

City Commission Member Stephen Turner moved to adopt the following resolution:

RESOLUTION NUMBER 1041

A RESOLUTION OF THE POLSON CITY COMMISSION AWARDING THE BOND SALE RELATING TO CITY OF POLSON, MONTANA \$400,000 MUNICIPAL GOLF REVENUE REFUNDING BONDS, SERIES 2013, FIXING THE FORM AND DETAILS AND PROVIDING FOR THE EXECUTION AND DELIVERY THEREOF AND PLEDGING OF CERTAIN REVENUES AS THE SOURCE OF PAYMENT FOR THE BONDS.

BE IT RESOLVED by the City Commission (the "Commission") of the City of Polson, Montana (the "City") as follows:

SECTION 1. RECITALS

1.01 Sale and Issuance of Bonds.

Pursuant to Resolution No. 1039, the Commission called for the negotiated private sale of \$400,000 Municipal Golf Revenue Refunding Bonds, Series 2013 (the "Refunding Bonds") for the purpose of refunding the City of Polson Municipal Golf Course Revenue Bonds, Series 1998 (the "Series 1998 Bonds"). Resolution No. 1039 further provided for the authorization and issuance of the Refunding Bonds. The City Commission met on February 22, 2013 in the council chambers at 7:30 a.m. to consider the negotiated bids and award the sale of the Refunding Bonds to a financial institution authorized to do business in the State of Montana and thus determined that the bid of Glacier Bank (the "Purchaser"), attached hereto as Exhibit A, to purchase the Refunding Bonds, hereby complies with the terms of the sale outlined in Exhibit A to Resolution No. 1039 and to be the lowest, most reasonable bid for the purchase of the Refunding Bonds. The bid of the Purchaser is hereby accepted by the Commission and the sale of the Refunding Bonds is hereby awarded to the Purchaser. The Purchaser agreed to purchase the Bonds as a single Bond (the Bond) at a purchase price of par at a fixed interest rate of 2.10% fully amortizing the principal and interest payments on the Bond by semi-annual payments due on April 1 and October 1, commencing October 1, 2013, and upon the further terms set forth in this resolution.

SECTION 2. THE BOND

2.01 Principal Amount, Maturity, Denomination, Date, Interest Rate.

For the purpose of refunding the City of Polson Municipal Golf Course Revenue Bonds, Series 1998 and in accordance with the proposal described in Section 1.01 hereof, the City shall forthwith issue and deliver to the Purchaser the Bond payable solely out of the Net Revenues of the City's Golf Course Enterprise fund. The Bond shall be dated, as originally issued, and registered as of the date of delivery which is April 1, 2013, and shall be in one denomination of \$400,000. The Bond shall mature on April 1, 2017 and shall bear interest from the date of original registration until paid or duly called for redemption at the rate of 2.10% per annum with principal and interest fully amortized over the term of the Bond in semi-annual payments on the basis of a 365 day year consisting of actual days elapsed.

2.02 Interest Payment Dates.

Interest on the Bond shall be payable on each April 1 and October 1, commencing October 1, 2013, to the owners of record thereof as such appear on the Bond Register at the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day. Upon the original delivery of the Bond to the Purchaser and upon each subsequent transfer or exchange of a Bond pursuant to Section 2.04, the Registrar shall date each Bond as of the date of its authentication.

2.03 Registered Bond, Method of Payment.

The Bond shall be issued only in fully registered form. The interest on and the principal of the Bond shall be payable by check of the City or electronically transferred or other preauthorized method of payment.

2.04 Registration.

The City Treasurer will act as Bond registrar, transfer agent and paying agent (the "Registrar"). The City reserves the right to remove the Registrar and appoint a successor. This Section 2.04 shall establish a system of registration for the Bond as defined in the Model Public Obligations Registration Act of Montana, Montana Code Annotated, Title 17, Chapter 5, Part 11, as amended (the "Act").

The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Bond Registrar. The Registrar shall keep at its office a bond register in which the Registrar shall provide for the registration of the Bond and the registration of transfers and exchanges of the Bond entitled to be registered, transferred or exchanged.

(b) Transfer. Upon surrender to the Registrar for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bond(s) of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer of any Bond or principal installment thereof selected or called for redemption. No transfer or exchange of a Bond shall affect its order or registration for purposes of redemption pursuant to Section 2.05.

(c) Exchange. Whenever a Bond is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Bond(s) of the then outstanding principal amount, interest rate and maturity and representing the same principal installments, as requested by the registered owner or the owner's attorney duly authorized in writing.

(d) Cancellation. A Bond surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the City upon such Bond to the extent of the sum or sums paid.

