

3261384 COUNTY  
08/07/2014 09:55 AM Pages: 1 of 24 Fees: 0.00  
Paulette DeHart Clerk & Recorder, Lewis & Clark MT



**BOND RESOLUTION**

**RELATING TO**

**\$815,000.00 LEWIS AND CLARK COUNTY SEARCH &  
RESCUE FACILITY REVENUE BOND**

**SERIES 2014**

ADOPTED July 31, 2014

RESOLUTION NO. 2014-84

**A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF LEWIS AND CLARK COUNTY, MONTANA, AUTHORIZING THE ISSUANCE OF \$815,000.00 PRINCIPAL AMOUNT OF ITS SEARCH & RESCUE FACILITY BOND, SERIES 2014, TO FINANCE THE CONSTRUCTION OF A BUILDING TO HOUSE SEARCH AND RESCUE EQUIPMENT AND PROVIDE MEETING AND TRAINING SPACE; FIXING THE DATE, FORM, MATURITY, TERMS AND COVENANTS OF SUCH REVENUE BOND AT A VARIABLE INTEREST RATE; PROVIDING FOR THE REGISTRATION AND AUTHENTICATION OF SAID REVENUE BOND; PROVIDING FOR THE COLLECTION, HANDLING AND DISPOSITION OF REVENUE; CREATING CERTAIN FUNDS AND ACCOUNTS; AUTHORIZING THE SALE AND DELIVERY OF SAID REVENUE BOND; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO**

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF LEWIS AND CLARK COUNTY, MONTANA, as follows:

WHEREAS, Lewis and Clark County, Montana (the "County"), is duly organized and existing under the Constitution and laws of the State of Montana; and

WHEREAS, § 7-7-2501(1), Montana Code Annotated, authorizes the County to issue county revenue bonds in the same manner and with the same effect as provided in title 7, chapter 7, part 44, of the Montana Code Annotated for issuance of municipal revenue bonds; and

WHEREAS, the County is authorized to issue bonds for the construction of necessary public buildings under Section 7-7-2111, Montana Code Annotated, and issue revenue bonds for the construction of public recreation facilities pursuant to Sections 7-7-2501, 7-7-4402(3)(d) and 7-7-4404, Montana Code Annotated; and

WHEREAS, the County is authorized to establish and fund or recognize one or more search and rescue units within the county under the operational control and supervision of the county sheriff pursuant to Section 7-32-235, Montana Code Annotated; and

WHEREAS, Sections 7-32-235(3) and 7-6-2527(3), Montana Code Annotated, authorize the County to levy an annual tax on the taxable value of all taxable property within the County to support the County's search and rescue units after approval by a majority of the people voting on the question at a county-wide election held in accordance with § 15-10-425, Montana Code Annotated; and

WHEREAS, the Lewis and Clark County Board of Commissioners, by adopting Resolution 2012-106 on July 24, 2012: (1) determined that funding for search and rescue activities in Lewis and Clark County was insufficient to support searches for lost and/or injured children, support searches for lost and/or injured hikers and hunters, support disaster and fire evacuation, and support searches for missing boats and swimmers, etc. and a permanent levy of approximately one mill was necessary for such purposes; (2) determined that the amount of

funding needed to finance the construction of a building to house search and rescue equipment and provide meeting and training space was \$1,000,000; and (3) called for an election on an increase in funding for Search and Rescue to be held on November 6, 2012; and

WHEREAS, pursuant to § 15-10-425, MCA, the electors of the County, at an election duly called, noticed and held on November 6, 2012, voted in favor (by a 67% margin) of a proposition which authorized: (1) an annual mill levy increase to collect up to \$1,000,000 over ten years for the construction of a search and rescue building or approximately 0.85 mills or \$100,000 for ten years for the construction of a building and (2) the levy of approximately one mill (\$116,500) annually to fund and increase the capabilities of the Search and rescue Units under the direction of the Lewis and Clark County Sheriff's Office by equipping and training volunteers in: water rescue, high mountain rescue, snow rescue, searches for lost or injured children, hikers and hunters, etc.; and

WHEREAS, the total estimated costs of the County Search and Rescue Facility is approximately \$1,437,180, and the County has received and approved construction bids for the search and rescue facility, which the County will fund from the issuance of the revenue bonds hereinafter described and from other available County funds, including search and rescue facility mill levy proceeds already collected from the 2013 levy; and

WHEREAS, the INTERCAP Program of the State of Montana Board of Investments has committed to loan Lewis & Clark County \$815,000 with repayment over a term of 9 years at an annual adjustable interest rate through its INTERCAP program for Montana local governments.

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED AND ORDERED as follows:

## **ARTICLE I: DEFINITIONS AND INTERPRETATION**

### **Section 1.01: Definitions**

As used in this Resolution, the following terms have the meanings provided in this Section 1.01. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number shall include the plural number and vice versa unless the context shall otherwise indicate.

*Bond Register* shall mean the registration records of the County, maintained by the Registrar, on which shall appear the names and addresses of the Registered Owners.

*Chair* shall mean the Chair of the Board of County Commissioners or that person's successor in function, if any.

*Clerk* shall mean the County Clerk and Recorder/Treasurer, or any deputy duly authorized to perform the duties of the County Clerk and Recorder/Treasurer.

*Code* shall mean the Internal Revenue Code of 1986, as amended, and any proposed, temporary or final Treasury Regulations promulgated thereunder.

*County* shall mean Lewis and Clark County, Montana, a County duly organized and existing under and by virtue of the Constitution and laws of the State of Montana.

*County Search and Rescue* shall mean the unit (including volunteers) within the County Sheriff Office performing search and rescue training and operations, responsible to the County Sheriff according to Section 7-32-235, Montana Code Annotated.

*Default Trustee* shall mean the trustee appointed by the Registered Owners pursuant to Section 7.02 of this Resolution if an Event of Default occurs.

*Event of Default* shall have the meanings set forth in subsection A of Section 7.02 of this Resolution.

*INTERCAP Program* shall mean the MBOI program described in Title 17, Chapter 5, Part 16, MCA.

*Montana Board of Investments ("MBOI")* shall mean the Board of Investments for the State of Montana, part of the Executive Branch of the State of Montana, as authorized in Section 2-15-1808, MCA. MBOI is the original purchaser of the Series 2014 Bond.

*Outstanding*, when used with reference to the Series 2014 Bond, as of any particular date, shall mean the remaining principal balance of such Bond issued under this Resolution, except any portion of principal of the Series 2014 Bond canceled because of payment prior to maturity.

