

INDENTURE OF TRUST

between

SCHOOL DISTRICT NO. 9 (BROWNING), GLACIER COUNTY, MONTANA

and

U.S. BANK NATIONAL ASSOCIATION

as Trustee

Dated as of July 15, 2020

TABLE OF CONTENTS

[Not a part of the Indenture; for convenience of reference only.]

	<u>Page</u>
RECITALS.....	1
ARTICLE ONE DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION	3
Section 1.01. Definitions	3
Section 1.02. Compliance Certificates and Opinions	11
Section 1.03. Form of Documents Delivered to Trustee	12
Section 1.04. Actions of Bondholders	12
Section 1.05. Notices, etc., to Trustee and District	13
Section 1.06. Notices to Bondholders; Waiver	13
Section 1.07. Effect of Headings and Table of Contents	13
Section 1.08. Successors and Assigns	13
Section 1.09. Severability Clause	13
Section 1.10. Exhibits	14
Section 1.11. Governing Law; Execution Counterparts	14
Section 1.12. Limitation on District Liability	14
Section 1.13. Limitation of Rights	14
Section 1.14. Designation of Trustee	14
ARTICLE TWO THE BONDS	14
Section 2.01. General Title and Limitations	14
Section 2.02. Issuable in Series; Payments on Non-Business Days	15
Section 2.03. Terms of Particular Series	15
Section 2.04. Form and Denominations	16
Section 2.05. Execution, Authentication and Delivery	16
Section 2.06. Certificate of Authentication	16
Section 2.07. Temporary Bonds	16
Section 2.08. Registration, Transfer and Exchange	17
Section 2.09. Mutilated, Destroyed, Lost and Stolen Bonds	18
Section 2.10. Payment of Interest; Interest Rights Preserved	18
Section 2.11. Persons Deemed Owners	19
Section 2.12. Cancellation	19
Section 2.13. Election to Redeem; Notice to Trustee	19
Section 2.14. Selection of Bonds to Be Redeemed	19
Section 2.15. Notice of Redemption	20
Section 2.16. Bonds Payable on Redemption Date	20
Section 2.17. Bonds Redeemed in Part	20
ARTICLE THREE THE SERIES 2020 BONDS	21
Section 3.01. Title, Principal Amount, Denominations, and Stated Maturity of Series 2020 Bonds	21
Section 3.02. Payments of Principal and Interest	21
Section 3.03. Optional Redemption of Series 2020 Bonds	21
Section 3.04. Reserved	22
Section 3.05. Notice of Redemption	22

Section 3.06. Authentication and Delivery of Series 2020 Bonds22
Section 3.07. Deposit of Series 2020 Bond Proceeds22
Section 3.08. Form of Series 2020 Bonds22
Section 3.09. Negotiability, Transfer, and Registration22

ARTICLE FOUR ADDITIONAL BONDS.....23

Section 4.01. General Requirements23
Section 4.02. Additional Bonds To Pay Costs of Projects24
Section 4.03. Additional Bonds for Refunding Purposes.....25
Section 4.04. Subordinated Obligations25

ARTICLE FIVE APPLICATION OF PLEDGED REVENUES AND TRUST MONEY; CREATION OF FUNDS.....26

Section 5.01. Bond Proceeds and Pledged Revenues Pledged and Appropriated; Creation of Trust Funds26
Section 5.02. “Trust Money” Defined.....28
Section 5.03. Project Fund.....28
Section 5.04. Cost of Issuance Fund28
Section 5.05. Impact Aid Revenue Bond Debt Service Fund29
Section 5.06. Impact Aid Revenue Bond Debt Service Reserve Fund29
Section 5.07. Fee Payments.....30
Section 5.08. Investments.....30
Section 5.09. Trust Money32
Section 5.11. Rebate Fund.....32
Section 5.12. Additional Funds and Accounts32

ARTICLE SIX SATISFACTION AND DISCHARGE32

Section 6.01. Satisfaction and Discharge of Indenture.....32
Section 6.02. Defeasance of Bonds33
Section 6.03. Application of Trust Money33

ARTICLE SEVEN EVENTS OF DEFAULT; REMEDIES34

Section 7.01. Events of Default.....34
Section 7.02. Remedies34
Section 7.03. Trustee May File Proofs of Claim.....34
Section 7.04. Trustee May Enforce Claims Without Possession of Bonds.....35
Section 7.05. Application of Money Collected35
Section 7.06. Limitation on Suits35
Section 7.07. Unconditional Right of Bondholders to Receive Principal, Premium and Interest.....36
Section 7.08. Restoration of Rights and Remedies36
Section 7.09. Rights and Remedies Cumulative36
Section 7.10. Delay or Omission Not Waiver36
Section 7.11. Control by Bondholders36
Section 7.12. Waiver of Past Defaults.....37
Section 7.13. Undertaking for Costs.....37
Section 7.14. Suits To Protect Trust Estate37
Section 7.15. Rights of Bond Insurer as Deemed Holder and Upon Default.....37

ARTICLE EIGHT THE TRUSTEE38

- Section 8.01. Certain Duties and Responsibilities.....38
- Section 8.02. Notice of Defaults; Other Notices39
- Section 8.03. Certain Rights of Trustee.....39
- Section 8.04. Not Responsible for Recitals or Issuance of Bonds40
- Section 8.05. May Hold Bonds.....40
- Section 8.06. Money Held in Trust40
- Section 8.07. Compensation and Reimbursement.....40
- Section 8.08. Corporate Trustee Required; Eligibility41
- Section 8.09. Resignation and Removal; Appointment of Successor41
- Section 8.10. Acceptance of Appointment by Successor42
- Section 8.11. Merger, Conversion, Consolidation or Succession to Business42

ARTICLE NINE BONDHOLDERS’ LISTS AND MEETINGS.....43

- Section 9.01. Communications to Bondholders43
- Section 9.02. Purposes for Which Bondholders’ Meetings May Be Called43
- Section 9.03. Place of Meetings of Bondholders44
- Section 9.04. Call and Notice of Bondholders’ Meetings44
- Section 9.05. Persons Entitled To Vote at Bondholders’ Meetings44
- Section 9.06. Determination of Voting Rights; Conduct and Adjournment of Meetings44
- Section 9.07. Counting Votes and Recording Action of Meetings45
- Section 9.08. Revocation by Bondholders45

ARTICLE TEN SUPPLEMENTAL INDENTURES.....45

- Section 10.01. Supplemental Indentures45
- Section 10.02. Execution of Supplemental Indentures.....47
- Section 10.03. Effect of Supplemental Indentures47
- Section 10.04. Reference in Bonds to Supplemental Indentures.....47

ARTICLE ELEVEN COVENANTS47

- Section 11.01. Payment of Principal, Premium and Interest.....47
- Section 11.02. Money for Bond Payments to Be Held in Trust.....48
- Section 11.03. Against Encumbrances48
- Section 11.04. Books and Accounts; Financial Statements48
- Section 11.05. Further Assurances48
- Section 11.06. Change in 2020 Project49
- Section 11.07. Notices of Failure to Comply with Program Requirements49
- Section 11.08. Filing of Impact Aid Application49
- Section 11.09. Irrevocable Wiring Instructions of Trustee49
- Section 11.10. Irrevocable Wiring Instructions of the District49
- Section 11.11. Annual Audit49
- Section 11.12. Observance and Performance of Covenants, Agreements, Authority and Actions.....50

EXHIBIT A—Description of the 2020 Project

EXHIBIT B—Form of the Series 2020 Bonds

EXHIBIT C—Form of the District Request for disbursements from the Project Fund

INDENTURE OF TRUST

This INDENTURE OF TRUST (this “Indenture”), dated as of July 15, 2020, between SCHOOL DISTRICT NO. 9 (BROWNING), GLACIER COUNTY, MONTANA (as hereinafter defined, the “District”) and U.S. BANK NATIONAL ASSOCIATION, whose Principal Corporate Trust Office is located in Salt Lake City, Utah, a national banking association organized and existing under laws of the United States (as hereinafter defined, the “Trustee”), provides as follows:

WITNESSETH:

WHEREAS, under the provisions of Montana Code Annotated, Title 20, Chapter 9, Part 4, as amended (the “Act”), a school district is authorized to issue its federal impact aid revenue bonds for the purpose of building, altering, repairing, buying, furnishing, equipping, purchasing lands for, and/or obtaining a water supply for a school, teacherage, dormitory, gymnasium, other building, or combination of said buildings for school purposes, and funding a debt service reserve, upon approval of the electorate of the district; and

WHEREAS, at an election duly called and held September 25, 2018, the requisite majority of the qualified electors of the District authorized the sale and issuance of Impact Aid Revenue School Building Bonds of the District in the aggregate principal amount of up to \$3,955,000 for the purpose of paying a portion of the costs of designing, constructing, furnishing, and equipping improvements to the Browning Middle School facilities, to include building a new gymnasium and locker rooms, a new kitchen, and a new commons area, and installing new boilers; remodeling the existing kitchen and gymnasium; upgrading building finishes; upgrading the track and practice fields and paved areas; related improvements (the “2020 Project”); and paying costs associated with the sale and issuance of the bonds; and

WHEREAS, the District has determined to issue and sell impact aid revenue school building bonds of the District in the aggregate principal amount of \$3,955,000 (the “Series 2020 Bonds”) in order to finance a portion of the costs of the 2020 Project and pay costs associated with the sale and issuance of the Series 2020 Bonds; and

WHEREAS, the District has duly authorized the creation, execution, and delivery from time to time of its Bonds (as hereinafter defined), and to secure the Bonds and to provide for their authentication and delivery by the Trustee, the District has duly authorized the execution and delivery of this Indenture; and

WHEREAS, the indebtedness to be evidenced by the Series 2020 Bonds and all other impact aid revenue bond indebtedness of the District does not exceed the limitation as set forth in Section 20-9-406 of the Act. The District has full power and authority to issue the Series 2020 Bonds; and

WHEREAS, the Series 2020 Bonds and any Additional Bonds (as hereinafter defined) will be equally and ratably secured by a first lien on the Pledged Revenues and other amounts constituting the Trust Estate (as hereinafter defined) as further described herein; and

WHEREAS, Section 20-9-472 of the Act authorizes the use of an indenture such as this Indenture to secure the repayment of and provide for other details regarding impact aid revenue bonds; and

WHEREAS, pursuant to resolution of the Board of Trustees of the District on June 24, 2020, this Indenture has been approved by and constitutes the act of the Board of Trustees; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued and delivered as provided herein, the legal, valid, binding and enforceable special, limited obligations of the District, and to create a valid assignment and pledge of the Pledged Revenues to the payment of the Bonds, and to constitute this Indenture a valid first priority lien and security agreement and contract for the security of the Bonds, have been done and performed, and the execution and delivery of this Indenture and the execution, issuance and delivery of the Series 2020 Bonds, subject to the terms hereof, have in all respects been authorized.

NOW, THEREFORE, KNOW ALL BY THESE PRESENTS, THIS INDENTURE WITNESSETH:

That the District, in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the holders thereof, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and the interest on the Bonds and all other amounts payable by the District pursuant to the terms of the Bonds or this Indenture according to their tenor and effect and to ensure the performance and observance of all of the agreements expressed or implied therein and herein and in the Bonds, does by these presents give, grant, assign, pledge and transfer to the Trustee, and to its successors in the trusts hereby created, and to them and their assigns forever and grant a security interest and first priority lien to them in the following (collectively, the "Trust Estate"):

GRANTING CLAUSE I

All right, title and interest of the District in and to the Pledged Revenues; and

GRANTING CLAUSE II

All amounts on deposit from time to time in the Trust Funds (as hereinafter defined), and any investments in which such amounts may be invested and the income therefrom and proceeds thereof, subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein; and

GRANTING CLAUSE III

All proceeds from any property described in these Granting Clauses hereof, and any and all other property of every name and nature from time to time hereafter by delivery or by writing of any kind pledged, assigned or transferred, as and for additional security hereunder, by the District or by anyone on its behalf or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby given, granted, assigned, pledged and transferred, or agreed or intended so to be, to the Trustee and its successors in said trusts and to them and their assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trust herein set forth for the equal and proportionate benefit, security and protection of all present and future Holders of the Bonds (as hereinafter defined), without privilege, priority or distinction as to lien or otherwise of any of the Bonds over any of the other;

PROVIDED, HOWEVER, that when the principal of, premium, if any and as applicable, and interest on all of the Bonds secured hereby have been paid, or shall be deemed to have been paid in accordance with the terms and provisions of this Indenture, in full and all other conditions specified in Section 6.01 shall have been satisfied, then this Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Indenture shall be and remain in full force and effect.

BE IT DULY NOTED THAT the pledge made hereunder is made pursuant to the Act and, as such, is valid and binding from the time the pledge is made, and the money received by the Trustee on behalf of the District to be placed in the Impact Aid Revenue Bond Debt Service Fund or, but only if applicable, the Impact Aid Revenue Bond Debt Service Reserve Fund (each as hereinafter described) is immediately subject to the lien of the pledge without any future physical delivery or further act. A lien of any pledge hereunder is valid and binding against all parties that have claims of any kind against the District, regardless of whether the parties have notice of the lien. This Indenture creates the pledge and is notice of the creation of the pledge, and this Indenture is not required to be recorded in any other place to perfect the pledge.

BE IT FURTHER DULY NOTED THAT pursuant to the Act, the State of Montana pledges to and agrees with the holders of impact aid revenue school building bonds that the State will not limit, alter, or impair the ability of a school district to qualify for impact aid revenue or in any way impair the rights and remedies of the bondholders until all bonds issued under the Act, together with interest on the bonds, interest on any unpaid installments of principal or interest, and all costs and expenses in connection with any action or proceedings by or on behalf of the bondholders, are fully met and discharged.

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all property hereby given, granted, assigned, pledged, conveyed or transferred is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, agreements, trusts, uses and purposes as hereinafter expressed, and the District has agreed and DOES HEREBY AGREE with the Trustee and with the respective Holders, from time to time, of the Bonds or any part thereof, as follows:

ARTICLE ONE
DEFINITIONS AND OTHER PROVISIONS
OF GENERAL APPLICATION

Section 1.01. Definitions. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

- (1) the terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular;
- (2) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; and
- (3) “or” is not intended to be exclusive but to contemplate or encompass one, more or all of the alternatives conjoined.

“Accountant” means any Person engaged in the practice of accounting as a certified public accountant, whether or not employed by the District.

“Act” means Montana Code Annotated, Title 20, Chapter 9, Part 4, including any amendment thereof.

“Act of Bankruptcy” means any of the following events:

(i) The District shall (a) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or the like of the District or of all or a substantial part of its property, (b) commence a voluntary case under the United States Bankruptcy Code (as now or hereafter in effect), or (c) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts; or

(ii) A proceeding or case shall be commenced, without the application or consent of the District, in any court of competent jurisdiction, seeking (a) the liquidation, reorganization, dissolution, winding-up, or the composition or adjustment of debts, of the District, (b) the appointment of a trustee, receiver, custodian, liquidator or the like of the District or of all or any substantial part of the assets of the District, or (c) similar relief in respect of the District under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts.

“Action” when used with respect to any Bondholder has the meaning specified in Section 1.04.

“Additional Bonds” means any Bonds which are issued on a parity basis pursuant to Sections 4.01 and 4.02 or 4.03 below.

“Affiliate” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “control” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing. In respect of the District, an Affiliate shall be any member of a “controlled group” (within the meaning of Treasury Regulations, Section 1.150-1(e)) of which the District is a member.

“Amortization Bonds” means a form of bonds as to which principal and interest payments are owing in periodic installments over the term of the bonds in a manner that results in equal or substantially equal total annual payments of principal and interest as reflected in an amortization schedule attached to or relating to the bonds.

“Annual Principal and Interest Requirements” means, for the applicable Bond Year, the aggregate Principal and Interest Requirements payable during such Bond Year on Outstanding Bonds; provided that interest payable on a series of Bonds in any Bond Year shall be excluded from the determination of Annual Principal and Interest Requirements in such Bond Year to the extent that amounts are on deposit in the Impact Aid Revenue Bond Debt Service Fund and available to pay such interest on such series.

“Application” means the application to be submitted annually by the District to the Department Education to be eligible for receipt of Impact Aid Revenues pursuant to Federal Aid Authorization, such application currently styled as an electronic application accessible on the Department of Education’s website, as it may be amended from time to time.

“Board” means the Board of Trustees of the District.

