

RESOLUTION NO. 2022-88

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF APPROXIMATELY \$11,472,000 HIGHER EDUCATION REVENUE REFUNDING BONDS (CARROLL COLLEGE ISSUE), CONSISTING OF \$6,785,116 SERIES 2022A BONDS AND APPROXIMATELY \$4,686,884 TAXABLE SERIES 2022B BONDS, UNDER MONTANA CODE ANNOTATED, TITLE 90, CHAPTER 5, PART 1, AS AMENDED, TO REFUND CERTAIN OUTSTANDING BONDS; APPROVING THE FORM OF DOCUMENTATION IN CONNECTION THEREWITH; AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE SERIES 2022 BONDS AND RELATED DOCUMENTATION

BE IT RESOLVED by the Board of County Commissioners (the "Board") of Lewis and Clark County, Montana (the "County"), as follows:

Section 1. Authorization and Recitals.

1.01. General Authority. The County is authorized by Montana Code Annotated, Title 90, Chapter 5, Part 1, as amended (the "Act"), to issue revenue bonds or notes and to loan the proceeds of such bonds or notes to others for the purpose of defraying the costs of acquiring or improving any project or projects, including higher education facilities, and to refund any bonds issued for such purpose, in each case upon terms and conditions as the governing body shall deem advisable and as shall not conflict with the provisions of the Act.

1.02. Series 2013 Bonds and Proposed Refunding. Following a public hearing held on May 9, 2013, which was duly noticed in accordance with the Act, the County previously issued and there are outstanding its Higher Education Revenue Bond (Carroll College Issue), Series 2013A, which is currently outstanding in the principal amount of \$3,202,421.85, and its Higher Education Revenue Refunding Bond (Carroll College Refunding Issue), Series 2013B, which is currently outstanding in the principal amount of \$8,210,000.00 (collectively, the "Series 2013 Bonds"). Proceeds of the Series 2013 Bonds were loaned to Carroll College, a Montana nonprofit corporation (the "Borrower") to finance and refinance the costs of certain higher education facilities of the Borrower.

The Borrower has determined that it is advantageous and in the Borrower's best interest to restructure its long-term debt, to eliminate interest rate risk, allow for stable budget planning, provide debt service savings, add flexibility for future financing and remove certain covenants. In furtherance of these goals, the Borrower has proposed that the County, acting under and pursuant to the Act, issue its Higher Education Revenue Refunding Bonds (Carroll College Refunding Issue), consisting of \$6,785,116 Series 2022A Bonds (as more particularly described herein, the "Series 2022A Bonds") and approximately \$4,686,884 Taxable Series 2022B Bonds (as more particularly described herein, the "Series 2022B Bonds" and, together with the Series



2022A Bonds, the “Series 2022 Bonds”), and to loan the proceeds to the Borrower to refund the outstanding Series 2013 Bonds.

First Interstate Bank (the “Purchaser”), has agreed to purchase the Series 2022 Bonds.

Under the proposal, the proceeds of the Series 2022A Bonds will be loaned to the Borrower pursuant to a Loan Agreement (the “2022A Loan Agreement”) and the proceeds of the Series 2022B Bonds will be loaned to the Borrower pursuant to a Loan Agreement (the “2022B Loan Agreement” and, together with the 2022A Loan Agreement, the “Loan Agreements”), in each case between the Borrower and the County. Pursuant to an Assignment of Loan Agreements (the “Assignment”), the County will assign certain of its interests in the Loan Agreements to the Purchaser. The Borrower’s obligations under the Loan Agreements will be secured by trust indentures delivered by the Borrower, as grantor, to First Montana Land Title Company (or another acceptable entity), as trustee, for the benefit of the Purchaser (the “Trust Indentures”). The County, the Borrower and First Montana Land Title Company, as trustee with respect to the Trust Indentures, will enter into a Parity Agreement (the “Parity Agreement”), providing that the lien of the Trust Indentures is equal and ratable. Certain security interests are expected to be perfected by filing Uniform Commercial Code financing statements (the “UCC Financing Statements”). In addition, the County will cause the Borrower to execute and deliver a tax certificate (the “Tax Certificate”), relating to the tax-exempt status of the Series 2022A Bonds.

