 of each year, commencing January 1, 2017, at a rate or rates designated by the successful bidder at public sale and approved by this Board. If issued as serial bonds, the Bonds shall mature on July 1 in each of the following years and amounts:

Year	Amount	Year	Amount
2017	\$6,000	2022	\$6,000
2018	6,000	2023	6,000
2019	6,000	2024	6,000
2020	6,000	2025	6,000
2021	6,000	2026	3,000

Bidders will have the option of combining the Bonds maturing on and after 2014 through and including 2021 and on and after 2022 through and including 2028 into one or more term bonds. Bidders will have the option of combining the Bonds maturing on and after 2017 through and including 2021 and on and after 2022 through and including 2026 into one or more term bonds. If any Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption on each July 1, concluding no later than 2026, at a redemption price equal to the principal amount of such Bonds or portions thereof to be redeemed with interest accrued thereon and payable on January 1 and July 1 to the redemption date, in installments and in the same amounts and on the same dates as the bonds would have matured if they were not included in a term bond. The Bonds shall be issuable only as fully registered bonds and shall be executed by the manual or facsimile signatures of the Chair of the Board of County Commissioners, the County Treasurer, and the County Clerk and Recorder. The Bonds shall be secured by the Revolving Fund.

Section 4. Public Sale. The Bonds shall be sold at a public competitive sale, the sealed bids for which shall be submitted to the County Clerk and Recorder until 9:00 a.m. local time on Wednesday, July 27, 2016, at which time bids will be opened and tabulated

by the Clerk and Recorder. The tabulation of bids will be presented to the County Commissioners at a meeting immediately thereafter. This Board will consider the bids and, if a responsive and acceptable bid is received, award the sale of the Bonds. Award of sale will be made to the bidder with the lowest true interest cost ("TIC") by the Board. The County will receive sealed bids for the Bonds and the Bonds will be sold in accordance with the Official Terms and Conditions attached hereto as Exhibit A (which is hereby incorporated and made a part hereof). The County Clerk and Recorder is authorized and directed to cause notice of the sale to be published, as required by Montana Code Annotated, Sections 7-12-2172, 7-7-4252 and 17-5-106, in the *Daily Inter Lake* once each week for two successive weeks preceding the week which contains the date of sale.

The notice of sale shall be published in substantially the form set forth as Exhibit B to this resolution and this Board hereby adopts the terms and conditions set forth in such notice of sale as the terms and conditions of the sale of the Bonds.

Section 5. Continuing Disclosure. Bidders and other participating underwriters in the primary offering of the Bonds need not comply with paragraph (b) (5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), because the aggregate principal amount of the Bonds and any other securities required to be integrated with the Bonds is less than \$1,000,000. Consequently, the County will not enter into any undertaking to provide disclosure of any kind with respect to the Bonds.

PASSED AND ADOPTED by the Board of County Commissioners of Flathead County, Montana, this 11th day of July.



By Pamela J. Holmquist
Pamela J. Holmquist, Chairman

By Gary Krueger
Gary Krueger, Member

By Philip Mitchell
Philip Mitchell, Member

ATTEST:
Maria Albertson, Clerk to the Board

By M. Albertson

EXHIBIT A

TERMS AND CONDITIONS

\$57,000.00 Rural Special Improvement District Bonds
(Rural Special Improvement District No. 157)

FLATHEAD COUNTY, MONTANA

NOTICE IS HEREBY GIVEN that Flathead County, Montana (the "County"), will sell to the lowest and best bidder for cash, as evidenced by sealed bids, the above-described Bonds drawn against the funds of Rural Special Improvement District No. 157 in the principal amount of \$57,000.00. Bids for the purchase of the Series 2016 Bonds must be submitted as written sealed bids. Bids for the purchase of the Bonds will be received until 9:00 a.m. local time on Wednesday, July 27, 2016, in the Flathead County Courthouse, 800 S. Main Street, Kalispell, Montana, at which time the bids will be opened and tabulated. The Board of County Commissioners of the County will meet immediately thereafter in the Courthouse to consider the bids and to award the sale of the Bonds.