*Permitted Investments* shall mean, those investments authorized by Montana Law for municipalities under Title 7, chapter 6, Part 2, MCA.

*Registered Owner* shall mean the person in whose name the Series 2014 Bond shall be registered in the Bond Register in accordance with the terms of this Resolution.

*Registrar* shall mean the Clerk or that person's successors in functions, as now or hereafter designated.

*Revenue Bond Construction Account* shall mean the account within the County's Capital Improvement Fund created pursuant to Section 4.01 of this Resolution.

*Revenue* shall mean the Search and Rescue Facility Tax Levy in the amount of \$100,000 per year for nine years (2014 – 2023) and the income from investments of money in the Revenue Bond Debt Service Account.

*Revenue Bond Debt Service Account* shall mean the account of that name created in the Search and Rescue Enterprise Fund pursuant to Section 4.02 of this Resolution.

*Search & Rescue Facility* shall mean the construction of a 10,522 square foot building including a shop and garage space for the Sheriff's radio operations, areas for Search and Rescue training, storage, and cleaning of equipment and space for restrooms, conference rooms and an office and kitchen, including all the infrastructure improvements thereunto appertaining, and any interest therein and whether improved or unimproved now or hereafter (for so long as the Series

2014 Bond is Outstanding) owned, operated, used, leased, licensed, or managed by the County. The facility is being built on land donated to the County located at 2700 Valley Drive, Helena, MT 59602.

*Search and Rescue Facility Tax Levy* shall mean the taxes semi-annually collected by the County's levy approved by the voters on November 6, 2012 to raise \$100,000 per year for ten years by a levy of approximately 0.85 mills.

*Series 2014 Bond* shall mean the Lewis and Clark County Search and Rescue Facility Bond, Series 2014, in the aggregate principal amount of \$815,000 issued hereunder.

### **Section 1.02: Interpretation**

For all purposes of this Resolution, except as otherwise expressly provided or unless the context otherwise requires:

A. *Internal References.* All references in this Resolution to designated "Sections" and other subdivisions are to the designated sections and other subdivisions of this Resolution. The words "herein," "hereof," "hereto," "hereby," "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular section or other subdivision.

B. *Persons.* Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public boards, as well as natural persons.

C. *Headings.* Any headings preceding the texts of the several sections of this Resolution and the table of contents shall be solely for convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect.

D. *Accounting Terms.* All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect from time to time.

E. *Writing Requirement.* Every "notice," "certificate," "consent" or similar action hereunder by the County shall, unless the form thereof is specifically provided, be in writing signed by an authorized representative of the County.

F. *Time.* In the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and each of the words "to" and "until" means "to but excluding."

G. *Payment Terms.* References to the payment of the Series 2014 Bond shall be deemed to include references to the payment of interest thereon.

## ARTICLE II: THE SERIES 2014 BOND

### Section 2.01: Purpose

A. *Description of Purpose.* The Series 2014 Bond is being issued to finance a portion of the construction of a Search and Rescue Facility to provide meeting, storage and training space to increase the capabilities of the County's Search and Rescue Units in water rescue, high mountain rescue, snow rescue, searches for lost or injured children, hikers and hunters.

B. *Costs of the Search and Rescue Facility.* The total costs of acquiring, constructing and installing the Search and Rescue Facility are estimated to be approximately \$1,437,180, including contingency, and are to be funded by the \$815,000 Series 2014 Bond proceeds, by \$96,000 of the County's first year of collections of the Search and Rescue Facility Tax Levy, by \$100,000 to be provided by Lewis and Clark County Sheriff's Office and for the remainder to be funded through the County by an interfund loan from the Public Safety Fund payable over nine years. Such costs may include, but are not limited to:

- (1) preliminary expenses advanced by the County from funds available for the use therefore, or advanced from any other source, or any combination thereof;
- (2) the costs of making surveys, audits, preliminary plans, other plans, specifications, estimates of costs and other preliminaries relating to the Search and Rescue Facility
- (3) the acquisition of any properties, rights, easements or other interest in properties, or any licenses, privileges, agreements and franchises necessary for the Search and Rescue Facility;
- (4) the costs of construction of the Search and Rescue building facility; and
- (5) the costs of services of engineers, architects, financial consultants, attorneys, clerical help or other agents or employees.

### Section 2.02: Findings Regarding the Series 2014 Bond

A. *Sufficiency of Revenue.* The Revenue to be paid into the Revenue Bond Debt Service Account will be sufficient, with such other available County funds as necessary, in the judgment of the Board, to enable the County to meet all of its obligations payable out of the Revenue Bond Debt Service Account as such become due and payable.

B. *Special Obligations.* The Series 2014 Bond shall be special obligation of the County, payable by the County solely out of the Revenue and other available County funds as described in this Resolution.

C. *Determination by Board As To Collection of Search and Rescue Facility Tax Levy.* The Board, upon advice and analysis from its Financial Officer determines that: (1) the annual principal and interest payment for the Series 2014 Bond will likely be no more than

\$100,000 for nine years; (2) the amount collected by the County by the Search and Rescue Facility Tax Levy for 2013 thus far has been \$96,000; (3) that the current interest rate on the Series 2014 Bond under the MBOI INTERCAP Program is 1.00% which results in an annual debt service payment of \$94,918; (4) that a variable rate of interest under the MBOI INTERCAP Program could average as high as 2.125% for the next 9 years and still allow for annual payments on the \$815,000 principal amount of the Series 2014 Bond to be less than \$100,000 per year; (5) that the average rate of interest for the MBOI INTERCAP Program for the last 10 years has been 2.805% and has been less than 2.00% the last five years (including 2014); and (6) the County, through the Search and Rescue Facility Tax Levy and other available County funds, will have available funds to timely pay the Series 2014 Bond.

### **Section 2.03 Description of Series 2014 Bond.**

The Series 2014 Bond is hereby authorized to be issued in the aggregate principal amount of \$815,000 and, designated Lewis and Clark County, Montana, Search & Rescue Facility Bond, Series 2014. The Series 2014 Bond shall be issued as a single amortized Bond, shall be dated as of its date of delivery to MBOI, and shall mature on August 15, 2023.

