

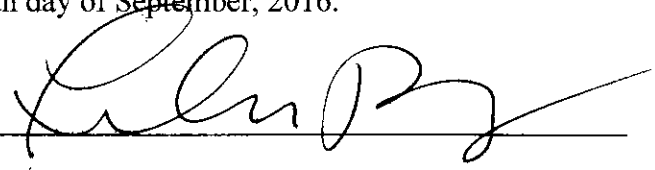


CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of Seeley Lake-Missoula County Sewer District, Montana (the "District"), hereby certify that the attached resolution is a true copy of Resolution No. 09072016 A entitled: "A RESOLUTION OF SEELEY LAKE-MISSOULA COUNTY SEWER DISTRICT, MONTANA, CREATING AND ESTABLISHING SUBDISTRICTS WITHIN THE DISTRICT" (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 September 7, 2016, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 Resolution at said meeting, the following Directors voted in favor thereof: Mike Boltz, Mike Lindemer, Bob Skiles and Davy Good; voted against the same: none; abstained from voting thereon: none; or were absent: Mark Butcher.

WITNESS my hand officially this seventh day of September, 2016.

  
Secretary

RESOLUTION NO. 09072016 A

A RESOLUTION OF SEELEY LAKE-MISSOULA COUNTY  
SEWER DISTRICT, MONTANA, CREATING AND  
ESTABLISHING SUBDISTRICTS WITHIN THE DISTRICT

WHEREAS, the Seeley Lake-Missoula County Sewer District, Montana (the "District") is a county sewer district, validly organized pursuant to Title 7, Chapter 13, Parts 22 and 23, Montana Code Annotated (the "Act"); and

WHEREAS, the District was incorporated on June 18, 1992 and is located within the boundaries of Missoula County; and

WHEREAS, the District proposes to design, construct, and install a sewer system for the benefit of the District and the Seeley Lake community including the design, construction, and installation of a sewage treatment plant, force mains and lift stations, sewer collection lines, service connections, and other appurtenances to establish or make available sewer service to properties in and around the District (the "Improvements"); and

WHEREAS, the Board of Directors (the "Board") of the District has determined that it is in the best interests of the District to construct the portion of the Improvements consisting of the collection system in phases; and

WHEREAS, pursuant to Section 7-13-2349, M.C.A., the board of directors of a county water and sewer district may establish one or more subdistricts within a district to provide for and finance the cost of water or sewer projects, improvements, or extensions that would benefit land in the subdistrict; and

WHEREAS, the Board proposes to undertake an initial project consisting of construction of the sewage treatment plant sized to serve all of the properties in the District and surrounding areas (the "Sewage Treatment Plant"), installation of collection lines and lift stations connecting sewer services to properties in Subdistrict No. 1, associated rights-of-way and easements, abandoning existing septic systems in Subdistrict No. 1, paying engineering and associated administrative costs, and related improvements (collectively, the "Initial Improvements"); and

WHEREAS, the Board has determined that the property in the District located outside of Subdistrict No. 1 will not initially have sewer service extended to it as a result of the initial project, but will benefit to varying degrees from the proposed Sewage Treatment Plant; and

WHEREAS, consistent with the provisions of Sections 7-13-2321 and 7-13-2349 of the Act, the Board believes that land in the District will benefit proportionately to its proximity to and ability to be served and benefited by the Sewage Treatment Plant and thus the District should be segregated into subdistricts so that properties within the District may be subjected to assessments in proportion to the benefits conferred by the design, construction, and installation of the Initial Improvements; and

WHEREAS, to finance the costs of the proposed Initial Improvements, it will be necessary for the District to undertake proceedings to allow it to be authorized to issue and sell bonds of the District in one or more series in an estimated approximate aggregate principal amount of \$4,488,000 to obtain funds for the purpose of paying a portion of the costs of the proposed Initial Improvements and associated costs; and

WHEREAS, the Board has determined to establish subdistricts within the boundaries of the District, pursuant to Section 7-13-2349 of the Act, to consist of the properties that will be served by or benefited directly or indirectly in varying degrees by the proposed Initial Improvements and which properties will be subject to special assessments or rates and charges to varying degrees to pay special assessment bonds or revenue bonds pursuant to vote on and/or protest against the incurrence of such debt.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the "Board") of the District as follows:

Section 1. Recitals.