Purpose and Security

The Bonds will be issued for the purpose of financing the cost of construction of certain local improvements (the "Improvements") within or for the benefit of Rural Special Improvement District No. 157, in accordance with the provisions of Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended. The Bonds will be special, limited obligations of the County and do not constitute general obligations of the County. The Bonds are payable primarily from the collection of a special tax or assessment which is a lien against the assessable real property within the respective District benefitted by the Improvements to be undertaken therein or therefor. The special assessments are payable in equal, semi-annual installments of principal and interest over a 10-year term, with unpaid installments of the special assessments bearing interest at a rate equal, from time to time, to the sum of (i) the average rate of interest borne by the then outstanding Bonds, plus (ii) one-half of one percent (0.50%) per annum.

The Bonds are further secured by the Rural Special Improvement District Revolving Fund of the County (the "Revolving Fund"). The County will agree to make a loan from the Revolving Fund to the sinking fund established for the District to make good any deficiency then existing in the principal and interest subaccounts therein and to provide funds for the Revolving Fund by levying a tax or making a loan from the County's general fund to the extent authorized by law, and if necessary to reduce other property tax levies to meet any applicable levy limits.

Date and Type

The Bonds will be dated, as originally issued, as of July 27, 2016, and will be issued as negotiable investment securities in registered form as to both principal and interest.

Maturities and Redemption

If issued as serial bonds, the Bonds shall mature, subject to redemption, on July 1 in the following years and amounts:

Year	Amount	Year	Amount
2017	\$6,000	2022	\$6,000
2018	6,000	2023	6,000
2019	6,000	2024	6,000
2020	6,000	2025	6,000
2021	6,000	2026	3,000

Bidders will have the option of combining the Bonds maturing on and after 2017 through and including 2021 and on and after 2022 through and including 2026 into one or more term bonds. If any Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption on each July 1, concluding no later than 2026, at a redemption price equal to the principal amount of such Bonds or portions thereof to be redeemed with interest accrued thereon and payable on January 1 and July 1 to the redemption date, in installments and in the same amounts and on the same dates as the bonds would have matured if they were not included in a term bond.

Redemption

Mandatory Redemption. If on any interest payment date there will be a balance in the sinking fund constituting the aggregation of the district funds (the "Sinking Fund") after payment of the principal and interest due on all Bonds drawn against it, either from the prepayment of special assessments levied in the District or from the transfer of surplus money from the Construction Account to the Principal Account, outstanding Bonds, or portions thereof, in an amount which, together with the interest thereon to the interest payment date, will equal the amount of such funds on deposit in the Sinking Fund on that date are subject to mandatory redemption on that interest payment date. The redemption price shall equal the amount of the principal amount of the Bonds to be redeemed plus interest accrued to the date of redemption.

Optional Redemption. The Bonds with stated maturities on or after July 1, 2022 will be subject to redemption on July 1, 2021, and any date thereafter, at the option of the County, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium.

Selection of Bonds for Redemption. If less than all of the Bonds are to be redeemed, Bonds shall be redeemed in order of the stated maturities thereof. If less than all Bonds of a stated maturity are to be redeemed, the Bonds of such maturity shall be selected for redemption in \$1,000.00 principal amounts selected by the Registrar by lot or other manner it deems fair.

Interest Payment Dates, Rates

Interest will be payable each January 1 and July 1, commencing January 1, 2017, to the registered owners of the Bonds as such appear in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. All Bonds of the same stated maturity must bear interest from date of original issue until paid at a single, uniform rate. No interest rate may exceed five and seventy-five hundredths percent (5.75%) per annum, and the difference between the highest and lowest rates of interest may not exceed one percent and seventy five hundredths (1.75%) per annum. Each rate must be expressed in an integral multiple of 1/8 or 1/20 of 1%. No supplemental or "B" coupons or additional interest certificates will be permitted.

Bond Registrar, Transfer Agent and Paying Agent

The County shall select a bond registrar, transfer agent and paying agent (the "Registrar") in connection with the Bonds. The bond register will be kept, transfers of ownership will be effected and principal of and interest on the Bonds will be paid by the Registrar. The County will pay the charges of the Registrar for such services. The County reserves the right to remove the Registrar and to appoint a successor. The County will pay the costs of printing the Bonds, the fees and charges of the Registrar.