The Series 2014 Bond is payable from the County's Search and Rescue Facility Tax Levy and other available County funds. The Series 2014 Bond shall be registered as of its date of delivery to MBOI, and is in a single denomination. Upon each disbursement of the Series 2014 Bond proceeds, the MBOI shall enter the amount advanced on the amortization schedule attached thereto and the total amount advanced under this Resolution. The Series 2014 Bond shall be lettered and numbered R-1 and shall mature on August 15, 2023 (the "Stated Maturity"), subject to redemption as herein provided, and shall bear interest on the principal amount thereof advanced and outstanding at the rate per annum equal to the Variable Rate (as hereinafter defined), as such may be adjusted from time to time as hereinafter provided. Interest shall be computed on the basis of the actual number of days in the year and the actual number of days outstanding.

Principal of the Series 2014 Bond from time to time outstanding shall bear interest from the date of issuance thereof, until paid at the Variable Rate, as may be adjusted from time to time as hereinafter provided. Until the initial Adjustment Date (as hereinafter defined), the Variable Rate shall be one percent (1.00%) per annum. Thereafter, for the Adjustment Period (as hereinafter defined), the Variable Rate shall be the rate per annum equal to the interest rate then borne by the MBOI's INTERCAP Program, as certified by the MBOI as of the Adjustment Date, but in no event to exceed fifteen percent (15.00%) per annum. If for any reason the interest rate cannot be established as so provided or is held invalid or unenforceable by a court of law, the interest rate for the Series 2014 Bond for the Adjustment Period shall be a rate equal to the largest integral multiple of five hundredths of one percent (.05%) that is equal to or less than eight percent (80%) of the average yield, evaluated at par, of the United States Treasury obligations with a stated or remaining maturity of one year, as reported in *The Wall Street Journal* (Des Moines Edition) (or, if such paper is no longer published or fails to report such information, in any other financial periodical selected by the MBOI and reasonably acceptable to the holders of the Series 2014 Bond) on the Adjustment Date or, if the Adjustment Date is not a Business Day, the next preceding Business Day, but in no event to exceed fifteen percent (15.00%) per annum. As used herein, "Adjustment Date" means February 16 and "Adjustment

Period” means the period beginning on an Adjustment Date and ending on the day before the next succeeding Adjustment Date of the final Stated Maturity of the Series 2014 Bond, whichever is earlier; provided that if the Series 2014 Bond is not paid at its final Stated Maturity, the final Adjustment Period with respect to the Series 2014 Bond shall extend until it is paid or provisions have been duly made for its payment.

Upon each disbursement of the Series 2014 Bond proceeds, the Board of Investments shall enter the amount advanced on Schedule A attached to the Series 2014 Bond under “Advances” and the total amount advanced under the Bond Resolution, including such disbursement, under “Total Amount Advanced”. Upon the advancement of all Series 2014 Bond proceeds, the Board of Investments shall prepare and deliver to the County an amortization schedule for the payment of the Series 2014 Bond for the then applicable Variable Rate. After each Adjustment Date, the Board of Investments will prepare and deliver a new amortization schedule showing the Series 2014 Bond principal and interest payment amounts for the applicable Variable Rate. Interest shall be computed on the basis of the actual number of days in the year and the actual number of days outstanding. The Series 2014 Bond shall be substantially in the form set forth in Exhibit A attached hereto.

#### **Section 2.04. Payment Dates and Manner of Payment.**

Principal of and interest on the Series 2014 Bond is payable in lawful money of the United States of America to the Montana Board of Investments or its assigns as indicated on the Bond Register. Interest on and principal of the Series 2014 Bond shall be payable on each August 15 and February 15, commencing February 15, 2015, to the owner of record thereof as such appears on the Series 2014 Bond Register at the close of business on the first day for the month the payment is due, whether or not such day is a business day. The interest on and the principal of the Series 2014 Bond, shall be payable by check, draft or wire transfer from the Revenue Bond Debt Service Account of the Search and Rescue Facility Tax Levy.

#### **Section 2.05. Special Obligation.**

The Series 2014 Bond shall be a special, limited obligation of the County, payable by the County out of the County's Search and Rescue Facility Tax Levy and other available County funds. The Series 2014 Bond is not a general obligation of and does not constitute a debt of the County within the meaning of any constitutional or statutory limit or provision and is not a charge against the general credit or taxing powers of the County, except to the extent it is to be paid from the Search and Rescue Facility Tax Levy.

#### **Section 2.06. Execution of Series 2014 Bond.**

Without unreasonable delay the County shall cause a definitive Series 2014 Bond to be prepared, executed and delivered. The Series 2014 Bond shall be executed on behalf of the County by the signature of the Chairperson of the Board of the Commission and the County Treasurer-Clerk and Recorder and shall be sealed with the official seal of the County. The Series 2014 Bond shall then be delivered to the Bond Registrar for authentication.



**Section 2.07: Registrar.**

The Clerk is hereby appointed as Registrar, authenticating agent, paying agent and transfer agent with respect to the Series 2014 Bonds, subject to the following terms and conditions:

A. *Bond Register.* The Registrar shall keep, or cause to be kept at the County office a book for the registration and transfer of the Series 2014 Bond.

B. *Fees and Costs.* If the County desires to change Registrars as provided in Subsection E hereof, the County shall pay to the Successor Registrar from time to time reasonable compensation for all services rendered under this Resolution, together with reasonable expenses, charges, fees of counsel, accountants and consultants and other disbursements, including those of its attorneys, agents and employees, incurred in good faith in and about the performance of their powers and duties under this Resolution.

C. *Representations.* The Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Series 2014 Bond.

D. *Registration System.* The County hereby specifies and adopts the system of registration for the Series 2014 Bond authorized by Sections 17-5-1101 through 17-5-1123, MCA (as amended), except to the extent that such system is inconsistent with the terms of this Resolution in which event the terms of this Resolution shall prevail. The system of registration shall be certificated public obligations.

E. *Successor Registrar.* The County may appoint a Successor Registrar upon resignation of the existing Registrar. Any successor Registrar appointed pursuant to this Section 2.07 shall be a trust company or bank in good standing located in or incorporated under the laws of the State of Montana, duly authorized to exercise trust powers and subject to examination by federal or state authorities, having a reported capital and surplus of not less than \$1,000,000.

**Section 2.08: Certificated Bond.**

The Series 2014 Bond shall be a certificated bond. If the Registered Owners desire to amend this Resolution to provide for a book-entry system of uncertificated bonds, the Registered owners may do so, but all the expenses of such conversion to uncertificated bonds shall be borne by the Registered Owners.