1.01 At a meeting on August 18, 2016, the Board of the District set September 7, 2016 as the public hearing date regarding the creation of subdistricts, and caused notice to be published in accordance with Section 7-13-2349 of the Act. The notice contained a description of the subdistricts and the proposed sewer project and its estimated cost.

1.02 All correspondence received by the Board from owners of property in the District has been made of public record and considered by the Board.

1.03 A public hearing on the proposed Phase II Sewer Subdistrict was duly noticed and held on September 7, 2016, at which all persons residing or owning property in the District appearing were given an opportunity to speak.

Section 2. Sewer Subdistricts.

2.01 Benefited Land; Creation of Subdistricts. Based on the information available to it, the Board hereby determines and declares that the subdistricts in the District shown on the map attached hereto as Exhibit A and also legally described in Exhibit B (which are hereby incorporated herein and made a part hereof) contain properties that will be served by or benefited directly or indirectly to varying degrees from the District's proposed Initial Improvements. The Board hereby creates four (4) separate subdistricts, denominated herein as "Subdistrict No. 1," "Subdistrict No. 2," "Subdistrict No. 3," and "Subdistrict No. 4," as depicted on the attached Exhibit A and legally described on the attached Exhibit B. The portion of the Initial Improvements consisting of the sewer collection system will initially serve directly only properties in Subdistrict No. 1. The portion of the Initial Improvements consisting of the Sewage Treatment Plant will benefit directly or indirectly all of the properties in the District to varying degrees based on the Subdistrict in which the properties are located.

For purposes of this section, property is benefited by the proposed Sewage Treatment Plant if such plant will make available presently or in the future central sewer facilities to the property and the District creates capacity in the plant to serve the property. The Sewage

Treatment Plant is currently expected to serve initially properties located in Subdistrict No. 1 and to be sized to make treatment service available to properties in Subdistrict No. 2, Subdistrict No. 3 and Subdistrict No. 4, each of which is scheduled to be integrated into the System by subsequent phases of work that extend the collection system. The Sewage Treatment Plant upon initial design, construction, and installation is upsized to have the capacity to serve such subsequent phases and other properties.

2.02 Estimated Costs of the Initial Improvements. The total estimated cost of the Initial Improvements, including associated costs of financing, is approximately \$12,752,333. Any bonds of the District, if authorized, that are issued to pay the costs of the Initial Improvements will be considerably less than the total estimated cost of the Initial Improvements, and are currently estimated to be in two series, one in the total principal amount of approximately \$3,000,000 to pay a portion of the cost of the Sewage Treatment Plant (the "Sewage Treatment Plant Bonds") and one in the total principal amount of approximately \$1,488,000 to pay a portion of the cost of the collection system serving Subdistrict No. 1 (the "Collection System Bonds"). Costs of the Initial Improvements in excess of the proposed bonds are expected to be paid by various grants available to the District that benefit the entire District and funds the District has on hand and available therefor.

2.03 Initial Improvements. The Initial Improvements consist of construction of the Sewage Treatment Plant sized to serve the entire District and adjacent properties, installation of collection lines and lift stations connecting sewer services to properties in Subdistrict No. 1, associated rights-of-way and easements, abandoning existing septic systems in Subdistrict No. 1, paying engineering and associated administrative costs, and related improvements.

2.04 Proceedings on Incurrence of Debt. The District proposes to conduct proceedings on the incurrence of indebtedness for the purpose of paying a portion of the costs of constructing the Initial Improvements. Only those properties within the Subdistrict No. 1 would be assessed or charged rates and charges to pay the debt service on the Collection System Bonds issued to finance a portion of the costs of the collection system to be constructed and installed to serve Subdistrict No. 1 and only those qualified electors residing in or owning property in the Subdistrict No. 1 will be entitled to participate in proceedings relating to the issuance of the Collection System Bonds. The properties in each of Subdistrict No. 1, Subdistrict No. 2, Subdistrict No. 3, and Subdistrict No. 4 would be assessed or charged rates and charges to varying degrees based on the Subdistrict in which the properties are located to pay the debt service on the Sewage Treatment Plant Bonds issued to finance a portion of the costs of the Sewage Treatment Plant that has the capacity to serve the entire District and adjacent areas and those qualified electors residing in or owning property in the District will be entitled to participate in proceedings relating to the issuance of the Sewage Treatment Plant Bonds.