The Series 2022 Bonds will be special, limited obligations of the County, payable solely from and secured by the payments to be made by the Borrower under the Loan Agreements and will not constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

1.03. Documentation. Draft forms of the following documents relating to the Series 2022 Bonds have been prepared and submitted to this Board, and are hereby directed to be filed with the County Clerk and Recorder:

- (a) the forms of the Series 2022 Bonds;
- (b) the Loan Agreements;
- (c) the Assignment of Loan Agreements;
- (d) the Trust Indentures; and
- (e) the Parity Agreement.

The form of the Series 2022A Bonds is attached hereto as Exhibit A and the form of the Series 2022B Bonds is attached hereto as Exhibit B.

## Section 2. Findings.

It is hereby found, determined and declared that:

(a) the Series 2013 Bonds were issued under the Act and financed or refinanced projects constituting “higher education facilities,” as defined in the Act;

(b) in authorizing the issuance of the Series 2022 Bonds to refund the outstanding Series 2013 Bonds the County’s purpose is, and the Board believes the effect thereof will be, to promote the public welfare of the County and its residents by encouraging and fostering the location of institutions of higher education and their continued viability in the County by restructuring the Borrower’s long-term debt, thereby allowing the Borrower to better plan for and provide higher education at the college;

(c) the issuance and sale of the Series 2022 Bonds by the County and the refunding of the Series 2013 Bonds for the benefit of the Borrower is in the public interest of the County and its citizens;

(d) the refunding of the Series 2013 Bonds, the issuance and sale of the Series 2022 Bonds, the loan of the proceeds thereof to the Borrower and the execution and delivery of the Series 2022 Bonds, Loan Agreements, Assignment and Parity Agreement are authorized by the Act;

(e) the loan repayments and other amounts to be paid by the Borrower under the Loan Agreements are sufficient (1) to pay the total principal, premium, if any, and interest on the Series 2022 Bonds as it comes due and (2) to pay all other costs and expenses of the County in connection with the issuance of the Series 2022 Bonds; and

(f) as described in Section 90-5-103 of the Act, and as set forth in the Loan Agreements and stated on the faces of the Series 2022 Bonds, the Series 2022 Bonds are special, limited obligations of the County, payable solely from loan repayments to be made by the Borrower and do not give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

Section 3. Authorization and Approval of the Refunding and Documents. This Board hereby authorizes the issuance of the Series 2022 Bonds to refund the Series 2013 Bonds, and the execution and delivery of the Series 2022 Bonds, the Loan Agreements, the Assignment and the Parity Agreement (collectively, the “Loan Documents”). The forms of the Loan Documents are hereby approved, subject to such modifications as may be necessary or appropriate, and the Chair of the Board, the County Clerk and Recorder/Treasurer, and the County Finance Director, or any of them (each, a “County Officer”), are authorized and directed to execute and deliver the Loan Documents in the name and on behalf of the County. In addition, the County Officers, or any of them, are authorized and directed to execute and deliver any additional documents as may be necessary or appropriate for the County to execute and deliver in connection with the Loan Documents, including any UCC Financing Statements, and the approval of such documents by the Board shall be presumed and conclusively evidenced by the execution of such documents by the County Officers, or any of them. In the event of the absence or inability of the County Officers to execute and deliver any of the foregoing documents, the designees of the County Officers are authorized to execute and deliver such documents. The Loan Documents shall be delivered, filed and recorded as provided therein.

The approval hereby given to the various documents referred to above includes an approval of such modifications thereto, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the County Officers or their designees. The execution of any instrument, agreement, or Loan Document by the appropriate officer or officers of the County herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof and thereof.

Section 4. The Series 2022 Bonds.

4.01. Issuance and Terms of Series 2022A Bonds. The County shall proceed forthwith to issue its Higher Education Revenue Refunding Bonds (Carroll College Issue), Series 2022A, in substantially the form attached as Exhibit A, as may be revised, and upon the terms set forth in said form and this Resolution, provided that all conditions to the issuance of the Series 2022A Bonds and to ensure the tax-exemption of interest thereon have been satisfied and the applicable Loan Documents, Tax Certificate and Trust Indenture in final forms are executed and delivered by all parties thereto.