**Section 2.09: Transfer or Exchange of the Series 2014 Bond.**

The Series 2014 Bond shall be transferable by the Registered Owners thereof in person, or by their attorney duly authorized in writing, upon due completion of the assignment form appearing thereon and upon surrender of the Series 2014 Bond at the office of the Registrar for cancellation and issuance of a new Series 2014 Bond registered in the name of the transferee, in exchange therefore. The Series 2014 Bond shall be exchangeable by the Registered Owner thereof in person, or by its attorney duly authorized in writing, for other Series 2014 Bond which in the aggregate, do not exceed the Outstanding principal balance of the Bond being surrendered in the exchange and which are in denominations of not less than \$100,000. Notwithstanding the

foregoing sentence, the Registrar shall not be obligated to exchange or transfer any Series 2014 Bond during the 15 days preceding any payment date. The Registrar shall require the payment by the Registered Owner requesting such transfer or exchange of any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

**Section 2.10: Mutilated, Lost, Stolen or Destroyed Revenue Bond.**

A. *Issuance of Substitute Series 2014 Bond.* If a Series 2014 Bond shall become mutilated, lost, stolen or destroyed, the affected Registered Owner shall be entitled to the issuance of a substitute Series 2014 Bond only as follows:

(1) in the case of a lost, stolen or destroyed Series 2014 Bond, the Registered Owner shall: (a) provide notice of the loss, theft or destruction to the County and the Registrar within a reasonable time after the Registered Owner receives notice of the loss, theft or destruction; (b) request the issuance of a substitute Series 2014 Bond; (c) provide evidence, satisfactory to the County and the Registrar, of the ownership and the loss, theft or destruction of the Series 2014 Bond; and (d) file in the offices of the Registrar a written affidavit specifically alleging on oath that said Registered Owner is the proper owner, payee or legal representative of such owner or payee of the Series 2014 Bond that has been lost, stolen or destroyed, giving the date the Series 2014 Bond was issued and the number, principal amount and series of such Revenue Bond; and stating that the Series 2014 Bond has been lost, stolen or destroyed, and has not been paid and has not been received by such Registered Owner;

(2) in the case of a mutilated Series 2014 Bond, the Registered Owner shall surrender the Bond to the Registrar for cancellation and replacement; and

(3) in all cases, the Registered Owner shall provide indemnity against any and all claims arising out of or otherwise related to the issuance of a substitute Series 2014 Bond pursuant to this Section 2.10 is satisfactory to the County and the Registrar.

Upon compliance with the foregoing, a new Series 2014 Bond of like tenor and denomination, bearing the same number as the mutilated, destroyed, lost or stolen Series 2014 Bond, and with the word "DUPLICATE" stamped or printed plainly on its face, shall be executed by the County, authenticated by the Registrar and delivered to the Registered Owner, all at the expense of the Registered Owner to whom the substitute Series 2014 Bond is delivered.

B. *Notation on Bond Register.* Upon the issuance and authentication of any substitute Series 2014 Bond under the provisions of this Section 2.10, the Registrar shall enter upon the Bond Register a notation that the original Series 2014 Bond was canceled and a substitute Series 2014 Bond was issued therefore.

**Section 2.11: Costs of Issuance.**

The costs of issuance of the Series 2014 Bond shall be paid from funds of the county other than proceeds of the Series 2014 Bond.

## **ARTICLE III: PLEDGE OF REVENUE**

### **Section 3.01: Pledge of Revenue.**

There are hereby pledged, for the equal and ratable benefit of the Registered Owners from time to time of the Series 2014 Bond, as security for the timely payment of the principal of and interest on the Series 2014 Bond: (1) all Revenue as defined herein and all rights of the County to receive such Revenue; and (2) all money and securities held in the Revenue Bond Construction Account and the Revenue Bond Debt Service Account, including the investments thereof, if any, and subject to the provisions of this Resolution permitting the application of amounts hereunder to the purposes set forth herein. Such pledge of Revenue is hereby declared to be a prior lien and charge on the Revenue superior to all other liens and charges of any kind whatsoever.

### **Section 3.02: Application of Revenue.**

All Revenue and such other available County funds as are necessary shall be deposited into the Revenue Bond Debt Service Account as collected and shall be used only for the following purposes and in the following order of priority:

*First*, to pay the principal of and interest on the Series 2014 Bond when due;

*Second*, to the extent there is Revenue available after the payment of principal and interest referenced above, for the payment of costs of the County Search & Rescue Facility or repayment of County interfund loans made for such purposes; and

*Third*, to retire by prepayment any part of the Series 2014 Bond.

## **ARTICLE IV: FUNDS AND ACCOUNTS**

### **Section 4.01: The Revenue Bond Construction Account.**

Within the County's Search & Rescue Enterprise Fund, there is hereby created, and shall continue to be maintained by the County, a fund separate and distinct from all other accounts of the County, designated as the "Revenue Bond Construction Account, into which shall be deposited all the proceeds of the Series 2014 Bond and the Search and Rescue Facility Tax Levy already collected in 2013. Money in the Revenue Bond Construction Account may be invested in Permitted Investments, provided, however, that the yield on such investments shall not exceed the arbitrage yield on the Series 2014 Bond. Any interest earnings on money invested from the Revenue Bond Construction Account shall be deposited into the Revenue Bond Construction Account. Any liquidated damages or other money paid by defaulting contractors or their sureties will be deposited into said Revenue Bond Construction Account to assure the completion of the Search and Rescue Facility. Money in the Revenue Bond Construction Account will only be utilized for those costs described in Section 2.01(B) hereof, with corresponding support documents applicable to such expenditures that have been duly approved by the County and its engineers and architects for the Project. Any money remaining in the Revenue Bond Construction Account after the completion of construction of the County Search & Rescue Facility will be transferred to the Revenue Bond Debt Service Account.

**Section 4.02: The Revenue Bond Debt Service Account.**

Within the County's Search and Rescue Enterprise Fund, there is hereby created, and shall continue to be maintained by the County, a fund separate and distinct from all other funds of the County, designated "Revenue Bond Debt Service Account." The Revenue Bond Debt Service Account shall be used solely for the purpose of paying the principal of and interest on the Series 2014 Bond.

A. As long as any portion of the Series 2014 Bond remains Outstanding, the County hereby irrevocably obligates, pledges and binds itself to set aside and pay into Series 2014 Bond Debt Service Account from the Revenue, together with such other funds as are on hand and available in the Revenue Bond Debt Service Account, those amounts necessary to pay principal and interest, next coming due on the Series 2014 Bond. The amounts in the Series 2014 Bond Debt Service Account will be depleted annually with the exception that the County may retain an amount equal to the greater of the earnings on the Revenue Bond Debt Service Account for the prior bond year or one-twelfth of the prior year's debt service on the Series 2014 Bond. Any amounts in the Revenue Bond Debt Service Account in excess of the requirements stated in this subsection may be utilized by the County as otherwise provided in Section 3.02. Money in the Revenue Bond Debt Service Account may be invested in Permitted Investments; provided, however, that the yield on such investments shall not exceed the arbitrage yield on the Series 2014 Bond as defined in the code. Investments of money in the Revenue Bond Debt Service Account shall mature prior to the date on which such money shall be needed for required payments. All interest earned and income derived by virtue of such investments shall remain in the Revenue Bond Debt Service Account.

