

**Browning Elementary District and  
Browning High School District  
Glacier County, Montana**

**General Obligation Refunding Bonds, Series 2021 (the “Bonds”)**

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**Private Placement Request for Proposals  
Financing Term Sheet**

(Proposals submitted shall be for both the Elementary District and High School District as described below.)

**Issuers:** Browning Elementary District, Glacier County, Montana (the “Elementary District”)  
Browning High School District, Glacier County, Montana (the “HS District”)

**2021 Estimated Bond Amounts:** \$2,300,000 Elementary District - subject to change as described below.  
\$1,540,000 HS District - subject to change as described below.

To the extent more or less Bond proceeds are required by the Elementary District or the HS District (together, the “Districts”) to complete the refunding, the principal amount of the Bonds may be adjusted upward or downward. Changes will be communicated to the financial institution with the winning proposal. The financial institution submitting the winning proposal agrees to purchase the Bonds pursuant to the final Bond Purchase Agreement(s) (in such adjusted principal amounts).

**Purpose:** The proceeds of the Bonds, together with other legally available funds, if any, will be used for (i) refunding all or a portion of the Districts’ outstanding General Obligation Bonds, Series 2007 (the “Series 2007 Bonds”) maturing in the years 2021-2027 (the “Refunded Bonds”), as further described in the enclosed Appendix A – Supplemental Information; and (ii) paying costs associated with the refunding, sale and issuance of the Bonds.

**Security:** The Bonds are general obligations of the Districts payable from general ad valorem taxes, which the Districts will covenant to levy annually on all taxable property within the Districts, without limitation as to rate or amount, to pay the principal of and interest on the Bonds as due.

**Not Rated:** The Bonds will NOT be rated. (The Series 2007 Bonds have an underlying of “A” by S&P.)

**Principal Payments:** Principal is payable annually on each July 1 (commencing in 2021 and concluding in 2027) in the estimated amounts as follows to accomplish a roughly level payment schedule and match the levy already made in 2020/21:

Year	Elementary District	HS District
	Principal Amount*	Principal Amount*
2021	\$245,000	\$155,000
2022	335,000	230,000
2023	335,000	230,000
2024	335,000	225,000
2025	345,000	230,000
2026	350,000	230,000
2027	355,000	240,000

\* Subject to change.

The aggregate principal amount and the principal amount of each principal installment of the Bonds are subject to adjustment by the Districts after the determination of the winning response.

**Interest Payments:** Interest is payable semiannually on each January 1 and July 1, commencing July 1, 2021 and concluding July 1, 2027. Interest is based on a fixed-rate for the term of the Bonds, computed on the basis of a 360-day year of twelve 30 day months.

**Dated Date:** As of date of delivery, scheduled to be on or about March 25, 2021.

**Prepayment:** Please describe your proposed prepayment/redemption provisions for the Bonds.

**Disclosure:** The Districts have prepared certain disclosure information as found in the enclosed Appendix A – Supplemental Information; however, a full Official Statement will not be prepared. Financial disclosures may be found on EMMA. Additional information may be available upon request. This issue is not subject to continuing disclosure requirements, but the purchaser can specify continuing requirements for audit reports or other information.

**Private**

**Placement Letter:** The Bonds will be sold in a private placement to an institutional investor who is an accredited investor. The purchaser will execute a certificate in a form satisfactory to the Districts and Bond Counsel stating that the purchaser is purchasing the Bonds for its own account and has no intention of reselling the Bonds and containing other customary certifications.

**Tax Treatment:** In the opinion of Dorsey & Whitney LLP, Bond Counsel, based on existing law and assuming the accuracy of certain representations and compliance with certain covenants, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Code, and (iii) is excludable from gross income for Montana individual income tax purposes. Interest on the Bonds is includable, however, in income for purposes of the Montana corporate income tax and the Montana alternative corporate income tax. The Districts will designate the Bonds or deem the Bonds designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

**Bidding Process:** The Districts will receive written proposals until **March 1, 2021 at 5:00 P.M. (MT)**.

A copy of the proposal must be electronically delivered to the Placement Agent:

Bridget Ekstrom, Senior Vice President  
D.A. Davidson & Co.  
Email: [bekstrom@dadco.com](mailto:bekstrom@dadco.com)

For questions please contact Bridget  
406-581-9820 (cell) or 406-556-6965 (office)

**Proposals submitted shall be for both the Elementary District and HS District General Obligation Refunding Bonds and shall set forth:**

- (1) the **fixed interest rate** based on the annual principal installments shown in this Request for Proposals and based on an assumed March 25, 2021 closing date,
- (2) **any additional costs/fees** to be borne by the Districts (i.e. origination fees, legal fees, etc.) and any continuing disclosure or other requests/requirements (such as annual audit reports), and
- (3) **any prepayment/redemption provisions** or denote the Bonds are callable at any time.

**Basis of Award:**

Proposals for the Bonds will be compared on the basis of **true interest cost (“TIC”)** and the winning proposal will be awarded to the responsive bidder whose bid reflects the lowest TIC on the Bonds. The TIC is the net present value of total interest on the Bonds, from their dated date to their principal payment dates. If two or more proposals state the same lowest TIC, the sale of the Bonds will be awarded to the financial institution selected by the Districts.

Proposal constraints for the Bonds include:

- (i) the purchaser intends to record the Bonds as a loan on its books and records;
- (ii) the true interest cost (TIC) of the Bonds shall not exceed 2.50%;
- (iii) the Bonds are offered at a purchase price of par;
- (iv) proposals must be for the entire offerings of both the Elementary District and HS District Bonds;
- (v) rates shall be expressed in integral multiples of one basis point per annum;
- (vi) the Bonds will be evidenced by physical certificates delivered to the purchaser by the Districts;
- (vii) the Bonds will not have a CUSIP number; and
- (viii) each proposal must be unconditional.

**The Districts reserve the right to reject any and all proposals and to waive any informality and irregularity in any and all proposals.**

No proposal may be altered after the time specified above for opening proposals without the express consent of the Districts.

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**Thank you for your consideration.**