

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of School District No. 9 (Browning), Glacier County, Montana (the "District"), hereby certify that the attached resolution is a true copy of a Resolution No. _____ entitled: "RESOLUTION RELATING TO \$3,955,000 IMPACT AID REVENUE SCHOOL BUILDING BONDS, SERIES 2020; AUTHORIZING THE ISSUANCE AND SALE THEREOF AND THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST AND RELATED DOCUMENTS" (the "Resolution"), on file in the original records of the District in my legal custody; that the Resolution was duly adopted by the Board of Trustees of the District at a regular meeting on June 24, 2020, and that the meeting was duly held by the Board of Trustees 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 Council members voted in favor thereof: _____
_____; voted against the same: _____
_____; abstained from voting thereon: _____; or
were absent: _____.

WITNESS my hand officially this ____ day of June, 2020.

Business Manager/District Clerk

RESOLUTION NO. _____

RESOLUTION RELATING TO \$3,955,000 IMPACT AID
REVENUE SCHOOL BUILDING BONDS, SERIES 2020;
AUTHORIZING THE ISSUANCE AND SALE THEREOF AND
THE EXECUTION AND DELIVERY OF AN INDENTURE OF
TRUST AND RELATED DOCUMENTS

BE IT RESOLVED by the Board of Trustees (the “Board”) of School District No. 9 (Browning), Glacier County, Montana (the “District”), as follows:

Section 1. Recitals.

1.1. The District is authorized by Montana Code Annotated, Title 20, Chapter 9, Part 4, as amended (the “Act”), to issue its impact aid revenue school building bonds for the purpose of building, altering, repairing, buying, furnishing, equipping, purchasing lands for, and/or obtaining a water supply for a school, teacherage, dormitory, gymnasium, other building, or combination of said buildings for school purposes, and for the purpose of funding a debt service reserve fund required for impact aid revenue school building bonds, upon approval of the electorate of the district.

1.2. At an election duly called and held September 25, 2018, the requisite majority of the qualified electors of the District authorized the sale and issuance of Impact Aid Revenue School Building Bonds of the District in the aggregate principal amount of up to \$3,955,000 for the purpose of paying a portion of the costs of designing, constructing, furnishing, and equipping improvements to the Browning Middle School facilities, to include building a new gymnasium and locker rooms, a new kitchen, and a new commons area, and installing new boilers; remodeling the existing kitchen and gymnasium; upgrading building finishes; upgrading the track and practice fields and paved areas; related improvements; and paying costs associated with the sale and issuance of the bonds (the “Project”). The District has determined to undertake the Project and sell and issue Impact Aid Revenue School Building Bonds of the District in the aggregate principal amount of \$3,955,000 (the “Series 2020 Bonds”) in order to finance a portion of the costs of the Project.

1.3. The estimated costs of the Project financed with proceeds of the Series 2020 Bonds, including related financing costs and other costs, are as follows:

Construction Costs	\$3,842,880.00
Estimated Costs of Issuance	112,120.00
Total	<hr/> \$3,955,000.00

1.4. It is proposed that the District issue its Series 2020 Bonds to finance a portion of the costs of the Project. The Series 2020 Bonds shall be payable solely from and secured by federal impact aid basic support payments that form a part of the impact aid revenues under Title VII, Section 7003(b) of the Elementary and Secondary Education Act of 1965, as amended (20 U.S.C. 7703(b)) (“Impact Aid Basic Support”) paid or payable by the United States Department of Education (the “Department of Education”) to the District under a federal program designed to

reimburse directly public schools for the loss of traditional revenue sources due to a federal government presence or activity and commonly known as the impact aid program (the “Program”) and other moneys that are deposited in the Impact Aid Revenue Bond Debt Service Fund.