**ARTICLE V: COVENANTS**

**Section 5.01: Construction and Maintenance of the Facilities.**

The County shall construct the County Search & Rescue Facility within three years of the date hereof and keep it in good repair, working order and condition for at least the term of the Series 2014 Bond.

**Section 5.02: Collection of Revenue and Use of Other Available County Funds.**

The County shall annually levy, assess and collect the Search and Rescue Facility Tax Levy and will deposit the Revenue into the Revenue Bond Debt Service Account for application and use as provided in Section 4.02, together with such other available County funds as necessary to make the payments on the Series 2014 Bond. In the event there are insufficient funds collected on an annual basis from the Search and Rescue Facility Tax Levy for the payment of the Series 2014 Bond, the County will appropriate an amount sufficient to make up the deficiency from the Sheriff's budget or the general fund of the County.

**Section 5.03: Sale or Lease of the Search and Rescue Facility.**

The County will not, during the term of the Series 2014 Bond, sell, lease or otherwise dispose of the Search and Rescue Facility to an entity, which would be on an unqualified "private business use" as defined in Section 141(b)(6) of the Code.

**Section 5.04: Liens and Encumbrances.**

The County will not at any time create or permit to accrue or to exist any lien or other encumbrance or indebtedness upon the Search and Rescue Facility Building.

**Section 5.05: Insurance.**

The County will keep the Search and Rescue Facility insured, and will carry such other insurance, with responsible insurers, with policies payable to the County, against risks, accidents or casualties, at least to the extent that insurance is usually carried by municipal corporations operating like properties. In the event of any loss or damage, the County will promptly repair or replace the damaged portion of the insured property and apply the proceeds of any insurance policy for that purpose; or in the event the County should determine not to repair or reconstruct such damaged portion of the properties of the Search and Rescue Facility, the proceeds of such insurance shall be paid into the Revenue Bond Debt Service Account for the payment of the Series 2014 Bond.

**Section 5.06: Consolidated Annual Financial Report.**

The County shall cause its Consolidated Annual Financial Report be kept in accordance with any applicable rules, regulations and statutes prescribed by the State of Montana. The County shall make its Consolidated Annual Financial Report available to the Registered Owners of the Series 2014 Bond within 30 days after completion. The Registered Owners of the Series 2014 Bond may also obtain, upon request, any other regularly prepared financial report of the County relating to the Search and Rescue Facility or the collection of the Revenues.

**Section 5.07: Tax Covenants.**

A. *Compliance With Code.* The County covenants to comply with each requirement of the Code necessary to maintain the exclusion of interest on the Series 2014 Bond from gross income for federal income tax purposes. In furtherance of the covenant contained in the preceding sentence, the County covenants to comply with the provisions of the Arbitrage and Tax Regulatory Certificate executed by the County on the date of initial issuance and delivery of the Series 2014 Bond, as such Arbitrage and Tax Regulatory Certificate may be amended from time to time.

B. *Necessary Reports and Payments.* The County covenants to make any and all reports and payments required to be made to the United States Department of the Treasury in connection with the Series 2014 Bond pursuant to Section 148(f) of the Code.

C. *Survival of Tax Covenants.* Notwithstanding any other provision of this Resolution to the contrary, so long as necessary in order to maintain the exclusion from gross income of interest on the Series 2014 Bond for federal income tax purposes, the covenants contained in this Section 5.07 shall survive the payment of the Series 2014 Bond and the interest thereon.

D. *Remedies.* Notwithstanding any other provision of this Resolution to the contrary, upon the County's failure to observe or refusal to comply with the above covenants, the

Registered Owners, or any trustee acting on their behalf, shall be entitled to the rights and remedies provided to the Registered Owners under this Resolution, other than the right to declare the principal of all Series 2014 Bond then Outstanding, and the interest accrued thereon, to be due and payable.

**Section 5.08: Restriction on Issuance of Additional Revenue Bonds.**

The County hereby covenants and agrees with the Registered Owners of the Series 2014 Bond, for as long as it remains Outstanding, that the County will not issue any bond having a claim against the Revenue to pay and secure the payment of the principal of and interest on such bond.

**ARTICLE VI: REIMBURSEMENT**

**Section 6.01: Regulations.**

The Internal Revenue Service has issued Section 1.150-2 of the Treasury Regulation (the "Regulations") dealing with the issuance of owner or issuer tax-exempt bonds, all or a portion of the proceeds of which are to be used to reimburse the owner or issuer for project expenditures made by the owner or issuer prior to the date of issuance of such bonds. The Regulations generally require that the owner or issuer make a declaration (no later than 60 days after payment of the original expenditures) of its official intent to reimburse itself for such expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the original expenditure or the date the project is placed in service, and that the expenditure be a capital expenditure or cost of issuance.

**Section 6.02: Prior Expenditures.**

The Board of County Commissioners expects that other than (i) expenditures to be paid or reimbursed from sources other than the Series 2014 Bond or (ii) expenditures constituting preliminary expenditures as defined in Section 1.150-2(f)(2) of the Regulations, no expenditures for the Project have heretofore been made and no Project expenditures will be made by the County unless as contemplated by this Resolution.

**Section 6.03: Official Intent.**

The County anticipates the issuance of the Series 2014 Bond to finance the Project. The County expects to reimburse some expenditures made for the Project from the proceeds of the Series 2014 Bond. All reimbursed expenditures shall be expenditures authorized to be reimbursed by Section 1.150-2.

**Section 6.04: Reimbursement Allocation.**

The County Finance Officer shall be responsible for making "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of the Series 2014 Bond proceeds to reimburse the source of the original expenditure. Each allocation shall be evidenced by an entry on the official books and records of the County maintained for the Series

2014 Bond, shall specifically identify the actual prior expenditure being reimbursed or, in the case of reimbursement of a fund or account, the fund or account from which the expenditure was paid, and shall be effective to relieve the proceeds of the Series 2014 Bond from any restriction under the bond resolution or other relevant legal documents for the Series 2014 Bond, and under any applicable state statute, which would apply to the unspent proceeds of the Series 2014 Bond.

