

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of High School District No. 1, Jefferson County, Montana (the "District"), hereby certify that attached hereto is a true copy of a Resolution entitled: "RESOLUTION RELATING TO \$12,500,000 GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2022; FIXING THE FORM AND DETAILS, MAKING COVENANTS WITH RESPECT THERETO, AUTHORIZING THE EXECUTION AND DELIVERY AND LEVYING TAXES FOR THE PAYMENT THEREOF" (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 meeting on January 18, 2022, which meeting was duly held 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 Trustees voted in favor thereof: _____
_____; voted against the same: _____
_____; abstained from voting thereon: _____
_____; or were absent: _____.

WITNESS my hand officially this _____ day of January, 2022.

District Clerk

RESOLUTION RELATING TO \$12,500,000 GENERAL
OBLIGATION SCHOOL BUILDING BONDS, SERIES 2022;
FIXING THE FORM AND DETAILS, MAKING COVENANTS
WITH RESPECT THERETO, AUTHORIZING THE
EXECUTION AND DELIVERY AND LEVYING TAXES FOR
THE PAYMENT THEREOF

BE IT RESOLVED by the Board of Trustees (the “Board”) of High School District No. 1, Jefferson County, Montana (the “District”), as follows:

Section 1. Recitals, Authorization and Sale.

1.1 Authorization. At a mail ballot election duly called, noticed and held on November 2, 2021, this Board was authorized to sell and issue general obligation school building bonds of the District in one or more series in the aggregate principal amount of up to \$12,500,000, for the purpose of providing funds to pay the costs of designing, constructing, renovating, equipping, and furnishing improvements to Jefferson High School, to include removing modular classrooms and constructing additions to house classrooms for general purposes and for science, art, music, career and technology education (CTE), and special education; renovating the existing building to include improvements to the performing arts space, safety and security upgrades, and accessibility improvements; installing mechanical, electrical and plumbing upgrades; making grounds and outdoor athletic facilities updates; related improvements and costs (the “Project”); and paying costs associated with the sale and issuance of the bonds. The District has determined to issue and sell general obligation school building bonds of the District in the aggregate principal amount of \$12,500,000 (the “Bonds”) to finance costs of the Project and pay costs of issuing the Bonds.

The indebtedness to be evidenced by the Bonds and all other indebtedness of the District does not exceed the limitation as set forth in Section 20-9-406, M.C.A. The District has full power and authority to issue the Bonds.

1.2 Sale. Pursuant to Montana Code Annotated, Section 20-9-430 and a resolution adopted November 15, 2021, this Board determined that it would be in the best interests of the District to sell the Bonds through a negotiated sale (i.e., private sale) to D.A. Davidson & Co., of Great Falls, Montana (the “Purchaser”). The District and the Purchaser have entered into a Bond Purchase Agreement, dated January 13, 2022, relating to the sale of the Bonds, the Bonds to bear interest, mature and contain the further terms and conditions set forth in Section 2.1 of this resolution. To the extent any terms of the Bonds as prescribed herein and in the Bond Purchase Agreement conflict, the provisions of this resolution shall govern.

1.3 Recitals. All acts, conditions and things required by the Constitution and laws of the State of Montana, including Montana Code Annotated, Title 20, Chapter 9, Part 4, as amended, in order to make the Bonds valid and binding general obligations of the District in accordance with their terms and in accordance with the terms of this Resolution have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required.

Section 2. The Bonds.

