

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Missoula, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution No. [____], entitled: "**Resolution Relating to \$6,886,000 Water System Revenue Bonds, Series 2022B; Authorizing the Issuance and Fixing the Terms and Conditions Thereof**" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a regular meeting on July 11, 2022, and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Council members voted in favor thereof: _____
_____; voted against
the same: _____
_____; abstained from voting thereon: _____

_____; or were absent: _____
_____.

WITNESS my hand officially this 11th day of July, 2022.

City Clerk

RESOLUTION NO. ____

**Resolution Relating to \$6,886,000 Water System Revenue Bonds, Series 2022B;
Authorizing the Issuance and Fixing the Terms and Conditions Thereof**

BE IT RESOLVED by the City Council (the “Council”) of the City of Missoula, Montana (the “City”), as follows:

Section 1. Definitions, Authorizations and Findings.

1.01. Authorization. Under Montana Code Annotated, Title 7, Chapter 7, Parts 44 and 45, as amended (the “Municipal Revenue Bond Act”), the City is authorized to issue and sell its revenue bonds payable during a term not exceeding forty years from their date of issue, to provide funds for the reconstruction, improvement, betterment and extension of a municipal water system or to refund revenue bonds issued for such purpose; provided that the bonds and the interest thereon are to be payable solely out of the net income and revenues to be derived from rates, fees and charges for the services, facilities and commodities furnished by such water system, and are not to create any obligation for the payment of which taxes may be levied except to pay for services provided by the water system to the City.

1.02. Original Resolution; Outstanding Indebtedness. In accordance with the Municipal Revenue Bond Act, and pursuant to Resolution No. 8319, adopted by the City Council on February 25, 2019 (the “Original Resolution”), as amended and supplemented by Resolution Nos. 8320, 8579, and 8587, adopted by the City Council on February 25, 2019, February 14, 2022, and April 4, 2022, respectively, the City has issued and there are outstanding its Water System Revenue Bonds, Series 2019A and Water System Revenue Bonds, Series 2019B (collectively, the “Outstanding Bonds”), and its Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2022 (SRF Bond) and its Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2022A (SRF Bond) (collectively, the “Outstanding SRF Bonds”). The Outstanding SRF Bonds are payable on a second lien basis, subordinate to all Bonds in the manner and to the extent provided in the Resolution.

Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Original Resolution, as amended and supplemented to date and as further amended and supplemented by this resolution (as so amended and supplemented, the “Resolution”).

1.03. The Settlement Agreement and the 2022B Project; Future Parity Bonds.

(a) The City has entered into a Global Settlement Agreement and Release (the “Settlement Agreement”), dated as of as of February 28, 2022, by and among the City, The Carlyle Group Inc., The Carlyle Group L.P., Carlyle Infrastructure Partners, L.P., The Carlyle Group Employee Co., L.L.C., Robert Dove, and Bryan Lin (collectively, “Carlyle”), pursuant to which the City agreed to pay \$4,130,000 to Carlyle in settlement of the last remaining litigation arising in connection with the acquisition of the Water System. In addition, the City has determined to undertake certain improvements to the Water System, including extending service to the area west of Reserve Street and north of Mullan Road in conjunction with the BUILD Project, and related improvements (the

“2022B Project”), at an aggregate estimated cost of \$2,700,000. As required by Section 6.08 of the Original Resolution, the City hereby determines that the 2022B Project is economically sound and will properly and advantageously contribute to the conduct of the business of the Water System in an efficient manner. The City expects to reimburse itself for costs of the Settlement Agreement, pay costs of the 2022B Project, and pay costs of issuance from proceeds of the City’s Water System Revenue Bonds, Series 2022B (as more particularly described herein, the “Series 2022B Bonds”).