“Bond” or “Bonds” means any Bond or Bonds authenticated and delivered hereunder on a parity lien basis, including the Series 2020 Bonds and any Additional Bonds, and excludes Subordinate Obligations.

“Bond Counsel” means a lawyer or law firm having a favorable reputation for opinions as to the validity and tax-exempt character of interest on municipal bonds or notes, retained by the District and acceptable to the Trustee.

“Bondholder” means a Person in whose name a Bond is registered in the Bond Register.

“Bond Insurance Policy” means a policy of municipal bond insurance or other credit enhancement device issued by a Bond Insurer insuring or otherwise guaranteeing payment of the principal of and interest on Bonds.

“Bond Insurer” means with respect to a series of Bonds, the bond insurer, if any, named in the Supplemental Indenture authorizing the issuance of the series of Bonds that has issued a Bond Insurance Policy securing the payment of all or a portion of Bonds of such series.

“Bond Register” and “Bond Registrar” have the respective meanings specified in Section 2.08.

“Bond Year” means the calendar year beginning January 1 and ending December 31, as such bond year may be adjusted as permitted herein.

“Business Day” means any day other than a Saturday, Sunday, or other day on which commercial banks in which the Principal Corporate Trust Office of the Trustee is located are not open for business.

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2020 Bonds.

“Closing Date” means, with respect to any series of Bonds, the date on which the Bonds of that series are initially issued and delivered to the initial purchasers thereof in accordance with the terms hereof.

“Completion Date” means, in respect of the 2020 Project, the date of completion of the 2020 Project, established as provided in Section 5.03 hereof.

“Costs of Issuance” means the items of expense payable or reimbursable directly or indirectly by the District and related to the authorization, sale and issuance of Bonds, which items of expense may include, without limitation, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee and Paying Agents, underwriters’ discounts, legal fees and charges, financial advisors’ and professional consultants’ fees, costs of credit ratings, premiums and other expenses for a Bond Insurance Policy, fees and charges for execution, transportation and safekeeping of Bonds, refunding of Bonds, and other costs, charges and fees related to the foregoing.

“Cost of Issuance Fund” means the fund so designated created by Sections 5.01 and 5.04.

“Default” means an Event of Default and an event or condition, the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

“Defaulted Interest” has the meaning specified in Section 2.10.

“Defeasance Obligation” means Government Obligations which are not subject to redemption or prepayment other than at the option of the holder thereof.

“Department of Education” means the U.S. Department Education and any successor to its functions.

“District” means School District No. 9 (Browning), Glacier County, Montana, or any successors to its functions under this Indenture.

“District Certificate” means a certificate signed by the Chair of the Board, or if he or she is unavailable, the deputy Chair, and by the District Clerk, or if he or she is unavailable, the deputy District Clerk, and delivered to the Trustee.

“District Request,” “District Order” and “District Consent” mean, respectively, a written request, order or consent signed in the name of the District by the Chair of the Board, or if he or she is unavailable, the Vice Chair, and by the District Clerk, or if he or she is unavailable, the deputy District Clerk, and delivered to the Trustee.

“District Resolution” means a copy of a resolution certified by the District Clerk, or if he or she is unavailable, a deputy District Clerk, to have been duly adopted by the District Board and to be in full force and effect on the date of such certification, and delivered to the Trustee.

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

“ESEA” means the Elementary and Secondary Education Act of 1965.

“Event of Default” has the meaning specified in Article Seven.

“Federal Aid Authorization” means, as applicable, Title VII of the ESEA, codified at 20 United States Code Sections 7701 through 7714, as extended or amended

“Fiscal Year” means, in respect of the District, its fiscal year, which currently begins on July 1 and ends on June 30 of the next succeeding calendar year, as such fiscal year may be adjusted from time to time.

“Government Obligations” means obligations for payment of the principal of and interest on which the United States has pledged its full faith and credit.

“Holder” when used with respect to any Bond means a Bondholder.

“Impact Aid Fund” means that fund (not a Trust Fund) established by the District under Section 20-9-514, M.C.A., as amended from time to time.

“Impact Aid Basic Support” means federal impact aid basic support payments that form a part of the annual Impact Aid Revenues received by the District under Title VII Section 8003(b) of the ESEA (20 U.S.C. 7703(b)) and does not include other types of Impact Aid Revenue under subsections of the Federal Aid Authorization.

“Impact Aid Revenues” means revenues or funds received by or on behalf of, or available to, the District pursuant to Federal Aid Authorization that are allocated by the Department of Education to the District.

“Impact Aid Revenue Bond Debt Service Fund” means the impact aid revenue bond debt service fund created by Section 5.01 and 5.05 hereof and maintained by the Trustee to which Impact Aid Basic Support revenue received by the District is credited in amounts sufficient to pay the Annual Principal and Interest Requirements and used for the payment of debt service obligations with respect to the Bonds.

“Impact Aid Revenue Bond Debt Service Reserve Fund” means the impact aid revenue bond debt service reserve fund created by Sections 5.01 and 5.06 and maintained by the Trustee. The term shall mean the “impact aid revenue bond debt service reserve account” as used in the Act.

“Indenture” means this Indenture of Trust, as such may be amended or supplemented from time to time in accordance with the terms hereof.

“Independent” when used with respect to any specified Person means such a Person who (1) is in fact independent, (2) does not have any direct financial interest or any material indirect financial interest in a Project or in any obligor upon the Bonds or in any Affiliate of such obligor, and (3) is not an officer of the District or connected with such obligor or any Affiliate of such obligor, as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions. Whenever it is herein provided that any Independent Person’s opinion or certificate shall be furnished to the Trustee, such Person shall be appointed by a District Order and approved by the Trustee in the exercise of reasonable care, and such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

“Interest Payment Date” means the Stated Maturity or installment payment date of an installment of interest on the Bonds or any other date on which interest on Bonds is payable, as a result of redemption, acceleration or otherwise.

“Maturity” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein or herein provided, whether at the Stated Maturity or by call for redemption or otherwise.

“Opinion of Bond Counsel” means a written opinion of Bond Counsel.

“Opinion of Counsel” means a written opinion of counsel, who may (except as otherwise expressly provided in this Indenture) be counsel for the District, and shall be acceptable to the Trustee.

“Original Purchaser” means, with respect to any series of Bonds, the Person or Persons who purchase such series of Bonds from the District upon the original issuance thereof. The Original Purchaser of the Series 2020 Bonds is First Bank of Montana, a Division of Glacier Bank, located in Lewistown, Montana.

“Outstanding” when used with respect to Bonds means, as of the date of determination, all Bonds theretofore authenticated and delivered under this Indenture, except:

(i) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Bonds for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent in trust for the Holders of such Bonds, *provided* that, if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;

(iii) Bonds which have been defeased within the meaning of Section 6.02; or

(iv) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Indenture;

provided, however, that in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by the District or an Affiliate of the District shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. Bonds so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the District or any other obligor upon the Bonds or any Affiliate of the District or such other obligor.

"Paying Agent" means the Trustee in its capacity as paying agent for the payment of the principal of (and premium, if any) or interest on any Bonds on behalf of the District, unless or until a subsequent Paying Agent is appointed by the District.

"Person" means any individual, corporation, limited liability company, partnership, limited liability partnership, joint venture, association, joint-stock department, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Pledged Revenues" means all Impact Aid Basic Support paid or payable by the Department of Education to the District under the Program and other moneys that are deposited in the Impact Aid Revenue Bond Debt Service Fund and, if applicable, the Impact Aid Revenue Bond Debt Service Reserve Fund, including any amounts deposited in the Impact Aid Revenue Bond Debt Service Fund or, if applicable, Impact Aid Revenue Bond Debt Service Reserve Fund from the proceeds of the Bonds, including all investments and investment income thereon held in such Funds. The term "Pledged Revenues" does not include (a) any monies or investments or investment income in the Rebate Fund or Impact Aid Fund; (b) Impact Aid Basic Support received by the Trustee from the United States Department of Education in a Fiscal Year in excess of the sum of (1) regularly scheduled debt service for the Bonds during the corresponding Bond Year (i.e., the principal and interest payable on the Bonds in the 12 months immediately following receipt of the Impact Aid Basic Support), (2) the amount of any costs or expenses of the Trustee incurred or reasonably expected to be incurred during such Fiscal Year and (3) if applicable, any deficiency in the Impact Aid Revenue Bond Debt Service Reserve Fund; or (c) any monies received pursuant to 20 United States Code § 7703(d) for special education purposes or other monies paid or payable to the District under the Program that are not Impact Aid Basic Support. The Series 2020 Bonds are not secured by the Impact Aid Revenue Bond Debt Service Reserve Fund and, accordingly, with respect to the Series 2020 Bonds, "Pledged Revenues" does not include such fund or amounts in such fund or in any debt service reserve account.

"Predecessor Bonds" of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond; and, for the purposes of this definition, any Bond authenticated and delivered under Section 2.09 in lieu of a lost, destroyed or stolen Bond shall be deemed to evidence the same debt as the lost, destroyed or stolen Bond.

"Principal and Interest Requirements" means, with respect to any Bonds and for any Bond Year or other period specified herein, the amount required to pay the principal of and interest on such Bonds during such Bond Year or other period calculated on the assumption that each Serial Bond is to be paid on its Stated Maturity, each Term Bond is to be paid on the Sinking Fund Payment Dates according to the

mandatory redemption requirements established for such Term Bond by the applicable section of any Supplemental Indenture and at its Stated Maturity, and each Amortization Bond is to be paid on its Interest Payment Date and Principal Payment Date.

“Principal Corporate Trust Office” means (i) when used with respect to the Trustee, the principal corporate trust office of the Trustee, which at the date of this Trust Indenture is located in Salt Lake City, Utah, provided that with respect to payments on the Bonds and any exchange, transfer, or surrender of the Bonds, means c/o U.S. Bank National Association, 60 Livingston Avenue, St. Paul, Minnesota 55107, or such other location designated in writing by the Trustee; (ii) any Paying Agent other than the Trustee is such office as is designated in writing to the Trustee.

“Principal Payment Date” means the Stated Maturity of principal of any Bond and the Sinking Fund Payment Date for any Term Bond and a date on which any principal installment is owing for any Amortization Bond.

“Program” means the program designed to reimburse directly public schools for the loss of traditional revenues sources due to a federal government presence or activity through the payment of Impact Aid Revenues, pursuant to Federal Aid Authorization.

“Project” means the building, altering, repairing, buying, furnishing, equipping, purchasing lands for, and/or obtaining a water supply for a school, teacherage, dormitory, gymnasium, other building, or combination of said buildings for school purposes, including the 2020 Project and such additional Project or Projects as specified in a Supplemental Indenture.

“Project Cost” means any cost of a Project, including but not limited to costs incurred directly or indirectly for or in connection with the construction and equipping of a Project, including costs incurred for preliminary planning and studies; legal, engineering, accounting, consulting, supervisory and other services; labor, services and materials incurred directly or indirectly for or in connection with the construction and equipping of any portion of a Project; recording of documents and title work; premiums attributable to surety bonds, title insurance and any other insurance required to be taken out and maintained at or prior to the completion of construction, costs incurred directly or indirectly in seeking to enforce any remedy against any supplier or contractor in respect of any actual or claimed default under any contract or purchase order relating to a Project; and any other costs, expenses, fees and charges properly chargeable to the cost of acquiring a Project.

“Project Fund” means the fund so designated created by Sections 5.01 and 5.03.

“Qualified Investments” means investment securities referred to as such in Section 5.08, in which Trust Money and funds in the Rebate Fund may be invested.

“Rebate Certificate” means a certificate or agreement designated as a “Rebate Certificate” and executed by the District relating to a series of Tax-Exempt Bonds the interest on which is intended to be excludable from gross income for purposes of federal income taxation, which provides directions to the Trustee as to the disposition of funds in and the transfer of funds to the account in the Rebate Fund relating to such series of Bonds, as such may be amended or supplemented from time to time in accordance with its terms.

“Rebate Fund” means the fund (not a Trust Fund) created in Sections 5.01 and 5.11.

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for such redemption or prepayment by or pursuant to this Indenture.

“Redemption Price” when used with respect to any Bond to be redeemed or prepaid means the price at which it is to be redeemed or prepaid pursuant to this Indenture.

“Regular Record Date” unless otherwise provided in a Supplemental Indenture with respect to a series of Additional Bonds, for the interest payable on any Interest Payment Date means the 15th day of the month preceding such Interest Payment Date, whether or not such day is a Business Day.

“Requisite Holders” means, as of the date of determination, the Holders of a majority in aggregate principal amount of Bonds Outstanding; provided, however, that with specific reference to particular Bonds, “Requisite Holders” means the Holders of a majority in aggregate principal amount of all such Bonds then Outstanding.

“Reserve Requirement” means, as of the date of calculation, an amount of money equal to the lesser of: (i) ten percent (10%) of the original principal amount of all series of Bonds a Bond of which is Outstanding, or (ii) the maximum amount of Principal and Interest Requirements payable on Outstanding Bonds in any succeeding Bond Year.

“Responsible Officer” when used with respect to the Trustee, means the chairman or vice-chairman of the board of directors, the chairman or vice-chairman of the executive committee of the board of directors, the president, any vice president or assistant vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller and any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“S&P” means S&P Global Ratings and its successors or assigns.

“Serial Bonds” means Bonds which are not Term Bonds.

“Series 2020 Bonds” means the Impact Aid Revenue School Building Bonds, Series 2020, issued by the District pursuant to this Indenture in the original principal amount of \$3,955,000, to fund a portion of the costs of the 2020 Project and to pay costs of issuance. The Series 2020 Bonds are Amortization Bonds.

“Sinking Fund Payment Date” means a date set forth in any applicable provision of this Indenture or a Supplemental Indenture for the making of a mandatory principal payment for the redemption of a Term Bond.

“Special Record Date” for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 2.10.

“State” means the State of Montana.

“Stated Maturity” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“Subordinated Obligations” means notes or other obligations issued pursuant to Section 4.04.

“Supplemental Indenture” means a supplemental indenture amending or supplementing this Indenture entered into in accordance with Article Ten hereof.

“Tax-Exempt Bonds” means each series of Bonds that is issued with the intent that interest thereon be excludable from gross income for purposes of federal income taxation, as evidenced by an Opinion of Bond Counsel to that effect delivered upon issuance of such series of Bonds.

“Term Bond” means any Bond for the payment of the principal of which mandatory payments are required by this Indenture or a Supplemental Indenture to be made at times and in amounts sufficient to redeem all or a portion of such Bond prior to its Stated Maturity.

“Trust Estate” means the property subject to the Granting Clauses of this Indenture.

“Trust Funds” means the Project Fund, the Costs of Issuance Fund, the Impact Aid Revenue Bond Debt Service Fund, and the Impact Aid Revenue Bond Debt Service Reserve Fund. “Trust Funds” does not include the Impact Aid Fund or the Rebate Fund.

“Trust Money” has the meaning specified in Section 5.02.

“Trustee” means the Person named as the “Trustee” in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Trustee” shall mean such successor Trustee.

“2020 Project” means the work, materials, and equipment described generally in Exhibit A hereto, including any amendment thereof made by the District in accordance with this Indenture.

“Unavoidable Delays” means a delay resulting from acts of God, strikes by organizations not in privity of contract with the affected party, fire, flood, discovery or uncovering of pre-existing hazardous materials, unusually severe weather for the geographical area in which the District is located, sabotage, embargo, riot, war, court injunction or order, breakage or loss during transportation or storage of equipment or materials from suppliers, delays by acts or orders of any governmental body or changes in laws or government regulations, but only if the event is not foreseeable or, if foreseeable, it is beyond the control of the affected party.

Section 1.02. Compliance Certificates and Opinions. Upon any application or request by the District to the Trustee to take any action under any provision of this Indenture, the District shall furnish to the Trustee a District Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such Counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

- (1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(2) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(3) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

Section 1.03. Form of Documents Delivered to Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any District Certificate may be based, in so far as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel. Any such certificate or Opinion of Counsel may be based, in so far as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the District stating that the information with respect to such factual matters is in the possession of the District.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Section 1.04. Actions of Bondholders. (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Bondholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Bondholders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is hereby expressly required, to the Department of Education. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Action" of the Bondholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 8.01) conclusive in favor of the Trustee and the District if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or limited liability company or a member of a partnership, on behalf of such corporation, limited liability company or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The ownership of Bonds shall be proved by the Bond Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver, or other Action by the Holder of any Bond shall bind the Holder of every Bond issued upon the transfer thereof or in exchange

therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the District in reliance thereon, whether or not notation of such action is made upon such Bond.

