

RESOLUTION AUTHORIZING PARTICIPATION IN THE BOARD OF INVESTMENTS OF THE STATE OF MONTANA ANNUAL ADJUSTABLE RATE TENDER OPTION MUNICIPAL FINANCE CONSOLIDATION ACT BONDS (INTERCAP REVOLVING PROGRAM), APPROVING THE FORM AND TERMS OF THE LOAN AGREEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATED THERETO

BE IT RESOLVED BY THE Board of Directors (the Governing Body) OF BIG SKY WATER & SEWER DISTRICT #363 (the Borrower) AS FOLLOWS:

ARTICLE I

DETERMINATIONS AND DEFINITIONS

Section 1.01. Definitions. The following terms will have the meanings indicated below for all purposes of this Resolution unless the context clearly requires otherwise. Capitalized terms used in this Resolution and not defined herein shall have the meanings set forth in the Loan Agreement.

Adjusted Interest Rate means the rate of interest on the Bonds determined in accordance with the provisions of Section 3.03 of the Indenture.

Authorized Representative shall mean the officers of the Borrower designated by the Governing Body and set forth in the Commitment Agreement Resolution hereto, to act on behalf of the Borrower by written certificate furnished to the Trustee, containing the specimen signature of such persons and signed on behalf of the Borrower by a duly authorized official.

Board shall mean the Board of Investments of the State of Montana, a public body corporate organized and existing under the laws of the State and its successors and assigns.

Board Act shall mean Section 2-15-1808, Title 17, Chapter 5, Part 16, MCA, as amended.

Bonds shall mean the Bonds issued by the Board pursuant to the Indenture to finance the Program.

Borrower shall mean the Borrower above named.

Indenture shall mean that certain Indenture of Trust dated March 1, 1991 by and between the Board and the Trustee pursuant to which the Bonds are to be issued and all supplements thereto.

Loan means the loan of money by the Board to the Borrower under the terms of the Loan Agreement pursuant to the Act and the Borrower Act and evidenced by the Note.

Loan Agreement means the Loan Agreement between the Borrower and the Board, including any amendment thereof or supplement thereto entered into in accordance with the provisions thereof and hereof.

Loan Agreement Resolution means this resolution or such other form of Resolution that the Board may approve and all amendments and supplements thereto.

Loan Date means the date of Closing a Loan.

Loan Rate means the rate of interest on the loan which is initially 4.85% per annum through February 15, 1997 and thereafter a rate equal to the Adjusted Interest Rate on the Bonds plus 1.5% per annum as necessary to pay Program Expenses.

Note means the promissory note to be executed by the Borrower pursuant to the Loan Agreement, in accordance with the provisions hereof and thereof, in substantially the form set forth in Exhibit C to the Loan Agreement, or in such form that may be approved by the Board.

Program shall mean the INTERCAP Revolving Program of the Board pursuant to which the Board will issue and sell Bonds and use the proceeds to make loans to participating Local Government Units.

Project shall mean those items of equipment, personal or real property improvements to be acquired, installed, financed or refinanced by the Borrower from the proceeds of the Loan as set forth in Exhibit A to the Loan Agreement.

Security Instrument means a security agreement in substantially the form set forth in Exhibit H to the Loan Agreement, and, a Uniform Commercial Code financing statement, in a form acceptable to the Board and the Trustee granting a security interest in, or a lien on, the property constituting the Project or other real or personal properties added to or substituted therefor.

Trustee shall mean First Trust Company of Montana National Association and its successors.

Section 1.02. Authority. The Borrower is authorized to undertake the Project and is further authorized by the Borrower Act to enter into the Loan Agreement for the purpose of obtaining a loan to finance or refinance the acquisition and installation costs of the Project.

Section 1.03. Execution of Agreement and Delivery of Note. Pursuant to the Indenture and the Board Act, the Board has issued and sold the Bonds and deposited a part of proceeds thereof in the Loan Fund held by the Trustee. The Board has, pursuant to the Commitment Agreement, agreed to make a Loan to the Borrower in the principal amount of \$26,754.11 and upon the further terms and conditions set forth herein, and as set forth in the Commitment Agreement and the Loan Agreement.