(b) In Section 6.09 of the Original Resolution, the City reserved the right to issue Future Parity Bonds payable from and secured by Net Water Revenues of the Water System on a parity with the Outstanding Bonds on certain terms and conditions, including the requirement that the Debt Service Coverage Ratio (calculated to include the Future Parity Bonds to be issued) will be at least 1.25 to 1; provided that for this purpose, the Debt Service Coverage Ratio is calculated by dividing Adjusted Net Water Revenues by Average Annual Debt Service. The Adjusted Net Water Revenues of the Water System for the Fiscal Year ended June 30, 2021 were equal to \$9,892,623 and Average Annual Debt Service on the Outstanding Bonds and the Series 2022B Bonds is equal to \$7,656,157; therefore the Debt Service Coverage Ratio, calculated as provided in the Original Resolution, is 1.29 to 1 ($\$9,892,623 / \$7,656,157 = 1.29$). Therefore, it is determined that the City is authorized to issue the Series 2022B Bonds in the aggregate principal amount of \$6,886,000 as Future Parity Bonds, on a parity with the Outstanding Bonds.

1.04. Authorization and Sale of Series 2022B Bonds. The City, with assistance from Baker Tilly Municipal Advisors, LLC, as municipal advisor, has solicited bids from banks and other financial institutions to purchase the Series 2022B Bonds. Pursuant to such solicitation, Truist Bank, a North Carolina banking corporation (the “Purchaser”) has offered to purchase the Series 2022B Bonds on the terms and conditions described herein. Such terms and conditions are determined to be advantageous to the City and the Water System and the Council hereby determines that it is in the best interest of the City and the Water System to sell the Series 2022B Bonds in a negotiated sale to the Purchaser, as authorized by Section 7-7-4433 of the Municipal Revenue Bond Act.

1.05. Findings. All acts, conditions and things required by the Constitution and laws of the State, including the Municipal Revenue Bond Act, in order to pledge the Net Water Revenues to the payment of the Series 2022B Bonds, to make the Series 2022B Bonds valid and binding special, limited obligations of the City in accordance with their terms and in accordance with the terms of the Resolution have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required.

Section 2. Bond Terms, Execution and Delivery.

2.01. Interest Rate, Payment Dates. The Series 2022B Bonds to be issued hereunder shall be denominated “Water System Revenue Bonds, Series 2022B,” and shall be issued in the maximum principal amount of \$6,886,000 to reimburse the City for costs of the Settlement Agreement, pay costs of the 2022B Project and pay costs of issuance of the Series 2022B Bonds. The Series 2022B Bonds shall bear interest from the date of original issue, or from such later

date to which interest has been paid or duly provided for, until paid or discharged at the rate of 3.18% per annum, subject to adjustment in the event of a Determination of Taxability, as described in Section 5.06.

The principal of and interest on the Series 2022B Bonds shall be payable in substantially equal semiannual installments of principal and interest due each January 1 and July 1, commencing January 1, 2023 and concluding July 1, 2042, in the amounts and on the respective dates reflected in the Debt Service Schedule attached as Schedule 1 to the Series 2022B Bonds. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

Principal of and interest on the Series 2022B Bonds shall be payable by check or draft of the Registrar mailed to the registered owner as such appears in the Bond Register as of the close of business on the 15th day (whether or not a Business Day) of the month immediately preceding each Payment Date. The Registrar shall note in the Bond Register each principal payment on the Series 2022B Bonds.

2.02. Registration. The City hereby appoints the City Finance Director to act as bond registrar, transfer agent and paying agent for the Series 2022B Bonds (the “Registrar”). The City reserves the right to appoint a bank, trust company or fiscal company as successor bond registrar, transfer agent or paying agent, as authorized by the Model Public Obligations Registration Act of Montana (the “Registration Act”), but the City agrees to pay the reasonable and customary charges of the Registrar for the services performed. This Section 2.2 shall establish a system of registration for the Series 2022B Bonds as defined in the Registration Act. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Bond Register. The Registrar shall keep at its principal office a Bond Register in which the Registrar shall provide for the registration of ownership of Series 2022B Bonds and the registration of transfers and exchanges thereof. The Bond Register will show that the original owner of the Series 2022B Bonds is Truist Bank, as the Purchaser thereof.