Section 1.05. Notices, etc., to Trustee and District. Any request, demand, authorization, direction, notice, consent, waiver or Action of Bondholders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Bondholder or by the District shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee addressed to it at the address specified below or at any other address furnished in writing by the Trustee to the District:

U.S. Bank National Association
170 South Main, Suite 200
Salt Lake City, Utah 84101
Attn: Corporate Trust Services

or,

(2) the District by the Trustee or by any Bondholder shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the District, as the case may be, addressed to it at the address specified below or at any other address previously furnished in writing by the District to the Trustee:

Board of Trustees
Browning Public Schools
P.O. Box 610
Browning, MT 59417
Attn: District Clerk

Section 1.06. Notices to Bondholders; Waiver. Where this Indenture provides for notice to Bondholders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid or given by such other means required by the securities depository, to each Bondholder affected by such event, at its address as it appears in the Bond Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving, of such notice. In any case where notice to Bondholders is given, neither the failure to give such notice, nor any defect in any notice so given, to any particular Bondholder shall affect the sufficiency of such notice with respect to other Bondholders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Bondholders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 1.07. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.08. Successors and Assigns. All covenants and agreements in this Indenture by the District shall bind its successors and assigns, whether so expressed or not.

Section 1.09. Severability Clause. In case any provision in this Indenture or in the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.10. Exhibits. Attached to and made a part of this Indenture are the following Exhibits:

- (A) Exhibit A: a description of the 2020 Project;
- (B) Exhibit B: the form of the Series 2020 Bonds; and
- (C) Exhibit C: the form of the District Request for disbursements from the Project Fund.

Section 1.11. Governing Law; Execution Counterparts. This Indenture shall be governed by and construed in accordance with the laws of the State without giving effect to the conflicts-of-laws principles thereof. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1.12. Limitation on District Liability. No agreements or provisions contained in this Indenture nor any agreement, covenant or undertaking by the District contained in any document executed by the District in connection with this Indenture, the Projects or the Bonds shall give rise to a charge against the general credit or taxing powers of the District, or shall obligate the District financially in any way except with respect to the Trust Estate. No failure of the District to comply with any term, condition, covenant or agreement herein shall subject the District to liability for any claim for damages, costs or other financial or pecuniary charge except to the extent that the same can be paid or recovered from the Trust Estate; and no execution on any claim, demand, cause of action or judgment therefor shall be levied upon or collected from the general credit, general funds or taxing powers of the District (except as such constitute Pledged Revenues). Nothing herein shall preclude a proper party in interest from seeking and obtaining specific performance against the District for any failure to comply with any term, condition, covenant or agreement herein; provided, however, that no costs, expenses or other monetary relief shall be recoverable from the District except as may be payable from the Trust Estate.

Section 1.13. Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give any Person other than the parties hereto and the Holders of the Bonds, any legal or equitable right, remedy or claim under or with respect to this Indenture or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Holders of the Bonds as herein provided.

Section 1.14. Designation of Trustee. In accordance with the Act, the District hereby designates U.S. Bank National Association, of Salt Lake City, Utah, as the initial Trustee.

ARTICLE TWO

THE BONDS

Section 2.01. General Title and Limitations. To provide moneys for Projects within the jurisdiction of the District or the refinancing thereof, there are hereby authorized bonds of the District to be generally known and designated as “School District No. 9 (Browning), Glacier County, Montana, Impact Aid Revenue School Building Bonds” which may be issued in series from time to time as hereinafter provided. The Bonds shall be limited obligations of the District payable solely from and secured by the Pledged Revenues and the rest of the Trust Estate pledged to the payment thereof pursuant to this Indenture. The Bonds are special, limited obligations of the District. The Bonds are not general obligations of the District and the taxing power of the District is not pledged to the payment of the Bonds or the interest thereon. Principal of, premium, if any, and interest on the Bonds are payable solely from

the Trust Estate. Neither the Department of Education nor the State nor any other political subdivision thereof shall in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, obligation or agreement of any kind whatsoever that may be undertaken by the District. Neither the Bonds nor any of the payments in respect thereof shall be construed to constitute an indebtedness of the District or any other political subdivision of the State within the meaning of any constitutional or statutory provisions whatsoever, nor constitute or give rise to a charge against the general credit or taxing powers of the District or the State.

The aggregate principal amount of Bonds that may be authenticated and delivered and Outstanding under this Indenture is not limited, except as provided in Articles Three and Four and except as may be limited by law.

Section 2.02. Issuable in Series; Payments on Non-Business Days. The Bonds may be issued in series as from time to time authorized by District Resolution.

With respect to the Bonds of any particular series, the District may incorporate in or add to the general title of such Bonds any words, letters or figures designed to distinguish that series. Unless otherwise provided with respect to any particular series of Bonds, the Bonds of each series shall be dated as of their date of authentication.

If the Stated Maturity of any Bond or Principal Payment Date or if any Interest Payment Date or Redemption Date shall not be a Business Day, then the principal, premium, or interest due on such date may be paid on the next succeeding Business Day, with the same force and effect as if paid on the Stated Maturity, Principal Payment Date, Interest Payment Date, or Redemption Date, and without additional interest accruing thereon for the period after such Stated Maturity, Principal Payment Date, Interest Payment Date, or Redemption Date (whether or not such next succeeding Business Day occurs in a succeeding month).

Section 2.03. Terms of Particular Series. Each series of Bonds (except the Series 2020 Bonds, which are created by Article Three) shall be created by a Supplemental Indenture authorized by a District Resolution in accordance with Article Four. The Bonds of any series may differ from the Series 2020 Bonds and from the Bonds of any other series in any respect not in conflict with the provisions of this Indenture and as may be prescribed in the Supplemental Indenture creating such series. Without limiting the preceding sentence, the Bonds of any series (other than the Series 2020 Bonds, as to which specific provision is made in this instrument) shall bear such date or dates, shall be payable at such place or places, shall have such Stated Maturities, Principal Payment Date, and Redemption Dates, shall bear interest at such rate or rates, from such date or dates, payable (or compounding) in such installments and on such dates and at such place or places, and may be redeemable at such price or prices and upon such terms (in addition to the prices and terms herein specified for redemption of all Bonds) as shall be provided in the Supplemental Indenture creating that series. The District may, at the time of the creation of any series of Bonds or at any time thereafter, make, and the Bonds of that series may contain, provision for:

- A. a sinking, amortization, improvement or other analogous fund;
- B. limiting the aggregate principal amount of the Bonds of that series;
- C. exchanging Bonds of that series, at the option of the Holders thereof, for other Bonds of the same series of the same aggregate principal amount of a different authorized kind and/or authorized denomination or denominations; and/or

D. payment of the interest thereon by the Trustee or by a Paying Agent;

all upon such terms as the District Board may determine.

Section 2.04. Form and Denominations. The form of the Bonds of each series (other than the forms of the Series 2020 Bonds, as to which specific provisions are made in this instrument) shall be established by the provisions of the Supplemental Indenture creating such series. The Bonds of each series shall be distinguished from the Bonds of other series in such manner as the District Board may determine.

The Bonds of each series shall be issuable in fully registered form in such denominations as shall be provided in the provisions of this Indenture creating such series. In the absence of any other provision with respect to the Bonds of any particular series, the Bonds of such series shall be in denominations of \$5,000 or any integral multiple thereof.

Section 2.05. Execution, Authentication and Delivery. Each Bond shall be executed on behalf of the District by the Chair of the Board and the District Clerk or, if permitted under the laws of the State, by the other officers of the District specified in a District Resolution. The seal of the District need not be affixed to or imprinted on any Bond. The signature of any District officer and the seal may be manual or facsimile, if permitted by applicable law.

Bonds bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the District shall bind the District, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Bonds or did not hold such offices at the date of such Bonds.

At any time and from time to time after the execution and delivery of this Indenture, the District may deliver Bonds executed by the proper officers of the District to the Trustee for authentication; and the Trustee shall authenticate and deliver such Bonds as in this Indenture provided and not otherwise.

Section 2.06. Certificate of Authentication. No Bond shall be secured by, or entitled to any lien, right or benefit under, this Indenture or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of authentication substantially in the following form executed by the Trustee by manual signature of an authorized representative, and such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly authenticated and delivered hereunder:

This is one of the Bonds of the series designated therein referred to in the within-mentioned Indenture.

[TRUSTEE],
as Trustee

By _____
Authorized Representative

Section 2.07. Temporary Bonds. Pending the preparation of definitive Bonds, the District, if authorized by law, may execute, and upon District request the Trustee shall authenticate and deliver, temporary Bonds which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are issued, in

registered form, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the District executing such Bonds may determine, as evidenced by their signing of such Bonds.

If temporary Bonds are issued, the District will cause definitive Bonds to be prepared without unreasonable delay. After the preparation of definitive Bonds, the temporary Bonds shall be exchangeable for definitive Bonds upon surrender of the temporary Bonds at the Principal Corporate Trust Office of the Trustee, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Bonds the District shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Bonds of authorized denominations. Until so exchanged the temporary Bonds shall in all respects be entitled to the security and benefits under this Indenture, and interest thereon, when and as payable, shall be paid to the Holders of temporary Bonds upon presentation thereof for notation of such payment thereon.

Section 2.08. Registration, Transfer and Exchange. The District shall cause to be kept at the Principal Corporate Trust Office of the Trustee a register (the “Bond Register”) in which, subject to such reasonable regulations as it may prescribe, the District shall provide for the registration of Bonds of all series and of transfers of Bonds of all series. The Trustee is hereby appointed “Bond Registrar” for the purpose of registering Bonds and transfers of Bonds as herein provided.

Upon surrender for transfer of any Bond at the Principal Corporate Trust Office of the Trustee, the District shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same series, of any authorized denomination or denominations, of like aggregate principal amount and having the same Stated Maturity and interest rate, subject, however, in the case of the transfer of Series 2020 Bonds, upon compliance with the requirements of Section 3.01 hereof.

At the option of the Holder, Bonds may be exchanged, upon surrender thereof at the Principal Corporate Trust Office of the Trustee, for other Bonds of the same series, Stated Maturity and interest rate of a like aggregate principal amount, of any authorized denomination or denominations, as requested by the Holder surrendering the same. Whenever any Bonds are so surrendered for exchange, the District will execute, and the Trustee shall authenticate and deliver, the Bonds which the Bondholder making the exchange is entitled to receive.

All Bonds surrendered upon any exchange or transfer provided for in this Indenture shall be promptly cancelled by the Trustee and thereafter disposed of as directed by District Resolution.

All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the District evidencing the same debt, and entitled to the same security and benefits under this Indenture as the Bonds surrendered upon such transfer or exchange.

Every Bond presented or surrendered for transfer or exchange shall (unless the requirement is waived by the District and the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the District and the Bond Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any transfer or exchange herein provided for, but the District may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of the Bonds, other than exchanges under Section 2.07 not involving any transfer.

The District and the Trustee shall not be required (i) to issue, register the transfer of, or exchange Bonds for a period of 15 days next preceding any interest payment date, (ii) to issue, register the transfer of, or exchange Bonds for a period of 15 days next preceding any designation of Bonds to be redeemed, or (iii) to register the transfer of, or exchange any Bonds or portions thereof designated or called for redemption.

The Trustee shall administer and observe on behalf of the District all applicable requirements of the Internal Revenue Code of 1986, as amended, now or hereafter relating to information reporting, withholding and similar requirements with respect to ownership or payment of Bonds, including, without limitation, such requirements imposed by Sections 871(h)(2)(B), 1441, 1442, 3406, 6045 and 6049 of the Code.

Section 2.09. Mutilated, Destroyed, Lost and Stolen Bonds. If (i) any mutilated Bond is surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Bond and (ii) there is delivered to the Trustee such security or indemnity as may be required by the Trustee to save the District and the Trustee harmless, then, in the absence of notice to the Trustee that such Bond has been acquired by a bona fide purchaser, the District shall execute and upon District Request the Trustee shall authenticate and deliver, in exchange for or in lieu of such mutilated, destroyed, lost or stolen Bond, a new Bond of the same series and of like tenor, principal amount, Stated Maturity and interest rate, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the District in its discretion may, instead of issuing a new Bond, pay such Bond.

Upon the issuance of any new Bond under this Section, the Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Bond issued pursuant to this Section in lieu of any destroyed, lost or stolen Bond shall constitute an original additional contractual obligation of the District, whether or not the destroyed, lost or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture, equally and proportionately with any and all other Bonds duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds.

Section 2.10. Payment of Interest; Interest Rights Preserved. Interest on any Bond which is payable, and is punctually paid, on any Interest Payment Date shall be paid to the Person in whose name that Bond (or one or more Predecessor Bonds) is registered at the close of business on the Regular Record Date for such interest.

Any interest on any Bond which is payable, but is not punctually paid, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the registered Holder on the relevant Regular Record Date by virtue of having been such Holder; and such Defaulted Interest shall be paid to the Persons in whose names the Bonds (or their respective Predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. When Defaulted Interest is to be paid hereunder, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall neither be more than 15 nor less than 10 days before the date of the proposed payment. The Trustee shall promptly notify the District of such Special Record Date and, in the name and at the expense of the District, shall cause notice of the

proposed payment of such Defaulted Interest (including interest thereon as provided herein) and the Special Record Date therefor to be mailed, first class postage prepaid, to each Bondholder at his address as it appears in the Bond Register, not less than 10 days before such Special Record Date. The Trustee may, in its discretion, in the name and at the expense of the District, cause a similar notice to be published in a newspaper, but such publication shall not be a condition precedent to the establishment of such Special Record Date. Notice of the proposed payment of such Defaulted Interest (including interest thereon as provided herein) and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Bonds (or their respective Predecessor Bonds) are registered on such Special Record Date.

Subject to the foregoing provisions of this Section, each Bond delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

Section 2.11. Persons Deemed Owners. The District, the Trustee, any Paying Agent and any other agent of the District or the Trustee may treat the Person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of (and premium, if any), and (subject to Section 2.10 hereof) interest on, such Bond and for all other purposes whatsoever whether or not such Bond be overdue, and neither the District, the Trustee, any Paying Agent nor any other agent of the District shall be affected by notice to the contrary.

Section 2.12. Cancellation. All Bonds surrendered for payment, redemption, transfer or exchange shall be promptly cancelled. The District may at any time deliver to the Trustee for cancellation any Bonds previously authenticated and delivered hereunder which the District may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Trustee. No Bonds shall be authenticated in lieu of or in exchange for any Bond cancelled as provided in the Section, except as expressly permitted by this Indenture. All cancelled Bonds held by the Trustee shall be disposed of as required by law, and the Trustee shall retain a record of such disposal and shall deliver to the District a certificate of a Responsible Officer certifying as to the destruction thereof.

Section 2.13. Election to Redeem; Notice to Trustee. The election of the District to redeem any Bonds shall be evidenced by a District Resolution. In case of any redemption at the election of the District of any Bonds, the District shall, at least forty-five days before the Redemption Date fixed by the District (unless a shorter period shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date and of the Bonds to be redeemed, as provided in Section 2.14.

Section 2.14. Selection of Bonds to Be Redeemed. If less than all of the Outstanding Bonds are to be redeemed, the District shall specify, by District Order, the series and Stated Maturities of the Bonds to be redeemed. If the District fails to so specify, Bonds shall be redeemed ratably from every series then Outstanding, in proportion to the Outstanding principal amounts thereof, or within a series in inverse order of Stated Maturities. If less than all Bonds of a single Stated Maturity of a series or of an Amortization Bond are to be redeemed, the particular Bonds or installments of an Amortization Bond to be redeemed shall be selected by the Trustee from the Outstanding Bonds of that Stated Maturity not previously called for redemption, by lot or in such other manner as the District may direct and which may provide for the selection for redemption of portions of the principal of Bonds in a denomination larger than the smallest authorized denomination of the Bonds of that series.

The Trustee shall promptly notify the District in writing of the Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed.

Section 2.15. Notice of Redemption. Except as otherwise provided in Article III hereof or in a Supplemental Indenture with respect to a series of Additional Bonds, notice of redemption, if required by this Indenture to be given to Bondholders, shall be given by mail first-class postage prepaid, or by such other means required by the securities depository, not less than thirty days before the Redemption Date, to each Holder of Bonds to be redeemed; but neither the failure to give such notice to the Holder of any particular Bond nor any defect in any notice so given shall affect the validity of the proceedings for redemption as to any Bond not affected by such defect or failure.