ARTICLE II

THE LOAN AGREEMENT

Section 2.01. Terms. (a) The Loan Agreement shall be dated as of the Loan Date, in the principal amount of \$26,754.11 and shall constitute a valid and legally binding obligation of the Borrower. The obligation to repay the Loan shall be evidenced by a Note which shall be in the form of Exhibit C to the Loan Agreement. The Loan shall bear interest at the initial rate 4.85% per annum through February 15, 1997 and thereafter at the Adjusted Interest Rate, plus up to 1.5% per annum as necessary to pay the cost of administering the Program (the Program Expenses). All payments may be made by check or wire transfer to the Trustee at its principal corporate trust office.

(b) The Loan Repayment Dates shall be February 15 and August 15 of each year with the first Loan Repayment Date determined as follows:

(i) If the Loan Date is less than 120 calendar days preceding a Loan Repayment Date, the first Loan Repayment will be that Loan Repayment Date, but the first Loan Repayment shall be an interest only payment.

(ii) If the Loan Date is less than 60 calendar days preceding a Loan Repayment Date, the first Loan Repayment Date shall be the next following Loan Repayment Date, and the Loan Repayment shall be an interest and principal payment.

(iii) In all other instances the first Loan Repayment shall be due on the first Loan Repayment Date occurring after the Loan Date and shall consist of both a principal and interest payment.

(c) The principal amount of the Loan may be prepaid in whole or in part (if in part, in an amount of \$10,000 or more) by paying the Prepayment Amount on February 15 and August 15 of each year, or if the fifteenth is not a business day, on the next succeeding Business Day, provided that the Borrower has given written notice of its intention to prepay the Loan in whole or in part to the Trustee and the Board no later than 30 days prior to the designated prepayment date.

(d) The Prepayment Amount shall be equal to the principal amount of the Loan outstanding, plus accrued interest thereon to the date of prepayment.

(e) Within fifteen days following an Adjustment Date, the Trustee shall calculate the respective amounts of principal and interest payable by each Borrower on and with respect to its Loan Agreement and Note for the subsequent August 15 and February 15 payments, and prepare and mail by first class mail a statement therefor to the Borrower.

Section 2.02. Use and Disbursement of the Proceeds. The proceeds of the Loan will be expended solely for the purposes set forth in Exhibit A to the Loan Agreement. The proceeds from the sale of the Note to the Board shall remain in the Borrower's Account pending disbursement at the request of the Borrower to pay the budgeted expenditures in anticipation of which the Note was issued. Requests for disbursement of the Loan shall be made to the Board. Prior to the closing of the Loan and the first disbursement, the Borrower shall have delivered to the Trustee a certified copy of this resolution, the executed Loan Agreement and Note in a form satisfactory to the Borrower's Counsel and the Board's Bond Counsel and such other certificates, documents and opinions as set forth in the Loan Agreement or as the Board or Trustee may require.

Section 2.03. Payment and Security for the Note. In consideration of the making of the Loan to the Borrower by the Board, the provisions of this Resolution shall be a part of the Agreement of the Borrower with the Board. The provisions, covenants and Agreements herein set forth to be performed by or on behalf of the Borrower shall be for the benefit of the Board. The Loan Agreement and Note shall constitute a valid and legally binding obligation of the Borrower and the principal of and interest on the Loan shall be payable from any revenues of the Borrower, and any other money and funds of the Borrower otherwise legally available therefor. The repayment of the Loan shall be secured by a security interest in the Project being financed. The Borrower shall enforce its rights to receive and collect all revenues to insure the prompt payment of the Borrower obligations hereunder.

Section 2.04. Levy and Appropriate Funds to Repay Loan. The Borrower agrees that in order to meet its obligation to repay the Loan and all other payments hereunder that it will budget, assess, and collect fees and charges for and appropriate in each fiscal year during the term of the Loan an amount sufficient to pay the principal of and interest hereon.