1.5. Pursuant to Montana Code Annotated, Section 20-9-430, a request for proposals, and a resolution adopted June 9, 2020 (the “Authorizing Resolution”), this Board determined that it would be in the best interests of the District to sell the Series 2020 Bonds through a negotiated sale (i.e., private sale) to Glacier Bank, of Kalispell, Montana. Glacier Bank has determined that First Bank of Montana, a Division of Glacier Bank, located in Lewistown, Montana, will purchase the Bonds. The Board hereby approves the sale of the Bonds to First Bank of Montana, a Division of Glacier Bank (the “Purchaser”). The District and the Purchaser intend to enter into a Bond Purchase Agreement, dated on or about June 25, 2020, relating to the sale of the Series 2020 Bonds, the Series 2020 Bonds to bear interest, be payable and contain the further terms and conditions set forth in the Indenture (as defined below). The form of the Bond Purchase Agreement has been submitted to this Board and is hereby approved.

1.6. All conditions precedent to the sale and issuance of the Series 2020 Bonds have been or shall have been satisfied on or before the date of issuance of the Series 2020 Bonds.

1.7. An Indenture of Trust (the “Indenture”), to be entered into between the District and U.S. Bank National Association, as Trustee, whereby the terms of the Series 2020 Bonds and the security for the repayment thereof are specified and provisions are made for their security, including the form of the Series 2020 Bonds attached as Exhibit B to the Indenture, has been presented to this Board. The Indenture is hereby approved with such changes as may be necessary or appropriate to finalize the Indenture and such changes are conclusively approved as evidenced by the signature of the Indenture by the officials of the District named therein.

Section 2. Findings and Determinations. It is hereby found, determined and declared by this Board, as follows:

(a) The District has determined to issue and sell the Series 2020 Bonds in order to finance a portion of the costs of the Project. Amounts in excess of \$3,955,000 to pay a portion of the costs of the Project and other costs will be from approximately \$11,200,000 of impact aid moneys of the District on hand and available therefor.

(b) Pursuant to the Indenture, “Pledged Revenues” and amounts from time to time in the Trust Funds are pledged to the repayment of the Series 2020 Bonds, as described in the Indenture. “Pledged Revenues” means all Impact Aid Basic Support paid or payable by the Department of Education to the District under the Program and other moneys that are deposited in the Impact Aid Revenue Bond Debt Service Fund and, if applicable, the Impact Aid Revenue Bond Debt Service Reserve Fund, including any amounts deposited in the Impact Aid Revenue Bond Debt Service Fund or, if applicable, the Impact Aid Revenue Bond Debt Service Reserve Fund from the proceeds of the Bonds, including all investments and investment income thereon held in such funds. The term “Pledged Revenues” does not include (a) any monies or investments or investment income in the Rebate Fund or Impact Aid Fund, (b) Impact Aid Basic Support received

by the Trustee from the United States Department of Education in a Fiscal Year in excess of the sum of (1) regularly scheduled debt service for the Bonds during the corresponding Bond Year (i.e., the principal and interest payable on the Bonds in the 12 months immediately following receipt of the Impact Aid Basic Support), (2) the amount of any costs or expenses of the Trustee incurred or reasonably expected to be incurred during such Fiscal Year and (3) if applicable, any deficiency in the Impact Aid Revenue Bond Debt Service Reserve Fund, or (c) any monies received pursuant to 20 United States Code § 7703(d) for special education purposes or other monies paid or payable to the District under the Program that are not Impact Aid Basic Support. The Impact Aid Revenue Bond Debt Service Reserve Fund does not secure the Series 2020 Bonds. The Pledged Revenues to be paid to the District in each fiscal year are estimated as of the date hereof to be sufficient to pay the principal of and interest on the Series 2020 Bonds due in the corresponding Bond Year (as that term is defined in the Indenture). The District has not issued any other impact aid revenue school building bonds or notes under the Act that are outstanding.

(c) All acts, conditions and things required by the Constitution and laws of the State of Montana, including under the Act, in order to make the Series 2020 Bonds valid and binding special limited obligations of the District in accordance with their terms and in accordance with the terms of this Resolution and the Indenture have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required.

