

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting Clerk of the Board of Commissioners of the County of Yellowstone, Montana (the "County"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "RESOLUTION GIVING PRELIMINARY APPROVAL TO THE PROPOSED ISSUANCE OF HEALTH CARE FACILITY LEASE REVENUE BONDS IN AN ORIGINAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,650,000 UNDER MONTANA CODE ANNOTATED, TITLE 90, CHAPTER 5, PART 1 AND AUTHORIZING THE PUBLICATION OF A NOTICE OF PUBLIC HEARING" (the "Resolution"), on file in the original records of the County in my legal custody; that the Resolution was duly adopted by the Board of Commissioners of the County at a regular meeting on October 4, 2016 and that the meeting was duly held by the Board of Commissioners and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following members of the Board of Commissioners voted in favor thereof:

voted against the same:

abstained from voting thereon:

or were absent:

WITNESS my hand and seal officially this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

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Clerk of the Board of Commissioners

(SEAL)

RESOLUTION NO. 16-\_\_\_\_\_

YELLOWSTONE COUNTY, MONTANA

RESOLUTION GIVING PRELIMINARY APPROVAL TO THE PROPOSED  
ISSUANCE OF HEALTH CARE FACILITY LEASE REVENUE BONDS IN AN  
ORIGINAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,650,000  
UNDER MONTANA CODE ANNOTATED, TITLE 90, CHAPTER 5, PART 1 AND  
AUTHORIZING THE PUBLICATION OF A NOTICE OF PUBLIC HEARING

BE IT RESOLVED by the Board of Commissioners (the “County Board”) of Yellowstone County, Montana, a county and political subdivision of the State of Montana (the “County”), as follows:

Section 1. Recitals.

1.01. Montana Code Annotated, Title 90, Chapter 5, Part 1, as amended (the “Act”), authorizes the County to issue revenue bonds that are special, limited obligations of the County for the purpose of defraying the cost of acquiring or improving any land, building, other improvement, and real or personal property considered necessary in connection with an improvement that is suitable for: commercial, manufacturing, agricultural, or industrial enterprises; recreation or tourist facilities; local, state, and federal governmental facilities; multifamily housing; hospitals; long-term care facilities; community-based facilities for individuals who are persons with developmental disabilities as defined in Montana Code Annotated Title 53, Chapter 20, Part 102, as amended; medical facilities; higher education facilities; electric energy generation facilities; family service provider facilities; the production of energy using an alternative renewable energy source as defined in Montana Code Annotated, Title 15, Chapter 6, Part 225, as amended; and any combination of these projects.

1.02. The County has been requested by the Yellowstone Health Partnership, a Montana nonprofit corporation (the “Borrower”) to issue its Healthcare Facilities Lease Revenue Bonds, Series 2016, in one or more series of taxable or tax-exempt bonds, in the approximate aggregate principal amount not to exceed \$3,650,000 (the “Bonds”). If issued by the County, proceeds of the Bonds will be loaned by the County to the Borrower, to (i) finance capital equipment and improvements to the Borrower’s campus located at 123 South 27<sup>th</sup> Street, in Billings, Montana, which may include a portion of the cost of an approximately 26,000 square foot new medical clinic building, and renovation of existing clinic space (the “2016 Project”), and (ii) pay costs of issuance for the Bonds. The Bonds are proposed to be special, limited obligations of the County.

1.03. The Borrower leases its current facilities and will lease the 2016 Project to the Yellowstone City-County Health Department, dba RiverStone Health (the “Tenant”), a multi-jurisdictional service district created under an Interlocal Agreement, as amended (the “Interlocal Agreement”), between the County, the City of Billings, Montana, and the City of Laurel, Montana, to be located on the Borrower’s campus in Billings, Montana.

1.04. The Interlocal Agreement provides that the County may levy up to 10 mills on an annual basis for the operation of the Tenant, and the County currently levies 7.25 mills on an annual basis to support the operations of the Tenant and the services that the Tenant provides to residents of the County.

1.05. The Borrower and the Tenant have requested that the County issue the Bonds, whereby the County transmits amounts derived from the mill levy for the benefit of the Tenant to the bond trustee pursuant to the terms of a health care facilities appropriation agreement.

1.06. Part 104 of the Act requires that prior to the issuance of the Bonds under the Act; the County Board of the County shall give notice and hold a public hearing on the proposed Bonds. Part 104 of the Act also requires that the notice of public hearing (the "Notice") shall be published at least once a week for three consecutive weeks prior to the date set for the public hearing in a newspaper of general circulation in the County. The Notice shall include the time and place of the public hearing, the general nature of the project, the name of the lessee, borrower or user of the project and the estimated cost of the project.

1.07. Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder, require that prior to the issuance of the Bonds, the Board of Commissioners of the County approve the Bonds after conducting a public hearing thereon.

## Section 2. Public Hearing.

2.01. The Board of Commissioners of the County shall meet at or after 9:30 a.m. on Tuesday, November 1, 2016, to conduct a public hearing with respect to the proposal to issue the Bonds in order to finance the costs described in Section 1.02 above as requested by the Borrower.