2.1 Principal Amount, Maturities, Denominations, Date, Interest Rates. For the purpose of paying the costs and expenses incurred in or related to construction of the Project and costs of issuing the Bonds and in anticipation of the collection of ad valorem taxes to be levied therefor, the District shall forthwith issue and deliver the Bonds. The Bonds shall be denominated “General Obligation School Building Bonds, Series 2022,” and shall be dated, as originally issued, and be registered as of, February 1, 2022, each in the denomination of \$5,000 or any integral multiple thereof of single maturities. The Bonds shall mature on July 1 in the years and principal amounts set forth below, and Bonds maturing in such years and principal amounts shall bear interest from the date of original issue until paid or duly called for redemption at the rate per annum set forth opposite such years and amounts, respectively:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2023	\$225,000	4.000%	2033	\$630,000	4.000%
2024	445,000	4.000	2034	655,000	4.000
2025	460,000	4.000	2035	680,000	4.000
2026	480,000	4.000	2036	710,000	4.000
2027	500,000	4.000	2037	740,000	4.000
2028	520,000	4.000	2038	770,000	4.000
2029	540,000	4.000	2039	800,000	4.000
2030	560,000	4.000	2040	830,000	4.000
2031	585,000	4.000	2041	865,000	4.000
2032	605,000	4.000	2042	900,000	4.000

Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

2.2 Interest Payment Dates. Interest on the Bonds shall be payable on each January 1 and July 1, commencing January 1, 2023 (each such date, an “Interest Payment Date”), to the owners of record thereof as such appear on the Bond Register, as hereinafter defined, at the close of business on the fifteenth day, whether or not such day is a Business Day, of the month immediately preceding the Interest Payment Date. “Business Day” means any day other than a Saturday, Sunday or legal holiday of the State of Montana. Upon the original delivery of the Bonds to the Purchaser and upon each subsequent transfer or exchange of a Bond pursuant to Section 2.4, the Registrar shall date each Bond as of the date of its authentication.

2.3 Method of Payment. The Bonds shall be issued only in fully registered form. The interest on and, upon surrender thereof at the principal office of the Registrar, as hereinafter defined, the principal of each Bond, shall be payable by check or draft drawn on the Registrar.

2.4 System of Registration. The District shall appoint, and shall maintain, a bond registrar, transfer agent and paying agent (the “Registrar”). This Section 2.4 shall establish a system of registration for the Bonds as defined in the Model Public Obligations Registration Act of Montana, Montana Code Annotated, Title 17, Chapter 5, Part 11, as amended.

The effect of registration and the rights and duties of the District and the Registrar with respect thereto shall be as follows:

(a) Bond Register. The Registrar shall keep a register (the “Bond Register”) in which the Registrar shall provide for the registration of ownership of the Bonds and the registration of transfers and exchanges of the Bonds entitled to be registered, transferred or exchanged. The term “Holder” or “Bondholder” as used herein means the person (whether a natural person, corporation, association, partnership, trust, governmental unit, or other legal entity) in whose name, as of the date of reference, a Bond is registered in the Bond Register.

(b) Transfer. Upon surrender to the Registrar for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, decline to register the transfer of any Bond which has theretofore been selected or called for redemption, in whole or in part.

(c) Exchange. At the option of the Holder of any Bond in a denomination greater than \$5,000, such Bond may be exchanged for other Bonds of authorized denominations, of the same maturity and a like aggregate principal amount, upon surrender of the Bond to be exchanged at the office of the Registrar. Whenever any Bonds are so surrendered for exchange the District shall execute and the Registrar shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter delivered to the Jefferson County Treasurer (the “Treasurer”).

(e) Improper or Unauthorized Transfer. The Registrar may refuse to transfer any Bond presented to the Registrar for transfer until the Registrar is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The District and the Registrar may treat the person in whose name any Bond is at any time registered in the Bond Register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and (subject to Section 2.2) interest on such Bond and for all other purposes, and all such payments so made to any such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer of Bonds or exchange of Bonds (except an exchange upon a partial redemption of a Bond), the Registrar may impose upon the owner thereof a charge sufficient to reimburse the Registrar for any tax,

fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the District and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the District. If the mutilated, destroyed, stolen or lost Bond has already matured or such Bond has been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment.

(i) Notice of Redemption. Upon request by the District, the Registrar shall give notice of redemption of any Bond as provided in Section 2.6 of this Resolution; provided that the District has provided the Registrar with the request at least 45 days prior to the redemption date.