All notices of redemption shall state:

- A. the Redemption Date,
- B. the Redemption Price,
- C. the principal amount of Bonds of each series to be redeemed, the CUSIP numbers, if any, and Stated Maturities thereof or principal and interest installments thereof, and, if less than all Outstanding Bonds of a series are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds or principal and interest installments of such series to be redeemed,
- D. that on the Redemption Date, the Redemption Price will become due and payable upon each such Bond, and that interest thereon shall cease to accrue on and after such date, and
- E. the place or places where such Bonds are to be surrendered for payment of the Redemption Price, if surrendered.

Section 2.16. Bonds Payable on Redemption Date. Notice of redemption having been given as aforesaid, the Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified and on and after such date (unless the District shall default in the payment of the Redemption Price) such Bonds or portions thereof shall cease to bear interest. Upon surrender of any such Bond for redemption in accordance with such notice, such Bond shall be paid at the Redemption Price. Installments of interest whose Stated Maturity or Interest Payment Date or Principal Payment Date is on or prior to the Redemption Date shall continue to be payable to the Holders of Bonds registered as such on the relevant Record Dates according to the terms of such Bonds and Section 2.11 hereof.

If any Bond called for redemption shall not be so paid upon surrender thereof for redemption or on the Redemption Date, the principal (and premium, if any) shall, until paid, bear or accrete interest from the Redemption Date at the rate prescribed by the Bond.

Section 2.17. Bonds Redeemed in Part. Except as otherwise provided in a Supplemental Indenture or with regard to the Series 2020 Bonds, any Bond which is to be redeemed only in part shall be surrendered to the Trustee (with, if the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the appropriate officers of the District shall execute and the Trustee shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same series, of any authorized denomination or denominations, as requested by such Holder, having the

same Stated Maturity and interest rate in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered. With regard to the Series 2020 Bonds, upon partial prepayment and redemption, there shall be no need to surrender and exchange a new bond for the unredeemed portion of the existing bond; provided that, if the debt service of the Series 2020 Bond is reamortized, the debt service schedule attached as Schedule I to the Series 2020 Bond shall be replaced by a debt service schedule reflecting the reamortization of the principal then outstanding in substantially equal total installments of principal and interest in each Bond Year.

ARTICLE THREE

THE SERIES 2020 BONDS

Section 3.01. Title, Principal Amount, Denominations, and Stated Maturity of Series 2020 Bonds. There is hereby created and there shall be a series of Bonds entitled “School District No. 9 (Browning), Glacier County, Montana, Impact Aid Revenue School Building Bonds, Series 2020” (which Bonds are the Series 2020 Bonds). The Series 2020 Bonds are Tax-Exempt Bonds. The aggregate original principal amount of the Series 2020 Bonds that may be authenticated and delivered and Outstanding under this Indenture is limited to and shall not exceed \$3,955,000. The Series 2020 Bonds shall be dated, as originally issued, as of their date of delivery. The Series 2020 Bonds shall be issued in fully registered form.

The Series 2020 Bonds shall be Amortization Bonds with Principal Payment Dates of October 1 in the years 2021 through 2032, subject to redemption as provided in Articles Two and Three, and shall bear interest at 3.000% per annum from their dated date, payable on April 1 and October 1 of each year, commencing October 1, 2020, with principal and interest payable on the dates and in the amounts shown on Schedule I to the form of the Series 2020 Bonds and (to the extent that the payment of such interest shall be legally enforceable) on overdue installments of interest.

Interest on the Series 2020 Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months.

Section 3.02. Payments of Principal and Interest. The principal of and premium, if any, on the Series 2020 Bonds shall be payable at the Principal Corporate Trust Office of the Trustee. Interest on the Series 2020 Bonds which is payable, and is punctually paid or provided for, on any Interest Payment Date shall be paid by check or draft drawn upon the Trustee payable to and mailed to the Persons in whose name the Series 2020 Bonds are registered as of the Trustee’s close of business on the Regular Record Date for such Interest Payment Date at the address of such Holders as they appear on the Bond Register. Upon notice to the Trustee delivered and received by the Trustee not less than fifteen (15) days before an Interest Payment Date accompanied by proper wire transfer instructions, any Holder of \$1,000,000 in aggregate principal amount of Series 2020 Bonds as of the relevant Record Date may elect to be paid the interest on and principal of such Series 2020 Bonds payable on the Interest Payment Date by Federal Reserve System wire transfer in immediately available funds to any bank in the United States specified by such Holder which is a member of the Federal Reserve System; provided, however, that if the Series 2020 Bonds are to be redeemed in whole on such Interest Payment Date, the principal thereof shall be payable only upon presentation and surrender of such Bond to the Trustee at its Principal Corporate Trust Office.

Section 3.03. Optional Redemption of Series 2020 Bonds. The Series 2020 Bonds are subject to redemption at the option of the District, evidenced by a District Request provided to the Trustee at least 45 days before the date of redemption, on 30 days’ prior written notice to the registered owner of the Series 2020 Bond, at any time and from time to time, in whole or in part, at a price equal to the principal amount thereof to be redeemed plus interest accrued to the date identified by the District for redemption

and prepayment, without premium or penalty. Each partial prepayment must be in the amount of at least \$100,000 for the District to require the Holder of the Series 2020 Bonds to reamortize the debt service over the then-remaining term; otherwise, partial prepayments (amounts paid in excess of the principal payments then owing) will be applied in inverse order of installments. Upon partial prepayment, there shall be no need to surrender and exchange a new bond for the unredeemed portion of the existing bond; provided that, if the debt service of the Series 2020 Bonds is reamortized as provided above in this paragraph, the debt service schedule attached as Schedule I to the Series 2020 Bonds shall be replaced by a debt service schedule reflecting the reamortization of the principal then outstanding in substantially equal total installments of principal and interest in each Bond Year.

Section 3.04. Reserved.

Section 3.05. Notice of Redemption. Notice of redemption of any Series 2020 Bonds shall be given by mail, first-class postage prepaid, not less than thirty (30) days before the Redemption Date, to each Holder of Series 2020 Bonds to be redeemed; but neither the failure to give such notice to the Holder of any particular Bond nor any defect in any notice so given shall affect the validity of the proceedings for redemption as to any Series 2020 Bond not affected by such defect.

Section 3.06. Authentication and Delivery of Series 2020 Bonds. The Series 2020 Bonds, in the aggregate original principal amount of \$3,955,000, may forthwith upon the execution and delivery of this Indenture, or from time to time thereafter, be executed by the proper officers of the District and delivered to the Trustee for authentication, and shall thereupon be authenticated and delivered by the Trustee, but only upon receipt by the Trustee of the following:

(a) a District Resolution authorizing the execution and delivery of this Indenture and the issuance and sale of the Series 2020 Bonds;

(b) a District Request which requests and authorizes the Trustee on behalf of the District to authenticate and deliver the Series 2020 Bonds to the Original Purchasers thereof upon payment to the Trustee, but for the account of the District, of the purchase price specified therefor.

Section 3.07. Deposit of Series 2020 Bond Proceeds. The District shall deposit with the Trustee all of the proceeds of the sale of the Series 2020 Bonds upon receipt thereof. The Trustee shall credit such proceeds to the Trust Funds as follows:

(a) Deposit to the credit of the Project Fund, the amount of \$3,842,880 from proceeds of the Series 2020 Bonds; and

(b) Deposit to the credit of the Cost of Issuance Fund, the balance of the proceeds of the Series 2020 Bonds (i.e., \$112,120).

Section 3.08. Form of Series 2020 Bonds. The Series 2020 Bonds shall be prepared in substantially the form appearing in Exhibit B hereto, with such variations therefrom as may be required or permitted by this Indenture.

Section 3.09. Negotiability, Transfer, and Registration. The provisions of Section 2.08 above apply to the Series 2020 Bonds and their registration, transfer, and exchange. The Series 2020 Bonds shall be fully registered as to both principal and interest and shall be initially registered in the name of and payable to the Original Purchaser. While so registered, principal of and interest on the Series 2020 Bonds shall be payable to the Original Purchaser at its office or such other place as may be designated by the

Original Purchaser in writing and delivered to the Trustee. The Series 2020 Bonds shall be negotiable, subject to the provisions for registration and transfer contained in this Section and Section 2.08. No transfer to the Series 2020 Bonds shall be valid unless and until (1) the Holder, or a duly authorized attorney or legal representative, has executed the form of assignment appearing on the Series 2020 Bonds, and (2) the Trustee, as Bond Registrar, has duly noted the transfer on the Series 2020 Bond and recorded the transfer on the Bond Register. The Trustee, as Bond Registrar, may, prior to noting and recording the transfer, require appropriate proof of the transferor's authority and genuineness of the transferor's signature. The District may charge the Holder or cause the Holder to be charged for any tax, fee or other governmental charge imposed upon or with respect to the transfer of the Series 2020 Bonds. The Trustee and the District shall be entitled to deem and treat the person in whose name the Series 2020 Bonds are registered as the absolute owner of the Series 2020 Bonds for all purposes, notwithstanding any notice to the contrary, and all payments of such Series 2020 Bonds to the extent of the sum or sums so paid.

Section 3.10. No Debt Service Reserve. The Series 2020 Bonds are not secured by the Impact Aid Revenue Bond Debt Service Reserve Fund and no amounts are or will be on hand in a debt service reserve fund or account to secure repayment of the Series 2020 Bonds.

ARTICLE FOUR

ADDITIONAL BONDS

Section 4.01. General Requirements. In addition to the Series 2020 Bonds, whose authentication and delivery are provided for in Article Three, Additional Bonds may at any time and from time to time be executed by the District and delivered to the Trustee for authentication, but only upon receipt by the Trustee of the following:

A. A District Resolution authorizing the issuance of the Additional Bonds and the sale thereof to the Original Purchaser or Purchasers named therein or designated pursuant thereto;

B. A District Order directing the authentication of a specified principal amount of Additional Bonds of a specified series and the delivery thereof to or upon the order of the Original Purchaser or Purchasers named therein upon payment of the purchase price set forth therein;

C. A District Certificate stating that, to the best of knowledge of the officers signing such District Certificate that all conditions precedent provided for in this Indenture relating to the authentication and delivery of such Additional Bonds have been complied with;

D. A District Certificate certifying: (1) all payments required by this Indenture to be made into the Impact Aid Revenue Bond Debt Service Fund as of the date of issuance of such Additional Bonds have been made (or will have been made) in full; (2) no Event of Default shall have occurred and be continuing under this Indenture, unless such Event of Default will be cured upon the issuance of the Additional Bonds and the application of the proceeds thereof; and (3) the amount of Pledged Revenues relating to the series of Additional Bonds, if any, is estimated to be sufficient in each Bond Year during which the Outstanding Bonds and the Additional Bonds are to be Outstanding to pay the Annual Principal and Interest Requirements on all Outstanding Bonds and the Additional Bonds in such Bond Year.

E. A District Certificate certifying that the Impact Aid Basic Support received by the District in each of the last three most recently completed Fiscal Years of the District is at least three times the maximum Principal and Interest Requirements for any succeeding Bond Year for

the Bonds Outstanding and the Additional Bonds proposed to be issued. Accordingly, that complete Fiscal Year of the then most recent three in which the District received the lowest amount of Impact Aid Basic Support will establish the dollar limitation for the foregoing Additional Bonds test, and such amount must be at least three times maximum Principal and Interest Requirements in any succeeding Bond Year for the Bonds Outstanding and the Additional Bonds proposed to be issued.

F. An Opinion of Bond Counsel:

(1) stating that all conditions precedent provided in this Indenture relating to the authentication and delivery of such Additional Bonds have been complied with;

(2) stating that the Additional Bonds whose authentication and delivery are then applied for, when issued and executed by the District and authenticated and delivered by the Trustee, will be the valid and binding special, limited obligations of the District in accordance with their terms and entitled to the benefits of and secured by the lien of this Indenture, subject to customary qualifications and assumptions; and

(3) if Tax-Exempt Bonds, stating that the interest on the Additional Bonds is not includable in gross income for purposes of federal income taxation, subject to customary assumptions and qualifications;

G. An executed counterpart of the Supplemental Indenture creating such Additional Bonds; and

H. Such other documents, certificates and opinions as may be required to meet the provisions and requirements of Sections 4.02 and 4.03, as applicable, in respect of such Additional Bonds.

No Additional Bonds that are secured by the Impact Aid Revenue Bond Debt Service Reserve Fund shall be issued unless, immediately after the issuance thereof and the application of the proceeds thereof, the balance on hand in the Impact Aid Revenue Bond Debt Service Reserve Fund will be at least equal to the Reserve Requirement after giving effect to the issuance of such Additional Bonds and the defeasance of any Outstanding Bonds to be refunded by such Additional Bonds.

Any Additional Bonds shall be dated, shall bear interest at a rate or rates, shall have Stated Maturities, and may be subject to redemption at such times and prices and on such terms and conditions, all as may be provided by the Supplemental Indenture authorizing their issuance. Except to the extent expressly provided otherwise in a Supplemental Indenture creating the Additional Bonds, all Additional Bonds shall be payable and secured equally and ratably and on a parity with all Bonds theretofore issued and then Outstanding and shall be entitled to the same benefits and security of this Indenture.

Nothing in this Indenture prohibits the payment of principal of or interest on any series of Additional Bonds from being otherwise (i) secured and protected from sources or by instruments not applicable to other series of Bonds, or (ii) not secured and protected from sources or by instruments applicable to other series of Bonds, excluding in each case, Pledged Revenues.

Section 4.02. Additional Bonds To Pay Costs of Projects.

(a) Additional Bonds may be issued under this Section 4.02, at one time or from time to time, subject to the conditions provided in Section 4.01 and this Section 4.02, for the purpose of providing

funds, in an aggregate amount sufficient with any other funds available and committed therefor to pay the cost of one or more Projects.

(b) Before any Additional Bonds shall be issued under this Section 4.02, the District shall adopt a resolution authorizing the issuance of such series of Additional Bonds, fixing the amount and the details thereof, describing in brief and general terms the Projects to be acquired, constructed, altered or improved and estimating the costs thereof.

(c) In addition, prior to the execution and delivery of any series of Additional Bonds under this Section 4.02, there shall be filed with the Trustee a District Certificate stating: (A) the requirements of Section 20-9-406 of the Act have been satisfied with respect to such Additional Bonds, (B) the estimated cost of the Project or Projects being financed thereby, including an allowance for contingencies and all fees, expenses and financing costs, (C) the amount, if any, which will be required to be deposited to the credit of the Impact Aid Revenue Bond Debt Service Reserve Fund to meet the Reserve Requirement in connection with the issuance of the Additional Bonds, and (D) the amount, if any, which will be required to be credited to the Impact Aid Revenue Bond Debt Service Fund to pay interest on the Additional Bonds prior to collection of sufficient Pledged Revenues available therefor.

Section 4.03. Additional Bonds for Refunding Purposes.

(a) Additional Bonds may be issued under this Section 4.03, at one time or from time to time, subject to the conditions provided in Section 4.01 and this Section 4.03, for the purpose of providing funds, with any other funds available and committed therefor, for paying at, or redeeming prior to, their Stated Maturities any Outstanding Bonds, including the payment of any redemption premium thereon and interest which will accrue on such Bonds to any Redemption Date or the Stated Maturities thereof, and any expenses in connection with such financing and refunding.

Additional Bonds shall not be issued under this Section 4.03 unless there shall be filed with the Trustee, (1) a District Certificate or report of an Independent Accountant to the effect that the Annual Principal and Interest Requirements for all Bonds Outstanding immediately after the issuance of such proposed Refunding Bonds for the current and each future Bond Year to and including the Bond Year of the latest maturity on any Bonds then Outstanding is no greater than the Annual Principal and Interest Requirements for all Bonds Outstanding immediately prior to such issuance during the same Bond Years; and (2)(a) a report of an Independent Accountant or a certificate from an underwriter or from the sole holder of the Bonds to be refunded (if applicable), to the effect that the proceeds (excluding accrued interest but including any premium) of the Additional Bonds plus any moneys to be withdrawn from the Impact Aid Revenue Bond Debt Service Reserve Fund as provided in Section 5.06 for such purpose, together with any other funds deposited for such purpose will not be less than the amount sufficient to pay the principal of and redemption premium, if any, on the Outstanding Bonds to be refunded and the interest which will become due and payable on and before the Redemption Dates or Stated Maturities of the Bonds to be refunded, or (b) a report of an Independent Accountant to the effect that such proceeds to be deposited in trust and used to purchase Defeasance Obligations the principal of and the interest on which when due and payable (or redeemable at the option of the holder thereof) will provide, together with any other moneys which shall have been deposited in trust irrevocably for such purpose, but without reinvestment, sufficient moneys to pay such principal and any redemption premium and interest.