## ARTICLE VII: MISCELLANEOUS

### Section 7.01: Amendments to Resolution.

A. *Adoption of Supplemental Resolution.* The Board may adopt a resolution supplemental hereto, which resolution thereafter shall become a part of this Resolution, for any one or more of all of the following purposes:

(1) to add to or delete from the covenants and agreements of the County in this Resolution, provided such additions or deletions shall not adversely affect, in any material respect, the interests of the Registered Owners of the Series 2014 Bond; or

(2) to cure, correct or supplement any ambiguous or defective provision contained in this Resolution, provided such supplemental resolution shall not adversely affect, in any material respect, the interests of the Registered Owners of the Series 2014 Revenue Bond.

Any such supplemental resolution may be adopted without the consent of the Registered Owners of any Series 2014 Bond at any time Outstanding, notwithstanding any of the provisions of subsection B of this Section 7.01.

B. *Amendments With Consent of the Registered Owners.* With the consent of the Registered Owners of not less than 51 percent in aggregate principal amount of the Series 2014 Bond at the time Outstanding, the Board may adopt a resolution supplemental hereto for the purpose of adding any provisions to, or changing in any manner, or eliminating any of the provisions of this Resolution or of any supplemental resolution; provided, however, that no such supplemental resolution shall:

(1) extend the fixed maturity of any Series 2014 Bond, or reduce the rate of interest thereon, or extend the time of payments of interest from their due date, or reduce the amount of the principal thereof, without the consent of the Registered Owners of each Series 2014 Bond so affected; or

(2) reduce the aforesaid percentage of Registered Owners required to approve any such supplemental resolution, without the consent of the Registered Owners of all of the Series 2014 Bond then Outstanding.

It shall not be necessary for the consent of Registered Owners under this subsection B to approve the particular form of any proposed supplemental resolution, but it shall be sufficient if such consent shall approve the substance thereof.

C. *Effect of Amendments.* Upon the adoption of any supplemental resolution pursuant to the provisions of this Section 7.01, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the County under this Resolution and all Registered Owners of any Series 2014 Bond Outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all terms and conditions of any such supplemental resolution shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes.

D. *Notations; Replacement Revenue Bond.* Series 2014 Bond executed and delivered after the execution of any supplemental resolution adopted pursuant to the provisions of this Section 7.01 may have a notation as to any matter provided for in such supplemental resolution, and if such supplemental resolution shall so provide, a new Series 2014 Bond so modified as to conform in the opinion of the Board to any modification of this Resolution contained in any such supplemental resolution, may be prepared and delivered without cost to the Registered Owners of any affected Series 2014 Bond then Outstanding, upon surrender for cancellation of such Series 2014 Bond in equal aggregate principal amounts.

#### **Section 7.02: Events of Default.**

A. *Events of Default Defined.* Each of the following shall be an "Event of Default" hereunder:

(1) payment of the principal of and interest on the Series 2014 Bond is not made when it becomes due and payable; or

(2) the County fails or refuses to comply with any of its covenants hereunder, other than the timely payment of the principal of or interest on the Series 2014 Bond (to which no cure period shall apply), and such failure or refusal shall continue for a period of 90 days after written notice thereof has been given to the County by the Registered Owner.

B. *No Acceleration.* If an Event of Default shall happen and shall not have been remedied, the Series 2014 Bond shall not be subject to acceleration of payment, and each installment of principal and interest on the Series 2014 Bond shall be payable when due.

C. *Proceedings Brought by Registered Owners.* If an Event of Default happens and is not remedied, then the Registered Owners of not less than 25 percent in principal amount of Series 2014 Bond then Outstanding may proceed, by their agents and attorneys, to protect and enforce their rights under this Resolution forthwith by a suit in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the County as if the County were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the legal representative of the Registered Owners shall deem most effectual to enforce any of their rights, and such Registered Owners may appoint a default trustee (the "Default Trustee") to represent their interests. All rights of action under this Resolution may be enforced by any Default Trustee without either the possession of the Series 2014 Bond or the production thereof at the trial or



other proceedings, and any such suit or proceedings instituted by the Default Trustee shall be brought in its name. The Registered Owners of not less than a majority in principal amount of the Series 2014 Bond then Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to them; provided that the Default Trustee shall have the right to decline to follow any such direction if the Default Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Default Trustee in good faith shall determine that the action or proceeding so directed would involve the Default Trustee in personal liability or be unjustly prejudicial to the Registered Owners who are not parties to such direction. The Default Trustee shall have the power to institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Resolution by any acts that may be unlawful or in violation of this Resolution, and such suits and proceedings as the Default Trustee may be advised shall be necessary or expedient to preserve or protect the interests of the Registered Owners.

D. *Restriction on Action of Registered Owners.* Except as otherwise provided above, no Registered Owner shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Resolution or for any remedy under this Resolution, unless such Registered Owner shall have previously given to the County written notice of the happening of an Event of Default, and shall have offered it reasonable opportunity, either to (1) exercise the powers granted in this Resolution or by the laws of the State of Montana, or (2) institute such action, suit or proceeding in its own name, it being understood and intended that no one or more Registered Owners shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by this Resolution, or to enforce any right under this Resolution, except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Resolution shall be instituted, had and maintained in the manner provided in this Resolution and for the equal benefit of all Registered Owners. Nothing in this Resolution or the Series 2014 Bond shall affect or impair the obligation of the County, which is absolute and unconditional, to pay from the sources provided in this Resolution at the dates and places therein expressed the principal of and interest on the Series 2014 Bond to the respective Registered Owners thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Registered Owner to enforce such payment of his Series 2014 Bond.

E. *Remedies Not Exclusive.* No remedy herein conferred is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

F. *Delays and Omissions Not to Impair Rights.* No delays or omissions in respect of exercising any right or power accruing upon any default shall impair such right or power or be a waiver of such default, and every remedy given by this Section 7.02 may be exercised from time to time and as often as may be deemed expedient.

**Section 7.03. Sale of Series 2014 Bond Authorized.**

The sale of the Series 2014 Bond to the Montana Board of Investments under its INTERCAP Program is hereby authorized and approved. Due to the sale of the Series 2014 Bond being to the Montana Board of Investments there will be no competitive sale of the Bond and no official statement required.