(j) Valid Obligations. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the District evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

2.5 Appointment of Registrar. The District hereby appoints U.S. Bank National Association, of Salt Lake City, Utah, as the initial Registrar. The Chair and District Clerk are authorized, upon request of the Registrar, to execute and deliver, on behalf of the District, a contract with U.S. Bank National Association, of Salt Lake City, Utah, as Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company organized under the laws of the United States or one of the states of the United States and authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The District agrees to pay the reasonable and customary charges of the Registrar for the services performed. The District reserves the right to remove the Registrar, effective upon not less than thirty days' written notice and upon the appointment and acceptance of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the Bond Register to the successor Registrar. On or before each date that interest or principal is payable on the Bonds, without further order of this Board, the Treasurer shall transmit to the Registrar, from available funds of the District, money sufficient for the payment of all principal and interest then due.

2.6 Optional Redemption. Bonds with stated maturities commencing July 1, 2023 through and including July 1, 2031 shall not be subject to optional redemption, but Bonds with stated maturities on July 1, 2032 and later years shall be subject to redemption at the option of

the District in whole or part, and if in part from such stated maturities and in such principal amounts as the District may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner as directed by the District), on January 1, 2032 and any date thereafter, at a price equal to the principal amount thereof to be redeemed and interest accrued to the date of redemption and without premium. The District shall provide or cause to be provided to the Registrar at least 45 days prior to the redemption date a request that the Registrar deliver a notice of redemption to the registered owners of each Bond by first class mail or, if the registered owner of the Bonds is DTC, the notice of redemption may be sent by electronic means, and the Registrar shall mail or cause to be mailed such notice of redemption or, if the registered owner of the Bonds is DTC, send or cause to be sent such notice of redemption by electronic means, at least thirty days prior to the designated redemption date. No defect in or failure to give such notice shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. The notice of redemption shall specify the redemption date, redemption price, the numbers, interest rates and CUSIP numbers of the Bonds to be redeemed and the place at which the Bonds are to be surrendered for payment. Official notice of redemption having been given as aforesaid, the Bonds or portions thereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions thereof shall cease to bear interest.

In addition to the notice prescribed by the preceding paragraph, the District shall also request that the Registrar give, and upon such request the Registrar shall give, at least thirty days prior to the designated redemption date, notice of the redemption of any Bond or Bonds or portions thereof in form and substance and in the manner provided in the preceding paragraph to the Purchaser, all registered securities depositories then in the business of holding substantial amounts of obligations of the character of the Bonds (such depository now being The Depository Trust Company, of New York, New York), and one or more national information services that disseminate information regarding municipal bond redemptions; provided that any defect in or any failure to give any notice of redemption prescribed by this paragraph shall not affect the validity of the proceedings for the redemption of any Bond or portion thereof.

Bonds in a denomination larger than \$5,000 may be redeemed in part in any integral multiple of \$5,000. The owner of any Bond redeemed in part shall receive, upon surrender of such Bond to the Registrar, one or more new Bonds in authorized denominations equal in principal amount to the unredeemed portion of the Bond so surrendered.

2.7 Form. The Bonds shall be prepared in substantially the form set forth in Exhibit A hereto, and by this reference made a part hereof.

2.8 Execution and Delivery. The Bonds shall be forthwith prepared for execution under the direction of the District Clerk, and shall be executed on behalf of the District by the signature of the Chair of the Board of Trustees and attested by the signature of the District Clerk; provided that either or both of such signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if

such officer had remained in office until delivery. When the Bonds have been so executed by the District, they shall be registered by the Treasurer in accordance with Montana Code Annotated, Section 20-9-434. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless a certificate of authentication on such Bond has been executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been fully executed and authenticated, they shall be delivered by the Registrar to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed. The Purchaser shall not be obligated to see to the application of the purchase price.