Section 4.04. Subordinated Obligations. Except as provided in Sections 4.01 to 4.03, no bonds, notes or other evidence of indebtedness of the District shall be issued under or secured by the provisions of this Indenture, and no bonds, notes or other evidence of indebtedness shall be made payable from the Pledged Revenues or the Trust Estate, unless the pledge and appropriation thereof for the payment and security of such bonds, notes or other evidence of indebtedness is expressly subordinated to the pledge

and appropriation made for the benefit and security of the Series 2020 Bonds and all Additional Bonds. In the event of the issuance of any such subordinate obligations, the principal, interest and redemption premiums thereon will be made payable from one or more separate additional accounts for that purpose not part of the Trust Estate, and the balance of funds at any time on hand in any such accounts shall be available and shall be transferred whenever needed to meet the current requirements of the Impact Aid Revenue Bond Debt Service Fund and Impact Aid Revenue Bond Debt Service Reserve Fund set forth in Sections 5.05 and 5.06, such that such Funds shall have a prior lien in the separate and additional accounts created to pay the Subordinated Obligations and all amounts therein.

Proceeds of the Subordinated Obligations shall not be used to pay, or as security for the payment of, the Bonds, and proceeds of the Bonds shall not be used to pay, or as security for the payment of, the Subordinated Obligations. A District Resolution authorizing such Subordinated Bonds shall contain the following (or less favorable to the holders thereof) provisions:

- (1) If any Event of Default is continuing, the Holders of all Bonds Outstanding shall be entitled to receive payment in full of all principal of, premium, if any, and interest on the Bonds before the holders of the Subordinated Obligations are entitled to receive any payments from Pledged Revenues.
- (2) No Bondholder can be prejudiced in her right to enforce the subordination by any act or failure to act by the District or any other party.
- (3) The Subordinated Obligations may provide that the above provisions are solely for the purpose of defining the relative rights of the Holders of all Bonds and holders of Subordinated Obligations and nothing therein shall impair the obligation of the District under such subordinated resolution or prevent the holders of the Subordinated Obligations from exercising all remedies permitted by applicable law subject to the rights of the Holders of Bonds listed in (1) and (2) above.

Any issue of Subordinated Obligations may have such rank or priority with respect to other Subordinated Obligations as may be provided in the resolution authorizing such issue of Subordinated Obligations.

ARTICLE FIVE

APPLICATION OF PLEDGED REVENUES AND TRUST MONEY; CREATION OF FUNDS

Section 5.01. Bond Proceeds and Pledged Revenues Pledged and Appropriated; Creation of Trust Funds. The following special trust funds (the "Trust Funds") and accounts therein are hereby established and shall be held by the Trustee under the provisions of this Indenture as further provided in this Article Five:

- (a) the Project Fund;
- (b) the Cost of Issuance Fund;
- (c) the Impact Aid Revenue Bond Debt Service Fund; and
- (d) the Impact Aid Revenue Bond Debt Service Reserve Fund.

In addition, there has been established the Impact Aid Fund and there is hereby created a Rebate Fund, neither of which is a Trust Fund, as further provided in Sections 5.10 and 5.11.

The District has given written direction to the Department of Education to pay Impact Aid Revenues to which the District is entitled directly to the Trustee and the District covenants that it will not rescind such direction so long as any amounts are owed by the District under this Indenture. The District further covenants that, so long as there are any amounts are owed by the District under this Indenture, it will transfer to the Trustee immediately upon receipt any Impact Aid Revenues that the District receives directly from the Department of Education, recognizing that Impact Aid Revenues that are not Impact Aid Basic Support are not Pledged Revenues. All of the Pledged Revenues, including particularly any Impact Aid Basic Support received by the Trustee directly or indirectly from the Department of Education, shall be deposited and disbursed by the Trustee not later than one (1) Business Day following receipt in the following order of priority:

(1) First, the Trustee shall use such funds to pay any fees, costs and expenses of the Trustee which are then due and owing;

(2) Second, the Trustee shall deposit Pledged Revenues into the Impact Aid Revenue Bond Debt Service Fund until the amount therein is equal to the regularly scheduled debt service on the Bonds for the then current Bond Year (i.e., for the next 12 months); and

(3) Third, the Trustee shall deposit into the Impact Aid Revenue Bond Debt Service Reserve Fund any amount then required, if applicable, to restore the balance thereof to the Reserve Requirement.

Any amount then remaining following the disbursements described above shall, not later than the end of the Business Day following receipt of the Impact Aid Revenues by the Trustee, be disbursed to the Impact Aid Fund, together with written notice providing the following information: (i) the date such funds were received by the Trustee, (ii) the amount of funds originally received by the Trustee and of that amount the amount that is Impact Aid Basic Support, the amount that is for special education under 20 United States Code § 7703(d), the amount, if any, that is construction payments under 20 United States Code § 7707, and the amount, if any, that is paid under another section of the Federal Aid Authorization, (iii) the amount of Impact Aid Basic Support disbursed for the purposes described in (1), (2) and (3) above, and (iv) the amount being disbursed to the Impact Aid Fund. Any investment income received with respect to the Impact Aid Revenues forwarded to the Impact Aid Fund shall be disbursed to the Impact Aid Fund not later than the end of the Business Day following receipt by the Trustee, together with written notice advising the District of the amount being so disbursed. Amounts disbursed to the Impact Aid Fund shall no longer be considered as part of the Trust Estate.

The Bonds shall be secured by a first pledge of and first lien on all of the Pledged Revenues and of all other moneys from time to time in the Impact Aid Revenue Bond Debt Service Fund and, if applicable, the Impact Aid Revenue Bond Debt Service Reserve Fund and other Trust Funds in the manner and to the extent provided in this Article Five.

The District hereby represents and warrants that, apart from this Indenture, the District has not pledged the Pledged Revenues.

Subject to the lien and application of funds therein for the benefit of the Bondholders and the Trustee as provided herein, funds in the Project Fund shall be applied to the payment of Project Costs upon receipt of District Requests therefor as provided in Section 5.04. The District acknowledges and agrees that amounts shall be disbursed from the Project Fund by the Trustee in accordance with Section 5.04.

Section 5.02. “Trust Money” Defined. All money received by the Trustee, as elsewhere herein provided to be held and applied under this Article, or required to be paid to the Trustee and whose disposition is not elsewhere herein otherwise specifically provided for, including, but not limited to all amounts from time to time on deposit in the Trust Funds, the investment income of all amounts in the Trust Funds and accounts held by the Trustee under this Indenture, and the Pledged Revenues (all such money being herein sometimes called “Trust Money”) shall be held by the Trustee, and, upon the exercise by the Trustee of any remedy specified in Article Seven hereof, such Trust Money shall be applied in accordance with Section 7.05, except to the extent that the Trustee is holding in trust money or Defeasance Obligations for the payment of any specified Bonds which are no longer deemed to be Outstanding under the provisions of Article Six hereof, which money or Defeasance Obligations shall be applied only as provided in Article Six. Prior to the exercise of any such remedy, all or any part of the Trust Money shall be held, invested, withdrawn, paid or applied by the Trustee, from time to time, as provided in this Article. Notwithstanding the foregoing, money in the Rebate Fund and the Impact Aid Fund shall not be or constitute Trust Money.

Section 5.03. Project Fund. As provided in Section 3.07 hereof, \$_____ of proceeds of the Series 2020 Bonds are to be deposited in the Project Fund on the date of issuance of Series 2020 Bonds. To the Project Fund shall be credited as received all other funds appropriated by the District for the Project. All income from the investment of amounts in the Project Fund shall be credited as received to the Project Fund.

Money in the Project Fund shall be disbursed from time to time by the Trustee to the District in accordance with irrevocable wiring instructions provided by the District to pay, or reimburse the District for its payment of, Project Costs relating to the 2020 Project or other Projects upon receipt by the Trustee of a District Request substantially in the form of Exhibit C hereto requesting the payment or reimbursement, dated not more than thirty (30) days before the date of the receipt thereof by the Trustee. The Trustee shall not be bound to make any investigation into the facts or matters stated in a District Request. Pending such application, money in the Project Fund shall be subject to a first lien and charge in favor of the Holders of the Outstanding Bonds.

The Completion Date shall be the date on which the District delivers to the Trustee a District Certificate stating that the 2020 Project or other Projects have been completed and that all Project Costs relating thereto have been paid or are then due and payable in accordance with the District Requests submitted pursuant to this Section. On the Completion Date any balance then remaining in the Project Fund allocable to such Project shall be disbursed by the Trustee in payment or reimbursement of any eligible Project Costs not theretofore paid or reimbursed to the District pursuant to this Section. The balance of such funds then remaining in the Project Fund, in excess of amounts, if any, then due for compensation and expenses of the Trustee or any Paying Agent, shall be transferred by the Trustee to the Impact Aid Revenue Bond Debt Service Fund and held or applied therein or as otherwise provided in an Opinion of Bond Counsel.

Section 5.04. Cost of Issuance Fund. As provided in Section 3.07 hereof, \$112,120 of proceeds of the Series 2020 Bonds are to be deposited in the Cost of Issuance Fund on the date of issuance of Series 2020 Bonds. To the Cost of Issuance Fund shall be credited as received all other funds appropriated by the District for the payment of Cost of Issuance. All income from the investment of amounts in the Cost of Issuance Fund shall be credited as received to the Cost of Issuance Fund.

Upon receipt of a District Request, stating the amount to be paid, to whom it is to be paid, the reason for the payment and that the payment requested is for a proper Cost of Issuance, the Trustee shall disburse amounts in the Cost of Issuance Fund to pay the Costs of Issuance. Any proceeds of a series of Bonds remaining in the Cost of Issuance Fund after the payment of all Costs of Issuance thereof, as

certified in a District Request, shall be transferred to the Project Fund or, to the extent requested in the District Request, to the Impact Aid Revenue Bond Debt Service Fund and held or applied therein or as otherwise provided in an Opinion of Bond Counsel.

Section 5.05. Impact Aid Revenue Bond Debt Service Fund. The Trustee shall first credit to the Impact Aid Revenue Bond Debt Service Fund all Pledged Revenues upon receipt thereof from the Department of Education in an amount equal to the sum of not less than the Principal and Interest Requirements with respect to the Bonds coming due in the twelve-month period immediately following receipt thereof (and, as to the first Bond Year, crediting the amounts in the following sentence). The Trustee shall also credit to the Impact Aid Revenue Bond Debt Service Fund any amounts transferred to the Impact Aid Revenue Bond Debt Service Fund from the Impact Aid Revenue Bond Debt Service Reserve Fund pursuant to this Section and Section 5.06 hereof an amount, if any, to be applied on the next bond payment date to the payment of interest from moneys deposited as capitalized interest in the Impact Aid Revenue Bond Debt Service Fund; and any other amounts appropriated by the District to the payment of the Bonds; provided, however, that if a transfer has been made from the Impact Aid Revenue Bond Debt Service Reserve Fund to satisfy a deficiency in the Impact Aid Revenue Bond Debt Service Fund pursuant to Section 5.06 hereof, the Pledged Revenues thereafter received shall be credited to the Impact Aid Revenue Bond Debt Service Reserve Fund to the extent required to cause the balance therein to equal the Reserve Requirement. Money from time to time held in the Impact Aid Revenue Bond Debt Service Fund shall be disbursed only to meet payments of principal of, premium, if any, and interest on the Bonds payable therefrom as such payments become due.

In the event that any proceeds of a series of Bonds are deposited in the Impact Aid Revenue Bond Debt Service Fund to pay capitalized interest, the District shall deliver to the Trustee, at the time of such deposit, a District Certificate setting forth in a schedule the respective amounts so deposited to be used to pay interest on Bonds of such series on each Interest Payment Date. The Trustee shall hold and apply any moneys so deposited in accordance with such District Certificate until all such moneys have been so applied or until the District shall file with the Trustee a District Certificate to the effect that any moneys so deposited that remain in the Impact Aid Revenue Bond Debt Service Fund are no longer required to pay capitalized interest with respect to such series of Bonds, in which event the Trustee shall apply any such remaining moneys to the payment of principal of or interest on Outstanding Bonds on the next Interest Payment Date.

If on any date on which principal, premium, if any, or interest is due and payable on any Bond that is secured by the Impact Aid Revenue Bond Debt Service Reserve Fund, the balance in the Impact Aid Revenue Bond Debt Service Fund is not sufficient to pay the total amount of principal and interest then due on all Outstanding Bonds, the Trustee shall transfer any money then on hand in the Impact Aid Revenue Bond Debt Service Reserve Fund in an amount equal to such deficiency to the Impact Aid Revenue Bond Debt Service Fund and apply the amount so transferred to payment of principal and interest then due on Outstanding Bonds.

All income derived from the investment of amounts on hand in the Impact Aid Revenue Bond Debt Service Fund shall be credited as received to the Impact Aid Revenue Bond Debt Service Fund.

Section 5.06. Impact Aid Revenue Bond Debt Service Reserve Fund. The Series 2020 Bonds are not secured by the Impact Aid Revenue Bond Debt Service Reserve Fund. If Additional Bonds are secured by the Impact Aid Revenue Bond Debt Service Reserve Fund, the Trustee will deposit into such Fund from source specified in a Supplemental Indenture upon the issuance thereof an amount equal to the Reserve Requirement. The Trustee shall credit to the Impact Aid Revenue Bond Debt Service Reserve Fund, after crediting amounts as required by Section 5.05, Pledged Revenues upon receipt thereof from the Department of Education in an amount necessary or appropriate to restore any deficiency in the

Impact Aid Revenue Bond Debt Service Reserve Fund and the amount of proceeds of any series of Additional Bonds specified in the Supplemental Indenture authorizing the issuance of such Additional Bonds. If the balance in the Impact Aid Revenue Bond Debt Service Reserve Fund is less than the Reserve Requirement, Pledged Revenues remaining after the required credit to the Impact Aid Revenue Bond Debt Service Fund shall be credited to the Impact Aid Revenue Bond Debt Service Reserve Fund, if Bonds are then secured by such fund, until the balance therein equals the Reserve Requirement.

All income derived from the investment of amounts on hand in the Impact Aid Revenue Bond Debt Service Reserve Fund shall be credited as received to the Impact Aid Revenue Bond Debt Service Reserve Fund if and to the extent that the balance therein does not exceed the Reserve Requirement and then shall be credited to the Impact Aid Revenue Bond Debt Service Fund.

If on any date on which principal, premium or interest is due and payable on the Bonds that are secured by the Impact Aid Revenue Bond Debt Service Reserve Fund, there is a deficiency in the Impact Aid Revenue Bond Debt Service Fund for payment of interest, principal or premium then due with respect to all Outstanding Bonds, the Trustee shall transfer from the Impact Aid Revenue Bond Debt Service Reserve Fund to the Impact Aid Revenue Bond Debt Service Fund an amount equal to such deficiency. If the amount on hand in the Rebate Fund is insufficient to make the payments therefrom in the amounts and at the times provided in Section 5.10 hereof in respect of Bonds that are Tax-Exempt Bonds, the Trustee shall, after any required transfers to the Impact Aid Revenue Bond Debt Service Fund, transfer from the Impact Aid Revenue Bond Debt Service Reserve Fund to the Rebate Fund an amount sufficient to cure such deficiency.

Money in the Impact Aid Revenue Bond Debt Service Reserve Fund shall be used only to make the transfers authorized by this Section 5.06 to pay principal of, premium, if any, and interest on Outstanding Bonds or to meet the requirements of the Rebate Fund; provided that on any date when the balance then on hand in the Impact Aid Revenue Bond Debt Service Fund, plus the amount then on hand in the Impact Aid Revenue Bond Debt Service Reserve Fund, is sufficient with other money available for the purpose to pay or discharge all Outstanding Bonds secured by the Impact Aid Revenue Bond Debt Service Reserve Fund and the interest accrued thereon in full as described in Article Six and to meet the requirements of the Rebate Fund in respect of such Bonds, it may be used for those purposes.