(d) Pursuant to the Act, the State of Montana has pledged and agreed with the holders of impact aid revenue school building bonds that the State will not limit, alter, or impair the ability of a school district to qualify for impact aid revenue or in any way impair the rights and remedies of the bondholders until all bonds issued under the Act, together with interest on the bonds, interest on any unpaid installments of principal or interest, and all costs and expenses in connection with any action or proceedings by or on behalf of the bondholders, are fully met and discharged.

Section 3. Authorization of Series 2020 Bonds and Related Documents.

3.1. The Series 2020 Bonds are hereby authorized to be executed and issued in accordance with the Indenture in an aggregate principal amount up to \$3,955,000. The proceeds of the Series 2020 Bonds shall be applied as provided in the Indenture. The terms, covenants and conditions of the Series 2020 Bonds are established in the Indenture and in this Section 3.

3.2. The form and provisions of the Indenture are hereby authorized and approved, as may be changed prior to final executed thereof, and shall be filed with the Business Manager/District Clerk. The Chair of the Board and the Business Manager/District Clerk are hereby authorized and directed, on behalf of the District, to execute and deliver the Series 2020 Bonds and the Indenture, with such additions thereto, deletions therefrom, and changes therein as the officers executing such documents on behalf of the District may consider necessary or appropriate, and the execution of any document by any authorized officers of the District shall be conclusive evidence of its approval and authorization hereunder. The District is hereby authorized and directed to perform its obligations under this Resolution, the Indenture, and the

Series 2020 Bonds. The purchase price of the Series 2020 Bonds, the principal amount of the Series 2020 Bonds, the amortization schedule of the Series 2020 Bonds and the interest rate on the Series 2020 Bonds are reflected in the Indenture and/or the form of the Series 2020 Bonds.

3.3. Pursuant to the Authorizing Resolution, this Board authorized certain officers to negotiate and approve a Bond Purchase Agreement with the Purchaser. That Bond Purchase Agreement is expected to be executed and delivered on or about June 25, 2020, and it is hereby approved by the Board. If there should be any conflict between the provisions of the Bond Purchase Agreement and this Resolution or the Indenture, the provisions of this Resolution and the Indenture shall control.

3.4. The Chair of the Board, the Superintendent, and the Business Manager/District Clerk and other officers of the District are authorized and directed to do all acts and things, and to execute all documents necessary and appropriate in connection with the issuance of the Series 2020 Bonds. If the Chair of the Board or the Business Manager/District Clerk is for any reason absent or unable to execute any document, such document may be executed by a deputy or acting Chair of the Board or District Clerk. The approval of any document pursuant to this Resolution includes such additions thereto, deletions therefrom, and changes therein as the officers executing such documents on behalf of the District may consider necessary or appropriate, and the execution of any document by any authorized officers of the District shall be conclusive evidence of its approval and authorization hereunder.

3.5. The Chair, the Business Manager/District Clerk and other officers of the District are authorized to furnish to the Purchaser and to Bond Counsel certified copies of all proceedings taken by the District in the authorization and issuance of the Series 2020 Bonds, and such certificates and affidavits as to other matters as may be reasonably necessary, including such certificates and affidavits to evidence the power and authority of the District to issue the Series 2020 Bonds and as may be required by Bond Counsel to issue its opinion; and all such certified copies, certificates, and affidavits, including any heretofore furnished, shall constitute representations of the District as to the correctness of all facts stated therein.

Section 4. Pledged Revenues. The District hereby pledges the Pledged Revenues to the payment of the Series 2020 Bonds, as provided in the Indenture. The District agrees that all Pledged Revenues shall be transmitted directly from the Department of Education to the Trustee for credit to the funds held and disbursed by the Trustee under Article Five of the Indenture.

