

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 a Resolution entitled: "RESOLUTION RELATING TO \$495,000 RURAL SPECIAL IMPROVEMENT DISTRICT NO. 2006-4 BONDS; FIXING THE FORM AND DETAILS AND PROVIDING FOR THE EXECUTION AND DELIVERY THEREOF AND SECURITY THEREFOR" (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 meeting on June 28, 2007, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: Michael Murray, Andy Hunthausen, and Ed Tinsley; voted against the same: none; abstained from voting thereon: none; or were absent: none.

WITNESS my hand and seal officially this 28 day of June, 2007.

(SEAL)

Paulette W. Hart
County Clerk and Recorder



3131906
Page: 1 of 27
07/09/2007 11:11A
Bk-M36 Pg-8392

RESOLUTION NO. 2007-72

RESOLUTION RELATING TO \$495,000 RURAL SPECIAL
IMPROVEMENT DISTRICT NO. 2006-4 BONDS; FIXING THE
FORM AND DETAILS AND PROVIDING FOR THE
EXECUTION AND DELIVERY THEREOF AND SECURITY
THEREFOR

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

Section 1. Recitals. It is hereby found, determined and declared as follows:

1.01. Resolution of Intention. By Resolution No. 2006-39, adopted April 18, 2006 (the "Resolution of Intention"), this Board declared its intention to create Rural Special Improvement District No. 2006-4 (the "District"), for the purpose of making special improvements for the special benefit of the District. The Resolution of Intention designated the number of the District, described the boundaries thereof, stated whether the District was an extended district and stated the general character of the improvements to be made (the "Improvements") and an approximate estimate of the costs thereof, in accordance with the provisions of Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended (the "Act"). By the Resolution of Intention this Board also declared its intention to cause the cost and expense of making the improvements specially benefiting the District to be assessed against the properties included within the boundaries thereof in accordance with one or more methods of assessment authorized in Montana Code Annotated, Section 7-12-2151 and as set forth in the Resolution of Intention.

In the Resolution of Intention, this Board further found that it is in the public interest, and in the best interest of the County and the District, to secure payment of principal of and interest on the Bonds by the Rural Special Improvement District Revolving Fund of the County, on the basis of the factors required to be considered under Section 7-12-2185 of the Act, and by a separate account in the District Fund (the "District Reserve Account"). Those findings are hereby ratified and confirmed.

1.02. Notices. Notice of the passage of the Resolution of Intention was given by two publications, with at least six days between publications, in a qualified newspaper of general circulation in the County or, if no such newspaper is published, in a qualified newspaper published in an adjacent county, as required by Montana Code Annotated, Sections 7-12-2105(1) and 7-1-2121. Notice of the passage of the Resolution of Intention was also mailed to all persons, firms or corporations or the agents thereof having real property within the District listed in their names upon the last completed assessment roll for state, county and school district taxes, at their last known addresses. The notice described the general character of the Improvements, stated the estimated cost of the Improvements and the method or methods of assessment of such costs against properties in the District, specified the time when and the place where the Board would hear and pass upon all protests made against the making of the Improvements or the creation or extension of the District, referred to the Resolution of Intention as being on file in the office of the County Clerk and Recorder for a description of the boundaries of the District, all in accordance with the provisions of the Resolution of Intention, and included a statement that,



Lewis & Clark County

COUNTY

3131906

Page: 2 of 27
07/09/2007 11:11A

Bk-M36 Pg-8392

subject to the limitations of Section 7-12-2182 of the Act, the general fund of the County may be used to provide loans to the revolving fund or a general tax levy may be imposed on all taxable property in the County to meet the financial requirements of the revolving fund.

1.03. Creation of District. At the time and place specified in the notice hereinabove described, this Board met to hear, consider and pass upon all protests made against the making of the Improvements and the creation of the District, and, after consideration thereof, it was determined and declared that insufficient protests against the creation or extension of the District or the proposed work had been filed in the time and manner provided by law by the owners of the property to be assessed for the Improvements in the District, and this Board did therefore by Resolution No. 2006-52, adopted June 8, 2006, create the District and order the proposed Improvements in accordance with the Resolution of Intention. In the resolution, the Board of County Commissioners also confirmed the findings it made with respect to the pledge of the Revolving Fund in the Resolution of Intention.