Delivery

Within 40 days after the sale, the County will deliver to the Registrar the printed Bonds ready for completion and authentication. The original purchaser of the Bonds must notify the Registrar, at least five business days before issuance of the Bonds, of the persons in whose names the Bonds will be initially registered and the authorized denominations of the Bonds to be originally issued. If notification is not received by that date, the Bonds will be registered in the name of the original purchaser and, if serial bonds, will be issued in denominations corresponding to the principal maturities of the Bonds. Payment for the Bonds must be received by the County in immediately available funds at its designated depository on the day of closing. As a condition of delivery, the purchaser must certify to the County in writing the initial reoffering prices of the Bonds.

Qualified Tax-Exempt Obligations

The Bonds will be designated by the County as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and financial institutions described in Section 265(b)(5)

of the Code may treat the Bonds for purposes of Sections 265(b)(2) and 291(e)(1)(B) of the Code as if they were acquired on August 7, 1986.

Type of Bid and Good Faith Deposit

Sealed bids for not less than \$57,000.00 (100% of par) and accrued interest on the principal sum of \$57,000.00 must be received at the office of the Clerk and Recorder, 800 South Main, Kalispell, MT, prior to the time stated above. Bidders must bid for all or none of the Bonds. Each bid must be unconditional. Except for a bid by or on behalf of the Board of Investments of the State of Montana, a good faith deposit (the "Deposit") in the form of money, cashier's check, certified check, bank money order, or bank draft drawn and issued by a federally chartered or state chartered bank insured by the federal deposit insurance corporation or a financial surety bond in the sum of \$1,140.00 payable to the order of the County is required for a bid to be considered. If money, cashier's check, certified check, bank money order, or bank draft is used, it must accompany the bid and be delivered to the County Clerk and Recorder. If a financial surety bond is used, it must be from an insurance company licensed and qualified to issue such a bond in the State of Montana and such bond must be submitted to the County Clerk and Recorder prior to the opening of the bids. The financial surety bond must identify each bidder whose Deposit is guaranteed by such financial surety bond. If the Bonds are awarded to a bidder utilizing a financial surety bond, then that purchaser is required to submit its Deposit to the County in the form of a cashier's check (or wire transfer such amount as instructed by the County) not later than 1:00 p.m. local time on the next business day following the award. If such Deposit is not received by that time, the financial surety bond may be drawn by the County to satisfy the Deposit requirement. No interest on the Deposit will accrue to the purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the purchaser fails to honor its accepted bid, the Deposit will be retained by the County as liquidated damages. The Deposit of the unsuccessful bidders will be returned immediately on award of the Bonds to the purchaser or after rejection of all bids.

Award

The bid authorizing the lowest true interest cost (total interest on all Bonds from their date of delivery to their maturities, less any premium or plus any discount), will be deemed the most favorable. In the event that two or more bids state the lowest true interest cost, the sale of the Bonds will be awarded by lot. The Board will consider sealed bids. No oral bid will be considered. The County reserves the rights to reject any and all bids, to waive informalities in any bid and to adjourn the sale.

Continuing Disclosure

Bidders and other participating underwriters in the primary offering of the Bonds need not comply with paragraph (b) (5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), because the aggregate principal amount of the Bonds and any other securities required to

be integrated with the Bonds is less than \$1,000,000.00. Consequently, the County will not enter into any undertaking to provide disclosure of any kind with respect to the Bonds.

Dated: July 11, 2016.

BY ORDER OF THE BOARD OF COUNTY COMMISSIONERS



By Pamela J. Holmquist
Pamela J. Holmquist, Chairman

By Gary Krueger
Gary Krueger, Member

By Philip Mitchell
Philip Mitchell, Member

ATTEST:
Maria Albertson, Clerk to the Board

By M. Albertson

EXHIBIT B
NOTICE OF BOND SALE

\$57,000.00 Rural Special Improvement District Bonds
(Rural Special Improvement District No. 157)