The mere fact that the balance on hand in the Impact Aid Revenue Bond Debt Service Reserve Fund is less than the Reserve Requirement shall not be an Event of Default hereunder.

The Trustee shall value Qualified Investments credited to the Impact Aid Revenue Bond Debt Service Reserve Fund as of each Interest Payment Date and on any other date required by this Section 5.06 at the fair market value thereof.

Section 5.07. Fee Payments. The Trustee shall have a lien on all Trust Money, except money or Defeasance Obligations held by the Trustee for the payment of any specified Bonds under Article Six, prior to the lien securing the Bonds for such costs and expenses as set forth in Sections 7.05 and 8.07 hereof.

Section 5.08. Investments. Subject to the provisions of any law then in effect to the contrary, the Trustee shall invest all Trust Money and amounts in the Rebate Fund on hand from time to time as specified in a District Request in any of the following Qualified Investments: (i) time or demand deposits in any United States bank or trust company whose obligations are rated in the three highest rating categories by S&P and another nationally recognized rating agency, having aggregate capital and surplus of at least \$50,000,000 and authorized to accept deposits of public funds (including the banking departments of the Trustee and its affiliates); (ii) obligations, participations or other instruments of, or

issued by, the Federal National Mortgage Association, or issued by a United States agency or a United States government enterprise; (iii) repurchase agreements fully collateralized by obligations listed in (ii) or (vii) hereof, with institutions rated in one of the three highest rating categories of S&P and another nationally recognized rating agency for agreements having a term of one year or less, in the two highest rating categories of S&P and another nationally recognized rating agency for agreements having a term of more than one year but not more than three years (but only during the first three-year period after bond closing) or the highest category of S&P and another nationally recognized rating agency for agreements having a term of more than three years; (iv) a promissory note or other evidence of indebtedness (and any investment agreement) of a bank or a bank holding company whose obligations are rated in one of the three highest rating categories of S&P and another nationally recognized rating agency; (v) bonds, notes, certificates of indebtedness or other obligations of a state, an instrumentality or a political subdivision thereof, which obligations have been granted by S&P and another nationally recognized rating agency not lower than the third highest rating category of S&P and another nationally recognized rating agency; (vi) a promissory note or other evidence of indebtedness (and any investment agreement) of a United States branch or agency of a foreign financial institution whose short term obligations are rated in the highest category by S&P and another nationally recognized rating agency; (vii) Government Obligations; (viii) shares of a money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933, having assets of at least \$100,000,000, and having a rating AAAM or AAAM-G by S&P and another nationally recognized rating agency, including money market mutual funds from which the Trustee or its affiliates derive a fee for investment advisory or other services to the fund; and (ix) shares of a tax-exempt municipal money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933, having assets of at least \$100,000,000, and having a rating of AAAM or AAAM-G by S&P and another nationally recognized rating agency, for which at least 95% of the income paid to the holders on interest in such money market mutual fund will be excludable from gross income under Section 103 of the Code, including money market funds for which the Trustee or its affiliates receive a fee for investment advisory or other services to the fund. If S&P ceases to exist and has no successor or assign, then from and after such occurrence reference to "S&P" shall be deemed removed from the foregoing provisions of this Section and the determination of one nationally recognized rating agency having the qualifications described above shall then be sufficient for each applicable investment.

The Trustee may trade with itself or its Affiliates in the purchase and sale of such Qualified Investments and the Trustee shall not be liable or responsible for any loss resulting from any such investment. Such Qualified Investments shall be registered in the name of the Trustee. The Trustee may invest in Qualified Investments through or from its own trust department and Trust Money may be deposited in time deposits of, or certificates of deposit issued by, the Trustee or its Affiliates. The Trustee shall make investments so that they mature or subject to redemption at the option of the holder thereof at such times as are required to meet the reasonably foreseeable requirements of the fund or account to which they are credited.

The Trustee shall without further direction from the District sell such Qualified Investments as and when required to make any payment for the purpose for which such investments are held. Each investment shall be credited to the fund for which it is held, subject to any other provision of this Indenture directing some other credit, but income on such Qualified Investments shall be held or transferred, as received, in accordance with this Article Five. The Trustee shall furnish the District monthly an accounting of all investments.

The District acknowledges that regulations of the Comptroller of the Currency grant the District the right to receive brokerage confirmations of the security transactions as they occur. The District

specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements from the Trustee which will detail all investment transactions.

Section 5.09. Trust Money. All Trust Money shall be trust funds under the terms hereof and shall not be subject to lien or attachment of any creditor of the District or the Trustee. Such Trust Money shall be held in trust and applied in accordance with the provisions of this Indenture.

All Trust Money, for any legal, tax or other purpose, shall be considered funds of the District, although subject to the security interest of the Trustee imposed by this Indenture.

Section 5.10. Impact Aid Fund. The Impact Aid Fund is a fund of the District that is and has been established under Section 20-9-514, Montana Code Annotated, as amended from time to time. The Impact Aid Fund is not a Trust Fund, is not part of the Trust Estate, is not subject to the lien of this Indenture. The Impact Aid Fund is held and administered by the District and Impact Aid Revenues therein may be applied by the District as provided in Section 20-9-514, Montana Code Annotated, as amended. Any amount of Pledged Revenues remaining after the above required applications thereof and elsewhere in this Indenture shall be credited to the Impact Aid Fund.

Section 5.11. Rebate Fund. A special fund is hereby established with the Trustee and designated as the "Rebate Fund." The Rebate Fund is not a Trust Fund, is not part of the Trust Estate and is not subject to the lien of this Indenture. For each series of Bonds that are issued as Tax-Exempt Bonds and are subject to the rebate requirements of Section 148(f) of the Code, or its equivalent, there shall be established an account in the Rebate Fund.

The Trustee shall make information regarding the Bonds and investments hereunder available to the District, shall invest funds, make deposits and disbursements from the subaccount in the Rebate Fund relating to the Bonds of a series in accordance with the Rebate Certificate of the District relating thereto.

Section 5.12. Additional Funds and Accounts. In addition to the funds and accounts specifically authorized under this Article, the Trustee, upon notice to the District, shall have the authority to create and maintain such other funds and accounts as it may deem necessary for proper administration hereunder.

ARTICLE SIX

SATISFACTION AND DISCHARGE

Section 6.01. Satisfaction and Discharge of Indenture. This Indenture shall cease to be of further effect (except as to rights of transfer or exchange of Bonds herein expressly provided for and the application of funds provided in Section 6.03 hereof), and the Trustee, on demand of and at the expense of the District shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(1) either

(A) all Bonds theretofore authenticated and delivered (other than (i) Bonds which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.09 hereof and (ii) Bonds for whose payment money has theretofore been deposited in trust or segregated and held in trust by the District and thereafter repaid to the District or discharged from such trust, as provided in the last paragraph of Section 11.02 hereof) have been delivered to the Trustee cancelled or for cancellation; or

(B) all such Bonds not theretofore delivered to the Trustee cancelled or for cancellation, have been defeased in accordance with Section 6.02 hereof; and

(2) the District has paid or caused to be paid all other sums payable hereunder by the District; and

(3) the District has delivered to the Trustee a District Certificate and an Opinion of Counsel each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the District to the Trustee under Section 8.07 hereof shall survive.

Section 6.02. Defeasance of Bonds. Bonds shall be defeased and shall no longer be deemed Outstanding (except as to rights of transfer or exchange of Bonds herein expressly provided for) when there are delivered to the Trustee, either:

(1) (a) cash in an amount that is sufficient, without investment, to pay the full amount of principal, premium, if any, and interest which will become due and payable with respect to such Bonds, on and before their Stated Maturity or on and before a specified Redemption Date, as the case may be, and if any of such Bonds are to be redeemed arrangements satisfactory to the Trustee have been made for giving notice of such redemption in the manner provided by Section 2.15 hereof; or

(b) Defeasance Obligations, the principal of, premium, if any, and interest on which when due will, without reinvestment, provide cash at times and in amounts which together with the cash, if any, deposited with the Trustee at the same time as the Defeasance Obligations are delivered to the Trustee, without investment on such cash, will be sufficient to pay the full amount of principal, premium, if any, and interest which will become due and payable with respect to such Bonds, on and before their Stated Maturity or on and before a specified Redemption Date, as the case may be, and if any of such Bonds are to be redeemed arrangements satisfactory to the Trustee have been made for giving notice of such redemption in the manner provided by Section 2.15 hereof; and

(2) an opinion of Bond Counsel to the effect that the deposit described in clause (1)(b) will not adversely affect the exemption from federal income taxation of interest on any Outstanding Tax-Exempt Bond; and

(3) a report of an Independent Accountant verifying the mathematical sufficiency of the proceeds of the Defeasance Obligations and any cash delivered to the Trustee as described in clause (1)(b), without reinvestment, to pay the entire amount of principal, premium, if any, and interest on the Bonds to be defeased on and before their Stated Maturity or Redemption Date, as the case may be; and

(4) a District Certificate and an Opinion of Counsel, each stating that, assuming the accuracy of the report referred to in clause (3), all conditions precedent herein provided for relating to the defeasance of such Bonds have been complied with.

Section 6.03. Application of Trust Money. All money deposited with the Trustee pursuant to Section 6.01 or Section 6.02 hereof shall be held in trust and applied by it, in accordance with the provisions of the Bonds and this Indenture, to the payment, either directly or through any Paying Agent as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payments such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

ARTICLE SEVEN

EVENTS OF DEFAULT; REMEDIES

Section 7.01. Events of Default. “Event of Default,” wherever used herein means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- (1) default in the payment of any interest upon any Bond when it becomes due and payable; or
- (2) default in the payment of the principal of (or premium, if any, on) any Bond, whether at the Stated Maturity or Principal Payment Date thereof or upon redemption; or
- (3) the occurrence of an Act of Bankruptcy; or
- (4) default in the performance, or breach, of any covenant or warranty of the District in this Indenture (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in this Section specifically dealt with), and continuation of such default or breach for a period of 30 days after there has been given, by certified mail, to the District by the Trustee or to the District and the Trustee by the Holders of at least 15% in principal amount of the Outstanding Bonds, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a “Notice of Default” hereunder.

Section 7.02. Remedies. Upon the occurrence of an Event of Default, the Trustee shall have the power to proceed with any right or remedy available at law, in equity or by statute, as it may deem reasonable, including any suit, action or special proceeding in equity or at law for the collection of amounts due and to become due hereunder and under the Bonds or the performance of any covenant or agreement contained herein or for the enforcement of any legal or equitable remedy as the Trustee shall believe, in good faith, to protect the rights aforesaid, insofar as such may be authorized by law. The rights herein specified are to be cumulative to all other available rights, remedies or powers.

No delay or omission to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such event of default or acquiescence therein; and every such right and remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent event of default or shall impair any rights or remedies consequent thereon.

Section 7.03. Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the District, the Trustee (irrespective of whether the principal of the Bonds shall then be due and payable as therein expressed and irrespective of whether the Trustee shall have made any demand on the District for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

- (i) to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Bonds and to file such other papers or documents as

may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Bondholders allowed in such judicial proceeding, and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Bondholder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Bondholders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 7.04. Trustee May Enforce Claims Without Possession of Bonds. All rights of action and claims under this Indenture or the Bonds may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Bonds in respect of which such judgment has been recovered.

Section 7.05. Application of Money Collected. Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 8.07 hereof;

SECOND: To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

THIRD: To the payment to the Persons entitled thereto of the unpaid principal and premium, if any, on the Bonds (other than Bonds previously called for redemption for payment of which money is held pursuant to the provisions of this Indenture), in the order of the scheduled dates of their payment, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, then to the payment ratably, according to the amount of principal and premium on the Bonds due on such date, to the Persons entitled thereto without any discrimination or privilege.

Section 7.06. Limitation on Suits. No Holder of any Bond shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default;

(2) the Requisite Holders shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(3) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 30 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 30-day period by the Requisite Holders of all Outstanding Bonds;

it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Bonds, or to obtain or to seek to obtain priority or preference over any other Holders (except as expressly provided in this Indenture) or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders of Bonds, as provided herein.

Section 7.07. Unconditional Right of Bondholders to Receive Principal, Premium and Interest. Notwithstanding any other provision in this Indenture, the Holder of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and (subject to Section 2.10 hereof) interest on such Bond on the respective Stated Maturities expressed in such Bond (or, in the case of redemption, on the Redemption Date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

Section 7.08. Restoration of Rights and Remedies. If the Trustee or any Bondholder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Bondholder, then and in every such case the District, the Trustee and the Bondholders shall, subject to any final determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Bondholders shall continue as though no such proceeding had been instituted.

Section 7.09. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 7.10. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder of any Bond to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Bondholders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Bondholders, as the case may be.

Section 7.11. Control by Bondholders. Subject to Section 7.15 hereof, the Requisite Holders shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, *provided that*

(1) such direction shall not be in conflict with any rule of law or with this Indenture or with contemporaneous directions to the Trustee from the Holders of a larger percentage of the Outstanding Bonds,

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

Section 7.12. Waiver of Past Defaults. Subject to Section 7.15 hereof, the Holders of not less than two-thirds of the aggregate principal amount of the Outstanding Bonds may on behalf of the Holders of all the Bonds waive any past default hereunder and its consequences, except a default:

(1) in the payment of the principal of (or premium, if any) or interest on any Bond, the waiver of which shall require the consent of the Holder of each Outstanding Bond affected thereby; or

(2) in respect of a covenant or provision hereof which under Section 10.01 cannot be modified or amended without the consent of the Holder of each Outstanding Bond affected thereby.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 7.13. Undertaking for Costs. The District and Trustee agree, and each Holder of any Bond by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Bondholder, or group of Bondholders, holding in the aggregate more than fifteen percent (15%) in principal amount of the Outstanding Bonds, or to any suit instituted by any Bondholder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Bond on or after the respective Stated Maturities expressed in such Bond (or, in the case of redemption, on or after the Redemption Date).

Section 7.14. Suits To Protect Trust Estate. The Trustee shall have the power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of this Indenture and such suits and proceedings as the Trustee may deem expedient to protect its interests and the interest of the Holders in the Trust Estate and in the issues, profits, revenues and other income arising therefrom, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of, or compliance with, such enactment, rule or order would impair the security hereunder or be prejudicial to the interests of the Holders or the Trustee.

Section 7.15. Rights of Bond Insurer as Deemed Holder and Upon Default.

(a) Except as otherwise provided in a Supplemental Indenture and subject to Subsection (c) of this Section 7.15, for purposes of determining whether (1) pursuant to this Indenture the requisite percentage of Holders of aggregate principal amount of Bonds then Outstanding shall have directed the

time, method and place of conducting any remedy or proceeding described therein or shall have waived any Event of Default or its consequences or (2) pursuant to any other provision of this Indenture (except for certain amendments to this Indenture, which shall require the consent of the Holders of the Bonds affected) the requisite percentage of Holders of aggregate principal amount of Bonds then Outstanding shall have requested, demanded or consented to, the taking of action or the failure to take action described in such provision, the Bond Insurer, upon behalf of the Holders of the Bonds insured by its Bond Insurance Policy, shall have the right to give such consents, approvals, directions or requests for and upon behalf of the Holders of such Bonds.

(b) Except as otherwise provided in a Supplemental Indenture and subject to Subsection (c) of this Section 7.15, (1) the applicable Bond Insurer shall be entitled, but not obligated, to act on behalf of all Holders of Bonds that are insured by its Bond Insurance Policy in the exercise of all rights and remedies upon an Event of Default including, but without limitation, control, institution and direction of legal proceedings and the granting of any waivers with respect to the foregoing upon behalf of such Holders; and (2) the Holders of such Bonds shall not have the right or be permitted to exercise any of the rights or remedies granted or permitted to them upon an Event of Default without the express written consent of the Bond Insurer (if any) insuring such Bonds.

(c) Any provision regarding consents, approvals, directions, appointments or requests by a Bond Insurer, upon behalf of the Holders of the Bonds insured by its Bond Insurance Policy or for itself, shall be deemed to not require or permit such consents, approvals, directions, appointments, requests or notices to such Bond Insurer during the time in which (1) such Bond Insurer is in default in its obligation to make payments under its Bond Insurance Policy, (2) its Bond Insurance Policy shall at any time for any reason cease to be valid and binding on such Bond Insurer, or shall be declared to be null and void, or the validity or enforceability of any provision thereof is being contested by such Bond Insurer or any governmental agency or authority, or if such Bond Insurer is denying further liability or obligation under its Bond Insurance Policy, (3) a petition has been filed and is pending against such Bond Insurer under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and has not been dismissed within 60 days after such filing, or (4) such Bond Insurer has filed a petition, which is still pending, in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consented to the filing of any petition against it under any such law.