2.9 Securities Depository for the Bonds.

(a) For purposes of this Section 2.9, the following terms shall have the following meanings:

“Beneficial Owner” means, whenever used with respect to a Bond of which DTC, as hereinafter defined, or its nominee is the Holder, the person (or subrogee of the person) recorded as the beneficial owner of such Bond on the records of the Participant, as hereinafter defined, in whose name DTC holds such Bond.

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“DTC” means The Depository Trust Company of New York, New York.

“Participant” means any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Representation Letter” means the Blanket Issuer Letter of Representations from the District to DTC.

(b) The Bonds shall be initially issued as separately authenticated fully registered Bonds, one Bond in the full principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of all Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. The Registrar and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this Resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the District shall be affected by any notice to the contrary. Neither the Registrar nor the District shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other Person which is not shown on the Bond Register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained

by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this Resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. Unless the services of DTC as securities depository with respect to the Bonds are terminated as provided in subsection (c), no Person other than DTC shall receive any authenticated Bond. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the District determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of Bond certificates, the District may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the District and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The Chair of the Board is hereby authorized and directed to execute and deliver to DTC the Representation Letter with such changes, omissions, insertions and revisions as the Chair of the Board of Trustees shall deem advisable, and execution of the Representation Letter by the Chair of the Board shall be conclusive evidence of such approval. The Representation Letter shall set forth certain matters with respect to, among other things, notices, consents and approvals by registered owners of the Bonds and Beneficial Owners and payments on the Bonds. The Registrar shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this resolution.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this Resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in

the form of Bond certificates and the method of payment of principal of and interest on such Bonds in the form of Bond certificates.

Section 3. Security Provisions.

3.1 Construction Account; Use of Proceeds. There is hereby created in the building fund of the District a special account designated the “2022 Construction Account” (the “Construction Account”), to be held and administered by the Treasurer separate and apart from all other funds of the District. The District appropriates to the Construction Account (a) proceeds of the sale of the Bonds in the principal amount of \$12,500,000 plus original issue premium remaining after payment of underwriter’s compensation, and (b) all income derived from the investment of amounts on hand in the Construction Account. The Construction Account shall be used solely to defray expenses of the Project, including but not limited to paying costs of issuance of the Bonds, and, if necessary, for the transfer to the Debt Service Account, as hereinafter defined, of amounts sufficient for the payment of interest due upon the Bonds prior to the completion and payment of all costs of the Project to be paid with proceeds of the Bonds. Upon completion and payment of all costs of the Project to be paid with proceeds of the Bonds, any remaining proceeds of Bonds in the Construction Account shall be transferred to the Debt Service Account, and the Construction Account may thereupon be discontinued.

3.2 Debt Service Account. There is hereby created in the debt service fund of the District a special account designated the “2022 Debt Service Account” (the “Debt Service Account”), to be held and administered by the Treasurer separate and apart from all other funds of the District so long as any of the Bonds are outstanding and any principal thereof or interest thereon is unpaid. The Debt Service Account shall be used solely to pay the principal of and interest on the Bonds, including payment of the redemption price of any Bonds duly called for redemption. The District irrevocably appropriates to the Debt Service Account: (a) all funds to be credited and paid thereto in accordance with Section 3.1, (b) the collection of taxes levied in accordance with this Resolution, (c) all income derived from the investment of amounts on hand in the Debt Service Account, (d) any and all money received by the District with respect to the Bonds as “state debt service assistance,” as provided in Montana Code Annotated Sections 20-9-370 and 20-9-371, as amended (the “Debt Service Assistance Act”), and (e) such other money as shall be received and appropriated to the Debt Service Account from time to time.