FLATHEAD COUNTY, MONTANA

NOTICE IS HEREBY GIVEN that the Board of County Commissioners (the "Board") of Flathead County, Montana (the "County"), will receive sealed bids for the purchase of \$57,000.00 Rural Special Improvement District Bonds (Rural Special Improvement District No. 157) (the "Bonds") in the Commissioners' Office in the Flathead County Courthouse, 800 S. Main Street, Room 302, Kalispell, Montana, until 9:00 a.m. local time on **Wednesday, July 27, 2016**, at which time the bids will be opened and tabulated. The bids will be presented to the Board at its regular meeting immediately thereafter on the same day, at which time the Board will consider the bids received, and if a responsive and acceptable bid is received, the Board will award sale of the Bonds to the responsive bidder whose bid reflects the lowest true interest cost (TIC). The Bonds will be issued for the purpose of financing the cost of construction of certain local improvements (the "Improvements") within or for the benefit of Rural Special Improvement District No. 157; and paying costs associated with the sale and issuance of the Bonds. The Bonds shall mature, subject to redemption, on July 1 in the following years and amounts (unless combined into one or more term bonds):

Year	Amount	Year	Amount
2017	\$6,000	2022	\$6,000
2018	6,000	2023	6,000
2019	6,000	2024	6,000
2020	6,000	2025	6,000
2021	6,000	2026	3,000

The Bonds shall be issuable only as fully registered bonds and shall be executed by the manual or facsimile signatures of the Board Chair, the County Treasurer, and the County Clerk and Recorder. The Bonds shall be secured by the County's Rural Special Improvement District Revolving Fund (the "Revolving Fund").

Serial bonds shall be in the denomination of \$1,000.00 each or any integral multiple thereof of single maturities. Serial bonds shall be in the denomination of \$1,000.00 each or any integral multiple thereof of single maturities. Bidders will have the option of combining the Bonds maturing on and after 2017 through and including 2021 and on and after 2022 through and including 2026 into one or more term bonds. If any Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption on each July 1, concluding no later than 2026, at a redemption price equal to the principal amount of such Bonds or portions thereof to be redeemed with interest accrued thereon and payable on January 1 and July 1 to the redemption date, in installments and in the same amounts and on the same dates as the bonds would have

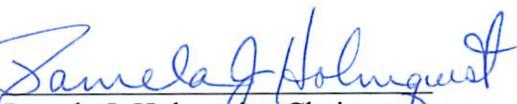
matured if they were not included in a term bond.

The Bonds shall be dated, as originally issued, as of July 27, 2016, and shall bear interest payable semiannually on January 1 and July 1 of each year, commencing January 1, 2017, at a rate or rates designated by the successful bidder at public sale and approved by this Board; provided that interest rates must be in level or ascending order, no supplemental or B coupons or additional interest certificates shall be permitted and rates shall be expressed in integral multiples of 1/8 or 5/100 of one percent. The Bonds with stated maturities on or after July 1, 2022 will be subject to redemption on July 1, 2021, and any date thereafter, at the option of the County, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium. The Bonds are also subject to mandatory redemption on an interest payment date if the amounts in the Sinking Fund, either from prepayment of assessments or transfers from the Construction Account to the Principal Account, are sufficient to pay outstanding Bonds, or portions thereof, with interest thereon to that interest payment date.

The Bonds will be sold for not less than \$57,000.00 (100% of par) with accrued interest on the principal amount of the Bonds to the date of their delivery. The Board reserves the right to reject any and all bids, to waive any informality in any bid, and to adjourn the sale. A good faith deposit in the form of money, cashier's check, certified check, bank money order, or bank draft drawn and issued by a federally chartered or state chartered bank insured by the Federal Deposit Insurance Corporation or a financial surety bond in the sum of 2% of the aggregate principal amount of the Bonds (\$1,140.00) payable to the order of the County is required for each bid to be considered, as further specified in the Official Terms and Conditions of Sale.

Copies of the Official Terms and Conditions of Sale may be obtained from the Clerk to the Board of County Commissioners, 800 S. Main, Room 302, Kalispell, MT 59901, telephone (406) 758-5537.

Dated: July 11, 2016.

By: 
Pamela J. Holmquist, Chairman

ATTEST:

Maria Albertson, Clerk to the Board

By: 

Publish on July 15 and July 22, 2016.