ARTICLE EIGHT

THE TRUSTEE

Section 8.01. Certain Duties and Responsibilities. (a) The Trustee:

(1) prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture or contained in written directions from the Requisite Holders as herein provided that are consistent with the provisions of this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee;

(2) in case an Event of Default has occurred and is continuing, shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs; and

(3) in the absence of negligence or bad faith on its part, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

If under the provisions hereof the Trustee is to exercise discretion, it shall do so in accordance with any written direction it receives from Requisite Holders, subject to Section 7.15 hereof; provided, however, that

(1) such direction shall not be in conflict with any rule of law or with this Indenture,

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and

(3) the Trustee receives indemnity satisfactory to it from such Requisite Holders.

(b) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(1) this Subsection shall not be construed to limit the effect of Subsection (a) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Requisite Holders provided herein relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(c) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

Section 8.02. Notice of Defaults; Other Notices. Within five Business Days after the occurrence of any Event of Default of which a Responsible Officer has actual knowledge, the Trustee shall transmit, by mail or by other means required by the securities depository, to all Bondholders, as their names and addresses appear in the Bond Register, notice of such Event of Default, unless such Event of Default shall have been cured or waived.

Section 8.03. Certain Rights of Trustee. Except as otherwise provided in Section 8.01:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, Bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the District mentioned herein shall be sufficiently evidenced by a District Request or District Order and any resolution of the District Board may be sufficiently evidenced by a District Resolution;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a District Certificate;

(d) the Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Bondholders pursuant to this Indenture, unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, Bond, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the District personally or by agent or attorney; and

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

Section 8.04. Not Responsible for Recitals or Issuance of Bonds. The recitals contained herein and in the Bonds, except the certificates of authentication, shall be taken as the statements of the District, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application of Bonds or the proceeds thereof.

Section 8.05. May Hold Bonds. The Trustee may become the owner or pledgee of Bonds and may otherwise deal with the District with the same rights it would have if it were not Trustee.

Section 8.06. Money Held in Trust. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the District.

Section 8.07. Compensation and Reimbursement. The District agrees, subject to Section 1.13 hereof,

(1) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(3) to the extent permitted by applicable law, to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

As security for the performance of the obligations of the District under this Section the Trustee shall have a lien prior to the Bonds upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of principal of (and premium, if any) or interest on Bonds theretofore due and payable or deposited pursuant to Article Six.

Section 8.08. Corporate Trustee Required; Eligibility. There shall at all times be a Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States of America or of any State, authorized under such laws to exercise corporate trust powers, subject to supervision or examination by Federal or State authority. Any successor to the initial Trustee shall have a combined capital and surplus of at least \$10,000,000; if such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 8.09. Resignation and Removal; Appointment of Successor. (a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 8.10 hereof.

(b) The Trustee may resign at any time by giving written notice thereof to the District. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within thirty days after giving such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time by Action of the Requisite Holders of the Bonds Outstanding, delivered to the Trustee and to the District.

(d) If at any time:

(1) the Trustee shall cease to be eligible under Section 8.08 hereof and shall fail to resign after written request therefor by the District or by any such Bondholder, or

(2) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer

shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the District by a District Resolution may remove the Trustee, or (ii) any Bondholder who has been a bona fide Holder of a Bond for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the District by a District Resolution shall promptly appoint a successor Trustee with the consent of the Requisite Holders of all Outstanding Bonds. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by Action of the Requisite Holders of all Outstanding Bonds delivered to the District and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the District. If no successor Trustee shall have been so appointed by the District or the Bondholders and accepted appointment in the manner hereinafter provided, any Bondholder who has been a bona fide Holder of a Bond for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The District shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by providing written notice of such event by first-class mail, postage prepaid, or by such other means as required by the securities depository, to the Holders of Bonds as their names and addresses appear in the Bond Register. The notice shall include the name of the successor Trustee and the address of its principal corporate trust office.

Section 8.10. Acceptance of Appointment by Successor. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the District and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on request of the District or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in Section 8.07. Upon request of any such successor Trustee, the District shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article, to the extent operative.

Section 8.11. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting, from any merger conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, to the extent operative, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds.

ARTICLE NINE

BONDHOLDERS' LISTS AND MEETINGS

Section 9.01. Communications to Bondholders. (a) If three or more Holders of Bonds or the Requisite Holders of any series of Bonds Outstanding (hereinafter referred to as “applicants”) apply in writing to the Trustee, and furnish to the Trustee reasonable proof that each such applicant has owned a Bond for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other Holders of Bonds with respect to their rights under this Indenture or under the Bonds and is accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, then the Trustee shall, within five Business Days after the receipt of such application, at its election, either

(i) afford such applicants a list of names and addresses of Bondholders; or

(ii) inform such applicants of the approximate number of Holders of Bonds whose names and addresses appear in the Bond Register and the approximate cost of mailing to such Bondholders the form of proxy or other communication, if any, specified in such application.

If the Trustee shall elect not to afford such applicants a list of the names and addresses of Bondholders, the Trustee shall, upon the written request of such applicants, mail to each Bondholder whose name and address appear in the Bond Register, with reasonable promptness after the receipt by the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing, unless within five days after the receipt by the Trustee of such material and payment, the Trustee determines and notifies the applicants that, in the opinion of the Trustee, such mailing would be in violation of applicable law, in which event the Trustee shall be relieved of any obligation or duty to such applicants respecting their application.

(b) Every Holder of Bonds, by receiving and holding the same, agrees that neither the District nor the Trustee shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders of Bonds in accordance with Subsection (a), regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under paragraph (a).

Section 9.02. Purposes for Which Bondholders' Meetings May Be Called. A meeting of Bondholders may be called at any time and from time to time pursuant to this Article for any of the following purposes:

A. to give any notice to the District or the Trustee, or to give any directions to the Trustee, or to consent to the waiving of any default hereunder and its consequences, or to take any other action authorized to be taken by Bondholders;

B. to remove the Trustee and appoint a successor trustee pursuant to Article Eight;

C. to consent to the execution of any amendment to a Supplemental Indenture pursuant to Article Ten; or

D. to take any other action authorized to be taken by or on behalf of the Holders of any specified aggregate principal amount of the Bonds under any other provision of this Indenture or under applicable law.

Section 9.03. Place of Meetings of Bondholders. Meetings of Bondholders may be held at such place or places as the Trustee or, in case of its failure to act, the District or the Bondholders calling the meeting, shall from time to time determine.

Section 9.04. Call and Notice of Bondholders' Meetings.

A. The Trustee may at any time call a meeting of Bondholders to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of Bondholders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be mailed, not less than twenty nor more than one hundred eighty days prior to the date fixed for the meeting, to each Bondholder. Failure of the Bondholder to receive such notice, or any defect therein shall not, however, in any way impair or affect the validity of any such meeting.

B. In case at any time the District, pursuant to a District Resolution, or the Holders of at least fifteen percent (15%) in aggregate principal amount of the Bonds then Outstanding, shall have requested the Trustee to call a meeting of the Bondholders, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed the notice of such meeting within twenty days after receipt of such request, then the District or the Holders of Bonds in the amount above specified may determine the time and the place in the location designated in Section 9.03 for such meeting and may call such meeting to take any action authorized in Section 9.02 by giving notice thereof as provided in subsection A of this Section.

Section 9.05. Persons Entitled To Vote at Bondholders' Meetings. To be entitled to vote at any meeting of Bondholders, a Person shall be (i) a Holder of one or more Bonds, or (ii) a Person appointed by an instrument in writing as proxy for a Holder or Holders of Bonds by such Holder or Holders. The only Persons who shall be entitled to be present or to speak at any meeting of Bondholders shall be the Persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel, representatives of the District and its counsel and representatives of a Bond Insurer and its counsel.

Section 9.06. Determination of Voting Rights; Conduct and Adjournment of Meetings.

A. Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Bondholders in regard to proof of the holding of Bonds and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate. Except as otherwise permitted or required by any such regulations, the holding of Bonds shall be proved in the manner specified in Section 1.04 hereof and the appointment of any proxy shall be proved in the manner specified in Section 1.04 hereof. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without the proof specified in Section 1.04 hereof or other proof.

B. The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the District or by Bondholders as provided in subsection B of Section 9.04 hereof, in which case the District or the Bondholders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Holders of a majority in principal amount of the Bonds represented at the meeting and entitled to vote.

C. At any meeting each Bondholder or proxy shall be entitled to one vote for each \$5,000 principal amount, or fraction thereof, of Outstanding Bonds held or represented by him; provided, however, that no vote shall be cast or counted at any meeting in respect of any Bond challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote, except as a Bondholder or proxy.

D. At any meeting of Bondholders, the presence of Persons holding or representing Bonds in an aggregate principal amount sufficient under the appropriate provision of this Indenture to take action upon the business for the transaction of which such meeting was called shall constitute a quorum. Any meeting of Bondholders duly called pursuant to Section 9.04 hereof may be adjourned from time to time by vote of the Holders (or proxies for the Holders) of a majority of the Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present; and the meeting may be held as so adjourned without further notice.

Section 9.07. Counting Votes and Recording Action of Meetings. The vote upon any resolution submitted to any meeting of Bondholders shall be by written ballots on which shall be subscribed the signatures of the Holders of Bonds or of their representatives by proxy and the serial number or numbers of the Bonds held or represented by them. The permanent chairman of the meeting shall appoint at least two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record, at least in duplicate, of the proceedings of each meeting of Bondholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was mailed as provided in Section 9.04 hereof. Each copy shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one such copy shall be delivered to the District and another to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

Section 9.08. Revocation by Bondholders. At any time prior to (but not after) the evidencing to the Trustee, in the manner provided in Section 1.04 hereof, of the taking of any action by the Holders of the percentage in aggregate principal amount of the Bonds specified in this Indenture in connection with such action, any Holder of a Bond which is included in the Bonds the Holders of which have consented to such action may, by filing written notice with the Trustee at its principal office and upon proof of holding as provided in Section 1.04 hereof, revoke such consent so far as concerns such Bond. Except as aforesaid any such consent given by the Holder of any Bond shall be conclusive and binding upon such Holder and upon all future Holders of such Bond and of any Bond issued in exchange therefor or in lieu thereof, irrespective of whether or not any notation in regard thereto is made upon such Bond. Any action taken by the Holders of the percentage in aggregate principal amount of the Bonds specified in this Indenture in connection with such action shall be conclusively binding upon the District, the Trustee and the Holders of all the Bonds.

ARTICLE TEN

SUPPLEMENTAL INDENTURES

Section 10.01. Supplemental Indentures.

(a) The District, when authorized by a District Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(1) to add to the covenants of the District for the benefit of the Holders of the Bonds, or to surrender any right or power herein conferred upon the District; or

(2) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture which shall not be inconsistent with the provisions of this Indenture, provided such action shall not adversely affect the interest of the Holders of the Bonds; or

(3) to create a series of Additional Bonds and make such other provisions with respect thereto as provided in Articles Two and Four.

(b) With the consent of the Holders of not less than 66 2/3% in principal amount of the Outstanding Bonds if the purpose is other than as described in clause (a), by Action of said Holders delivered to the Trustee, the District, when authorized by a District Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of the Bonds under this Indenture; *provided, however*, that no such Supplemental Indenture shall, without the prior written consent of the Holder of each Outstanding Bond affected thereby,

(1) change the Stated Maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which, any Bond or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date), or

(2) reduce the percentage in principal amount of the Outstanding Bonds, the consent of whose Holders is required for any such Supplemental Indenture, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture, or

(3) grant a privilege or priority of any Bond over any other Bond, other than as provided herein, or

(4) modify any of the provisions of this Section 10.01, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Bond affected thereby.

For purposes of this Indenture, Bonds are deemed “affected” by an amendment if such amendment adversely affects or diminishes the rights of the Holders thereof to be assured of the payment of principal of, premium, if any, and interest on such Bonds. The Trustee may in its discretion determine whether any Bonds would be affected by any amendment and any such determination shall be conclusive upon the Holders of all Bonds, whether theretofore or thereafter authenticated and delivered under this Indenture. The Trustee shall not be liable for any such determination made in good faith.

(c) If at any time the District shall request the Trustee to enter into such Supplemental Indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be given to the Holders of the Bonds at their addresses as the same last appear on the registration books, by first class mail postage prepaid or by such other means required by the securities depository. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Corporate Trust Office of the Trustee for inspection by all Bondholders. If, within sixty (60) days or such longer period as shall be prescribed in writing by the District following the giving of such notice, the Holders of not less than the aggregate principal amount of the Bonds Outstanding required under subsection (b) of this Section 10.01, as the case may be, at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the District from executing the same or from taking any action pursuant to the provisions thereof.

It shall not be necessary for any Action of Bondholders under this Section to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such Action shall approve the substance thereof.

Section 10.02. Execution of Supplemental Indentures. In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 8.01) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such Supplemental Indenture is authorized or permitted by this Indenture. The Trustee may, but shall not (except to the extent required in the case of a Supplemental Indenture entered into under Section 10.01(c)) be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 10.03. Effect of Supplemental Indentures. Upon the execution of any Supplemental Indenture under this Article, this Indenture shall be modified in accordance therewith, and such Supplemental Indenture shall form a part of this Indenture for all purposes; and every Holder of Bonds theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 10.04. Reference in Bonds to Supplemental Indentures. Bonds authenticated and delivered after the execution of any Supplemental Indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such Supplemental Indenture. If the District shall so determine, new Bonds so modified as to conform, in the opinion of the Trustee and the District Board, to any such Supplemental Indenture may be prepared and executed by the District, and authenticated and delivered by the Trustee in exchange for Outstanding Bonds.

ARTICLE ELEVEN

COVENANTS

Section 11.01. Payment of Principal, Premium and Interest. Subject to Sections 11.03 and 2.01 hereof, the District will duly and punctually pay the principal of (and premium, if any) and interest on the Bonds in accordance with the terms of the Bonds and this Indenture.

Section 11.02. Money for Bond Payments to Be Held in Trust. If the District shall at any time designate or appoint a Paying Agent other than the Trustee for any series of Bonds, the District will, prior to each due date of the principal of (and premium, if any) or interest on, such Bonds, deposit with such Paying Agent, or instruct the Trustee to deposit with such Paying Agent, but solely from Trust Money, a sum sufficient to pay the principal (and premium, if any) or interest, so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the District will promptly notify the Trustee of its action or failure so to act.

The District will cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will:

- (1) hold all sums held by it for the payment of principal of (and premium, if any) or interest on Bonds in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;
- (2) give the Trustee notice of any default by the District (or any other obligor upon the Bonds) in the making of any such payment of principal (and premium, if any) or interest; and
- (3) at any time during the continuation of any such default upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The District may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by District Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the District or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the District or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the District, in trust for the payment of the principal of (and premium, if any) or interest on any Bond and remaining unclaimed for six years after such principal (and premium, if any) or interest has become due and payable shall be paid to the District on District Request, or (if then held by the District) shall be discharged from such trust; and the Holder of such Bond shall thereafter, as an unsecured general creditor, look only to the District for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the District as trustee thereof, shall thereupon cease.

Section 11.03. Against Encumbrances. The District has not taken any action to and will not encumber, pledge or place any charge or lien upon any of the Trust Estate except as provided hereunder.

Section 11.04. Books and Accounts; Financial Statements. The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the Pledged Revenues. Such books of record and accounts shall be at all time during business hours subject to the inspection of the Trustee and the Holders of not less than fifteen percent (15%) of the principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

Section 11.05. Further Assurances. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably requested by the Trustee or necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Holders of the Bonds of the rights and benefits provided in this

Indenture, including, without limitation, the creation, perfection and maintenance of any security interests intended to be created thereunder.

Section 11.06. Change in 2020 Project. The District may at any time and from time to time before the Completion Date, change the nature or scope of any of the 2020 Project by delivering to the Trustee an amended Exhibit A to attach to this Indenture, together with an Opinion of Bond Counsel to the effect that such amendment will not violate the provisions of the Act and will not adversely affect the exclusion from gross income of the interest on any Series 2020 Bonds for federal income tax purposes.

Upon any such amendment, the 2020 Project shall be deemed to be those appearing on Exhibit A as so amended, for all purposes of this Indenture.