Section 4. Covenant to Levy Taxes. The full faith and credit and taxing powers of the District shall be and are hereby irrevocably pledged to the payment of the Bonds and interest due thereon. The District agrees that it will cause to be levied annually on all taxable property in the District taxes sufficient to pay the principal of and interest on the Bonds when due. To the extent permitted by the Debt Service Assistance Act, the taxes to be levied in any year for payment of the principal of and interest on the Bonds may be reduced by the amount on hand in the Debt Service Account representing debt service assistance to pay debt service. Notwithstanding any such reduction of any tax levy, the District covenants and agrees that if the amount received in any year for payment of the principal of and interest on the Bonds when due is not sufficient for such purpose the District will make up such deficiency from other funds of the District available for such purpose or levy on all taxable property in the District an additional tax sufficient to make up such deficiency.

Section 5. Tax Matters.

5.1 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”).

5.2 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.

5.3 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, 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.

5.4 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 2022 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 2022 no tax-exempt bonds other than the Bonds. In 2017 through 2021, the District issued no tax-exempt bonds.

(b) If notwithstanding the provisions of paragraph (a) of this Section 5.4, 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).

5.5 Information Reporting. The District shall file with the Secretary of the Treasury, not later than May 15, 2022, a statement concerning the Bonds containing the information required by Section 149(e) of the Code.

Section 6. Authentication of Transcript. The officers of the District are hereby authorized and directed to furnish to the Purchaser and to bond counsel certified copies of all proceedings relating to the issuance of the Bonds and such other certificates and affidavits as may be required to show the right, power and authority of the District to issue the Bonds, and all statements contained in and shown by such instruments, including any heretofore furnished, shall constitute representations of the District as to the truth of the statements purported to be shown thereby.

Section 7. Defeasance. When all of the Bonds have been discharged as provided in this Section 7, all pledges, covenants and other rights granted by this resolution to the owners of the Bonds shall cease. The District may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, if any Bond should not be paid when due, the District may nevertheless discharge its liability with respect thereto by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The District may also discharge its obligations with respect to any Bonds called for redemption on any date when they are subject to redemption according to their terms, by depositing with the Registrar on or before such redemption date a sum sufficient for the payment thereof in full with interest accrued to such redemption date; provided that notice of the redemption thereof has been duly given or provided for as provided in Section 2.6. The District may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are general obligations of the United States or securities of United States agencies which are authorized by law to be so deposited or money market funds that hold such securities, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to pay all principal and interest to become due on such Bonds to their stated maturities or, if notice of redemption as herein required has been irrevocably provided for, to such earlier redemption date.

Section 8. Continuing Disclosure. The Board hereby approves the Continuing Disclosure Undertaking of the District substantially in the form of the attached Exhibit B and authorizes the Chair of the Board and the District Clerk, or in the absence of either of them or in the event of their inability to sign, the Superintendent and any other member or members of the

Board, to execute and deliver on behalf of the District contemporaneously with the date of issuance and delivery of the Bonds the Continuing Disclosure Undertaking, with such changes as may be necessary or appropriate. The signatures of any two authorized officials of the District are adequate to cause the Continuing Disclosure Undertaking to be binding and enforceable on the District.

Section 9. Effective Date. All resolutions and parts of resolutions heretofore adopted by this Board which are in conflict herewith are hereby amended so as to conform with the provisions of this Resolution, and, as so amended, are hereby ratified and confirmed. This Resolution shall be effective upon passage.

Passed and approved January 18, 2022.

Chair

Attest:

District Clerk

EXHIBIT A

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF MONTANA

**HIGH SCHOOL DISTRICT NO. 1,
JEFFERSON COUNTY, MONTANA**

GENERAL OBLIGATION SCHOOL BUILDING BOND, SERIES 2022

No. R- _____ \$ _____ .00

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
%	July 1, 20__	February 1, 2022	473247