(g) Taxes, Fees and Charges. For every transfer of a Bond or exchange of a Bond (except an exchange upon a partial redemption of a Bond), the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bond. In case any Bond shall become mutilated or be destroyed, stolen or lost the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or such Bond has been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment.

2.05 Redemption or Prepayment.

If on any payment date the City determines there are excess funds available for debt service in the Golf Enterprise Fund, it may, through the Registrar, call for redemption or prepayment on said payment date any of the Bond(s) then outstanding. The Bond may be redeemed in part, and upon such partial redemption, a new Bond will be delivered to the registered owner without charge, representing the remaining principal amount outstanding. The Bond is subject to prepayment or redemption at the option of the City without penalty. The redemption price shall equal the amount of the principal of the Bond to be redeemed plus interest accrued thereon to the date of redemption. The date of redemption shall be fixed by the City, through the Registrar, who shall give notice, by first class mail, postage prepaid to the owner or owners of such Bond at their addresses appearing in the bond register, of the amount of principal to be redeemed and the date on which payment will be made, which date shall not be less than thirty days after the date of mailing the notice. The City, through the Registrar, shall at the same time mail notice of redemption to the Purchaser. On the date so fixed, interest on the principal thereof so redeemed shall cease.

2.06 Form.

The Bond shall be in substantially the form set forth in Exhibit B hereto, and by this reference made a part hereof, with such modifications as are permitted by the Act.

2.07 Execution, Registration and Delivery.

The Bond shall be executed on behalf of the City by the signatures of the Mayor and the City Clerk and sealed with the official seal of the City; provided the signatures and the corporate seal may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on the Bond shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless a certificate of authentication and registration on such Bond has been duly executed by the manual signature of the Registrar. The executed certificate of authentication and registration on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution. The Bond shall be registered by the Registrar, as attested by the Certificate of Authentication and Registration as of the date of delivery, expected to be April 1, 2013. When the Bond has been so executed, authenticated and registered, it shall be delivered by the Registrar to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed. The Purchaser shall not be obligated to see to the application of the purchase price.

SECTION 3. SECURITY FOR THE BOND

3.01 Pledge of Revenues.

There are hereby irrevocably pledged and appropriated to the Golf Course Enterprise Fund, for the equal and ratable benefit of the owner or owners from time to time of the Bond, as security for the payment of principal of and interest on the Bond the following:

(a) All Gross Revenues of the Golf Course and all rights of the City to receive Gross Revenues of the Golf Course; and

(b) All money and securities held in the Revenue Bond Sinking and Interest Account established hereunder; subject to the provisions of this Bond Resolution permitting the application of amounts held hereunder to the purposes set forth herein.

3.02 Application and Use of Revenues.

All Gross Revenues shall be deposited into the existing Golf Course Enterprise Fund as collected and shall be held separate and apart from all other funds and accounts of the City. The Gross Revenues deposited therein shall be used only for the following purposes and in the following order of priority, having due regard for payments relating to the Golf Course which shall become due:

First, the amount of the Bond proceeds to be deposited to the Revenue Bond Sinking and Interest Account for redemption of the Series 1998 Bonds;

Second, to the Operating Account on each monthly apportionment, the Gross Revenues necessary to pay the Operating Expenses;

Third, to make all transfers required to be made into the Revenue Bond Sinking and Interest Account pursuant to Section 4.03 hereof.

Fourth, to make all transfers required to be made into the Repair, Replacement and Depreciation Account pursuant to Section 4.05 hereof.

Fifth, to make all transfers required to be made into the Surplus Account pursuant to Section 4.06 hereof.

3.03 Execution of UCC Statement.

The City agrees that the Purchaser may execute a UCC Statement on the Golf Course Revenues as collateral for payment of principal and interest on the Bond.

SECTION 4. FUNDS AND ACCOUNTS

4.01 Golf Course Enterprise Fund and Accounts.

The City has created the Golf Course Enterprise Fund, within which are the following accounts with respect to the Bonds, which shall be maintained by the City:

- (a) a Revenue Bond Sinking and Interest Account
- (b) an Operating Account
- (c) a Repair, Replacement and Depreciation Account
- (d) a Surplus Account

The City may create within such accounts such additional accounts as it may deem necessary or desirable in order to account for the sources and uses of any particular Gross Revenues. The City Treasurer may charge a reasonable fee for making, accounting for and managing the investments in each such fund or account, and said charges shall be an Operating Expense.

4.02 Application of the Bond Proceeds.

Upon receipt of the proceeds of the Bonds, the City shall deposit the proceeds into the Revenue Bond Sinking and Interest Account for the immediate redemption of the Series 1998 Bonds in the amount of \$400,000.

