RESOLUTION 2002-27

RESOLUTION RELATING TO LEASE-PURCHASE OF NEW COUNTY LINCOLN COUNTY PUBLIC SAFETY CENTER; AUTHORIZING THE EXECUTION AND DELIVERY OF A GROUND LEASE AGREEMENT, A LEASE-PURCHASE AGREEMENT, TRUST AGREEMENT, AND APPROVING AND AUTHORIZING EXECUTION OF RELATED DOCUMENTS AND LEVY OF TAXES FOR THE PAYMENT THEREOF.

BE IT RESOLVED by the Board of Commissioners of Lincoln County, South Dakota (the “County”), as follows:

Section 1. Recitals and Findings.

1.01. Declaration of Necessity. The County is authorized by South Dakota Codified Laws, Chapter 7-25 and Chapter 6-8B, inclusive, as amended (collectively “Act”), to enter a lease-purchase agreement for acquisition of real or personal property that the governing body considers necessary or appropriate to carry out its governmental and proprietary functions. The governing body finds and declares that it is necessary and appropriate to acquire, construct or equip a new Lincoln County Public Safety Center (collectively, the “Lincoln County Public Safety Center”), the cost of a portion of such Lincoln County Public Safety Center shall be financed by the issuance and delivery of not to exceed $50,000,000 Certificates of Participation, Series 2020 (the “2020 Certificates”).

1.02. The Lease Financing. The County shall have U.S. Bank National Association, Saint Paul, Minnesota (the “Trustee”) act as Trustee and that pursuant to a ground lease agreement between the County and the Trustee (the “Ground Lease”), acquire certain interests in real property (the “Land”) from the County, and the Trustee lease its interest in the Land and lease and agree to sell the Lincoln County Public Safety Center to be acquired, constructed and equipped thereon to the County pursuant to a lease-purchase agreement (the “Lease-Purchase Agreement”), which shall be dated in 2020 between the Trustee and the County (collectively the “Lease”).

1.03. The Trust Agreement. The Trustee shall execute and deliver a Declaration of Trust, (the “Trust Agreement”), pursuant to which the Trustee will (i) issue Limited Tax General Obligation Certificates of Participation, Series 2020 in the lease payments to be made by the County under the Lease and (ii) receive, hold and invest the proceeds of the sale of the 2020 Certificates and disburse such proceeds for payment of Construction Costs and Costs of Issuance (as defined in the Lease).

1.04. Binding Obligation. The County Commission finds that the Lease-Purchase Agreement constitutes a bond pursuant to the Act and SDCL § 10-13-35, and that the levy in Section 5 is in addition to any current levies for said purposes subject to the limit as to amount set forth in SDCL § 7-25-1.

Section 2. Authorization of Lease Financing and Approval of the Documents

2.01. Approval of Lease Financing. The lease financing described above is found to be favorable and is hereby approved. The Chairman and County Auditor are authorized to approve the principal amount of the Lease and the Certificates of Participation, Series 2020 not exceeding $50,000,000, the term thereof not exceeding 30 years, the interest rate or rates thereon not exceeding an average yield of 3.25% per annum and the price, not less
than 99.7% of par, plus Original Issue Discount of not to exceed 2.00% at which the Certificates are to be sold to Dougherty & Company LLC (the “Original Purchaser”), and are directed to enter into a Certificate Purchase Agreement with the Original Purchaser and their execution of the Certificate Purchase Agreement shall be conclusive evidence of their approval of the principal amount, purchase price, interest rates and other terms set forth therein.

2.02 Forms of Documents. Forms of the following documents relating to the Lincoln County Public Safety Center (the “Documents”) shall be prepared and submitted to the County and are hereby directed to be filed with the County Auditor: (a) the Lease-Purchase Agreement (the “Lease”); (b) the Trust Agreement (the “Trust Agreement”); (c) the Ground Lease, and (d) the Official Statement. The forms of Documents are approved, subject to such modifications as are deemed appropriate and approved by the State’s Attorney or Deputy State’s Attorney. The Chairman and County Auditor are directed to execute the Lease, the Ground Lease and the Trust Agreement. Copies of all Documents shall be delivered, filed and recorded as provided therein. The Chairman, County Auditor, State’s Attorney and Deputy State’s Attorney are also authorized and directed to execute such other instruments as may be required to give effect to the transactions therein contemplated. The County will cooperate in the issuance of the Certificates of Participation, Series 2020 and the Chairman, County Auditor and such other officers or officials of the County shall execute such other instruments as are necessary to the issuance of the Certificates of Participation, Series 2020.

Section 3. Designation of Trustee, Underwriter and Bond Counsel.

3.01. Approval of Trust and Trustee. The County requests U.S. Bank National Association, Saint Paul, Minnesota (the “Trustee”) to act as Trustee and that pursuant to a Ground Lease Agreement between the County and the Trustee (the “Ground Lease”), acquire certain interests in real property (the “Land”) from the County, and the Trustee lease its interest in the Land and lease and agree to sell the Lincoln County Public Safety Center to be acquired, constructed and equipped thereon to the County pursuant to a Lease-Purchase Agreement, which shall be dated in 2020 between the Trustee and the County (collectively the “Lease”). The Ground Lease is authorized by this Resolution pursuant to the Act without notice. The final form of the Ground Lease and Lease-Purchase Agreement shall filed with the County Auditor, be attached and become a part of this resolution as if stated in full.