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: AND NO/100 DOLLARS

FOR VALUE RECEIVED, HIGH SCHOOL DISTRICT NO. 1, JEFFERSON COUNTY, STATE OF MONTANA (the "District"), acknowledges itself to be indebted and hereby promises to pay to the registered owner named above, or registered assigns, the principal amount specified above on the maturity date specified above or, if this Bond is subject to redemption as stated below, on any date prior thereto on which this Bond shall have been duly called for redemption, and to pay interest on said principal amount from February 1, 2022, or from the most recent date to which interest hereon has been paid or duly provided for, until this Bond is paid or until this Bond, if redeemable, has been duly called for redemption, at the annual interest rate specified above. Principal of this Bond is payable upon presentation and surrender hereof to U.S. Bank National Association, located in Salt Lake City, Utah, as Bond Registrar, Transfer Agent and Paying Agent, or its successor designated under the Resolution described herein (the "Registrar") at its operations center in St. Paul, Minnesota. Interest on this Bond is payable semiannually on each January 1 and July 1, commencing January 1, 2023, by check or draft mailed by the Registrar to the person in whose name this Bond is registered at the close of business on the 15th day (whether or not a Business Day) of the month immediately preceding the interest payment date, at such person's address as it appears on the bond register maintained by the Registrar. "Business Day" means any day other than a Saturday, Sunday or legal holiday of the State of Montana. Interest is calculated on the basis of a 360-day year composed of twelve 30-day months.

The principal of and interest on this Bond are payable in lawful money of the United States of America. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the District have been and are hereby irrevocably pledged.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the District.

This Bond is one of an issue in the aggregate principal amount of \$12,500,000 (the “Bonds”), all of like date of original issue and tenor except as to serial number, denomination, maturity date, interest rate and redemption privilege, authorized by the favorable vote of more than the requisite majority of the qualified electors of the District voting on the question of the issuance thereof at an election duly held, for school building purposes, all pursuant to resolutions duly adopted by the Board of Trustees, including a resolution adopted on January 18, 2022 (the “Resolution”), and in full conformity with the Constitution and laws of the State of Montana thereunto enabling. The Bonds are issuable only as fully registered bonds of single maturities, in the denomination of \$5,000 or any integral multiple thereof.

Bonds with stated maturities commencing July 1, 2023 through and including July 1, 2031 are not subject to optional redemption, but Bonds having stated maturity dates on July 1, 2032 and later years are each subject to redemption, at the option of the District, in whole or in part, and if in part from such stated maturities and in such principal amounts as the District may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner as directed by the District), on January 1, 2032, and any date thereafter, at a price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption and without premium. At least forty-five days prior to the redemption date, the District will provide or cause to be provided to the Registrar a request that the Registrar deliver a notice of redemption to the registered owners of each Bond by first class mail or, if the registered owner of the Bonds is DTC, the notice of redemption may be sent by electronic means, and the Registrar shall mail or cause to be mailed such notice of redemption or, if the registered owner of the Bonds is DTC, send or cause to be sent such notice of redemption by electronic means, at least thirty days prior to the designated redemption date, a notice of redemption to the registered owners of each Bond to be redeemed. No defect in or failure to give such notice shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender to the Registrar of any Bond in a denomination greater than \$5,000 which has been redeemed in part, a new Bond or Bonds of the same tenor will be delivered to the owner without charge, representing the unredeemed principal amount of such Bond.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the Bond Register, upon surrender of this Bond for transfer at the principal office of the Registrar, duly endorsed by the registered owner hereof or by the registered owner’s attorney duly authorized in writing, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or registered owner’s attorney. Bonds in a

denomination greater than \$5,000 may also be surrendered in exchange for Bonds of other authorized denominations. Upon any such transfer or exchange, the District will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The District and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment as herein provided and for all other purposes, and neither the District nor the Registrar shall be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Montana to be done, to exist, to happen and to be performed precedent to and in the issuance of this Bond, in order to make it a valid and binding general obligation of the District according to its terms, have been done, do exist, have happened and have been performed in regular and due time, form and manner as so required; that an annual ad valorem tax will be duly levied on all of the taxable property in the District sufficient to pay the interest hereon when it falls due and also to pay and discharge the principal of this Bond at maturity; and that the issuance of the Bonds does not cause the indebtedness of the District to exceed any constitutional or statutory limitation.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by the manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, High School District No. 1, Jefferson County, State of Montana, by its Board of Trustees, has caused this Bond to be executed by the facsimile signatures of the Chair of the Board of Trustees and the School District Clerk.