4.03 Revenue Bond Sinking and Interest Account.

As long as any of the Bonds remain Outstanding, the City irrevocably obligates, pledges and binds itself to set aside and pay on each Monthly Apportionment from the Operating Account into the Revenue Bond Sinking and Interest Account an amount equal

to one-sixth (1/6) of the total principal and interest to become due in the next succeeding six months which, together with such other funds as are on hand and available in the Revenue Bond Sinking and Interest Account, will make all payments required to be made therefrom.

4.04 Operating Account.

The Operating Account shall be utilized for the payment of Operating Expenses. There shall be deposited into the Operating Account all Gross Revenues remaining after the Monthly Apportionment required to be made to the Revenue Bond Sinking and Interest Account sufficient to pay the Operating Expenses which are due or expected to become due before the allocation of the next Monthly Apportionment, including amounts necessary to meet contingencies arising in the operation of the Golf Course. The Operating Account shall maintain a balance equal to the average monthly operating expense.

4.05 Repair, Replacement and Depreciation Account.

There shall be deposited into this Account all net proceeds of insurance relating to damage or destruction of property of the Golf Course. There shall be set aside and credited, upon each Monthly Apportionment, to the Repair, Replacement and Depreciation Account such portion of the Gross Revenues in excess of the current requirement of the Revenue Bond Sinking and Interest Account and the Operating Account (which portion of the net revenues is referred to herein as "surplus net revenues"), as the City Commission shall determine to be required for the accumulation of a reasonable allowance for depreciation of the Golf Course and for replacement or renewal of worn out, obsolete or damaged properties and equipment thereof. In the event construction and installation of additional improvements or additions to the Golf Course are financed from other than proceeds of bonds payable from the Revenue Bond Sinking and Interest Account, surplus net revenues from time to time received may be segregated and paid into one or more separate and additional accounts for the repayment of such indebtedness and interest thereon, in advance of payments required to be made into the Repair, Replacement and Depreciation Account.

4.06 Surplus Account.

Any amount of the surplus net revenues from time to time remaining after the above required application thereof shall be credited to the Surplus Account and the moneys from time to time in that account when not required to restore a current deficiency in the Revenue Bond Sinking and Interest Account or Operating Account may be used for any of the following purposes and not otherwise:

- (a) To pay for repairs of or for the construction and installation of improvements or additions to the Golf Course; or
- (b) To restore the balances in the Revenue Bond Sinking and Interest Account or Operating Account or increase the same when determined to be necessary by the City.

No money shall at any time be transferred from the Surplus Account or any other account of the Golf Course Enterprise Fund to any other fund of the City.

4.07 Investment of Funds and Accounts.

Amounts in the funds and accounts established hereunder shall, if and to the extent then permitted by law, be deposited and invested by the City in accordance with the provisions of Title 7, Chapter 6, Part 2, or Section 17-6-204, the Montana Code Annotated. Such investments shall mature in such amounts and at such times as may be necessary to provide funds when needed to make payments from such funds or accounts, and any such investments shall, subject to the provisions hereof, at all times be deemed to be a part of the fund or account from which the investment was made.

Interest earnings on the funds and accounts created hereunder shall be transferred or paid as follows:

- (1) Revenue Bond Sinking and Interest Account – to be deposited in that account until the terms of Section 4.03 have been met and thereafter to the Surplus Account;

- (2) Operating Account – to be deposited in that account until the terms of Section 4.04 are met and thereafter to the Surplus Account.
- (3) Repair, Replacement and Depreciation Account – to be deposited into the Surplus Account except for net insurance proceeds which are retained in the Repair, Replacement and Depreciation Account;
- (4) Surplus Account – to be deposited therein;

SECTION 5. COVENANTS OF THE CITY

5.01 Compliance with Resolution.

The City will hold the Golf Course Enterprise Fund and accounts therein as separate and apart from all of its other funds, and the City, its officers and agents will comply with all covenants and agreements contained in this resolution. The provisions hereinabove made with respect to the Golf Course Enterprise Fund are in accordance with the undertaking and agreement of the City made in connection with the negotiated private offering of the Bond and the sale of the Bond as set forth in Section 1.01.

5.02 Operation and Maintenance of the Golf Course

The City shall at all times operate the Golf Course, or cause the Golf Course to be operated, properly and in a sound and economical manner and shall maintain, preserve and keep the same or cause the same to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation thereof may be properly and advantageously conducted. Until all of the Bonds are fully discharged as provided herein, the City will continue to hold, maintain and operate the Golf Course as a public facility free from all liens thereon or on the income therefrom other than liens herein granted and will not incur a further lien on the Gross Revenues except as provided herein.