**Section 7.04: No Personal Recourse.**

No recourse shall be had for any claim based on this Resolution or the Series 2014 Bond against any Commissioner, officer or employee, past, present or future, of the County or of any successor body as such, either directly or through the County or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

**Section 7.05: Bank Qualification.**

Pursuant to Section 265(b)(3)(B)(ii) of the Code, the County designates the Series 2014 Bond as a "qualified tax-exempt obligation". The County has thus far so designated \$0.00 principal amount of other bonds this calendar year and anticipates issuing \$0.00 principal amount additional bonds this calendar year, other than the Series 2014 Bond.

**Section 7.06: Contract; Severability.**

The covenants contained in this Resolution and in the Series 2014 Bond shall constitute a contract between the County and the Registered Owners of the Series 2014 Bond. Any action by the Registered Owners of the Series 2014 Bond shall bind all future Registered Owners of the same Series 2014 Bond in respect of anything done or suffered by the County or the Registrar in pursuance thereof. All the covenants, promises and agreements in this Resolution contained by or on behalf of the County, or by or on behalf of the Registrar, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not. If any one or more of the covenants or agreements provided in this Resolution to be performed on the part of the County shall be declared by any court of competent jurisdiction on final appeal (if any appeal be taken) to be contrary to law, then such covenant or agreement shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Resolution and shall in no way affect the validity of the other provisions of this Resolution or of the Series 2014 Bond.

**Section 7.07: Small Issuer Exemption.**

The County hereby represents that the Series 2014 Bond qualifies for the exception for small governmental units to the arbitrage rebate provisions contained in Section 148(f) of the Code. Specifically, the County represents:

- (1) Substantially all (not less than 95%) of the proceeds of the Series 2014 Bond will be used for local governmental activities of the County;
- (2) The aggregate face amount of all "tax-exempt bonds" (including warrants, contracts, leases and other indebtedness, but excluding private activity bonds) issued by or on

behalf of the County and all subordinate entities thereof during 2014 is reasonably expected not to exceed \$5,000,000. To date in 2014, the County has issued \$0.00 of tax-exempt bonds and, in addition to the Series 2014 Bond, expects to issue \$0.00 of additional bonds in calendar year 2014; and

(3) The County has general taxing powers.

If notwithstanding the provisions of paragraph (a) of this Section 7.07, the arbitrage rebate provisions of Section 148(f) of the Code apply to the Series 2014 Bond, the County 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).

**Section 7.08: Repealer.**

All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and shall have no further force or effect.

**Section 7.09: Ratification.**

All actions not inconsistent with the provisions of this Resolution heretofore taken by the Board and the County's employees with respect to the adoption of this Resolution and the issuance, sale and delivery of the Series 2014 Bond, are hereby in all respects ratified, approved and confirmed.

**Section 7.10: Effective Date.**

This Resolution shall be in full force and effect from and after its adoption.

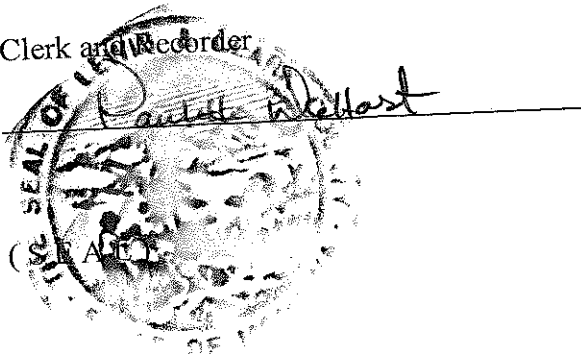
ADOPTED by the Board of Commissioners of Lewis and Clark County, Montana at a regular meeting thereof, held on July 31, 2014.

BOARD OF COMMISSIONERS OF LEWIS AND CLARK COUNTY,  
MONTANA

  
Chair

ATTEST:

Clerk and Recorder



\* \* \* \* \*

CERTIFICATE

I, Paulette DeHart, the Clerk and Recorder of the Lewis and Clark County, hereby certify that the foregoing resolution is a full, true and correct copy of a resolution duly passed and adopted at a regular meeting of Board of Commissioners of Lewis and Clark County, duly held at the regular meeting place thereof on July 31, 2014, of which meeting all Commissioners had due notice, and at which a majority thereof were present, and that at said meeting said resolution was adopted by the following vote:

AYES, and in favor thereof, Commissioners: Hunthausen, Good Geise, Murray

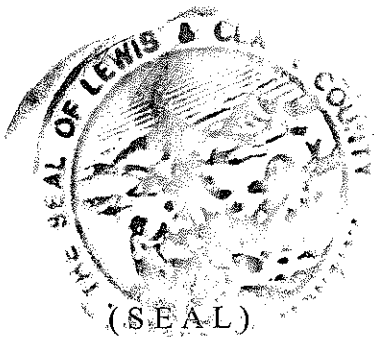
NAYS, Commissioners: None

ABSENT, Commissioners: None

ABSTAIN, Commissioners: None

I further certify that I have carefully compared the same with the original resolution on file and of record in my office; that said resolution is a full, true and correct copy of the original resolution adopted at said meeting; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and is now in full force and effect.

IN WITNESS WHEREOF, I have set my hand on July 31<sup>st</sup>, 2014.



Paulette DeHart  
Clerk and Recorder of Lewis and Clark County,  
Montana

EXHIBIT "A" TO SERIES 2014 BOND RESOLUTION

UNITED STATES OF AMERICA  
STATE OF MONTANA  
LEWIS AND CLARK COUNTY, MONTANA  
SEARCH & RESCUE FACILITY  
REVENUE BOND, SERIES 2014

Number R-1

\$815,000

INTEREST RATE	MATURITY DATE	DATE OF ORIGINAL ISSUE
(Variable)	August 15, 2023	July 31, 2014

