

OPTION 2 – EXTENDED SUBDISTRICT

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of Lockwood Area/Yellowstone County Water and Sewer District, Montana (the "District"), hereby certify that the attached resolution is a true copy of Resolution No. 170 entitled: "A RESOLUTION OF LOCKWOOD AREA/YELLOWSTONE COUNTY WATER AND SEWER DISTRICT, MONTANA; DECLARING IT TO BE THE INTENTION OF THE DISTRICT TO ESTABLISH ITS PHASE III SEWER SUBDISTRICT 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 special meeting on February 9, 2022 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: CARL PETERS, CARLOTTA HECKER
AND STU DEANS _____ ;
voted against the same: NONE _____ ;
abstained from voting thereon: _____ ;
or were absent: MERRILL WALKER AND SCOT BOWEN _____ .

WITNESS my hand and seal officially this 9TH day of February, 2022.

Carlotta Hecker
Secretary

RESOLUTION NO. 170

A RESOLUTION OF LOCKWOOD AREA/YELLOWSTONE
COUNTY WATER AND SEWER DISTRICT, MONTANA;
DECLARING IT TO BE THE INTENTION OF THE DISTRICT
TO ESTABLISH ITS PHASE III SEWER SUBDISTRICT

WHEREAS, the Lockwood Area/Yellowstone County Water and Sewer District, Montana (the "District") is a county water and 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 January 23, 1997 and is located within the boundaries of Yellowstone County, a political subdivision of the State of Montana; and

WHEREAS, pursuant to Ordinance 2008-1 adopted June 4, 2008, the District created the Phase I Sewer Subdistrict; and

WHEREAS, the electors of the Phase I Sewer Service Subdistrict approved the incurrence of debt and the District has issued bonds and the financed improvements for the benefit of the Phase I Sewer Subdistrict have been constructed; and

WHEREAS, pursuant to Resolution No. 121 adopted June 17, 2014, the District created the Phase II Sewer Subdistrict; and

WHEREAS, the District has issued bonds and the financed improvements for the benefit of the Phase II Sewer Subdistrict have been constructed; and

WHEREAS, the District now proposes to undertake additional improvements to the sewer system consisting of expanding the sewer collection system by installing gravity sewer mains, manholes, service line stubouts, lift stations, and other appurtenances (the "Phase III Sewer Improvements"); and

WHEREAS, the Board of Directors (the "Board") of the District has determined that all of the property currently in the District will not be served by or benefit from the proposed Phase III Sewer Improvements; and

WHEREAS, consistent with the provisions of Sections 7-13-2333 and 7-13-2349 of the Act, the Board has determined that only the land within the District that is to be benefited by the expansion of the District's sewer system should be subject to assessments; and

WHEREAS, to finance the costs of the proposed Phase III Sewer 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 to obtain funds for the purpose of paying a portion of the costs of the proposed Phase III Sewer Improvements and associated costs; and

WHEREAS, the Board has determined to establish the Phase III Sewer Subdistrict 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 the proposed Phase III Sewer Improvements and that will be subject to special assessments to pay special assessment bonds and that will be eligible to protest against the levy of special assessments to pay such bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of the District as follows:

Section 1. Intent to Establish Phase III Sewer Subdistrict. The Board hereby determines that the properties of the District on the map attached hereto as Exhibit A and also legally described in Exhibit A (which is hereby incorporated herein and made a part hereof) are the properties in the District that will be served by and benefited from the District's proposed Phase III Sewer Improvements and which area shall constitute the District's Phase III Sewer Subdistrict.

For purposes of this section, property is benefited by the proposed Phase III Sewer Improvements if the District's proposed Phase III Sewer Improvements will extend to the vicinity of the property or make available central sewer facilities to the property and the District has created or will create sewer capacity to serve the property. The property currently in the District and proposed to be excluded from the Phase III Sewer Subdistrict is depicted by the shaded area on the map attached as Exhibit B hereto (which is hereby incorporated herein and made a part hereof).