2.05 Reservation of Right to Issue Revenue Bonds. Notwithstanding any provision in this resolution to the contrary, in the event special assessment bonds may not practicably be issued after a successful bond election, the District reserves the right to issue revenue bonds in lieu of special assessment bonds and spread rates and charges to repay the revenue bonds across a Subdistrict or Subdistricts in a manner reflecting benefits and costs.

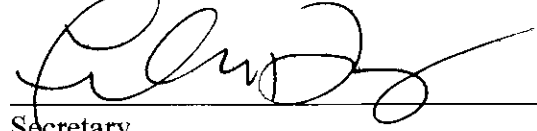
Passed and approved this 7th day of September, 2016.



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President of the Board of Directors

ATTEST:






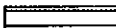
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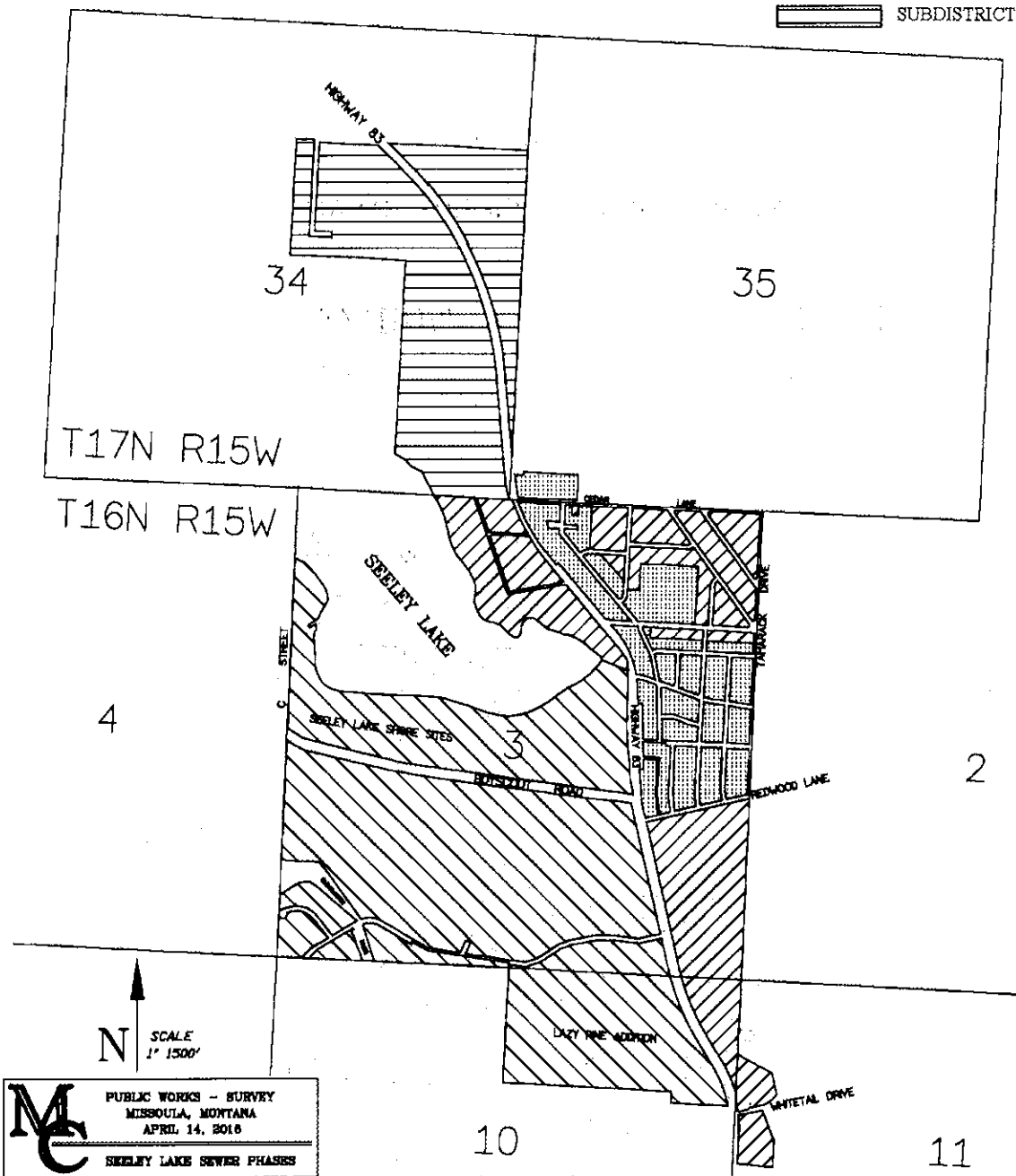
Secretary