The Series 2022A Bonds shall be issued in the principal amount of \$6,785,116, at a purchase price equal to 100% of the principal amount thereof, shall bear interest at a rate of 3.44% per annum, shall be dated as of the date of delivery to the Purchaser, and shall have a final maturity date of September 1, 2032.

The principal of the Series 2022A Bonds shall be subject to prepayment at times and upon the terms and conditions set forth in the 2022A Loan Agreement and the Series 2022A Bonds.

4.02. Issuance and Terms of Series 2022B Bonds. The County shall proceed forthwith to issue its Higher Education Revenue Refunding Bonds (Carroll College Issue), Taxable Series 2022B, in substantially the form attached as Exhibit A, as may be revised, and upon the terms set forth in said form and this Resolution, provided that all conditions to the issuance of the Series 2022A Bonds have been satisfied and the applicable Loan Documents and Trust Indenture in final forms are executed and delivered by all parties thereto.

The Series 2022B Bonds shall be issued in the principal amount of approximately \$4,686,884, at a purchase price equal to 100% of the principal amount thereof, shall bear interest at a rate of 4.24% per annum, shall be dated as of the date of delivery to the Purchaser, and shall have a final maturity date of September 1, 2032.

The principal of the Series 2022B Bonds shall be subject to prepayment at times and upon the terms and conditions set forth in the 2022B Loan Agreement and the Series 2022B Bonds.

4.03. Appointment of Registrar; System of Registration. The County will cause to be kept at the office of the Clerk and Recorder/Treasurer a Bond Register in which, subject to such reasonable regulations as it may prescribe, the County shall provide for the registration of transfers of ownership of the Series 2022 Bonds. The Clerk and Recorder/Treasurer is hereby appointed Bond Registrar for this purpose.

Section 5. Tax Matters Relating to the Series 2022A Bonds.

5.01. The County recognizes the obligation to comply with the provisions of Section 148(f) of the Code with respect to the Series 2022A Bonds, relating to the rebate of certain amounts to the United States, and has caused the Borrower to covenant in the 2022A Loan Agreement and Tax Certificate that it will take or will refrain from taking any actions, the result of which would be to cause the interest on the Series 2022A Bonds to become includable in gross income for purposes of federal income taxation as a result of the failure to comply with Section 148(f) of the Code and applicable Treasury Regulations. The County, by the 2022A Loan Agreement and the Tax Certificate, has obligated the Borrower to take all actions necessary to comply with the rebate requirement, including making or causing to be made the computations of rebate or penalty amounts and paying the costs of computing any such rebate or penalty amounts.

5.02. The County Officers, being among the officers of the County charged with the responsibility for issuing the Series 2022A Bonds pursuant to this resolution, are authorized and directed to execute and deliver a certificate, based on representations to be made by the Borrower, in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Series 2022A Bonds, it is reasonably expected that the proceeds of the Series 2022A Bonds will be used in a manner that would not cause the Series 2022A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and the Regulations.

5.03. “Qualified Tax-Exempt Obligations.” Pursuant to Section 265(b)(3) of the Code, the County hereby designates the Series 2022A Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code. The County has not designated any obligations in 2022 other than the Series 2022A Bonds and its \$3,000,000 Open Space General Obligation Bonds, Series 2022 (which were sold with original issue premium of \$214,883.30), under Section 265(b)(3). The County hereby represents that it does not anticipate that obligations bearing interest not includable in gross income for purposes of federal income taxation under Section 103 of the Code (including refunding obligations as provided in Section 265(b)(3) of the Code and including “qualified 501(c)(3) bonds” but excluding other “private activity bonds,” as defined in Sections 141(a) and 145(a) of the Code) will be issued by or on behalf of the County and all “subordinate entities” of the County in 2022 in an amount greater than \$10,000,000.

Section 6. Tax Matters Relating to the Series 2022B Bonds. Interest on the Series 2022B Bonds is includable in gross income for purposes of federal income taxation.

Section 7. Effective Date. This resolution shall be in full force and effect from and after its passage.