Section 2. Adjustment to Boundaries of Phase III Sewer Subdistrict. The Board reserves the right to adjust the boundaries of the Phase III Sewer Subdistrict based on information and comments it receives prior to and/or at the public hearing described in Section 5. The final map and legal description of the Phase III Sewer Subdistrict shall be as set forth in the final resolution establishing such subdistrict to be adopted by the Board following the public hearing.

Section 3. Estimated Costs of the Phase III Sewer Improvements. The total estimated cost of the Phase III Sewer Improvements, including associated costs of financing, is approximately \$26,082,400.

Section 4. Phase III Sewer Improvements. The Phase III Sewer Improvements consist of installation of gravity sewer mains, manholes, service line stubouts, lift stations, and other appurtenances to extend sewer service to certain property in the District.

Section 5. Public Hearing. A public hearing on the establishment of the Phase III Sewer Subdistrict will be held on March 9, 2022, commencing at 7:00 p.m. at the District Office located at 1644 Old Hardin Road, in Lockwood, Montana. All persons residing or owning property in the District shall be given an opportunity to speak at the public hearing.

Section 6. Notice. The District Secretary is hereby authorized and directed to publish or cause to be published a copy of a notice of the passage of this resolution in the *Yellowstone County News*, a newspaper of general circulation in the District, on February 24, 2022 and March 3, 2022, in the form and manner prescribed by law.

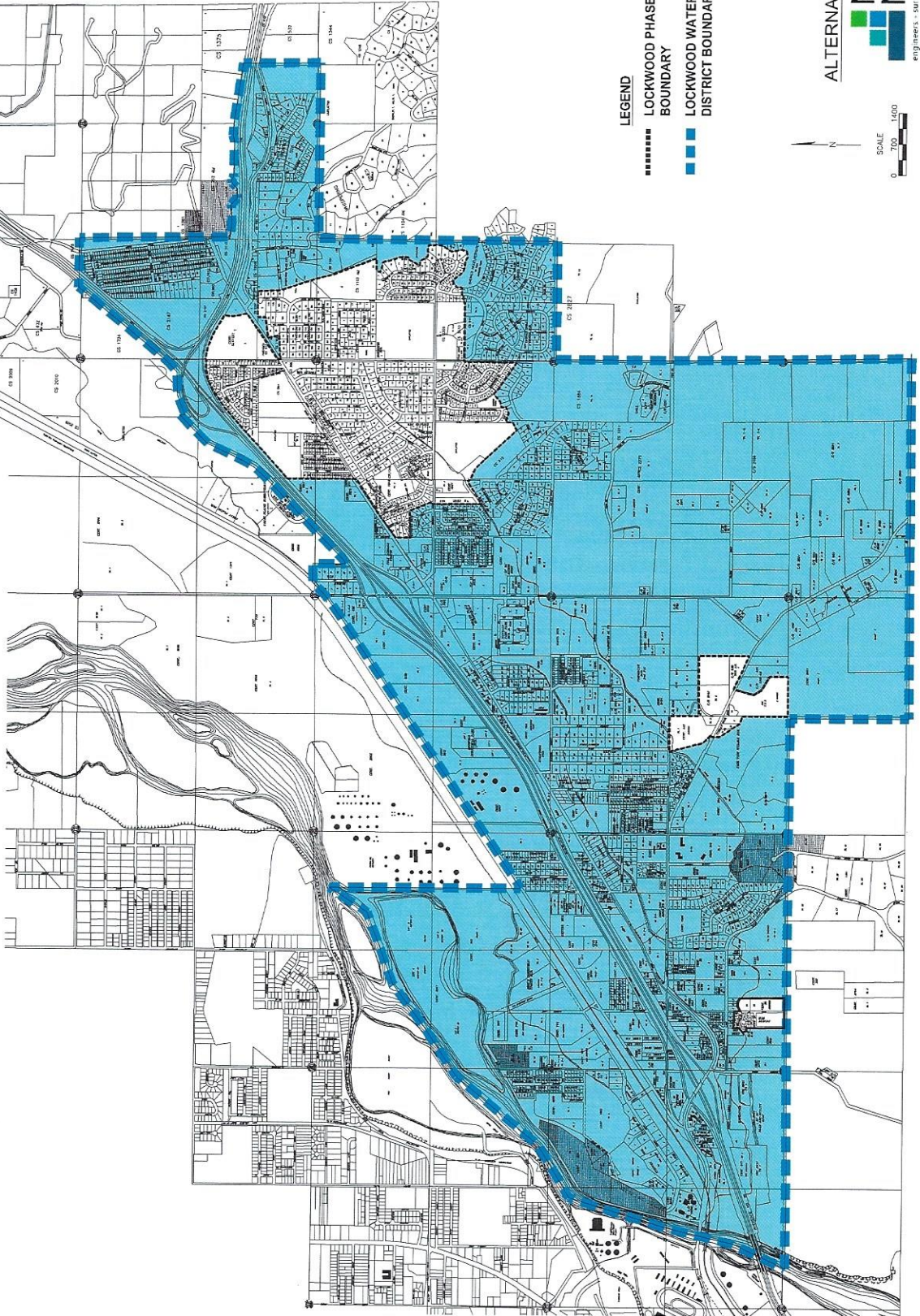
Passed and approved this 9th day of February, 2022.