(Facsimile Signature)
Chair of the Board of Trustees

(Facsimile Signature)
District Clerk

Dated:

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds referred to in the Resolution mentioned within.

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By _____
Authorized Representative

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM –	as tenants in common	UTMA.Custodian. (Cust) (Minor)
TEN ENT –	as tenants by the entireties	under Uniform Transfers to Minors Act. (State)
JT TEN –	as joint tenants with right of survivorship and not as tenants in common	

Other abbreviations may also be used.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

NOTICE: The signature(s) to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration, enlargement or any change whatsoever.

SIGNATURE GUARANTEE:

Signature(s) must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other “signature guaranty program” as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT B

CONTINUING DISCLOSURE UNDERTAKING

This CONTINUING DISCLOSURE UNDERTAKING is made by HIGH SCHOOL DISTRICT NO. 1, JEFFERSON COUNTY, MONTANA (the “District”) in connection with the issuance and delivery by the District of its \$12,500,000 General Obligation School Building Bonds, Series 2022 (the “Bonds”), as of the date set forth above the signature block below.

(a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit D.A. Davidson & Co., of Great Falls, Montana (the “Purchaser”), and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the Securities Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Bonds, the District hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the outstanding Bonds. The District is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the District fails to comply with any provisions of this Continuing Disclosure Undertaking, any person aggrieved thereby, including the Owners of any outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this Continuing Disclosure Undertaking, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this Continuing Disclosure Undertaking constitute a default under the Bonds or under any other provision of the Bond Resolution. As used in this Continuing Disclosure Undertaking, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The District will provide, in the manner set forth in section (c) hereof, either directly or indirectly through an agent designated by the District, the following information at the following times and in the following manner:

- (1) Except as described in subsection (b)(2) below with regard to the District’s audited financial statements for the fiscal year ended June 30, 2021, on or before March 31 (or the next succeeding business day if that day is not a business day) following the end of each fiscal year of the District, commencing with the fiscal year ending June

30, 2022, the following financial information and operating data in respect of the District (the “Disclosure Information”) will be provided to MSRB as described below. Such Disclosure Information may be unaudited and, for financial statement information, shall be for the most recent completed fiscal year of the District and, for operating data, shall be the operating data for the then most recent completed fiscal year compiled by the District and publicly available under applicable data privacy or other law:

(A) audited financial statements of the District for the then most recent completed fiscal year or, if unavailable, unaudited financial statements for the then most recent completed fiscal year and submitting the audited financials within ten (10) business days after receipt;

(B) updated information for the District for the most recent completed fiscal year (commencing with the fiscal year ending June 30, 2022) that is compiled by the District and publicly available under applicable data privacy or other law to include:

(i) general obligation bonds outstanding,

(ii) assessed/market valuation,

(iii) taxable valuation,

(iv) the District’s enrollment; and

(v) tax collection figures for the then most recent completed fiscal year in format similar to the table in the section captioned “Tax Collections” in the Official Statement relating to the Bonds (the “Official Statement”).

(2) Because the Official Statement contains all of the information described above under subsection (b)(1)(B) (some of which is unaudited) and contains the unaudited financial statements for fiscal year ended June 30, 2021, the District will provide only the audited financial statements of the District for fiscal year ended June 30, 2021, on or before March 31, 2022 (or the next succeeding business day if that day is not a business day) or within 10 business days of the receipt thereof if received after March 31, 2022.

The audited financial statements of the District identified in paragraph (1)(A) above, are to be prepared in accordance with generally accepted accounting principles or as otherwise provided under laws of the State of Montana (the “State”), as such principles may be changed from time to time as permitted by laws of the State. If and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the District, the discrepancies will be noted.