PASSED AND APPROVED by the Board of County Commissioners of the Lewis and Clark County, this 25th day of August, 2022.



LEWIS AND CLARK COUNTY,  
MONTANA

  
Chair, Board of County Commissioners

Attest:


  
County Clerk and Recorder/Treasurer

EXHIBIT A

FORM OF SERIES 2022A BOND

**AS SET FORTH MORE PARTICULARLY BELOW, THIS BOND DOES NOT CONSTITUTE OR GIVE RISE TO PECUNIARY LIABILITY OF THE COUNTY, AND IS NOT A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE COUNTY.**

UNITED STATES OF AMERICA  
STATE OF MONTANA  
COUNTY OF LEWIS AND CLARK

HIGHER EDUCATION REVENUE REFUNDING BONDS  
(CARROLL COLLEGE ISSUE), SERIES 2022A

No. R-1

<u>Interest Rate</u>	<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
3.44%	\$6,785,116	September 1, 2032	September 1, 2022

LEWIS AND CLARK COUNTY, MONTANA, a political subdivision organized and existing under the laws of the State of Montana (the "County"), for value received, hereby promises to pay to First Interstate Bank, or registered assigns (the "Holder"), at its office in Helena, Montana, or such other place as the Holder may designate in writing, solely from the source and in the manner hereinafter provided, the principal sum of SIX MILLION SEVEN HUNDRED EIGHTY FIVE THOUSAND ONE HUNDRED SIXTEEN Dollars (\$6,785,116), with interest on the outstanding principal balance at the interest rate of 3.44% per annum. Principal, premium, if any, and interest shall be payable directly by the Borrower (as defined below) in lawful money of the United States of America. This Bond is due and payable, commencing on October 1, 2022 and continuing on the first day of each calendar month thereafter through and including September 1, 2032, in substantially equal monthly payments of principal and interest, in the amounts and on the dates as set forth on Schedule 1 attached hereto.

Interest payments shall be computed on the basis of a 365-day year, with each month deemed to have 30 days (i.e., interest accrues at a daily interest rate equal to 1/365<sup>th</sup> of the interest rate, and for each full month interest is deemed to accrue for 30 days). If any Payment Date is not a Business Day, such payment shall be payable on the next succeeding Business Day.

This Bond constitutes an issue in the aggregate authorized face amount of \$6,785,116 (this "Series 2022A Bond"), issued by the County pursuant to the authority granted by Montana Code Annotated, Title 90, Chapter 5, Part 1, as amended (the "Act"), and as authorized by Resolution No. [ ], adopted by the Board of County Commissioners of the County on August 25, 2022. Proceeds of this Bond will be loaned by the County to Carroll College (the "Borrower") pursuant

to a Loan Agreement, dated September 1, 2022 (the "2022A Loan Agreement"), for the purpose of refunding certain outstanding bonds, proceeds of which financed or refinanced higher education facilities of the Borrower. The County will assign its interests (other than certain reserved interests) in the 2022A Loan Agreement to the Holder pursuant to an Assignment of Loan Agreements, dated September 1, 2022 (the "Assignment"), and the Borrower will grant a security interest in certain of its facilities pursuant to a Combination Trust Indenture, Security Agreement and Fixture Filing Statement, dated September 1, 2022 (the "2022A Trust Indenture"), to First Montana Land Title Company, as trustee, for the benefit of the Holder. Simultaneously herewith, the County is issuing its Higher Education Facilities Revenue Refunding Bonds (Carroll College Issue), Taxable Series 2022B (the "Series 2022B Bonds"), proceeds of which will be loaned to the Borrower pursuant to a Loan Agreement relating to the Series 2022B Bonds, the County's interests in which (other than certain reserved interests) are assigned to the Holder, and secured by a Combination Trust Indenture, Security Agreement and Fixture Filing Statement (the "2022B Trust Indenture"). The equal and ratable lien of the 2022A Trust Indenture and 2022B Trust Indenture will be provided for pursuant to a Parity Agreement (the "Parity Agreement"). Capitalized terms used and not otherwise defined herein have the meanings given such terms in the 2022A Loan Agreement.