(b) Transfer. The Series 2022B Bonds may be transferred in whole and not in part, with the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed, and in compliance with applicable state and federal laws. Upon surrender for transfer of the Series 2022B Bonds duly endorsed by the owner or accompanied by a written instrument of transfer, together with the written consent of the City, each in form satisfactory to the Registrar, duly executed by the owner thereof or by an attorney duly authorized by the owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, a new Series 2022B Bond or Bonds, as applicable, of a like aggregate principal amount, interest rate, mandatory sinking fund redemption dates and amounts, and maturity. The Registrar may, however, close the books for registration of transfer of the Series 2022B Bonds called for redemption.

(c) Exchange. Whenever the Series 2022B Bonds are surrendered by the owner for exchange, the Registrar shall authenticate and deliver new Series 2022B

Bonds, as applicable, of a like aggregate principal amount, interest rate, mandatory sinking fund redemption dates and amounts, and maturity.

(d) Cancellation. The Series 2022B Bonds surrendered upon any transfer or exchange shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When the Series 2022B Bonds are presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Series 2022B Bond, or separate instrument of transfer, and the written consent of the City are legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owner. The City and the Registrar may treat the Person in whose name the Series 2022B Bonds are at any time registered in the Bond Register as the absolute owner of such Series 2022B Bonds, whether such Series 2022B Bonds shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, and interest on such Series 2022B Bonds and for all other purposes, and all such payments so made to any such owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the City upon the Series 2022B Bonds to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of the Series 2022B Bonds (except upon a partial redemption of the Series 2022B Bonds pursuant to Section 2.03), the Registrar may impose a charge upon the owner sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Series 2022B Bonds. In case the Series 2022B Bonds shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Series 2022B Bond or Bonds, as applicable, of a like principal amount, number, interest rate and maturity in exchange and substitution for and upon cancellation of any such mutilated Series 2022B Bonds or in lieu of and in substitution for any Series 2022B Bonds lost, stolen or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Series 2022B Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that the Series 2022B Bonds were lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. A Series 2022B Bond so surrendered to the Registrar shall be cancelled by it and evidence of such cancellation shall be given to the City. If the mutilated, lost, stolen or destroyed Series 2022B Bond has already matured or such Series 2022B Bond has been called for redemption in accordance with its terms, it shall not be necessary to issue a new Series 2022B Bond prior to payment.

2.03. Redemption.

(a) Optional Redemption. The Series 2022B Bonds are subject to redemption on July 1, 2032, and on any payment date thereafter, at the option of the City, in whole but not in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium.

(b) Notice of Redemption. The date of redemption and the principal amount of the Series 2022B Bonds to be redeemed pursuant to Section 2.03(a) shall be fixed by the City Finance Director, who, if the Registrar is other than the City Finance Director, shall give notice thereof to the Registrar 30 days prior to the date set for redemption. The Registrar shall give notice, by email if acceptable to the registered owner of the Series 2022B Bonds or by first class mail, postage prepaid, to the owner of the Series 2022B Bonds, at its address appearing on the Bond Register, of the principal amount of the Series 2022B Bonds to be redeemed and the date on which payment will be made, which date shall be not less than 15 days after the date the notice was mailed or emailed. If provision is made for the payment of principal of and interest on the Series 2022B Bonds in full, the Series 2022B Bonds shall no longer be deemed outstanding under the Resolution, shall cease to be entitled to the benefits of the Resolution, and shall thereafter be payable solely from the funds provided for payment.