Section 11.07. Notices of Failure to Comply with Program Requirements. The District covenants and agrees to provide the Trustee prompt written notice of the occurrence of any failure to comply with the requirements of the Program.

Section 11.08. Filing of Impact Aid Application. The District will annually file with the Department of Education (or any successor agency that becomes responsible for administering the Program) a complete application and any required supporting information required to obtain the maximum amount of Impact Aid Revenues due the District under federal law and will file, no later than January 24 of each year, a certificate with the Trustee certifying as to its compliance with this paragraph with a copy of the application attached. Should the due date for filing impact aid applications with the Department of Education be changed from January 31st in any given year, then the District shall file a certificate with the Trustee not later than January 24th of the year in which such due date is changed informing the Trustee of such change and shall further file with the Trustee not later than 7 days prior to such changed due date a certificate certifying that it has complied with the filing requirement and attaching a copy of the completed and filed application that it has filed with the Department of Education. The Trustee will notify the Bond Insurer within seven days if any certificate and accompanying application has not been filed with the Trustee when due under this Indenture.

Section 11.09. Irrevocable Wiring Instructions of Trustee. The District shall provide irrevocable wiring instructions or automatic clearing house instructions to the Department of Education to wire or deposit all Impact Aid Revenues due the District to the Trustee under instructions as are provided by the Trustee. The District shall take such actions as are reasonably required by the Trustee to ensure that the Impact Aid Revenues allocable to the District are wired by the Department of Education directly to the Trustee, including submitting to the Department of Education letters and forms required by the Department of Education. The District shall instruct the Department of Education in writing to deliver to the Trustee by electronic mail the payment voucher relating to each wire or transfer of Impact Aid Revenues no later than the date on which each payment voucher is sent by electronic mail from the Department of Education to the District. The District will promptly following receipt of a payment voucher or other advice from the Department of Education, confirm that the Trustee has received such payment voucher or other advice and is otherwise in receipt of the wire or deposit of Impact Aid Revenues.

Section 11.10. Irrevocable Wiring Instructions of the District. The District shall provide to the Trustee irrevocable wiring instructions of the District as they pertain to the Impact Aid Fund so that the Trustee may wire funds of the District to the Impact Aid Fund as provided in this Indenture.

Section 11.11. Annual Audit. The District shall provide the annually audited financial statements of the District to the Trustee each year within 30 days after they are available, provided that the District may comply with this provision by filing such audited financial statements on the Electronic

Municipal Market Access of the Municipal Securities Rulemaking Board. The District shall provide to the Trustee such unaudited financial statements or information as the Trustee shall reasonably request.

Section 11.12. Observance and Performance of Covenants, Agreements, Authority and Actions. The District hereby agrees to observe and perform at all times all covenants, agreements, authority, actions, undertakings, stipulations and provisions to be observed or performed on its part under the Resolution, this Indenture, and the Bonds which are executed, authenticated and delivered under this Indenture.

[Balance of page intentionally left blank]

IN WITNESS WHEREOF, the District has caused this Indenture of Trust to be signed in its name on its behalf by its Board Chair and District Clerk, and to evidence its acceptance of the trusts hereby created, the Trustee has caused this Indenture of Trust to be signed in its name and behalf by its duly authorized officer, all as of the date first above written.

SCHOOL DISTRICT NO. 9 (BROWNING) GLACIER
COUNTY, MONTANA

By _____
Its Chair, Board of Trustees

Attest: _____
Its District Clerk

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By _____
Its _____

EXHIBIT A

DESCRIPTION OF THE 2020 Project

The 2020 Project consists of designing, constructing, furnishing, and equipping improvements to the Browning Middle School facilities, to include building a new gymnasium and locker rooms, a new kitchen, and a new commons area, and installing new boilers; remodeling the existing kitchen and gymnasium; upgrading building finishes; upgrading the track and practice fields and paved areas; and related improvements.

EXHIBIT B

(Form of the Bonds)

UNITED STATES OF AMERICA
STATE OF MONTANA

**SCHOOL DISTRICT NO. 9 (BROWNING),
GLACIER COUNTY, MONTANA**

IMPACT AID REVENUE SCHOOL BUILDING BOND, SERIES 2020

No. R-1 \$3,955,000.00

<u>Interest Rate</u>	<u>Final Payment Date</u>	<u>Date of Original Issue</u>
3.000%	October 1, 2032	July 15, 2020

REGISTERED OWNER: FIRST BANK OF MONTANA, A DIVISION OF GLACIER BANK

PRINCIPAL AMOUNT: THREE MILLION NINE HUNDRED FIFTY-FIVE THOUSAND AND NO/100 DOLLARS

FOR VALUE RECEIVED, SCHOOL DISTRICT NO. 9 (BROWNING), GLACIER COUNTY, MONTANA (the "District"), hereby promises to pay to the Registered Owner named above, or registered assigns at the principal corporate trust office, but solely from the source and in the manner hereinafter provided, the principal amount specified above, and to pay interest thereon from the date of original issue specified above, at the Interest Rate specified above. Principal shall be paid annually, commencing October 1, 2021, and interest shall be paid semiannually commencing October 1, 2020, but solely from the source and in the manner hereinafter provided, resulting in the installment payment schedule attached hereto as Schedule I, until paid in full, and at the same rate (to the extent that the payment of such interest shall be legally enforceable) on any overdue installment of interest, all except as the provisions below with respect to prepayment and redemption of this Bond may become applicable hereto. Payment of the principal of, premium, if any, and interest on this Bond shall be made in coin or currency of the United States of America which at the time of payment is legal tender for payment of public and private debts. Interest so payable, and punctually paid or duly provided for, on any Interest Payment Date, will be paid by check or draft to the Person in whose name this Bond is registered at the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month immediately preceding such Interest Payment Date. Interest on the Series 2020 Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months. Any such interest not so punctually paid or duly provided for shall be paid by check or draft to the Person in whose name this Bond is registered at the close of business on a special record date fixed by the Trustee pursuant to the Indenture. All such interest shall be paid by check or draft mailed to the Person in whose name this Bond is registered, at the address of such Person as it appears in the Bond Register maintained by the Trustee, except that interest shall be paid by wire transfer to any Person in whose name Series 2020 Bonds in an aggregate principal amount of \$1,000,000 or more are registered and who has filed with the

Trustee a request satisfying the requirements of the Indenture that interest on such Bonds be paid by wire transfer.

The Trustee shall pay all principal of, premium, if any, and interest on this Bond, and shall give all notices with respect to this Bond, only to the Registered Owner hereof.

This Bond is one of a duly authorized issue of Bonds of the District designated as “Impact Aid Revenue School Building Bonds” (the “Bonds”), issued and to be issued in one or more series, under, and all equally and ratably secured by, an Indenture of Trust, dated as of July 15, 2020 (the “Indenture”), between the District and U.S. Bank National Association, in Salt Lake City, Utah as Trustee (herein called the “Trustee,” which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto, copies of which are on file with the Trustee, reference is hereby made for a description of the nature and extent of the security, the respective rights thereunder of the Holders of the Bonds, the Trustee and the District, and the terms upon which the Bonds are issued and are to be authenticated and delivered. Terms used with initial capital letters but not defined herein have the meanings given them in the Indenture. As provided in the Indenture, the Bonds are issuable in series which may vary as in the Indenture provided or permitted. This Bond is one of the series specified in its title (the “Series 2020 Bonds”). The Series 2020 Bonds are issuable only in fully registered form.

The Series 2020 Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Montana, particularly Montana Code Annotated, Title 20, Chapter 9, Part 4, as amended, and the Indenture, for the purpose of paying or reimbursing the District for a portion of the cost of designing, constructing, furnishing, and equipping improvements to the Browning Middle School facilities, to include building a new gymnasium and locker rooms, a new kitchen, and a new commons area, and installing new boilers; remodeling the existing kitchen and gymnasium; upgrading building finishes; upgrading the track and practice fields and paved areas; related improvements, and paying costs of issuance of the Series 2020 Bonds. **The Series 2020 Bonds are not secured by the Impact Aid Revenue Bond Debt Service Reserve Fund. The Bonds are not general obligations of the District and the District’s general credit and taxing powers are not pledged to the payment of principal of, premium, if any, or interest on the Bonds. The principal of, premium, if any, and interest on the Bonds are payable solely from the sources specified in the Indenture, including and limited to primarily federal impact aid basic support revenues allocated to the District pursuant to 20 U.S.C. Section 7703(b). Glacier County, the State of Montana, the United States, or any other political subdivision or body other than the District shall not in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, obligation or agreement of any kind whatsoever that may be undertaken by the District.**

The Series 2020 Bonds are subject to redemption at the option of the District, evidenced by a District Request provided to the Trustee at least 45 days before the date of redemption, on 30 days’ prior written notice to the registered owner of the Series 2020 Bond, at any time and from time to time, in whole or in part, at a price equal to the principal amount thereof to be redeemed plus interest accrued to the date identified by the District for redemption and prepayment, without premium or penalty. Each partial prepayment must be in the amount of at least \$100,000 for the District to require the registered owner of the Series 2020 Bond to reamortize the debt service over the then-remaining term; otherwise, partial prepayments (amounts paid in excess of the principal payments then owing) will be applied in inverse order of installments. Upon partial prepayment, there shall be no need to surrender and exchange a new bond for the unredeemed portion of the existing bond; provided that, if the debt service of the Series 2020 Bond is reamortized as provided above in this paragraph, the debt service schedule attached as Schedule I to the Series 2020 Bond shall be replaced by a debt service schedule reflecting the reamortization of the principal then outstanding in substantially equal total installments of principal and interest in each Bond Year.

Notice of redemption shall be given at least thirty (30) days before the redemption date to each Holder of Bonds to be redeemed; but no defect in or failure to give such notice of redemption shall affect the validity of proceedings for redemption of any Bond not affected thereby. All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption have been duly deposited, and, except for the purpose of payment, shall no longer be protected by the Indenture and shall not be deemed Outstanding under the Indenture.

If provision is made for the payment of the principal of, premium, if any, and interest on this Bond in accordance with the Indenture, this Bond shall no longer be deemed Outstanding under the Indenture, shall cease to be entitled to the benefits of the Indenture, and shall thereafter be payable solely from the funds provided for such payment.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the District and the rights of the Holders of the Bonds at any time without the consent of the Holders of any Bonds or with the consent of the Holders of two-thirds in aggregate principal amount of the Bonds at the time Outstanding which are affected by such amendment or modification. The Indenture also contains provisions permitting Holders of two-thirds in aggregate principal amount of the Bonds at the time Outstanding, on behalf of all the Holders of all the Bonds, to waive compliance by the District with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Bond shall be conclusive and binding upon such Holder and on all future Holders of this Bond and of any Bond issued in lieu hereof whether or not notation of such consent or waiver is made upon this Bond.

The Holder of this Bond shall have no right to enforce the provisions of the Indenture, to institute action to enforce the covenants therein, to take any action with respect to a default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

As provided in the Indenture and subject to certain limitations therein set forth, this Bond is transferable on the Bond Register upon surrender of this Bond for transfer to the Trustee at its Principal Corporate Trust Office duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Bonds of the same series, of authorized denominations, for the same aggregate principal amount and of the same Stated Maturity will be issued to the designated transferee or transferees. No service charge shall be made for any transfer or exchange hereinbefore referred to, but the District may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The District, the Trustee and any agent of the District may treat the person in whose name this Bond is registered as the absolute owner hereof for all purposes whether or not this Bond is overdue, and neither the District, the Trustee nor any such agent shall be affected by notice to the contrary.

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 and the issue of which it is a part, do exist, have happened and have been performed in regular and due form, time and manner as required by law.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this Bond shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, School District No. 9 (Browning), Glacier County, State of Montana, by its Board of Trustees, has caused this Bond to be executed by the facsimile signatures of the Chair of the Board of Trustees and the School District Clerk.

(Facsimile Signature)
Chair of the Board of Trustees

(Facsimile Signature)
District Clerk

Dated:

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds of the series designated therein referred to in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Representative

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, 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, enlargement or any change whatsoever.

SIGNATURE GUARANTEE

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

SCHEDULE I



BOND DEBT SERVICE
SCHOOL DISTRICT NO. 9 (BROWNING)
GLACIER COUNTY, MONTANA
IMPACT AID REVENUE SCHOOL BUILDING BONDS, SERIES 2020
Glacier Bank Private Placement, Any Day Par Call
Preliminary Pricing

Dated Date 07/15/2020
 Delivery Date 07/15/2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2020			25,048.33	25,048.33	25,048.33
04/01/2021			59,325.00	59,325.00	
10/01/2021	280,000	3.000%	59,325.00	339,325.00	398,650.00
04/01/2022			55,125.00	55,125.00	
10/01/2022	285,000	3.000%	55,125.00	340,125.00	395,250.00
04/01/2023			50,850.00	50,850.00	
10/01/2023	295,000	3.000%	50,850.00	345,850.00	396,700.00
04/01/2024			46,425.00	46,425.00	
10/01/2024	305,000	3.000%	46,425.00	351,425.00	397,850.00
04/01/2025			41,850.00	41,850.00	
10/01/2025	315,000	3.000%	41,850.00	356,850.00	398,700.00
04/01/2026			37,125.00	37,125.00	
10/01/2026	325,000	3.000%	37,125.00	362,125.00	399,250.00
04/01/2027			32,250.00	32,250.00	
10/01/2027	330,000	3.000%	32,250.00	362,250.00	394,500.00
04/01/2028			27,300.00	27,300.00	
10/01/2028	340,000	3.000%	27,300.00	367,300.00	394,600.00
04/01/2029			22,200.00	22,200.00	
10/01/2029	355,000	3.000%	22,200.00	377,200.00	399,400.00
04/01/2030			16,875.00	16,875.00	
10/01/2030	365,000	3.000%	16,875.00	381,875.00	398,750.00
04/01/2031			11,400.00	11,400.00	
10/01/2031	375,000	3.000%	11,400.00	386,400.00	397,800.00
04/01/2032			5,775.00	5,775.00	
10/01/2032	385,000	3.000%	5,775.00	390,775.00	396,550.00
	3,955,000		838,048.33	4,793,048.33	4,793,048.33

EXHIBIT C

FORM OF DISTRICT REQUEST

REQUEST OF SCHOOL DISTRICT NO. 9 (BROWNING), GLACIER COUNTY, MONTANA

No. _____

Dated _____

[Trustee]

_____, _____

Reference is made to that certain Indenture of Trust, dated as of July 15, 2020 (the "Indenture"), between the School District No. 9 (Browning), Glacier County, Montana (the "District") and [Trustee], as Trustee (the "Trustee"). The District does hereby certify and represent to the Trustee as follows:

- (1) The undersigned are the Chair of the Board and the District Clerk.
- (2) The undersigned have read the Indenture and the definitions therein. All capitalized terms used in this Request but not defined in this Request have the meaning given to them in the Indenture. This Request is being delivered in accordance with Section 5.03 of the Indenture.
- (3) The amount and general nature and the name and address of the payee of each item of Project Costs of the 2020 Project heretofore paid by the District, and hereby requested to be reimbursed to the District, are shown on the attached Schedule A, together with supporting statements from each such payee and evidence of payment by the District.
- (4) The amount and general nature and the name and address of the payee of each item of Project Costs of the 2020 Project due and payable and hereby requested to be paid to a Person other than the District, are shown on the attached Schedule B, together with supporting statements from each such payee.
- (5) Each item of cost for which payment is hereby requested qualifies as a Project Cost of the 2020 Project and, if for construction, was made or incurred in accordance with the plans and specifications currently in effect.
- (6) There has not been filed with or served upon the District any notice of any lien, right to a lien or attachment upon or claim affecting the right of any such Person to receive payment of the amount stated in this Request that has not been released or will not be released simultaneously with the payment of such obligation, except for liens arising from indebtedness then being diligently contested in good faith by the District.
- (7) No item of cost requested to be paid by this Request has formed the basis for any previous payment from the Project Fund.
- (8) The proceeds of the Series 2020 Bonds and investment income thereon requested to be disbursed pursuant to this District Request will be applied only to the payment of Project Costs of the 2020 Project, including allocable costs of engineering services.

You are hereby requested to disburse from the Project Fund the amounts shown on Schedules A and B, and to make payment to the Persons entitled to receipt thereof as shown on said schedules.

Dated: _____, 20__.

SCHOOL DISTRICT NO. 9 (BROWNING) GLACIER
COUNTY, MONTANA

By _____
Its _____

By _____
Its _____