1.04. Construction Contracts. Plans, specifications, maps, profiles and surveys for construction of the Improvements were prepared by the engineers acting for the County, and were thereupon examined and approved by this Board. An advertisement for bids for construction of the Improvements was published in the official newspaper of the County in accordance with the provisions of Montana Code Annotated, Section 7-12-2131, after which the bids theretofore received were opened and examined. After referring the bids to the engineers for the County it was determined that the lowest regular proposal for the furnishing of all work and materials required for constructing the Improvements in accordance with the approved plans and specifications was the following:

<u>Work</u>	<u>Bidder</u>	<u>Contract Price</u>
Reconstruction of McHugh Lane	Helena Sand and Gravel	\$366,188.50

A contract for the construction of the Improvements was therefore awarded to said bidder, subject to the right of owners of property liable to be assessed for the costs thereof to elect to take the work and enter into written contracts therefor in the manner provided by Montana Code Annotated, Section 7-12-4147, which election the property owners failed to make, whereupon the County and the successful bidder entered into a written contract for construction of the Improvements upon the bidder having executed and filed bonds satisfactory to this Board and in the form and manner provided by Montana Code Annotated, Title 18, Chapter 2, Part 2, as amended.

1.05. Costs. It is currently estimated that the costs and expenses to be assessed against properties benefitted by the Improvements, including costs of preparation of plans, specifications, maps, profiles, engineering superintendence and inspection, preparation of assessment rolls, expenses of making the assessments, the cost of work and materials under the construction contract and all other costs and expenses, including the deposits of proceeds in the reserve account in the District Fund and in the Revolving Fund, are \$495,000. Such amount will be levied and assessed upon the assessable real property within the District on the bases described in the Resolution of Intention. This Board has jurisdiction and is required by law to



levy and assess such amount, to collect such special assessments and credit the same to the rural special improvement district fund created for the District, which fund is to be maintained on the official books and records of the County separate from all other County funds, for the payment of principal and interest when due on the bonds herein authorized.

1.06. Sale and Issuance of Bonds. For the purpose of financing the costs and expenses of making the Improvements, which are to be assessed against the property within the District as provided in the Resolution of Intention, this Board by Resolution No. 2007-59, adopted June 5, 2007, called for the public sale of bonds in the total aggregate amount of \$495,000 (the "Bonds"). Advertisements for bids for the purchase of the Bonds were published in accordance with the provisions of Montana Code Annotated, Sections 7-12-2172, 7-7-4252 and 17-5-106. The Board hereby authorizes the County to enter into a contract with Wells Fargo Brokerage Services, LLC, of Minneapolis, Minnesota (the "Purchaser"), pursuant to which the Purchaser agreed to purchase from the County the Bonds at a purchase price of \$494,676.30 plus interest accrued thereon from the date of original issue of the Bonds, at the rates of interest set forth in Section 2.01 hereof and upon the further terms set forth in this resolution resulting in a true interest cost of 4.375907% per annum and a total dollar interest cost of \$189,480.00.

1.07. Recitals. All acts, conditions and things required by the Constitution and laws of the State of Montana, including Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended, in order to make the Bonds valid and binding special obligations in accordance with their terms and in accordance with the terms of this resolution have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required.

Section 2. The Bonds.

2.01. Principal Amount, Maturities, Denominations, Date, Interest Rates. For the purpose of paying the costs and expenses incurred in construction of the Improvements, and in anticipation of the collection of special assessments to be levied therefor, and in accordance with the proposal described in Section 1.06, the County shall forthwith issue and deliver to the Purchaser the Bonds payable solely from the Rural Special Improvement District No. 2006-4 Fund (the "District Fund") and denominated "Rural Special Improvement District No. 2006-4 Bonds." The Bonds shall be dated, as originally issued, and be registered as of July 1, 2007, shall each be in the denomination of \$5,000 or any integral multiple thereof of single maturities, shall mature on July 1 in the years and principal amounts set forth below, and Bonds maturing in such years and principal amounts shall bear interest from the date of original registration until paid or duly called for redemption at the rates per annum set forth opposite such years and amounts, respectively:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2008	\$25,000	4.100%	2012	30,000	4.100%
2009	25,000	4.100	2016*	125,000	4.400
2010	25,000	4.100	2019*	110,000	4.400
2011	30,000	4.100	2022*	125,000	4.400

*Term bond subject to mandatory sinking fund redemption as set forth in Section 2.06 below.



3131906
 Page: 4 of 27
 07/09/2007 11:11A
 Lewis & Clark County COUNTY Bk-M36 Pg-8392

Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

2.02. Interest Payment Dates. Interest on the Bonds shall be payable on each January 1 and July 1, commencing January 1, 2008, to the owners of record thereof as such appear on the bond registrar at the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day. Upon the original delivery of the Bonds to the Purchaser and upon each subsequent transfer or exchange of a Bond pursuant to Section 2.04, the Registrar shall date each Bond as of the date of its authentication.

