


CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of Big Sky County Water and Sewer District No. 363, Montana (the "District"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "RESOLUTION NO. 21-01 APPROVING PROCEEDING WITH THE NEGOTIATION OF THE SALE OF THE DISTRICT'S SEWER REVENUE BONDS TO FIRST SECURITY BANK OR OTHER GLACIER BANK ENTITY" (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 Directors of the District at a meeting on February 16, 2021, and that the meeting was duly held by the Board of Directors 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 amended Ordinance 97-1002 at said meeting, the following Directors voted in favor thereof: President Tom Reeves, Vice-President Brian Wheeler, and Directors Dick Fast, Mike DuCuennois, Peter Manka, William Shropshire and Mike Wilcynski ; voted against the same: _____ ; abstained from voting thereon: _____ ; or were absent: _____ .

WITNESS my hand and seal officially this 16th day of February, 2021 .


Richard Fast, Secretary

RESOLUTION NO. 21-01 APPROVING PROCEEDING WITH
THE NEGOTIATION OF THE SALE OF THE DISTRICT'S
SEWER REVENUE BONDS TO FIRST SECURITY BANK OR
OTHER GLACIER BANK ENTITY

BE IT RESOLVED by the Board of Directors (the "Board") of Big Sky County Water and Sewer District No. 363, Montana (the "District"), as follows:

Section 1. Authorization; Recitals. Pursuant to Title 7, Chapter 13, Parts 22 and 23, Montana Code Annotated (the "Act"), the Board is authorized to sell and issue bonds payable from all or a portion of the revenue of the District to finance the acquisition, construction, improvement, or extension of any facilities of the District benefiting all or any portion of the District, to fund a debt service reserve account for the security of the bonds, to pay interest on the bonds during the estimated period of construction or improvement of facilities, and to pay costs of issuing the bonds. Such bonds may be authorized by a resolution adopted by the Board without authorization through an election; however, the repayment of bonds authorized in this manner may not be secured by a deficiency tax levy for the repayment of such bonds if the revenue of the District is inadequate to pay principal of and interest on the bonds.

The District has determined that it is necessary and in the best interest of the District to undertake certain improvements to its sewer system (the "System"), including upgrading the District's water resource recovery facility using membrane bioreactor technology and related improvements (the "WRRF Project"). Design, engineering, and construction costs of the WRRF Project and all associated costs of financing are expected to total approximately \$52,365,000.

The District and Big Sky Resort Area District, Montana (the "Resort District") have entered into an Interlocal Agreement, dated February 2020 (the "Interlocal Agreement"), pursuant to which the Resort District agreed to (1) hold a vote of the electors of the Resort District on imposing an additional 1% resort tax for infrastructure, and (2) if the additional 1% resort tax is approved, to use revenues of the additional 1% resort tax to pay up to 60% of the total costs of the WRRF Project, up to a maximum of \$27 million. The electors of the Resort District approved the imposition of the additional 1% resort tax at an election in June 2020.

The Board now desires to proceed with the sale and issuance of sewer revenue bonds of the District, in one or more series and to one or more purchasers, payable from and secured by net operating revenues of the District and revenues derived from the payments by the Resort District of resort tax revenues under the Interlocal Agreement (collectively, the "Bonds"). Proceeds of the Bonds are expected to be used to pay a portion of the costs of the WRRF Project, fund a debt service reserve account for the Bonds, pay capitalized interest, if desirable, and to pay costs of issuance of the Bonds. The total principal amount of the Bonds is currently estimated to be approximately \$42,720,000, and is subject to change.

The Board also expects to sell and issue subordinate lien obligations of the District (the "SRF Obligations") to the State of Montana Department of Natural Resources and Conservation through the Water Pollution Control State Revolving Loan Fund, the proceeds of which will be

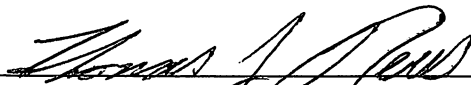
used to pay or reimburse the District for a portion of the engineering costs of the WRRF Project. The SRF Obligations are separate from the Bonds, and the provisions made in this resolution for the Bonds do not apply to the SRF Obligations.

Section 2. Proceeding with Negotiated Sale of the Bonds. Pursuant to Section 7-13-2333 of the Act, this Board hereby determines that it is in the best interests of the District, with the assistance of D.A. Davidson & Co., headquartered in Great Falls, Montana (“D.A. Davidson”), to proceed with negotiating the sale of the Bonds to First Security Bank, a Division of Glacier Bank, or other Glacier Bank entity. The Financing Committee appointed by the Board is authorized and directed, with the assistance of D.A. Davidson, as placement agent to the District, to negotiate the terms and conditions of the sale of the Bonds, subject to the subsequent approval of the Board and entering a satisfactory bond purchase agreement.

The form of the Bonds and the security therefor shall be prescribed by a subsequent resolution or resolutions to be adopted by this Board. In the event the negotiation of the sale of the Bonds to First Security Bank or other Glacier Bank entity does not consummate in a bond sale, the Financing Committee is authorized to pursue alternative financing arrangements to sell the Bonds, including, but not limited to, a private placement of the Bonds with one or more other financial institutions or selling the Bonds in a public sale to D.A. Davidson, as underwriter.

Section 3. Effective Date. This resolution shall be effective as of the date of its adoption.

Adopted this 16th day of February, 2021.


President of the Board of Directors

Attest: 
Secretary