ARTICLE III

CERTIFICATIONS, EXECUTION AND DELIVERY

Section 3.01. Authentication of Transcript. The Authorized Representative, as designated on Exhibit 1, are authorized and directed to prepare and furnish to the Board and to attorneys approving the validity of the Bonds, certified copies of this resolution and all other resolutions and actions of the Borrower and of said officers relating to the Commitment Agreement, the Loan Agreement, the Note, the Security Agreement and certificates as to all other proceedings and records of the Borrower which are reasonably required to evidence the validity and marketability of the Note. All such certified copies and certificates shall be deemed the representations and recitals of the Borrower as to the correctness of the statements contained therein.

Section 3.02. Legal Opinion. The attorney to the Borrower is hereby authorized and directed to deliver to the Board at the time of Closing of the Loan his or her opinion regarding the Loan, the Loan Agreement, the Note and this Resolution in substantially the form of the opinion set forth in Exhibit D to the Loan Agreement.

Section 3.03. Execution. The Loan Agreement, Note, Security Agreement and any other document required to close the Loan shall be executed in the name of the Borrower and shall be executed on behalf of the Borrower by the signatures of the Authorized Representatives of the Borrower.

PASSED AND APPROVED by the Big Sky County Water & Sewer Dist #363 Board of Directors this 7th day of May, 1996.

By William Neece
Its BOARD SECRETARY
WILLIAM NEECE

Attest:

By [Signature]
Its General Manager

Member Bill Neece seconded the motion and the following members voted in favor of thereof: William Ogle, Harold P. Meabon, Wendell Ingraham, Dee Rothschilder, Bill Neece, Stewart Peacock. the following members voted against the same: None

Absent: Skip Radick

EXHIBIT A
TO LOAN AGREEMENT

COPY

DESCRIPTION OF THE LOAN

(1) Loan Commitment, Computed as Follows:

Costs of Project	\$26,621.00
Origination Fee-	
2.0% X Costs of Project	\$266.21
Less Commitment Acceptance Fee	
(.50% X Total Project Amount)	<u>(133.10)</u>
Total Capitalized Origination Costs	<u>133.11</u>
Principal Amount of Loan	<u>\$26,754.11</u>

(2) Breakdown and Description of
Project and Cost:

<u>Description of Item to be Financed</u>	<u>Allocated Amount of Loan for Item</u>
1995 GMC Suburban	\$26,621.00
Remaining Origination Fee	<u>133.11</u>
Total	\$26,754.11

Dated: May 31, 1996

BIG SKY WATER & SEWER
DISTRICT #363

By William Ogle
Its Chair
WILLIAM OGLE

EXHIBIT E
TO LOAN AGREEMENT

CERTIFICATE OF MINUTES RELATING TO
RESOLUTION NO. 96-03

Issuer: Big Sky Water & Sewer District #363

Kind, Date, time and place of meeting: A board meeting held on May 7, 1996
at 3:00 o'clock p.m. in Big Sky, Montana.

Members present: William Ogle, Harold P. Meabon, Wendell Ingraham, Dee Rothschiller,
Bill Neece, Stewart Peacock.

Members absent: Skip Radick

Documents attached:

Minutes of said meeting (pages): 1 through 8

RESOLUTION NO. 96-03

RESOLUTION AUTHORIZING PARTICIPATION IN THE BOARD OF INVESTMENTS OF THE STATE OF MONTANA ANNUAL ADJUSTABLE RATE TENDER OPTION MUNICIPAL FINANCE CONSOLIDATION ACT BONDS (INTERCAP REVOLVING PROGRAM), APPROVING THE FORM AND TERMS OF THE LOAN AGREEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATED THERETO

I, the undersigned, being the fully qualified and acting recording officer of the public body issuing the obligations referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of the public body in my legal custody, from which they have been transcribed; that the documents are a correct and complete transcript of the minutes of a meeting of the governing body at the meeting, insofar as they relate to the obligations; and that the meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer this 24th day of May, 1996.

By William Neece
Its BOARD SECRETARY
WILLIAM NEECE