

CERTIFICATE OF MINUTES RELATING TO
RESOLUTION NO. 123

Issuer: City of (Town of) STEVENSVILLE

Governing Body: TOWN COUNCIL

Kind, date, time and place of meeting: a REGULAR
meeting, held October 12th, 1992 at 7:30 o'clock P.m., in
the COUNCIL CHAMBERS, STEVENSVILLE, Montana.

Members Present: JUDITH PARKER, BRAD POLLMAN, JULIE WALLACE AND
KAREN WENDEL

Members Absent: NONE

Documents attached:

Minutes of said meeting (pages): 1 through 5.
including

RESOLUTION NO. 123

A RESOLUTION RELATING TO PARTICIPATION IN POOLED SELF-INSURANCE PROGRAM; APPROVING AND AUTHORIZING THE MONTANA MUNICIPAL INSURANCE AUTHORITY TO ISSUE BONDS ON BEHALF OF THE MUNICIPALITY, TO REFUND THE OUTSTANDING WORKERS' COMPENSATION PROGRAM REVENUE BONDS ISSUED BY THE AUTHORITY ON BEHALF OF THE MUNICIPALITY, APPROVING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT RELATING THERETO AND AUTHORIZING THE ISSUANCE AND COMMITTING TO EXECUTE AND DELIVER TO THE MONTANA MUNICIPALITY INSURANCE AUTHORITY A GENERAL OBLIGATION NOTE EVIDENCING THE MUNICIPALITY'S PROPORTIONATE SHARE OF PRINCIPAL OF AND INTEREST ON THE REFUNDING BONDS AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS.

I, the undersigned, being the duly qualified and acting recording officer of the political subdivision issuing the obligations referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of the corporation in my legal custody, from which they been transcribed; that the documents are a correct and complete transcript of the minutes of a meeting of the governing body of the political subdivision, and correct and complete copies of all resolutions and other actions

taken and of all documents approved by the governing body at the meeting, insofar as they relate to the obligations; and that the meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice given as required by law.

WITNESS my hand officially as such recording officer this 12th day of OCTOBER, 1992.

Nancy Lowell
Clerk

Member BRAD POLLMAN moved the adoption of the following resolution.

RESOLUTION NO. 123

A RESOLUTION RELATING TO PARTICIPATION IN POOLED SELF-INSURANCE PROGRAM; APPROVING AND AUTHORIZING THE MONTANA MUNICIPAL INSURANCE AUTHORITY TO ISSUE BONDS ON BEHALF OF THE MUNICIPALITY, TO REFUND THE OUTSTANDING WORKERS' COMPENSATION PROGRAM REVENUE BONDS ISSUED BY THE AUTHORITY ON BEHALF OF THE MUNICIPALITY, APPROVING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT RELATING THERETO AND AUTHORIZING THE ISSUANCE AND COMMITTING TO EXECUTE AND DELIVER TO THE MONTANA MUNICIPALITY INSURANCE AUTHORITY A GENERAL OBLIGATION NOTE EVIDENCING THE MUNICIPALITY'S PROPORTIONATE SHARE OF PRINCIPAL OF AND INTEREST ON THE REFUNDING BONDS AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS.

BE IT RESOLVED by the governing body (the Governing Body) of THE TOWN OF STEVENSVILLE (the Municipality) as follows:

Section 1. Recitals.

1.01. The Montana Municipal Insurance Authority (the Authority) was created as a joint exercise of powers entity pursuant to the Interlocal Agreement creating the Montana Municipal Insurance Authority (the Interlocal Agreement) and Title 7, Chapter 11, Part 1, M.C.A. (the Interlocal Cooperation Act) and as authorized under the provisions of Section 2-9-211 and 2-9-212, M.C.A. for the purpose of providing insurance and reinsurance programs to Montana municipalities and jointly issuing obligations to fund self-insurance funds.