2.03. Method of Payment. The Bonds shall be issued only in fully registered form. The interest on and, upon surrender thereof at the operations center of the Registrar (as hereinafter defined), the principal of each Bond, shall be payable by check or draft drawn on the Registrar.

2.04. Registration. The County hereby appoints U.S. Bank National Association, of Seattle, Washington, to act as registrar, transfer agent and paying agent (the "Registrar"). The County reserves the right to appoint a bank, trust company or financial institution as successor bond registrar, transfer agent or paying agent, as authorized by the Model Public Obligations Registration Act of Montana, Montana Code Annotated, Title 17, Chapter 5, Part 11, as amended (the "Registration Act"), but the County agrees to pay the reasonable and customary charges of the Registrar for the services performed. This Section 2.04 shall establish a system of registration for the Bonds as defined in the Registration Act.

The effect of registration and the rights and duties of the County and the Registrar with respect thereto shall be as follows:

(a) Bond Register. The Registrar shall keep at its operations center a bond register in which the Registrar shall provide for the registration of ownership of the Bonds and the registration of transfers and exchanges of the Bonds entitled to be registered, transferred or exchanged.

(b) Transfer. Upon surrender to the Registrar for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer of any Bond or portion thereof selected or called for redemption. No transfer or exchange of a Bond shall affect its order of registration for purposes of redemption pursuant to Section 2.05.

(c) Exchange. Whenever any Bond is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount, interest rate and maturity, as requested by the registered owner or the owner's attorney duly authorized in writing.



(d) Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the County.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The County and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the County upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer of Bonds or exchange of Bonds (except an exchange upon a partial redemption of a Bond), the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the County and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be cancelled by it and evidence of such cancellation shall be given to the County. If the mutilated, destroyed, stolen or lost Bond has already matured or such Bond has been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment.

2.05. Redemption.

(a) Mandatory Redemption. If on any interest payment date there will be a balance in the District Fund after payment of the principal and interest due on all Bonds drawn against it, either from the prepayment of special assessments levied in the District or from the transfer of surplus money from the Construction Account to the Principal Account as provided in Section 3.02 or otherwise, the County Treasurer shall call for redemption on the interest payment date



outstanding Bonds, or portions thereof, in an amount which, together with the interest thereon to the interest payment date, will equal the amount of such funds on deposit in the District Fund on that date. The redemption price shall equal the amount of the principal amount of the Bonds to be redeemed plus interest accrued to the date of redemption.

(b) Optional Redemption. The Bonds are subject to redemption, in whole or in part, at the option of the County from sources of funds available therefor other than those described under Section 2.05(a) on the terms of this paragraph. The Bonds with stated maturities on or after July 1, 2013 will be subject to redemption on July 1, 2012, and any date thereafter, at the option of the County, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium.

(c) Selection of Bonds for Redemption; Partial Redemption. If less than all of the Bonds are to be redeemed, Bonds shall be redeemed in order of the stated maturities thereof. If less than all Bonds of a stated maturity are to be redeemed, the Bonds of such maturity shall be selected for redemption in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair. Upon partial redemption of a Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount thereof outstanding.

(d) Notice and Effect of Redemption. The date of redemption and the principal amount of the Bonds shall be fixed by the County Treasurer, who shall give notice thereof to the Registrar in sufficient time for the Registrar to give notice, by first class mail, postage prepaid, or by other means required by the securities depository, to the owner or owners of such Bonds at their addresses appearing in the bond register, of the numbers of the Bonds or portions thereof to be redeemed and the date on which payment will be made, which date shall be not less than thirty (30) days after the date of mailing notice. On the date so fixed interest on the Bonds or portions thereof so redeemed shall cease.

(e) Notification to the Paying Agent. Upon request by the County under the above sections 2.05(a) and 2.05(b), the Registrar shall give notice of redemption as directed provided that the County has given the Registrar such request at least 45 days prior to the redemption date.