If the audited financial statements (other than the audited financial statements for fiscal year ended June 30, 2021) are not available by the date specified, the District shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 business days after the receipt thereof, the District shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been filed with the SEC or have been made available to the public on the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access system website ("EMMA"). The District shall clearly identify in the Disclosure Information each document so incorporated by reference.

If any part of the Disclosure Information can no longer be generated because the operations of the District have materially changed or been discontinued, such Disclosure Information need no longer be provided if the District includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other District operations in respect of which data is not included in the Disclosure Information and the District determines that certain specified data regarding such replacement operations would be material (as defined in paragraph (b)(3) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this Continuing Disclosure Undertaking is amended as permitted by this paragraph (b)(1) or section (d), then the District shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

- (3) In a timely manner not in excess of ten business days, notice of the occurrence of any of the following events:
 - (A) principal and interest payment delinquencies;
 - (B) non-payment related defaults, if material;
 - (C) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (D) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (E) substitution of credit or liquidity providers, or their failure to perform;
 - (F) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the security or other material events affecting the tax status of the Bonds;
 - (G) modifications to rights of holders of the Bonds, if material;
 - (H) bond calls, if material, and tender offers;
 - (I) defeasances;
 - (J) release, substitution or sale of property securing repayment of the Bonds, if material;
 - (K) rating changes;

- (L) bankruptcy, insolvency, receivership, or similar event of the obligated person;
- (M) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (N) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (O) incurrence of a financial obligation of the District or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or obligated person, any of which affect security holders, if material; and
- (P) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District or obligated person, any of which reflect financial difficulties.

As used herein, for those events that must be reported if material, an event is “material” if it is an event as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, an event is also “material” if it is an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For purposes of paragraphs (O) and (P) above, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of either (i) or (ii). A “financial obligation” does not include municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule.

- (4) In a timely manner, notice of the occurrence of any of the following events or conditions:
 - (A) the failure of the District to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
 - (B) the amendment or supplementing of this Continuing Disclosure Undertaking pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the District under subsection (d)(3); and
 - (C) any change in the fiscal year of the District.

(c) Manner of Disclosure. The District agrees to make available the information described in section (b) to the following entities by telecopy, overnight delivery, mail or other means, as appropriate:

- (1) The District agrees to make available to the MSRB, in an electronic format as prescribed by the MSRB from time to time, the information described in section (b).
- (2) The District further agrees to make available, by electronic transmission, overnight delivery, mail or other means, as appropriate, the information described in section (b) to any rating agency then maintaining a rating of the Bonds at the request of the District and, at the expense of such Bondowner, to any Bondowner who requests in writing such information, at the time of transmission under paragraph (1) of this section (c), or, if such information is transmitted with a subsequent time of release, at the time such information is to be released.
- (3) All documents provided to the MSRB pursuant to this section (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

- (1) The covenants of the District in this Continuing Disclosure Undertaking shall remain in effect so long as any Bonds are outstanding, unless otherwise provided by law or judicial or administrative action.
- (2) This Continuing Disclosure Undertaking (and the form and requirements of the Disclosure Information) may be amended or supplemented by the District from time to time, without notice to (except as provided in paragraph (b)(4) hereof) or the consent of the Owners of any Bonds, by a resolution of this Board filed in the office of the recording officer of the District accompanied by an opinion of Bond Counsel, who may rely on certificates of the District and others and the opinion may be subject to customary qualifications, to the effect that such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the District or the type of operations conducted by the District, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule.

If the Disclosure Information is so amended, the District agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

- (3) This Continuing Disclosure Undertaking is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

(e) Limitation of Liability of the District. None of the agreements or obligations of the District contained in this Continuing Disclosure Undertaking or in the Disclosure Information shall be construed to constitute an indebtedness of the District within the meaning of any

constitutional or statutory provisions whatsoever or constitute a pledge of the general credit or taxing powers of the District.

Dated: February 1, 2022.

HIGH SCHOOL DISTRICT NO. 1,
JEFFERSON COUNTY, MONTANA