2.02. The Clerk and Recorder of the County is authorized and directed to publish the Notice in substantially the form attached hereto as Exhibit A in the *Billings Gazette* (a newspaper of general circulation in the County) three times (October 11, October 18 and October 25, 2016). The first publication of the Notice being at least fifteen days prior to the date of the public hearing with respect to the Bonds and the 2016 Project.

## Section 3. Preliminary Approval.

3.01. The County hereby gives its preliminary approval to the issuance of the Bonds, subject to final approval following the preparation of bond documents, and subject to final determination by this County Board that the financing of the Bonds is in the best interest of the County.

In all events, it is understood, however, that the Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the County except the County's interest in the loan or revenue agreement with respect to the Bonds, and the Bonds, when, as, and if issued, shall recite in substance that the Bonds, including interest thereon, are payable solely from the revenues received from the Borrower, the property pledged to the payment thereof and other sources of security for the Bonds, including, without limitation, amounts approved by the County pursuant to the Appropriation Agreement, and shall not constitute a pecuniary liability of, or a general or moral obligation of the County, within the meaning of any constitutional or statutory limitation. The full faith, credit and taxing power of the County are not pledged to the payment of the Bonds.

3.02. For purposes of Section 265(b)(3) of the Code, the County hereby preliminarily designates the portion of the Bonds to be issued as tax-exempt bonds as qualified tax-exempt obligations. The County hereby certifies that it currently does not reasonably expect to issue more than \$10,000,000 of tax-exempt bonds, including the portion of the Bonds to be issued as tax-exempt bonds (other than tax-exempt obligations described in Section 265(b)(3)(C)(ii) of the Code) in 2016.

3.03. At the expense of the Borrower and subject to the qualifications set forth in Section 2.01 above, the officers of the County, Barnes & Thornburg LLP, bond counsel, and other attorneys, and other agents or employees of the County are hereby authorized to do all acts and things required of them by or in connection with the issuance of the Bonds.

Section 4. Effective Date. This Resolution shall be in full force and effect from and after its passage.

Approved by the Board of Commissioners of Yellowstone County, Montana, this 4th day of October, 2016.

YELLOWSTONE COUNTY, MONTANA

By: \_\_\_\_\_  
Its: Chairman

By: \_\_\_\_\_  
Its: Commissioner

By: \_\_\_\_\_  
Its: Commissioner

**EXHIBIT A**

**YELLOWSTONE COUNTY, MONTANA**

**NOTICE OF PUBLIC HEARING ON THE PROPOSED ISSUANCE OF HEALTH CARE FACILITY LEASE REVENUE BONDS UNDER MONTANA CODE ANNOTATED TITLE 90, CHAPTER 5, PART 1, AS AMENDED, FOR THE FOR BENEFIT OF YELLOWSTONE HEALTH PARTNERSHIP**

NOTICE IS HEREBY GIVEN that the Board of Commissioners (the "County Board") of Yellowstone County, Montana (the "Issuer") will hold a public hearing on Tuesday, November 1, 2016, at or after 9:30 a.m. at 217 North 27th Street, Room 403A, in the City of Billings, Montana, to consider the issuance of one or more series of taxable or tax-exempt health care lease revenue refunding bonds (the "Bonds"), under Montana Code Annotated, Title 90 Chapter 5 Part 1, as amended (the "Act"). If issued, proceeds of the Bonds will be loaned to Yellowstone Health Partnership, a Montana nonprofit corporation (the "Borrower"), to (i) finance capital equipment and improvements for the Borrower's campus located at 123 South 27<sup>th</sup> Street, in Billings, Montana, which may include a portion of the cost of an approximately 26,000 square foot new medical clinic building (the "2016 Project"), and (ii) pay costs of issuance for the Bonds. The Borrower owns the RiverStone Health Clinic and will own the 2016 Project and leases and will lease the same to the Yellowstone City-County Health Department, doing business as RiverStone Health (the "Tenant"), a multi-jurisdictional service district created under an Interlocal Agreement between the County, the City of Billings, Montana, and the City of Laurel, Montana. Proceeds derived from the issuance and sale of the Bonds will be loaned from the County to the Borrower pursuant to a loan agreement to pay the costs of funding the 2016 Project, and certain costs of issuing the Bonds.

After the public hearing, the County Board will consider adoption of a resolution granting approval to the issuance of the Bonds. The aggregate face amount of the Bonds proposed to be issued to fund the 2016 Project and pay associated costs is presently estimated not to exceed \$3,650,000. The Bonds will be issued by the Issuer and will be special, limited obligations of the Issuer, payable solely from the revenues pledged to the payment thereof, including without limitation amounts appropriated by the Issuer, and will not be a pecuniary liability of or a general obligation of the Issuer. The full faith, credit and taxing power of the Issuer are not pledged to the payment of the Bonds. The Issuer, the State of Montana, or any political subdivisions thereof are not obligated in any manner for repayment of the Bonds.

Anyone desiring to be heard during the public hearing will be afforded an opportunity to do so. Persons desiring additional information may contact the County Clerk, Mr. Jeff Martin, at 217 North 27th Street, Room 403A, Billings, Montana, or by calling (406) 256-2785. All persons interested may appear and be heard at the time and place set forth above, or may file written comments with the Clerk prior to the date of the hearing set forth above.

Publication Dates: October 7, October 14 and October 21, 2016

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