5.03 Rules, Regulations and Other Details.

The City shall establish and enforce reasonable rules and regulations governing the operation, use and services of the Golf Course. The City shall diligently proceed to obtain and thereafter to maintain all required or necessary permits, approvals or consents for the improvements and additions to and operation of the Golf Course, and shall observe, perform and comply with all applicable federal, state, tribal, county and municipal laws, ordinances, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body to the extent that same are applicable to the Golf Course or to the City.

5.04 Payment of Lawful Charges and Compliance with Law.

The City shall pay, or cause to be paid, all taxes and assessments or other municipal or governmental charges, if any, which are lawfully levied or assessed upon it for or with respect to the Golf Course, or upon any part thereof or upon any Revenues derived therefrom, when the same shall become due. The City shall duly observe and comply with, and shall cause all of its contractors, subcontractors, employees and agents to observe and comply with, all valid federal, state, county, city and local laws, regulations, rules and orders relating or applicable to the City and the Golf Course.

The City expressly states that any allocation of indirect cost to the Golf Course Enterprise Fund for general City administration shall not exceed \$30,000 per year.

5.05 Powers as to Golf Course and as to Collection of Revenues

The City has good right and lawful authority to improve and add to the Golf Course and to maintain, operate, improve and reconstruct the Golf Course or to provide for the maintenance, operation, improvement and reconstruction of the Golf Course. The City has the power and covenants to prescribe and from time to time charge and collect rates to be charged for use of the Golf Course and to demand and to collect all Gross Revenues which are due or which becoming due to it for the use of the Golf Course.

The City shall so operate and maintain the Golf Course or cause the Golf Course to be so operated and maintained as to entitle it at all times to make, impose and collect Gross Revenues with respect to the Golf Course and will deposit Gross Revenues in the appropriate account of the Golf Course Enterprise Fund immediately upon receipt. The City shall not release or modify the obligations of any user of the Golf Course that would in any way limit any such user's obligation to make payment of such rents, rates, fees or other charges imposed by the City for such use of the Golf Course. The City shall take all reasonable measures permitted by law to enforce payment to it of all Gross Revenues, and shall at all times, to the extent permitted by law, defend, preserve, and protect the rights, benefits and privileges of the City and of the Registered Owners under or with respect to the Bond Resolution.

5.06 Annual Budget.

The City shall prepare, file and adopt an Annual Budget for the Golf Course Enterprise Fund for each Fiscal Year. The City covenants to amend the Annual Budget as necessary, and to adjust its rates as necessary, in the event that the amounts set forth in the Annual Budget are insufficient to provide for operating the Golf Course or for payments to be made from the Revenue Bond Sinking and Interest Fund.

5.07 Absence of Litigation.

There is now no litigation pending or, to the best knowledge of the City, threatened questioning the right and power of the City to issue the Bond or in any matter questioning the existence of any condition precedent to the exercise of the City's powers in these matters. If any such litigation should be initiated or threatened, the City will forthwith notify in writing the Purchaser, and will furnish the Purchaser a copy of all documents, including pleadings, in connection with such litigation.

SECTION 6. TAX MATTERS

6.01 General Covenant.

The City covenants and agrees with the owners from time to time of the Bond that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bond to become includable in gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code") and applicable Treasury Regulations (the "Regulations").

A legal opinion as to the validity of the Bond and the exclusion of the interest thereon from gross income for federal income tax purposes and Montana individual income tax purposes is **not** being provided by the City. Therefore, the City is not guaranteeing the tax-exempt status of the Bond.

6.02 Arbitrage Certification.

The Mayor and the City Clerk, being the officers of the City charged with the responsibility for issuing the Bond pursuant to this resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with provisions of Section 148 of the Code, and Section 1-148(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Bond, it is reasonably expected that the proceeds of the Bond will be used in a manner that would not cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and Regulations.

6.03 Arbitrage Rebate Exemption.

(a) The City hereby represents that the Bond qualifies for the exception for small governmental units to arbitrage rebate provisions contained in Section 148(f)(4)(D) of the Code because the Bond is issued by the City and the City has general taxing powers and no part of the Bond is a private activity bond. In addition, the City represents:

(1) Substantially all (not less than 95%) of the proceeds of the Bond will be used for local governmental activities of the City.

(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 City and all subordinate entities thereof during 2013 is reasonably expected not to exceed \$5,000,000.

(b) If notwithstanding the provisions of paragraph (a) of this Section 6.03, the arbitrage rebate provisions of Section 148(f) of the Code apply to the Bond, the City 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).