This Bond is subject to prepayment, in whole or in part, at the option of the Borrower, at any time and from time to time, upon at least thirty (30) days' prior written notice to the Holder, at a price of the principal amount thereof to be prepaid, together with interest thereon, without prepayment premium or penalty. In the event the Series 2022A Bonds are prepaid in part, the Holder shall reamortize the remaining Principal Balance over the remaining term of the Series 2022A Bonds.

If the Facilities are destroyed or damaged or all or any portion of the Land and the Facilities have been taken pursuant to the exercise of the power of eminent domain, the Net Proceeds of any insurance claim or condemnation award shall be applied in prepayment of all or a portion of the Series 2022A Bonds, as the case may be, at a price of the principal amount thereof to be prepaid, together with interest thereon, without prepayment premium or penalty. In the event the Series 2022A Bonds are prepaid in part pursuant to this provision, the Holder shall reamortize the remaining Principal Balance over the remaining term of the Series 2022A Bonds.

This Bond shall be registered and shall be transferable upon the books of the County at the office of the County Clerk and Recorder/Treasurer by the Holder hereof in person or by its attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the County Clerk and Recorder/Treasurer, duly executed by the Holder or its duly authorized attorney. Upon such transfer, the County Clerk and Recorder/Treasurer will note the date of registration and the name and address of the new Holder upon the books of the County. Alternatively, the County will, at the request and expense of the Holder, issue a new Bond or Bonds in an aggregate principal amount equal to the unpaid principal balance of this Bond, and of like tenor except as to number, principal amount and the number and amount of the installments payable hereunder, and registered in the name of the Holder or such transferee as may be designated by the Holder. The County may deem and treat the person in whose name this Bond is last registered upon the books of the County with such registration also noted on this Bond, as the absolute owner hereof, whether or not this Bond is overdue, and the County shall not be affected by any notice to the contrary.



Time is of the essence under this Bond. Failure to make any payment under this Bond on or before the date on which such payment is due shall constitute an event of default under this Bond. Failure to so timely pay this Bond when due and any other Event of Default or default under the 2022A Loan Agreement, Assignment or 2022A Trust Indenture is an "Event of Default" hereunder. Upon the occurrence of an Event of Default, the Holder may at its right and option (subject, however, to such notice as may be required under the 2022A Loan Agreement or other applicable Loan Document) enforce any right conferred upon Holder under this Bond, the 2022A Loan Agreement, the Assignment, the 2022A Trust Indenture or the Parity Agreement and pursue any other right or remedy allowed by law or equity. Without limitation of the foregoing, upon the occurrence of an Event of Default, the Holder may at its right and option (subject, however, to such notice as may be required under the 2022A Loan Agreement and other applicable Loan Document) declare immediately due and payable the principal balance of this Bond and interest accrued hereon, together with any reasonable attorneys' fees incurred by the Holder in collecting or enforcing payment hereof, whether suit be brought or not, and all other sums due hereunder or under the 2022A Loan Agreement, the Assignment, the 2022A Trust Indenture or the Parity Agreement, anything to the contrary herein or therein notwithstanding, and payment hereof and thereof may be enforced and recovered in whole or in part, at any time, by one or more of the remedies provided in this Bond, the 2022A Loan Agreement, the 2022A Trust Indenture or the Parity Agreement.

**THIS BOND IS NOT A GENERAL OBLIGATION OF THE COUNTY, BUT RATHER A SPECIAL, LIMITED OBLIGATION OF THE COUNTY PAYABLE SOLELY FROM AND SECURED BY PAYMENTS TO BE MADE BY THE BORROWER UNDER THE 2022A LOAN AGREEMENT PLEDGED TO THE PAYMENT HEREOF. THIS BOND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE COUNTY AND SHALL NOT CONSTITUTE A DEBT OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NO FAILURE OF THE COUNTY OR ANY OTHER PARTY TO COMPLY WITH ANY TERM, CONDITION, COVENANT OR AGREEMENT IN THIS BOND, THE 2022A LOAN AGREEMENT OR THE ASSIGNMENT SHALL SUBJECT THE COUNTY TO LIABILITY FOR ANY CLAIM FOR DAMAGES, COSTS OR OTHER FINANCIAL OR PECUNIARY CHARGE, AND NO EXECUTION ON ANY CLAIM, DEMAND, CAUSE OF ACTION OR JUDGMENT SHALL BE LEVIED UPON OR COLLECTED FROM THE GENERAL CREDIT, GENERAL FUNDS OR TAXING POWERS OF THE COUNTY.**

This Bond has been designated by the County as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts and things required to exist, happen, and be performed precedent to or in the issuance of this Bond do exist, have happened and have been performed in regular and due time, form and manner as required by law.