Lewis and Clark County, Montana, (the "County") hereby acknowledges itself to owe and for value received, promises to pay pursuant to its Resolution No. ~~2014-84~~ (the "Bond Resolution") to the Montana Board of Investments or registered assigns solely from the County's Search and Rescue Enterprise, the principal sum of Eight Hundred Fifteen Thousand and no/100ths Dollars (\$815,000) in installments as set forth below and to pay interest on the principal amount advanced and outstanding at a variable rate of interest with the initial rate being one (1.00%) per annum. The rate of interest will be equal to the interest rate then applicable to the Montana Board of Investments INTERCAP Program as adjusted as herein described (the "Variable Rate"). The Variable Rate shall be the rate per annum equal to the interest rate then borne by the Board of Investments' INTERCAP Program as of the Adjustment Date, but in no event to exceed fifteen percent (15.00%) per annum. As used herein, "Adjustment Date" means February 16 in the years 2015 through 2023, and "Adjustment Period" means the period beginning on an Adjustment Date and ending on the day before the next succeeding Adjustment Date or the final stated maturity of the Series 2014 Bond, whichever is earlier; provided that if the Series 2014 Bond is not paid at its final stated maturity, the final Adjustment Period with respect to the Series 2014 Bond shall extend until all principal installments hereof are paid or provision has been duly made for their payment. Interest on the acquired and unpaid outstanding principal amount of the Series 2014 Bond shall be payable on each February 15 and August 15, commencing February 15, 2015, with principal of the Series 2014 Bond being paid in installments on each February 15 and August 15, commencing February 15, 2015 to the maturity date stated above, to the owner of record thereof as such appears on the Series 2014 Bond Register. All outstanding principal, together with accrued and unpaid interest hereon, shall be payable on the final payment date. Upon each disbursement of the Series 2014 Bond proceeds, the Board of Investments shall enter the amount advanced on Schedule A attached to the Series 2014 Bond under "Advances" and the total amount advanced under the Bond Resolution, including such disbursement, under "Total Amount Advanced". Upon the advancement of all Series 2014 Bond proceeds, the Board of Investments shall prepare and deliver to the County an amortization schedule for the payment of the Series 2014 Bond for the then

applicable Variable Rate. After each Adjustment Date, the Board of Investments will prepare and deliver a new amortization schedule showing the Series 2014 Bond principal and interest payment amounts for the applicable Variable Rate. Interest shall be computed on the basis of the actual number of days in the year and the actual number of days outstanding.

The Series 2014 Bond is issued by the County pursuant to and in full compliance with the Constitution and laws of the State Montana, particularly: Title 7, Chapter 7, Part 25; Title 7, Chapter 7, Part 44; Title 7, Chapter 7, Section 2111 and Title 7, Chapter 32, section 235, Montana Code Annotated, and proceedings duly adopted and authorized by the County, more particularly the Bond Resolution, for the purpose of providing funds for the construction of the Search and Rescue Facility Building.

The Series 2014 Bond has a first lien upon the Revenue as defined in the Bond Resolution as \$100,000 per year for nine years from the County's Search and Rescue Facility Tax Levy approved by voters in the County on November 6, 2012.

The Series 2014 Bond may be redeemed at any time upon 30 days prior written notice, without penalty.

The County has covenanted and agreed with the Registered Owner of the Series 2014 Bond that it will keep and perform all of the covenants of the Series 2014 Bond and of the Bond Resolution to be by it kept and performed. The County has further covenanted to cause the Search and Rescue Facility to be maintained in good repair, working order and condition.

This Series 2014 Bond is transferable or exchangeable by the Registered Owner hereof in person or by its attorney duly authorized in writing upon presentation and surrender of this Series 2014 Bond at the office of the Registrar. Upon such transfer or exchange, a new Series 2014 Bond of the same maturity and interest rate and for the remaining principal amount will be issued to the transferee or exchangee, in exchange therefor.

The County and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payments of principal hereof and interest due hereon and for all other purposes, and neither the County nor the Registrar shall be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that the County has duly authorized and will forthwith construct the Search and Rescue Facility hereinabove described, and will annually levy taxes for nine years to provide \$100,000 annually for the payments on the Series 2014 Bond.

Both principal of and interest on this Series 2014 Bond are payable in lawful money of the United States of America to the registered owner hereof, whose name and address shall appear on the registration books of the County (the "Bond Register") maintained by the County Treasurer/Clerk and Recorder (the "Registrar"). Interest shall be paid to the registered owner whose name appears on the Bond Register as of the close of business on the first day of the calendar month next preceding the interest payment date, and shall be paid by

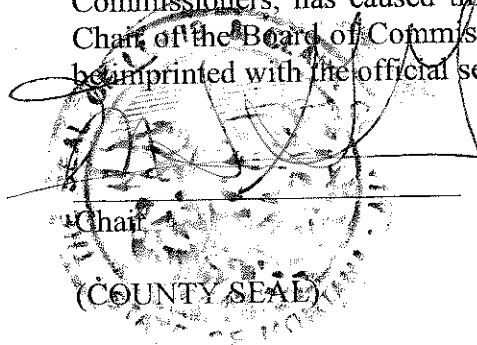
check or draft of the Registrar or wire transfer from the Revenue Bond Debt Service Account of the Search and Rescue Enterprise Fund. The Series 2014 Bond is a special, limited obligation of the County, payable by the County out of the tax levies authorized by the November 6, 2012 Lewis and Clark County election and other available funds of the County. The Series 2014 Bond is not a general obligation of, and does not constitute a debt of, the County within the meaning of any constitutional or statutory limit or provision.

Reference is hereby made to additional provisions of this Series 2014 Bond set forth in the Bond Resolution and such additional provisions shall for all purposes have the same effect as if set forth in this space.

This Series 2014 Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by the Registrar.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that this Series 2014 Bond is issued pursuant to and in strict compliance with the Constitution and the laws of the State of Montana, and the resolutions, regulations, and rules of the County, specifically the Bond Resolution; that all acts, conditions and things required to be done precedent to and in the issuance of this Series 2014 Bond have happened, been done and performed; and that the issuance of this Series 2014 Bond, together with all other obligations of the County, does not exceed or violate any constitutional or statutory limitation of indebtedness applicable to the County.

IN WITNESS WHEREOF, Lewis and Clark County, Montana, by its Board of County Commissioners, has caused this Series 2014 Bond to be executed by the signatures of its Chair, of the Board of Commissioners and the County Treasurer/Clerk and Recorder, and to be imprinted with the official seal of the County, as of July 31, 2014.



Paulette Stewart  
County Treasurer/Clerk and Recorder

### CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_, 2014

This Series 2014 Bond is the Lewis and Clark County, Montana, Search & Rescue Facility Bond, Series 2014, dated as of July 31<sup>st</sup>, 2014 and described in the within-mentioned Bond Resolution.

Lewis and Clark County Treasurer/Clerk and Recorder.

Paulette Stewart

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Name of Transferee: \_\_\_\_\_

Address: \_\_\_\_\_

Tax Identification No. \_\_\_\_\_

the within Series 2014 Bond and hereby irrevocably constitutes and appoints

\_\_\_\_\_, to transfer said Series 2014 Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Register Owner

NOTE: The signature on this Assignment must correspond with the name of the registered owner as it appears upon the face of the within Series 2014 Bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED:

\_\_\_\_\_  
By a Commercial Bank, Trust Company  
or brokerage firm having membership  
in a major stock exchange.

\_\_\_\_\_  
Authorized Officer