1.02. Pursuant to that authority, the Authority established its Workers Compensation Program (Program) and made it available to all Montana municipalities executing the Interlocal Agreement and the Revised Workers' Risk Retention Program Agreement (the Workers' Compensation Agreement), The Authority issued and sold its Workers' Compensation Program Revenue Bonds, Series 1990 (the Outstanding Bonds) in the aggregate principal amount of \$7,610,000, of which \$7,135,000 in principal amount are now outstanding, on behalf of the municipalities (the Participating Members) adopting a Resolution authorizing the Authority to do so, and executing and delivering to the Authority a general obligation note (the Outstanding Note) in a principal amount equal to their

proportionate share of the principal of and interest on the Bonds as defined in the the Indenture of Trust dated as of September 1, 1990 between the Authority and First Trust Company of Montana National Association, as trustee and successor to First Trust Company of Montana (the Indenture).

1.03. The Outstanding Bonds bear interest at a net effective interest rate of (7.423%). The Board of Directors of the Authority (the Board) has determined that it may be advantageous to the Program and the Participating Members, now or in the future, to advance refund or refund the Series 1990 Bonds and thereby achieve a reduction in annual debt service on the Outstanding Bonds.

1.04. In order for the Board to refund the Series 1990 Bonds it must have authorization from the Participating Members to issue on behalf of the Participating Members bonds (the Refunding Bonds) to refund the Outstanding Bonds, and the Authority has requested that the Municipality adopt a resolution granting such authorization.

Section 2. Authorization.

2.01. The Governing Body hereby authorizes the Authority to issue Refunding Bonds on its behalf as provided herein, and declares its intention to issue a Refunding Note that shall be a general obligation of the Municipality and shall represent its proportionate share of the Refunding Bonds, as determined under the Indenture and to execute and deliver the Refunding Note and such other documents to the Authority as may be required to effectuate the issuance of the Refunding Bonds; provided that the interest rates to be borne by the Refunding Bonds will result in present value savings to the Authority of not less than one and one half percent (1 1/2 %) of the principal amount of the Outstanding Bonds, using the interest rate on the Refunding Bonds as a discount factor over the term of the Refunding Bonds, which savings shall be net of the costs of issuing the Refunding Bond.

2.02. The Authority is hereby authorized to rely on this Resolution and the Municipality hereby authorizes the Authority to proceed with the issuance of the Refunding Bonds on behalf of the Municipality in an amount sufficient, among other things, to defease the Outstanding Bonds and pay all costs associated with the issuance of the Refunding Bonds and defeasance of the Outstanding Bonds.

2.03. The Governing Body hereby preliminarily authorizes the issuance of its Refunding Note in a principal amount not to exceed 120% of the principal of the Outstanding Notes, in substantially the form of the Note previously issued to refund the Outstanding Notes. The Mayor and City Clerk are hereby authorized and directed to execute and deliver the Refunding Note to the Authority

within 15 days of the date of the receipt of written notice from the Authority to do so; provided that: 1) the interest rates savings described in Section 2.01 can be achieved; 2) the principal amount of the Refunding Note does not exceed 3% of the taxable value of the Municipality, as of the date of the last completed assessment for state and local taxes; and 3) the Board has determined that the issuance of the Refunding Bonds is in the best interest of the Program and the Participating Member and the Refunding Bonds will be issued in the principal amount necessary, but not greater than the principal amount necessary, to provide funds, with other available funds in the Debt Service Fund to the Authority allocable to the Outstanding Bonds, to establish the escrow account to defease the Outstanding Bonds, and to pay the costs of issuance of the Refunding Bonds and the costs of refunding the Outstanding Bonds. The term of the Refunding Note shall not exceed the term on the Outstanding Note.

Section 3. Effective Date. This resolution shall become effective immediately upon passage.

Passed and approved this 12th day of October
1992. Richard I. Sipes
Richard I. Sipes, Mayor

WITNESS my hand officially as such recording officer and the seal of
the TOWN OF STEVENSVILLE this 12th day of OCTOBER, 1992.

(SEAL)

Nancy Lowell
CLERK

Member WALLACE seconded the motion and the following voted in favor thereof: POLLMAN, PARKER, WALLACE AND WENDEL

and the following voted against the same: NONE

Absent: NONE