President, Board of Directors

Attest: Carlotta Hecker
Secretary

AREAS OUTSIDE - LOCKWOOD PHASE 3 SEWER SUBDISTRICT



PROPOSED - LOCKWOOD PHASE 3 SEWER SUBDISTRICT

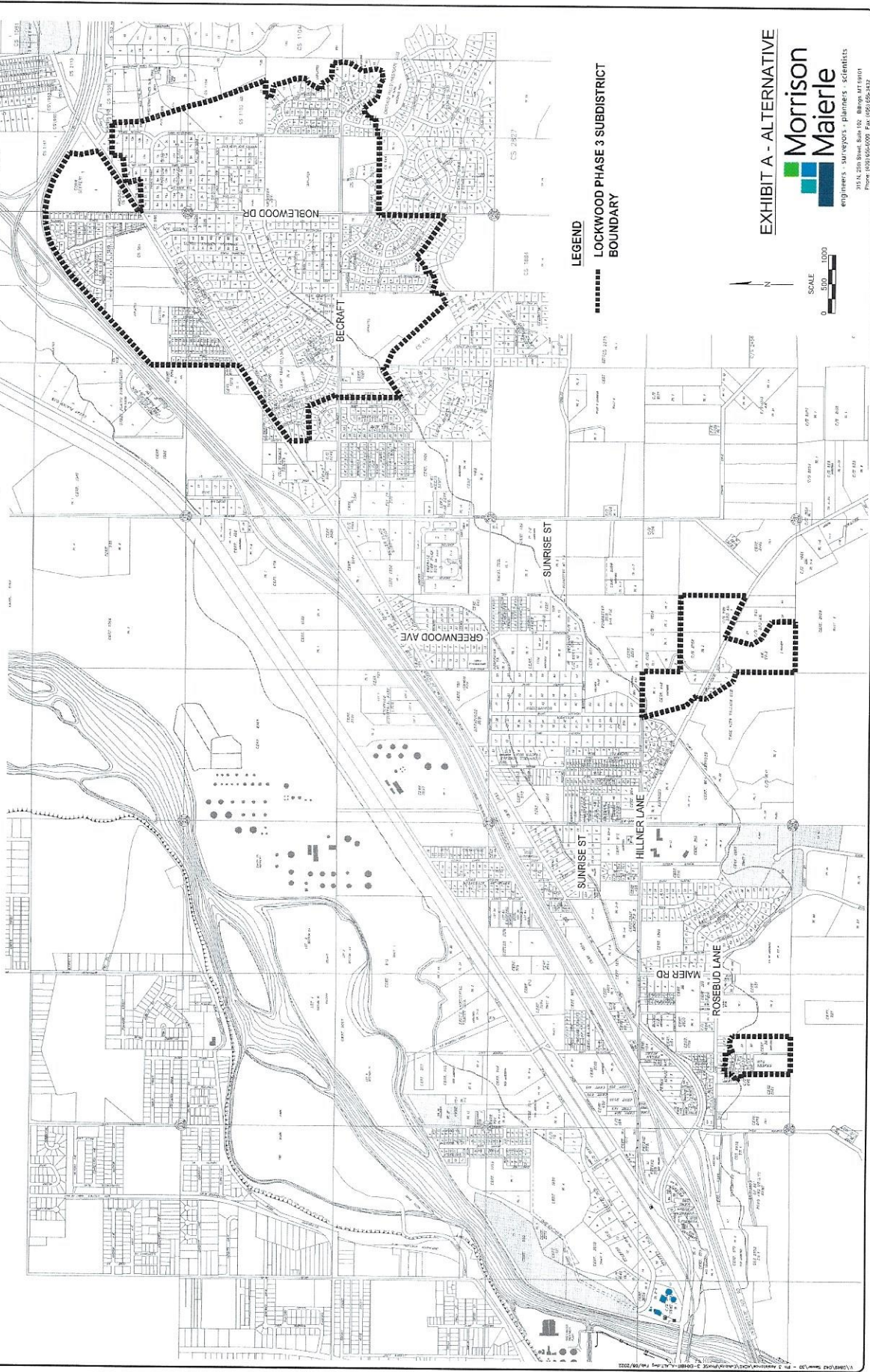


EXHIBIT "A-1"

PHASE 3 SEWER SUBDISTRICT BOUNDARY

Beginning at point on the West line of Lot 5, Block 1, Opportunity Subdivision, due East of the $\frac{1}{4}$ Corner common to Sections 19 & 20, T.1N., R.27E., P.M.M., Yellowstone County Montana; thence Northerly on and along the Westerly line of Lots 1A, 3A, and 4A, Amended Plat of Block 1, Opportunity Subdivision, and the extension Northerly crossing Dove Avenue to the Northerly right-of-way line of Dove Avenue; thence continuing Northerly on and along the West line of the SW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 20 to a point of intersection with the Southerly right of way of Interstate 90; thence Northeasterly on and along said Southerly right-of-way of Interstate 90 to the Southwest corner of Lockwood Subdivision, 2nd Filing; thence on and along said Interstate 90 right-of-way and the Northerly line of said Lockwood Subdivision, 2nd Filing to the Northwest corner of Corrected Seiffert Subdivision; thence on and along the Southerly right-of-way of said Interstate 90, also being the Northerly line of Lot 2, Block 1, Corrected Seiffert Subdivision to the Northeast corner of Lot 2, Corrected Seiffert Subdivision; thence Southerly on and along the Easterly line of said Lot 2, Block 1, Corrected Seiffert Subdivision to the intersection with the Northerly right-of-way of Old Hardin Road; thence Southwesterly on and along the Northerly right-of-way of Old Hardin Road to the Northeast corner of Tract 1, Amended Certificate of Survey No. 911; thence continuing Southwesterly on and along said Northerly right-of-way of Old Hardin Road, also being the Southeasterly line of said Tract 1, Amended Certificate of Survey No. 911 to the Southwest corner of said Tract 1; thence extending Southerly across Old Hardin Road to the Northwest corner of Lot 1A, Block 1, Corrected Farnum Subdivision 2nd Filing; thence Easterly on and along the Northerly line of Lots 1A through 4A, Block 1, of said Corrected Farnum Subdivision 2nd Filing to the Southwest corner of Lot 6A, Block 1, of said Corrected Farnum Subdivision; thence Northwesterly on and along Lots 6A and 7A of said Corrected Farnum Subdivision 2nd Filing to the Northwest corner of Lot 7A, Block 1 of said

