

MUNICIPAL BONDS

On or about Thursday, July 12, 2018
D.A. Davidson & Co. expects to offer:
\$49,900,000*

**K-12 School District No. 26 (Lockwood)
Yellowstone County, Montana**

General Obligation School Building Bonds, Series 2018

New Issue

S&P Global Ratings: "A"

NOT Bank Qualified

Maturities*: July 1, 2019-2038

Book Entry Only

Tax-Exempt: In the opinion of Bond Counsel, under existing laws, regulations, rulings and decisions, assuming compliance with certain covenants, interest on the Bonds is excludable from gross income of the recipient for purposes of federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and for State of Montana individual income taxation. Interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Code. Interest on the Bonds is includable, however, in adjusted current earnings of corporations for purposes of the alternative minimum tax imposed under the Code with respect to taxable years beginning before January 1, 2018. The Bonds are not "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Purpose: The proceeds of the Bonds will be used for the purpose of accommodating K-12 student enrollment by paying the costs (i) of designing, constructing, furnishing and equipping on the existing school campus a new high school that includes a performance stage with a seating area and making associated improvements, to include safety upgrades such as a new integrated intercom system that allows communication among the school buildings, new vocational agriculture and career training facilities, and site work such as utilities, roadway improvements, sidewalks, parking lots and traffic flow enhancements, playing fields and bleachers, and

associated improvements, and in conjunction with the high school building improvements, reconfiguring certain school facilities currently serving grades kindergarten through 8, making roof improvements to the elementary school building, and, if bond proceeds are available, expanding lunchroom space in the existing school facilities and acquiring real property located contiguous to the existing school campus on which to locate improvements to address increases in student enrollment; related improvements and costs; and (ii) associated with the sale and issuance of the Bonds.

Redemption: The Bonds maturing on or after July 1, 2029* are subject to redemption at the option of the District on July 1, 2028* and on any date thereafter at a price equal to the principal amount being redeemed plus interest accrued to the date of redemption, without premium.

Maturities/Interest Rates*: The Bonds will mature on July 1 of each year, with maturities in 2019 through 2038. Interest rates on the Bonds are expected to be established on or about Thursday, July 12, 2018*.

Security: The Bonds are general obligations of the District payable from the proceeds of an ad valorem tax that the District will covenant to levy annually on all taxable property within the District, without limitation as to rate or amount.

*Preliminary: subject to change.

Please contact D.A. Davidson & Co. in advance for expected yield information.

The Bonds are subject to availability and to the acceptance of an offer to purchase. This is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offering of these securities is made only by the Official Statement, copies of which are available from D.A. Davidson & Co.



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D.A. Davidson & Co. member SIPC

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