IN WITNESS WHEREOF, the County has caused this Bond to be duly executed by its duly authorized officers and its official seal affixed all as of the 1st of September, 2022.

LEWIS AND CLARK COUNTY, MONTANA

By *Jim McCormick*  
Chair, Board of County Commissioners



Attest: *Amy Lewis*  
County Clerk and Recorder/Treasurer

Date of Authentication: \_\_\_\_\_

CERTIFICATE OF AUTHENTICATION

This is the series of Series 2022A Bonds delivered pursuant to the Resolution mentioned within.

County Clerk and Recorder/Treasurer,  
as Bond Registrar, Transfer Agent,  
and Paying Agent

By \_\_\_\_\_

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

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

Additional abbreviations may also be used.

### ASSIGNMENT

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

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

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

\_\_\_\_\_  
/ \_\_\_\_\_ /

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

### Signature Guarantee:

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

SCHEDULE 1

[to come]

EXHIBIT B

FORM OF SERIES 2022B BOND

**AS SET FORTH MORE PARTICULARLY BELOW, THIS BOND DOES NOT CONSTITUTE OR GIVE RISE TO PECUNIARY LIABILITY OF THE COUNTY, AND IS NOT A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE COUNTY.**

UNITED STATES OF AMERICA  
STATE OF MONTANA  
COUNTY OF LEWIS AND CLARK

HIGHER EDUCATION REVENUE REFUNDING BONDS  
(CARROLL COLLEGE ISSUE), TAXABLE SERIES 2022B

No. R-1

<u>Interest Rate</u>	<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
4.24%	[\$4,686,884]	September 1, 2032	September 1, 2022

LEWIS AND CLARK COUNTY, MONTANA, a political subdivision organized and existing under the laws of the State of Montana (the "County"), for value received, hereby promises to pay to First Interstate Bank, or registered assigns (the "Holder"), at its office in Helena, Montana, or such other place as the Holder may designate in writing, solely from the source and in the manner hereinafter provided, the principal sum of [FOUR MILLION SIX HUNDRED EIGHTY SIX THOUSAND EIGHT HUNDRED EIGHTY FOUR DOLLARS (\$4,686,884)], with interest on the outstanding principal balance at the interest rate of 4.24% per annum. Principal, premium, if any, and interest shall be payable directly by the Borrower (as defined below) in lawful money of the United States of America. This Bond is due and payable, commencing on October 1, 2022 and continuing on the first day of each calendar month thereafter through and including September 1, 2032, in substantially equal monthly payments of principal and interest, in the amounts and on the dates as set forth on Schedule 1 attached hereto.

Interest payments shall be computed on the basis of a 365-day year, with each month deemed to have 30 days (i.e., interest accrues at a daily interest rate equal to 1/365<sup>th</sup> of the interest rate, and for each full month interest is deemed to accrue for 30 days). If any Payment Date is not a Business Day, such payment shall be payable on the next succeeding Business Day.

This Bond constitutes an issue in the aggregate authorized face amount of \$6,785,116 (this "Series 2022B Bond"), issued by the County pursuant to the authority granted by Montana Code Annotated, Title 90, Chapter 5, Part 1, as amended (the "Act"), and as authorized by Resolution No. [ ], adopted by the Board of County Commissioners of the County on August 25, 2022.