EXHIBIT A

MAP OF THE SEWER SUBDISTRICTS

EXHIBIT A  
SEELEY LAKE SEWER PHASES

-  SUBDISTRICT NO. 1
-  SUBDISTRICT NO. 2
-  SUBDISTRICT NO. 3
-  SUBDISTRICT NO. 4



N  
SCALE  
1" = 1500'

**MC**  
PUBLIC WORKS - SURVEY  
MISSOULA, MONTANA  
APRIL 14, 2016  
SEELEY LAKE SEWER PHASES

## EXHIBIT B

### LEGAL DESCRIPTION OF PROPERTY TO BE INCLUDED IN SUBDISTRICT NO. 1, SUBDISTRICT NO. 2, SUBDISTRICT NO. 3, AND SUBDISTRICT NO. 4

#### SEELEY LAKE SEWER PHASES LEGAL DESCRIPTION

##### SUBDISTRICT NO. 1

Tract A COS 3181 including Portion A, Carnes' Seeley Creek Tracts, No. 1, in Section 35, T17N R15W; Section 3, T16N R15W, easterly of Highway 83 and northerly of Redwood Lane, excluding the following lots in Seeley Lake Homesites No. 4, lots 3, 4, and Clearwater Park in block 6, lots 1 and 2 block 5, lots 2-15 block 4, all lots in blocks 1, 2, 3, and 7; and excluding the following lots in Seeley Lake Homesites No. 1, lots 2-9 block 1 and lots 1-7 block 2; also excluding Deed Exhibit 3007; also excluding any public rights-of-way.

##### SUBDISTRICT NO. 2

Section 3, T16N R15W, westerly of Highway 83, easterly of Seeley Lake, and northerly of the southerly boundary of Parcel B COS 3861; the following lots in Seeley Lake Homesites No. 4, lots 3, 4, and Clearwater Park in block 6, lots 1 and 2 block 5, lots 2-15 block 4, all lots in blocks 1, 2, 3, and 7; and the following lots in Seeley Lake Homesites No. 1, lots 2-9 block 1 and lots 1-7 block 2; Deed Exhibit 3007; Sections 3 and 10, T16N R15W, easterly of Highway 83, and southerly of Redwood Lane; and the following parcels in Section 11, T16N R15W, Tract 1 COS 5056, Parcel A COS 3186, and Parcel B-1 COS 5925; excluding any public rights-of-way.

##### SUBDISTRICT NO. 3

Section 3, T16N R15W, southerly of Boy Scout Road and westerly of Highway 83; all lots in Seeley Lake Shore Sites along the southerly and westerly shore of Seeley Lake, southerly or westerly of the southerly boundary of Parcel B COS 3861; and Lazy Pine Addition in Section 10, T16N R15W; excluding any public rights-of-way and beds of navigable waters.

##### SUBDISTRICT NO. 4

The SW $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$ , and Government Lot 8, in Section 34, T17N R15W; excluding any public rights-of-way.