6.04 Information Reporting.

The City shall file with the Secretary of the Treasury, not later than August 15, 2013, a statement concerning the Bond containing the information required by Section 149(e) of the Code.

6.05 “Qualified Tax-Exempt Obligations”.

Pursuant to Section 265(b)(3)(B)(ii) of the Code, the City hereby designates the Bond as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code, but in no manner or form guarantees the tax-exempt status of the Bond. The City hereby represents that it does not anticipate that obligations bearing interest not includable in gross income for purposes of federal income tax taxation under Section 103 of the Code (excluding refunding obligations as provided in Section 265(b)(3)(c)(ii)(III) of the Code excluding other ‘private activity bonds’, as defined in Sections 141(a) and 145(a) of the Code but including “qualified 501(c)(3) Bonds”) will be issued by or on behalf of the City and all “subordinate entities” of the City in calendar year 2013 in an amount greater than \$10,000,000. So far in calendar year 2013, no tax-exempt bonds have been issued by the City.

SECTION 7. AUTHENTICATION OF TRANSCRIPT

7.01 General.

The officers of the City are hereby authorized and directed to furnish to the Purchaser copies of all proceedings relating to the issuance of the Bond and such other certificates and affidavits as may be required to show the right, power and authority of the City to issue the Bond, and all statements contained in and shown by such instruments, including any heretofore furnished, shall constitute representations of the City as to the truth of the statements purported to be shown thereby.

SECTION 8. DISCHARGE

8.01 General.

When the liability of the City on the Bond issued under and secured by this resolution has been discharged as provided in Section 8, all pledges, covenants and other rights granted by this resolution to the owners of such obligations shall cease.

8.02 Payment.

The City may discharge its liability with reference to the Bond or installment of interest thereon which is due on any date by on or before that date depositing with the Registrar funds sufficient, or, if a City officer is the Registrar, mailing to the registered owner of such Bond a check or draft in a sum sufficient and providing proceeds available, for the payment thereof in full; or if the Bond or installment of interest thereon shall not be paid when due, the City may nevertheless discharge its liability with reference thereto by depositing with the Registrar funds sufficient, or, if a City officer is the Registrar, by mailing to the registered owner thereof a check or draft in a sum sufficient and providing proceeds available, for the payment thereof in full with interest accrued to the date of such deposit or mailing.

8.03 Prepayment.

The City may also discharge its obligations with respect to the Bond on any date when it is prepayable according to its terms, by on or before that date depositing with the Registrar funds sufficient, or if a City officer is the Registrar, mailing to the registered owner of such Bond a check or draft in a sum sufficient and providing proceeds available, for the payment of the principal and interest which are then due; provided that notice of such redemption has been duly given as provided herein or irrevocably provided for. The registered owner of the Bond shall not impose any prepayment penalty in the event of prepayment of the Bond.

SECTION 9. CONTINUING DISCLOSURE

9.01 The Securities and Exchange Commissioner (the “SEC”) has promulgated certain amendments to Rule 15c2-12 under the Securities Exchange Act of 1934 (17 C.F.R. Section 240.15c2-12) (the “Rule”) that make it unlawful for an underwriter to participate in the primary offering of municipal securities in a principal amount of \$1,000,000 or more unless, before submitting a bid or entering into a purchase contract for the bonds, it has reasonably determined that the issuer or an obligated person has undertaken in writing for the benefit of the bondholders to provide certain disclosure information to prescribed City of Polson Resolution No. 1041.

The principal amount of the Bond is less than \$1,000,000. The City hereby represents that it has not issued within the six months before the date of issuance of the Bond, and that it reasonably expects that it will not issue within six months after the date of issuance of the Bond, other bonds of the City of substantially the same security and providing financing for the same general purpose or purposes of the Bond. Consequently, this Commission hereby finds that the Rule is inapplicable to the Bond, because the principal amount of the Bond and any other bond issue to be integrated with the Bond thereunder is less than \$1,000,000. Therefore, the City will not enter into any undertakings to provide continuing disclosure of any kind with respect to the Bond.

SECTION 10. REPEALS AND EFFECTIVE DATE

10.01 Repeal.

All provisions of other resolutions and other actions and proceedings of the City and this Commission that are in any way inconsistent with the terms and provisions of this resolution are repealed, amended and rescinded to the full extent necessary to give full force and effect to the provisions of this resolution.

10.02 Effective Date.

This resolution shall take effect immediately upon its passage and adoption by the Commission.

Passed by the City Commission of the City of Polson, Montana, this 18th day of March, 2013.

Pat DeVries, Mayor

ATTEST:

Cindy M. Dooley, City Clerk