3.02. Designation of Underwriter. Dougherty & Company LLC is hereby designated as the underwriter for the Lease and Certificates of Participation, Series 2020. The Certificates of Participation, Series 2020 will be purchased by Dougherty and offered for sale to the public by an Official Statement or similar offering document.

3.03. Designation of Bond Counsel. Meierhenry & Sargent, LLP is hereby designated as Bond Counsel for the Lease Financing.

Section 4. Modifications, Absence of Officers.

The approval hereby given to the Documents includes an approval of such additional details therein as may be necessary and appropriate and such modifications thereto, deletions therefrom and additions thereto as may be necessary and appropriate and
approved by the State’s Attorney or Deputy State’s Attorney prior to the execution of the Documents. The execution of any instrument by the appropriate officer or officers of the County herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof. In the absence of the Chairman or the County Auditor, any of the Documents authorized by this resolution to be executed may be executed by such officer as, in the opinion of the Deputy State’s Attorney, may execute documents in their stead.

Section 5. Payment of Lease Payments The County will pay to the Trustee promptly when due, all of the Lease Payments (as defined in the Lease) and other amounts required by the Lease. To provide moneys to make such payments, the County will include in its annual budget, for each fiscal year during the term of the Lease, moneys sufficient to pay and for the purpose of paying all Lease Payments and other amounts payable under the Lease, and will take all other actions necessary to provide moneys for the payment of the obligations of the County under the Lease from sources of the County lawfully available for this purpose, including the levy of such taxes as may be necessary therefore, subject only to the limitations on such levies imposed by South Dakota law.

The County agrees and covenants to include in its annual budget for each fiscal year during the term of the Lease moneys sufficient to pay and for the purpose of paying the Lease Payments, and to levy a tax pursuant to SDCL Section 7-25-1 and Article XIII Section 5 in an amount sufficient and for the purpose of paying such Lease Payments when due and, to the extent permitted by law, to determine the percentage of true and full value to be used as taxable valuation such that the tax levied pursuant to SDCL Section 7-25-1, taking into consideration the percentage of collection, will generate sufficient revenues for the purpose of paying such Lease Payments, and to take all other actions necessary to provide moneys for the payment of the Lease Payments under the Lease as amended or supplemented, from sources of the County lawfully available for such purposes. The County shall file with the County Auditor a schedule of the principal and interest components of the Lease.

Section 6. Tax Matters The County covenants and agrees with the Trustee and the registered owners from time to time of the Certificates of Participation, Series 2020 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 Certificates of Participation, Series 2020 to become subject to taxation under the Internal Revenue Code of 1986, as amended (the “Code”), and applicable Treasury Regulations (the “Regulations”), and covenants to take any and all actions within its powers to ensure that the interest on the Certificates of Participation, Series 2020 will not become subject to taxation under the Code and the Regulations. The County will cause to be filed with the Secretary of the Treasury an information reporting statement in the form and at the time prescribed by the Code. The County will comply with the provisions of Section 148(f) of the Code, relating to the rebate of arbitrage profits to the United States, if and to the extent that such provisions are applicable to the Amended Lease and the Certificates of Participation, Series 2020.

Section 7. Arbitrage Certification The Chairman and the County Auditor, being the officers of the County charged with the responsibility for preparing the Lease and causing the issuance of the Certificates of Participation, Series 2020 pursuant to this Resolution, are authorized and directed to execute and deliver to the Trustee a certificate in accordance with the provisions of Section 148 of the Code, and Sections 1.148-1 et al of the
Regulations, stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Lease and Certificates of Participation, Series 2020 which make it reasonable to expect that the proceeds of the Lease and Certificates of Participation, Series 2020 will not be used in a manner that would cause the Lease or the Certificates of Participation, Series 2020 to be arbitrage bonds within the meaning of the Code and Regulations.

Section 8. Preliminary Official Statement and Official Statement. The Chairman, County Auditor, and the Underwriter are hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the 2020 Certificates (the "Preliminary Official Statement"). After the 2020 Certificates have been sold, the Chairman and County Auditor shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The Chairman and County Auditor shall arrange for the delivery to the Underwriter on the 2020 Certificates of a reasonable number of copies of the Official Statement within seven business days after the 2020 Certificates have been sold for delivery by the Underwriter to each potential investor requesting a copy of the Official Statement.

The Chairman and County Auditor are authorized, on behalf of the County, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the County except for the omission in the Preliminary Official Statement of such pricing and other information.

Section 9. Continuing Disclosure. The County hereby covenants and agrees that it will provide financial information and material event notices as required by Rule 15c2-12 of the Securities Exchange Commission for the 2020 Certificates. The Chairman is authorized to execute at the closing of the sale of the 2020 Certificates, an agreement for the benefit of and enforceable by the owners of the 2020 Certificates specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of the County to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the 2020 Certificates to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the County to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 10. Post Issuance Compliance. The County does hereby adopt Meierhenry Sargent Post-Issuance Compliance Policy and Tax-Advantaged Obligations and Continuing Disclosure with regard to the Lease and 2020 Certificates attached hereto. The County appoints the Auditor as its chief post issuance compliance officer.
Section 11. Date Resolution Becomes Effective. This resolution shall become effective twenty days after publication in accordance with SDCL § 7-18A-8.


Dated this 18th day of February 2020.

/s/ Chairman

/s/
County Auditor

Publish the week of February 24, 2020.