

BOND PURCHASE AGREEMENT

June 25, 2020

Browning Public Schools
P.O. Box 610
129 1st Avenue Southeast
Browning, Montana 59417
Attention: Donna Yellow Owl, Chair of the Board of Trustees
Corrina Guardipee-Hall, Superintendent
Stacy Edwards, Business Manager/District Clerk

First Bank of Montana,
a Division of Glacier Bank
224 West Main Street
Lewistown, MT 59457
Attention: Chad Robinson, Senior Loan Manager

\$3,955,000
Impact Aid Revenue School Building Bonds, Series 2020
School District No. 9 (Browning), Glacier County, Montana

Ladies and Gentlemen:

The undersigned, First Bank of Montana, a Division of Glacier Bank, located in Lewistown, Montana, as purchaser (the “Purchaser”), hereby offers to enter into this Bond Purchase Agreement (this “Agreement”) with School District No. 9 (Browning), Glacier County, Montana (the “District”), for the sale by the District and purchase by the Purchaser of the above-referenced bonds (collectively, the “Bonds”). This offer is made subject to the written acceptance hereof by the District and delivery of such acceptance to the Purchaser (in the form of one or more executed counterparts hereof) at or prior to 5:00 P.M., Lewistown, Montana time, on June 25, 2020. Upon such acceptance, this Agreement will be in full force and effect in accordance with its terms and will be binding upon the District and the Purchaser.

The proceeds of the Bonds will be used to pay a portion of the costs of building or improving the District’s middle school building and related amenities and paying costs of issuing the Bonds, all in accordance with the ballot question presented to the eligible voters at an election conducted on September 25, 2018.

The Bonds are being issued pursuant to a bond resolution of the District (the “Bond Resolution”) adopted by the Board of Trustees (the “Board”) of the District on or about June 24, 2020, authorizing the issuance of the Bonds and approving an indenture of trust between the District and

U.S. Bank National Association (the “Trust Indenture”) fixing the terms and conditions of the Bonds. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Bond Resolution or Trust Indenture.

1. Upon the terms and conditions and based on the representations, warranties and covenants hereinafter set forth, the Purchaser hereby agrees to purchase from the District and the District hereby agrees to sell to the Purchaser, all (but not less than all) of the Bonds upon the following terms:

Aggregate Principal Amount	\$3,955,000
Closing Date	On or about July 15, 2020
Term	Payable in semiannual payments of interest due on each April 1 and October 1, commencing October 1, 2020, with annual payments of principal on each October 1, commencing October 1, 2021 and concluding October 1, 2032, unless earlier redeemed.
Interest; Amortization Schedule	Interest on the Bonds is fixed at the rate of 3.00% per annum, resulting in the amortization schedule attached hereto as <u>Exhibit A</u> . Interest is payable semiannually on April 1 and October 1, commencing October 1, 2020, and principal is payable annually, commencing October 1, 2021.
No Reserve	The Bonds will not be secured by the Impact Aid Revenue Bond Debt Service Reserve Account.
Additional Bonds	Additional Bonds may be issued only in accordance with and subject to the limitations set forth in the Trust Indenture.
Fees and Costs	No origination fee or other closing fees payable to Purchaser. The District will pay from proceeds of the Bonds or other available District funds the fee of D.A. Davidson & Co., as placement agent, the fees and costs of U.S. Bank National Association, as trustee, and fees and costs of Dorsey & Whitney LLP, as bond counsel to the District.

Optional Redemption	<p>The Bonds are subject to redemption at the option of the District, evidenced by a District Request provided to the Trustee at least 45 days before the date of redemption, on 30 days' prior written notice to the registered owner of the Bonds, at any time and from time to time, in whole or in part, at a price equal to the principal amount thereof to be redeemed plus interest accrued to the date identified for redemption and prepayment, without premium or penalty. Each partial prepayment must be in the amount of at least \$100,000 for the District to require the registered owner of the Bonds to reamortize the debt service over the then-remaining term; otherwise, partial prepayments (amounts paid in excess of the principal payments then owing) will be applied in inverse order of installments. Upon partial prepayment, there shall be no need to surrender and exchange a new bond for the unredeemed portion of the existing bond; provided that, if the debt service of the Bonds is reamortized as provided above in this paragraph, the debt service schedule attached as Schedule I to the Bonds shall be replaced by a debt service schedule reflecting the reamortization of the principal then outstanding in substantially equal total installments of principal and interest in each Bond Year.</p>
Financial Reporting Requirements	<p>The District will provide the Purchaser annually the District's fiscal year audited financial statements within 30 days after the District receives its final annual audited financial statements with regard to a fiscal year. The parties agree that, in connection with the Bonds, the District is not subject to and shall have no obligation to comply with the disclosure requirements set forth in Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.</p>
Deliveries at Closing	<p>At or prior to the closing and delivery of the Bonds, the Purchaser shall receive copies of the Bond Resolution and the Trust Indenture, the Purchaser and the District shall receive from bond counsel to the District an opinion of bond counsel regarding the validity and enforceability of the Bonds and the exclusion of interest on the Bonds from gross income for federal income tax purposes, and the Purchaser and bond counsel shall receive such certificates as the Purchaser and bond counsel may reasonably request.</p>
Bank Qualification	<p>The District will designate the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.</p>

2. The purchase and sale of the Bonds is not contingent upon the purchase and sale of any other bonds or obligations of the District (such bonds or obligations, "Other Obligations"), and the purchase and sale of any Other Obligations is not contingent upon the purchase and sale of the Bonds. The Purchaser agrees it is purchasing the Bonds independent of any Other Obligations.