Corrected Farnum Subdivision 2nd Filing. Thence Northeasterly on and along the North line of Lots 7A and 8A, Block 1 of said Corrected Farnum Subdivision 2nd Filing to the Southwest corner of the Remainder of Lot 2, Block 1, Farnum Subdivision; thence Northerly on and along the West line of said Remainder of Lot 2, Block 1, Farnum Subdivision to the Northwest corner of said Remainder of Lot 2, Block 1; thence Easterly on and along the North line of said Remainder of Lot 2, Block 1, the North line of Pumori Circle and the North line of Lot 5A, Block 4, Corrected Farnum Subdivision 2nd Filing to the Northeast corner of said Lot 5A; Thence Southerly on and along the East line of Lots 5A, 4A, 3A and 2A and the East line of the Park Land, Block 4, Corrected Farnum Subdivision 2nd Filing to the Southeast corner of the Park, Block 4, of said Corrected Farnum Subdivision 2nd Filing also being the Northeast corner of Tract 1-D, Certificate of Survey No. 1103 Amending Tract 1-A; thence Southeasterly on and along the Easterly line of said Tract 1-D to the Southeast corner of said Tract 1-D; thence Westerly on and along the South line of said Tract 1-D to the Northeast corner of Lot 7, Block 1, Emerald Hills Westgate Subdivision; thence Southwesterly and Southeasterly on and along the Easterly line of Lots 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 23, 24, 25, 31A, and 32, Block 1, of said Emerald Hills Westgate Subdivision; thence Westerly and Northwesterly on and along the Southerly line of Lots 33, 34, 35, 36 and 37 to the Southeast corner of Lot 43, Block 1, Emerald Hills Westgate Subdivision; thence Westerly on and along the South line of said Lot 43 to the intersection with Cul-de-sac right-of-way of Hunters Point Road; thence Southwesterly on and along the Cul-de-sac right-of-way of said Hunters Point Road to the intersection with the Northeast corner of Lot 1, Block 4, Emerald Hills Southgate Subdivision; thence Southerly on and along the Easterly line of Lots 1 and 2, Block 4, Emerald Hills Southgate Subdivision to the Southeast corner of said Lot 2; thence Westerly on and along the South line of said Lot 2 to the intersection of said Lot 2 and the East right-of-way of Westgate Drive; thence extending Westerly across Westgate Drive to a perpendicular point on the West right-of-way of Westgate Drive, also being on the East line of Lot 8, Block 5, of said Emerald Hills Subdivision; thence Southerly on and

along the West right-of-way of Westgate Drive to the Southeast corner of said Lot 8; thence Westerly on and along the Southerly line of said Lot 8 to the Southwest corner of said Lot 8, also being the West line of the NE1/4NE1/4 of Section 29; thence Southerly on and along said West line, also being the West line of Lot 9, Block 5, Emerald Hills Westgate Subdivision to the Southeast corner of Tract 1, Certificate of Survey No. 2305; thence Westerly on and along the South line of said Tract 1, Certificate of Survey No. 2305 to the Southeast corner of Tract 2B, Certificate of Survey No. 3670; thence Westerly on and along the South line of Tracts 2B and 2A, Certificate of Survey No. 3670 to the Southeast corner of Tract 1, Certificate of Survey No. 2391; thence continuing on and along the South line of said Tract 1, Certificate of Survey No. 2391 to the East right-of-way of Noblewood Drive; thence extending Westerly across Noblewood Drive to the West right-of-way of Noblewood Drive; thence Southerly on and along the West right-of-way of Noblewood Drive, also being the East line of Lots 28, 10, 9, 8, 6, 5, 4, 3, and 1, Block 7, Woodward Way Subdivision; thence extending Southerly across Brookwood Drive to Lot 1, Block 5, of said Woodward Way Subdivision; thence continuing Southerly on and along the West line of Noblewood Drive to the South line of the Alley of said Block 5; thence Northwesterly on and along the South line of the Alley of said Block 5 to the Southeast corner of Harris Park; thence Southwesterly on and along the Southerly line of said Harris Park to the East right-of-way line of Tanglewood Drive; thence Southeasterly on and along the East right-of-way line of said Tanglewood Drive to the Southerly Boundary of said Amended Plat of Woodward Way Subdivision; thence extending Southwesterly crossing Tanglewood Drive to the Southeast corner of Lot 1, Block 8, Amended Plat of said Woodward Way Subdivision; thence Westerly on and along the South line of Lots 1, 2 and 3, Block 8 of said Amended Plat of Woodward Way Subdivision to the Southwest corner of said Lot 3, Block 8, Amended Plat of Woodward Way Subdivision, also being on the North-South 1/16 line of Section 29; thence Southerly on and Along said North-South 1/16 line to the Northeast corner of Lot 24, Block 1, Sierra Estates 3rd Filing; thence Southwesterly on and along the Northerly line of said Lot 24 to the Northwest corner of said Lot 24, also