Proceeds of this Bond will be loaned by the County to Carroll College (the "Borrower") pursuant to a Loan Agreement, dated September 1, 2022 (the "2022B Loan Agreement"), for the purpose of refunding certain outstanding bonds, proceeds of which financed or refinanced higher education facilities of the Borrower. The County will assign its interests (other than certain reserved interests) in the 2022B Loan Agreement to the Holder pursuant to an Assignment of Loan Agreements, dated September 1, 2022 (the "Assignment"), and the Borrower will grant a security interest in certain of its facilities pursuant to a Combination Trust Indenture, Security Agreement and Fixture Filing Statement, dated September 1, 2022 (the "2022B Trust Indenture"), to First Montana Land Title Company, as trustee, for the benefit of the Holder. Simultaneously herewith, the County is issuing its Higher Education Facilities Revenue Refunding Bonds (Carroll College Issue), Series 2022A (the "Series 2022A Bonds"), proceeds of which will be loaned to the Borrower pursuant to a Loan Agreement relating to the Series 2022A Bonds, the County's interests in which (other than certain reserved interests) are assigned to the Holder, and secured by a Combination Trust Indenture, Security Agreement and Fixture Filing Statement (the "2022A Trust Indenture"). The equal and ratable lien of the 2022B Trust Indenture and 2022A Trust Indenture will be provided for pursuant to a Parity Agreement (the "Parity Agreement"). Capitalized terms used and not otherwise defined herein have the meanings given such terms in the 2022B Loan Agreement.

This Bond is subject to prepayment, in whole or in part, at the option of the Borrower, at any time and from time to time, upon at least thirty (30) days' prior written notice to the Holder, at a price of the principal amount thereof to be prepaid, together with interest thereon, without prepayment premium or penalty. In the event the Series 2022B Bonds are prepaid in part, the Holder shall reamortize the remaining Principal Balance over the remaining term of the Series 2022B Bonds.

If the Facilities are destroyed or damaged or all or any portion of the Land and the Facilities have been taken pursuant to the exercise of the power of eminent domain, the Net Proceeds of any insurance claim or condemnation award shall be applied in prepayment of all or a portion of the Series 2022B Bonds, as the case may be, at a price of the principal amount thereof to be prepaid, together with interest thereon, without prepayment premium or penalty. In the event the Series 2022B Bonds are prepaid in part pursuant to this provision, the Holder shall reamortize the remaining Principal Balance over the remaining term of the Series 2022B Bonds.

This Bond shall be registered and shall be transferable upon the books of the County at the office of the County Clerk and Recorder/Treasurer by the Holder hereof in person or by its attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the County Clerk and Recorder/Treasurer, duly executed by the Holder or its duly authorized attorney. Upon such transfer, the County Clerk and Recorder/Treasurer will note the date of registration and the name and address of the new Holder upon the books of the County. Alternatively, the County will, at the request and expense of the Holder, issue a new Bond or Bonds in an aggregate principal amount equal to the unpaid principal balance of this Bond, and of like tenor except as to number, principal amount and the number and amount of the installments payable hereunder, and registered in the name of the Holder or such transferee as may be designated by the Holder. The County may deem and treat the person in whose name this Bond is last registered upon the books of the County with such registration also noted on this Bond, as the

absolute owner hereof, whether or not this Bond is overdue, and the County shall not be affected by any notice to the contrary.

Time is of the essence under this Bond. Failure to make any payment under this Bond on or before the date on which such payment is due shall constitute an event of default under this Bond. Failure to so timely pay this Bond when due and any other Event of Default or default under the 2022B Loan Agreement, Assignment or 2022B Trust Indenture is an "Event of Default" hereunder. Upon the occurrence of an Event of Default, the Holder may at its right and option (subject, however, to such notice as may be required under the 2022B Loan Agreement or other applicable Loan Document) enforce any right conferred upon Holder under this Bond, the 2022B Loan Agreement, the Assignment, the 2022B Trust Indenture or the Parity Agreement and pursue any other right or remedy allowed by law or equity. Without limitation of the foregoing, upon the occurrence of an Event of Default, the Holder may at its right and option (subject, however, to such notice as may be required under the 2022B Loan Agreement and other applicable Loan Document) declare immediately due and payable the principal balance of this Bond and interest accrued hereon, together with any reasonable attorneys' fees incurred by the Holder in collecting or enforcing payment hereof, whether suit be brought or not, and all other sums due hereunder or under the 2022B Loan Agreement, the Assignment, the 2022B Trust Indenture or the Parity Agreement, anything to the contrary herein or therein notwithstanding, and payment hereof and thereof may be enforced and recovered in whole or in part, at any time, by one or more of the remedies provided in this Bond, the 2022B Loan Agreement, the 2022B Trust Indenture or the Parity Agreement.