3. The Bonds will be revenue bonds of the District payable solely from the Pledged Revenues and the rest of the Trust Estate pledged to the payment thereof pursuant to the Trust Indenture. The District's taxing power and general credit are not pledged to the payment of the Bonds.

4. At delivery of the Bonds on the Closing Date, the Purchaser will execute and deliver to the District a certificate substantially in the form attached hereto as Exhibit B.

5. This Agreement will be governed by and construed in accordance with the laws of the State of Montana.

6. This Agreement may be executed in multiple counterparts, each of which will be deemed an original and all of which together will constitute but one and the same instrument. This Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by e-mail with a pdf copy or other replicating image attached, and any printed or copied version of any signature pages so delivered shall have the same force and effect as an originally signed version of such signature page.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

SCHOOL DISTRICT NO. 9 (BROWNING),
GLACIER COUNTY, MONTANA

By _____
Name: Donna Yellow Owl
Title: Chair of the Board of Trustees

By _____
Name: Corrina Guardipee-Hall
Title: Superintendent

By _____
Name: Stacy Edwards
Title: Business Manager/District Clerk

FIRST BANK OF MONTANA, A DIVISION
OF GLACIER BANK

By _____
Name: Chad Robinson
Title: Senior Loan Manager

EXHIBIT A

AMORTIZATION SCHEDULE



BOND DEBT SERVICE

SCHOOL DISTRICT NO. 9 (BROWNING)
GLACIER COUNTY, MONTANA
IMPACT AID REVENUE SCHOOL BUILDING BONDS, SERIES 2020
Glacier Bank Private Placement, Any Day Par Call
Preliminary Pricing

Dated Date 07/15/2020
 Delivery Date 07/15/2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2020			25,048.33	25,048.33	25,048.33
04/01/2021			59,325.00	59,325.00	
10/01/2021	280,000	3.000%	59,325.00	339,325.00	398,650.00
04/01/2022			55,125.00	55,125.00	
10/01/2022	285,000	3.000%	55,125.00	340,125.00	395,250.00
04/01/2023			50,850.00	50,850.00	
10/01/2023	295,000	3.000%	50,850.00	345,850.00	396,700.00
04/01/2024			46,425.00	46,425.00	
10/01/2024	305,000	3.000%	46,425.00	351,425.00	397,850.00
04/01/2025			41,850.00	41,850.00	
10/01/2025	315,000	3.000%	41,850.00	356,850.00	398,700.00
04/01/2026			37,125.00	37,125.00	
10/01/2026	325,000	3.000%	37,125.00	362,125.00	399,250.00
04/01/2027			32,250.00	32,250.00	
10/01/2027	330,000	3.000%	32,250.00	362,250.00	394,500.00
04/01/2028			27,300.00	27,300.00	
10/01/2028	340,000	3.000%	27,300.00	367,300.00	394,600.00
04/01/2029			22,200.00	22,200.00	
10/01/2029	355,000	3.000%	22,200.00	377,200.00	399,400.00
04/01/2030			16,875.00	16,875.00	
10/01/2030	365,000	3.000%	16,875.00	381,875.00	398,750.00
04/01/2031			11,400.00	11,400.00	
10/01/2031	375,000	3.000%	11,400.00	386,400.00	397,800.00
04/01/2032			5,775.00	5,775.00	
10/01/2032	385,000	3.000%	5,775.00	390,775.00	396,550.00
	3,955,000		838,048.33	4,793,048.33	4,793,048.33

EXHIBIT B

PROPOSED FORM OF

CERTIFICATE AND RECEIPT OF PURCHASER

I, the undersigned, being a duly qualified and acting representative of First Bank of Montana, a Division of Glacier Bank, located in Lewistown, Montana, the original purchaser (the “Purchaser”) of all of the Impact Aid Revenue School Building Bonds, Series 2020 (the “Bonds”), issued by School District No. 9 (Browning), Glacier County, Montana (the “District”), dated, as originally issued, as of July 15, 2020, hereby acknowledge receipt of the Bonds fully executed and authenticated, in the aggregate principal amount of \$3,955,000, payable as described in the Trust Indenture and Bonds and, absent earlier redemption, with a final payment date of October 1, 2032, and otherwise conforming with the provisions of a resolution adopted by the Board of Trustees of the District on June 24, 2020 (the “Bond Resolution”) and an Indenture of Trust between the District and U.S. Bank National Association (the “Trust Indenture”), and on behalf of the Purchaser certify that:

1. The Purchaser is a bank duly organized, validly existing and in good standing under the laws of the State of Montana and has full power and authority to purchase the Bonds and make the loan evidenced thereby.

2. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits represented by the purchase of the Bonds and the making of the loan evidenced thereby.

3. The Purchaser has authority to execute and deliver instruments and documents executed by the Purchaser in connection with the purchase of the Bonds.

4. The Purchaser understands that an official statement, prospectus, offering circular, or other offering statement has not been provided with respect to the Bonds. The Purchaser has made its own inquiry and analysis with respect to the District, the Bonds and the security therefor, and other material factors affecting the security for and payment of the Bonds. The Purchaser received and has reviewed a copy of the Bond Resolution.

5. The Purchaser acknowledges that it has reviewed information, including financial statements and other financial information, regarding the District, including, but not limited to, the Request for Proposals of the District, dated June __, 2020, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the District, the Bonds and the security therefor, so that it has been able to make an informed decision to purchase the Bonds and to make the loan evidenced thereby and acknowledges that it has not relied on the District with respect to any information with respect to the advisability of purchasing the Bonds or the security for the Bonds.

6. The Purchaser understands that the Bonds: (i) are not registered under the Securities Act of 1933, as amended, and are not registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (ii) are not listed on any stock or other securities exchange, and (iii) have not been rated by any credit rating agency.

7. The Bonds are being acquired by the Purchaser for its own account and not with a present view toward resale or distribution; provided, however, that the Purchaser reserves the right to sell, transfer or redistribute the Bonds, but agrees that any such sale, transfer or distribution by the Purchaser shall be to (i) an affiliate of the Purchaser; (ii) a trust or other custodial arrangement established by the Purchaser or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers or accredited investors; or (iii) a person or entity that the Purchaser reasonably believes is qualified to purchase the Bonds or that makes representations substantially similar to the representations the Purchaser makes in this certificate. Any entity that receives the Bonds pursuant to such sale, transfer, or distribution shall sign a certificate providing that such entity satisfies the requirements of this paragraph 7 and affirming the statements set forth in paragraphs 2 through 6 above, with such signed certificate being delivered to the District simultaneously with such sale, transfer, or distribution. The Purchaser currently intends to hold the Bonds to evidence the loan it has made to the District for the term of the Bonds.

8. The Purchaser is purchasing the Bonds for the aggregate amount of \$3,955,000. The Purchaser is not acting as an Underwriter with respect to the Bonds. The Purchaser has no present intention to sell, reoffer, or otherwise dispose of the Bonds (or any portion of the Bonds or any interest in the Bonds). The Purchaser has not contracted with any person pursuant to a written agreement to have such person participate in an initial sale of the Bonds to the Public, and the Purchaser has not agreed with the District pursuant to a written agreement to sell the Bonds to persons other than the Purchaser or a related party to the Purchaser.

For purposes of this Paragraph 8, the following defined terms apply:

(A) “Public” means any person (i.e., an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party. Persons generally are “related parties” for purposes of this certificate if they have more than 50 percent common ownership or control, directly or indirectly.

(B) “Underwriter” means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

9. (i) The Bonds will be evidenced by physical certificates delivered to the Purchaser by the District, (ii) the Bonds will not have a CUSIP number, (iii) the Bonds are not, and will not be, rated by an independent rating agency, (iv) the Purchaser shall not transfer the Bonds except in accordance with Paragraph 7 above, (v) payments on the Bonds shall be made directly by the

District to the Purchaser, (vi) payments under the Bonds conform to a loan repayment schedule determined on or before the date of closing, (vii) the Bonds and the loan evidenced thereby bear interest at fixed rates throughout the term of the Bonds, (viii) the Purchaser intends to record the Bonds as a loan on its books and records, and (ix) the Bonds are an obligation of the District.

10. The Purchaser acknowledges and agrees that: (i) the transactions contemplated by the Bond documents are arm's length, commercial transactions between the Purchaser and the District and that the Purchaser is acting solely as a principal and not acting as a municipal advisor, financial advisor or fiduciary to the District; (ii) the Purchaser has not performed advisory or fiduciary services to the District with respect to the transactions contemplated by the Bond documents and the discussions, undertakings and procedures leading thereto (irrespective of whether the Purchaser has provided other services or is currently providing other services to the District on other matters); (iii) the Purchaser has financial and other interests that differ from those of the District; and (iv) the Purchaser has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

IN WITNESS WHEREOF, I have hereunto set my hand as Purchaser as of this 15th day of July, 2020.

FIRST BANK OF MONTANA, A DIVISION OF
GLACIER BANK

By: _____
Printed Name: Chad Robinson
Title: Senior Loan Manager