being the Southeast corner of Certificate of Survey No. 615; thence Northwesterly on and along the Northerly boundary of said Certificate of Survey No. 615 to the intersection with the West line of Section 29, also being on the East line of Park land in Block 1, Sierra Estates Subdivision 2nd Filing; thence Northerly on and along the East side of said Park land to the Northeast corner of said Park land; thence Westerly and Southwesterly on and along the Northerly line of said Park land and Lots 1-4 of said Block 1, Sierra Estates Subdivision 2nd Filing to the projected intersection with the East line of Block 1, Bel Aire Estates Subdivision to the Southeast corner of said Block 1; thence Northerly on and along the East line of Lots 11-1, Block 1, of said Bel Aire Estates Subdivision to the Northeast corner of said Lot 1, Block 1, Bel Aire Estates Subdivision; thence Northerly crossing Becraft Lane to the North right-of-way of Becraft Lane; thence Easterly on and along the Northerly line of Becraft Lane to the Easterly line of Lot 1, Block 1, Copper Valley Subdivision; thence Northwesterly on and along the Easterly line of Lots 1, 2, 3 and 4, Block 1, of said Copper Valley Subdivision to the intersection with the Southeast corner of Lot 5, Block 2, Copper Valley Estates Subdivision; thence Southwesterly on and along the Southerly line of Lots 5, 6 and 7, Block 2, of said Copper Valley Estates Subdivision to the Southwest corner of said Lot 7; thence Northerly on and along the Westerly line of Lots 7, 8, 9, 10 and 11, Block 2, of said Copper Valley Estates Subdivision to the Northwest corner of said Lot 11, also being on the Southerly right-of-way of Old Hardin Road; thence Northeasterly on and along the Southerly right-of-way of Old Hardin Road, also being the Northerly line of Block 2, of said Copper Valley Estates Subdivision; thence continuing Northeasterly on and along the Northerly line of Johnston Subdivision 2nd Filing; thence continuing Northeasterly on and along the Southerly right-of-way of Old Hardin Road, also being the Northerly right-of-way of McIntosh Subdivision 5th Filing; thence continuing Northeasterly on and along the Southerly right-of-way of Old Hardin Road, also being the Northerly line of McIntosh Subdivision to the intersection with the North-South Section line between Sections 19 and 20; thence Northerly on and along said North-South Section line across Old Hardin Road to the Northerly right-of-way of Old Hardin

Road; Thence Northeasterly on and along the Northerly right-of-way of Old Hardin Road to the Southwest corner of Lot 18, Block 1, Opportunity Subdivision; thence Northerly on and along the West line of Lots 18-5, Block 1, Opportunity Subdivision to a point on the West line of said Lot 5, due East of the $\frac{1}{4}$ corner Between Sections 19 and 20, also being the Point of Beginning.

Together with and in addition to the boundary described as follows: Beginning at the Southeast corner of Tract 2B, Certificate of Survey No. 38, Amending Tract 2B, said point being on the East-West mid-section line of Section 35, T.1N., R.26E., P.M.M., Yellowstone County Montana; thence Westerly on and along said mid-section line, also being the Southerly line of said Tract 2B; continuing Westerly on and along said mid-section line also being the Southerly line of Block 3, Skates Subdivision; thence Northerly on and along the West line of said Skates Subdivision, also being the East line of Certificate of Survey No. 1581 to the Southeast corner of Certificate of Survey No. 645; thence Westerly on and along the South line of said Certificate of Survey No. 645; thence Northerly and Northwesterly on and along the Westerly lines of said Certificate of Survey No. 645; thence Northeasterly on and along the Northerly line of said Certificate of Survey No. 645 to the Northeast corner of said Certificate of Survey No. 645, also being on the Westerly line of said Skates Subdivision; thence Northerly on and along the West line of said Skates Subdivision to the extended intersection of said West line and the Northerly line of Lot 5, Block 1 of said Skates Subdivision; thence Easterly to the Northwest corner of said Lot 5; thence Easterly on and along the North line of Lot 5, Block 1, of said Skates Subdivision to the Northeast corner of said Lot 5; thence Southerly on and along the East line of Lot 5, Block 1 of said Skates Subdivision to the Northwest corner of Lot 6, Block 1, of said Skates Subdivision; thence Easterly on and along the North line of Lots 6, 7, and 8, Block 1, of said Skates Subdivision to the Northeast corner of said Lot 8, Block 1, Skates Subdivision; thence Easterly to the extended intersection of the North line of said Lot 8 and the Easterly right-of-way of Veva Street; thence Southerly on and along said Easterly right-of-way of Veva Street to the Northwest