2.06. Mandatory Sinking Fund Redemption. The Bonds having stated maturities in 2016, 2019, and 2022 are subject to mandatory sinking fund redemption on July 1 in the respective years and the respective principal amounts set forth below in \$5,000 principal amounts selected by the Registrar, by lot or other manner it deems fair, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date:

Stated Maturity of Term Bonds (July 1)	Sinking Fund Payment Date (July 1)	Principal Amount on Sinking Fund Payment Date
2016	2013	\$30,000
	2014	30,000
	2015	30,000



Lewis & Clark County

COUNTY

3131906

Page: 7 of 27
07/09/2007 11:11A

Bk-M36 Pg-8392

Stated Maturity of Term Bonds (July 1)	Sinking Fund Payment Date (July 1)	Principal Amount on Sinking Fund Payment Date
2019	2017	\$35,000
	2018	35,000
2022	2020	\$40,000
	2021	40,000

If the term bonds with stated maturities in 2016, 2019, and 2022 are not previously purchased by the District in the open market or prepaid, in respect of the term bond maturing in 2016, \$35,000 in principal amount would remain to mature in 2016, in respect of the term bond maturing in 2019, \$40,000 in principal amount would remain to mature in 2019, and in respect of the term bond maturing in 2022, \$45,000 in principal amount would remain to mature in 2022. The principal amounts of the term bonds having a stated maturity in 2016, 2019, and 2022 required to be redeemed on the above Sinking Fund Payment Dates shall be reduced by the principal amount of any such term bonds theretofore redeemed at the option of the District and not previously applied to reduce the principal amount of such bonds on a Sinking Fund Payment Date.

2.07. Form. The Bonds shall be drawn in substantially the form set forth in Exhibit A hereto, and by this reference made a part hereof, with such modifications as are permitted by the Act.

2.08. Execution, Registration and Delivery. The Bonds shall be prepared under the direction of the County Treasurer and shall be executed on behalf of the County by the signatures of the Chair of the Board of County Commissioners, the County Clerk and Recorder and the County Treasurer; provided that the signatures and the seal may be printed, engraved or lithographed facsimiles of the originals. The seal of the County need not be impressed or imprinted on any Bond. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless a certificate of authentication on such Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution. The Bonds shall be registered in order of their serial numbers by the Registrar, as attested by the Certificate of Authentication, as of the date of delivery of the Bonds. When the Bonds have been so executed, authenticated and registered, they shall be delivered by the Registrar to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed. The Purchaser shall not be obligated to see to the application of the purchase price, but from the proceeds of the Bonds the County Treasurer shall credit forthwith \$24,750 to the Revolving Fund, as required by Section 7-12-



3131906

Page: 8 of 27
07/09/2007 11:11A

Lewis & Clark County

COUNTY

Bk-M36 Pg-8392

2153(2) of the Act, any accrued interest to the Interest Account in the District Fund, \$24,750 to the District Reserve Account, and the balance of such proceeds, less underwriter's discount, to the Construction Account in the District Fund.

2.09. Securities Depository for the Bonds.

(a) For purposes of this Section 2.09, the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person's subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds the Bonds as securities depository.

“Representation Letter” shall mean the Blanket Issuer Letter of Representations from the County to DTC, attached to this resolution as Exhibit B, which is hereby incorporated by reference and made a part hereof.

(b) The Bonds shall be initially issued as separately authenticated fully registered Bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the County may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this Resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the County shall be affected by any notice to the contrary. Neither the Registrar nor the County shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other Person which is not shown on the Bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this Resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so

paid. No Person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the County to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the County determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of Bond certificates, the County may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the County and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The Representation Letter sets forth certain matters with respect to, among other things, notices, consents and approvals by registered owners of the Bonds and Beneficial Owners and payments on the Bonds. The Registrar shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this resolution.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this Resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of Bond certificates and the method of payment of principal of and interest on such Bonds in the form of Bond certificates.

Section 3. District Fund; Assessments.

3.01. District Fund. There is hereby created and established the District Fund designated as the "Rural Special Improvement District No. 2006-4 Fund," which shall be maintained by the County Treasurer on the books and records of the County separate and apart from all other funds of the County. Within the District Fund there shall be maintained four separate accounts, designated as the "Construction Account," "Principal Account," "Interest Account," and "District Reserve Account," respectively.

3.02. Construction Account. There shall be credited to the Construction Account certain proceeds of the sale of the Bonds as provided in Section 2.08. Any earnings on investment of money in the Construction Account shall be retained therein. All costs and expenses of constructing the Improvements to be paid from proceeds of the Bonds shall be paid from time to time as incurred and allowed from the Construction Account in accordance with the provisions of applicable law, and money in the Construction Account shall be used for no other purpose; provided that upon completion of the Improvements and after all claims and expenses with respect to the Improvements have been fully paid and satisfied, any money remaining in the