**THIS BOND IS NOT A GENERAL OBLIGATION OF THE COUNTY, BUT RATHER A SPECIAL, LIMITED OBLIGATION OF THE COUNTY PAYABLE SOLELY FROM AND SECURED BY PAYMENTS TO BE MADE BY THE BORROWER UNDER THE 2022B LOAN AGREEMENT PLEDGED TO THE PAYMENT HEREOF. THIS BOND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE COUNTY AND SHALL NOT CONSTITUTE A DEBT OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NO FAILURE OF THE COUNTY OR ANY OTHER PARTY TO COMPLY WITH ANY TERM, CONDITION, COVENANT OR AGREEMENT IN THIS BOND, THE 2022B LOAN AGREEMENT OR THE ASSIGNMENT SHALL SUBJECT THE COUNTY TO LIABILITY FOR ANY CLAIM FOR DAMAGES, COSTS OR OTHER FINANCIAL OR PECUNIARY CHARGE, AND NO EXECUTION ON ANY CLAIM, DEMAND, CAUSE OF ACTION OR JUDGMENT SHALL BE LEVIED UPON OR COLLECTED FROM THE GENERAL CREDIT, GENERAL FUNDS OR TAXING POWERS OF THE COUNTY.**

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts and things required to exist, happen, and be performed precedent to or in the issuance of this Bond do exist, have happened and have been performed in regular and due time, form and manner as required by law.

IN WITNESS WHEREOF, the County has caused this Bond to be duly executed by its duly authorized officers and its official seal affixed all as of the 1st of September, 2022.

LEWIS AND CLARK COUNTY, MONTANA

By Jim McCannick  
Chair, Board of County Commissioners



Attest: Amy Rees  
County Clerk and Recorder/Treasurer

Date of Authentication: \_\_\_\_\_

CERTIFICATE OF AUTHENTICATION

This is the series of Series 2022B Bonds delivered pursuant to the Resolution mentioned within.

County Clerk and Recorder/Treasurer,  
as Bond Registrar, Transfer Agent,  
and Paying Agent  
By \_\_\_\_\_



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

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

Additional abbreviations may also be used.

### ASSIGNMENT

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

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

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

\_\_\_\_\_/

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

Signature Guarantee:

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

SCHEDULE 1

[to come]

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of Lewis and Clark County, Montana (the "County"), hereby certify that the attached resolution is a true copy of Resolution No. \_\_\_\_\_ entitled: "RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF APPROXIMATELY \$11,472,000 HIGHER EDUCATION REVENUE REFUNDING BONDS (CARROLL COLLEGE ISSUE), CONSISTING OF \$6,785,116 SERIES 2022A BONDS AND APPROXIMATELY \$4,686,884 TAXABLE SERIES 2022B BONDS, UNDER MONTANA CODE ANNOTATED, TITLE 90, CHAPTER 5, PART 1, AS AMENDED, TO REFUND CERTAIN OUTSTANDING BONDS; APPROVING THE FORM OF DOCUMENTATION IN CONNECTION THEREWITH; AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE SERIES 2022 BONDS AND RELATED DOCUMENTATION" (the "Resolution") on file in the original records of the County in my legal custody; that the Resolution was duly adopted by the Board of County Commissioners of the County at a regular meeting on August 25, 2022, and that the meeting was duly held by the Board of County Commissioners 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 Commissioners voted in favor thereof: Jim McCormick, Tom Rolfe, Andy Hunthausen; voted against the same: \_\_\_\_\_; abstained from voting thereon: \_\_\_\_\_; or were absent: \_\_\_\_\_.

WITNESS my hand officially this \_\_\_\_\_ day of August, 2022.

Andy Reuss  
County Clerk and Recorder/Treasurer