corner of Tract 2A, Certificate of Survey No. 38 Amended; thence Northeasterly on and along the Northerly lines of said Tract 2A to the Northeast corner of said Tract 2A; thence Southerly on and along the Easterly line of Tracts 2A and 2B, Certificate of Survey No. 38 to the Southeast corner of said Tract 2B, also being the Point of Beginning.

Together with and in addition to the boundary as described as follows: Beginning at the Northeast section corner of Section 36, T.1N., R.26E., P.M.M., Yellowstone County, Montana, also the Northeast corner of Tract 1, Amended Certificate of Survey No. 443; thence Westerly on and along the North line of Tract 1, Certificate of Survey No. 443 to the Northwest corner of said Tract 1, also being the centerline of Hillner Lane; thence Southeasterly on and along the Westerly lines of said Tract 1 to the Northerly right-of-way line of U.S. Highway 87; thence extending across said U.S. Highway 87 to the Northwest corner of Lot 1A, of the Amended Plat of Yurian Subdivision 1st Filing; thence Southerly on and along the Westerly line of said Lot 1A; thence Southeasterly on and along the Southwesterly lines of said Tract 1A and Tract 1B, Amended Plat of Yurian Subdivision 1st Filing to the Southeast corner of said Tract 1B; thence continuing Southeasterly on and along the Southerly line of Tract 2, Yurian Subdivision, 1st Filing to a point on the East line of said Section 36, T.1N., R.36E., P.M.M., Yellowstone County, Montana, also being the West line of Tract 2 Remainder, Amended Tract 2 of Certificate of Survey No. 929; thence Southerly on and along said West line to the Southwest corner of said Tract 2 Remainder; thence Easterly on and along the Southerly line of said Tract 2 Remainder, to the Southeast corner of said Tract 2 Remainder, also being the Southeast corner of Tract 3, Certificate of Survey No. 929; thence Northerly on and along the Easterly line of said Tract 2 Remainder to the Southeast corner of Tract 2A, Amended Tract 2 of Certificate of Survey No. 929; thence Northwesterly and Northeasterly on and along the Westerly lines of said Tract 2A, Amended Tract 2 of Certificate of Survey No.929 to the Southerly right-of-way line of U.S. Highway 87: thence extending perpendicular across said U.S. Highway 87 to the

Northerly right-of-way line of said U.S. Highway 87, also being the Southerly line of Tract 4, 3rd Amended Certificate of Survey No. 929; thence Southeasterly along said Northerly Highway right-of-way to the Southeast corner of said Tract 4, 3rd Amended Certificate of Survey No. 929; thence Northerly on and along the East line of said Tract 4, 3rd Amended Certificate of Survey No. 929 to the Northeast corner of said Tract 4, 3rd Amended Certificate of Survey No. 929; thence continuing Northerly on and along the Easterly line of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 31, T.1N., R.27E., P.M.M., Yellowstone County Montana to the Northeast corner of said SE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 31; thence Westerly on and along the Northerly line of said SE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 31 to the Northeast corner of Tract 2, Certificate of Survey No. 2756; thence continuing Westerly on and along the North line of said Tract 2 and Tract 1, Certificate of Survey No. 2756 to the Northwest corner of said Tract 1, also being on the section line between Section 31, T.1N., R.27E., and Section 36, T.1N., R.26E., also being the East line of Tract 1, Amended Certificate of Survey No. 443; thence Northerly on and along said East line of Tract 1, Certificate of Survey No. 443 to the Northeast corner of said Tract 1, Certificate of Survey No. 443, also being the Point of Beginning.