Section 5. Limitation on District Obligations. The Series 2020 Bonds and all obligations of the District under the Indenture to pay any amount to any person, are payable solely from the Trust Estate (as defined in the Indenture) pledged to the payment of the Series 2020 Bonds under the Indenture. Neither the Series 2020 Bonds nor any other obligation of the District under the Indenture shall be deemed a general obligation of the District or a pledge of its full faith and credit or taxing powers, which have not been pledged to the payment thereof.

Section 6. Tax Matters.

6.1. Use of Project. The Project paid with proceeds of the Bonds will be owned and operated by the District and used by the District to provide public education to members of the

general public and services ancillary thereto. The District shall not enter into any lease, use or other agreement with any non-governmental person relating to the use of the Project paid with proceeds of the Bonds or security for the payment of the Bonds which might cause the Bonds to be considered “private activity bonds” or “private loan bonds” within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”).

6.2. General Covenant. The District covenants and agrees with the holders from time to time of the Bonds 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 Bonds to become includable in gross income for federal income tax purposes under 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 Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

6.3. Arbitrage Certification. The Chair and the District Clerk, being the officers of the District charged with the responsibility for issuing the Bonds pursuant to this Resolution and the Indenture, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds, it is reasonably expected that the proceeds of the Bonds will be used in a manner that would not cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and the Regulations.

6.4. Arbitrage Rebate Exemption.

(a) The District hereby represents that the Bonds qualify for the exception for small governmental units to the arbitrage rebate provisions contained in Section 148(f)(4)(D) of the Code. Specifically, the District represents:

(1) Not less than 95% of the proceeds of the Bonds will be used for local governmental activities of the District.

(2) The aggregate face amount of all “tax-exempt bonds” (including warrants, contracts, leases and other indebtedness, but excluding private activity bonds and current refunding bonds issued in an amount not greater than the outstanding bonds to be refunded) issued by or on behalf of the District and all subordinate entities thereof during 2020 is not reasonably expected to exceed the limit contained in Section 148(f)(4)(D)(vii) of the Code. The limit is equal to \$5,000,000 plus the lesser of (i) \$10,000,000 or (ii) so much of the aggregate face amount of such tax-exempt bonds as are attributable to financing the construction (as defined in Section 148(f)(4)(C)(iv) of the Code and Section 1.148-7(g) of the Regulations) of public school facilities. There are no subordinate entities of the District and no issuer has or is expected to issue bonds on behalf of the District.

As of the date of issuance of the Bonds, the District reasonably expects to issue in 2020 no tax-exempt bonds other than the Bonds and current refunding

bonds in the principal amount of approximately \$2,225,000. In 2015 through 2019, the District issued no tax-exempt bonds.

(b) If notwithstanding the provisions of paragraph (a) of this Section 6.4, the arbitrage rebate provisions of Section 148(f) of the Code apply to the Bonds, the District hereby covenants and agrees to make the determinations, retain records and rebate to the United States the amounts at the times and in the manner required by said Section 148(f).

6.5. Information Reporting. The District shall file with the Secretary of the Treasury, not later than November 15, 2020, a statement concerning the Bonds containing the information required by Section 149(e) of the Code.

6.6. “Qualified Tax-Exempt Obligations.” Pursuant to Section 265(b)(3) of the Code, the District hereby designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code. The District has not designated any obligations in 2020 other than the Bonds under Section 265(b)(3). The District hereby represents that it does not anticipate that obligations bearing interest not includable in gross income for purposes of federal income taxation under Section 103 of the Code (including refunding obligations as provided in Section 265(b)(3) of the Code and including “qualified 501(c)(3) bonds” but excluding other “private activity bonds,” as defined in Sections 141(a) and 145(a) of the Code) will be issued by or on behalf of the District and all “subordinate entities” of the District in 2020 in an amount greater than \$10,000,000.

ADOPTED by the Board of Trustees of the School District No. 9 (Browning), Glacier County, Montana, this 24th day of June, 2020.

Chair, Board of Trustees

Attest: _____
Business Manager/District Clerk