2.04. Execution and Delivery of Series 2022B Bonds. The Series 2022B Bonds shall be forthwith prepared for execution under the direction of the City Clerk and shall be executed on behalf of the City by the signatures of the Mayor and the City Clerk, provided that said signatures may be printed, engraved or lithographed facsimiles thereof. The seal of the City need not be imprinted on or affixed to the Series 2022B Bonds. In case any officer whose signature or a facsimile of whose signature shall appear on the Series 2022B Bonds shall cease to be such officer before the delivery thereof, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Series 2022B Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under the Resolution unless and until a certificate of authentication on such Series 2022B Bond has been duly executed by the manual signature of the Registrar. The executed certificate of authentication on the Series 2022B Bonds shall be conclusive evidence that such bonds have been authenticated and delivered under the Resolution. When the Series 2022B Bonds have been fully executed and authenticated, they shall be delivered by the Registrar to the Purchaser upon payment of the purchase price, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.05. Forms of Series 2022B Bonds. The Series 2022B Bonds shall be in substantially the form set forth in Appendix A hereto (which is hereby incorporated herein and made a part hereof), with such appropriate variations, omissions and insertions as are permitted or required by the Resolution.

2.06. Transcript Certification. The officers of the City are directed to furnish to the Purchaser of the Series 2022B Bonds and to bond counsel certified copies of all proceedings and information in their official records relevant to the authorization, sale and issuance of the Series 2022B Bonds, and such certificates and affidavits as to other matters appearing in their official records or otherwise known to them as may be reasonably required to evidence the validity and security of the Series 2022B Bonds, and all such certified copies, certificates and affidavits,

including any heretofore furnished, shall constitute representations and recitals of the City as to the correctness of all facts stated therein and the completion of all proceedings stated therein to have been taken. The officers of the City are further authorized and directed to execute and deliver to the Purchaser a Wire Transfer Agreement, in such form as shall be acceptable to the City and the Purchaser.

2.07. Financial Reporting. So long as the Series 2022B Bonds remain Outstanding, the City shall, not later than 270 days after the end of its fiscal year, make its audited financial statements available to the Purchaser; provided that, if the audited financial statements are not available by such date, the City shall make the audited financial statements available to the Purchaser within 10 business days after the audited financial statements are available. For this purpose, posting audited or unaudited financial statements to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website constitutes delivery of the financial statements to the Purchaser.

Section 3. Use of Proceeds. Pursuant to Section 5.01 of Resolution No. 8144, adopted by the Council on February 27, 2017, the City created a Construction Fund in its Water Revenue Fund and authorized the creation of additional subaccounts in the Construction Fund in connection with the issuance of any series of Bonds or notes. There are hereby created two subaccounts in the Construction Fund: the “2022B Construction Subaccount” and the “2022B Costs of Issuance Subaccount.” The City Finance Director shall apply the proceeds of the Series 2022B Bonds as follows:

- (a) \$4,130,000.00 shall be credited to the 2022B Construction Subaccount and used to reimburse the City for costs of the Settlement Agreement;
- (b) \$2,700,000.00 shall be credited to the 2022B Construction Subaccount and used to pay or reimburse the City for costs of the 2022B Project; and
- (c) \$56,000.00 shall be credited to the 2022B Costs of Issuance Subaccount and used to pay costs of issuance of the Series 2022B Bond.

Following payment of all costs of issuance, any funds remaining in the 2022B Costs of Issuance Subaccount may be transferred to the 2022B Construction Subaccount or to the Debt Service Account in the Bond Fund, and the 2022B Costs of Issuance Account shall be closed and no longer maintained. Following reimbursement of the City for the Settlement Agreement, completion of the 2022B Project and payment of all costs thereof, any funds remaining in the 2022B Construction Subaccount shall be transferred to the Debt Service Account in the Bond Fund and the 2022B Construction Subaccount shall be closed and no longer maintained.

Section 4. Security for the Series 2022B Bonds. The Series 2022B Bonds are issued under and pursuant to Section 6.09 of the Original Resolution and shall, with the Outstanding Bonds and any Future Parity Bonds hereafter issued, be secured, equally and ratably, by a first lien upon the Net Water Revenues of the Water System (the Water Revenues being subject to the prior appropriation thereof for the payment of Operating Expenses). The Series 2022B Bonds are not secured by amounts on hand in the Reserve Account, if any. The City shall keep,

perform and observe each and every one of its covenants and undertakings set forth in the Original Resolution, as amended and supplemented by this resolution.

Section 5. Tax Covenants and Certifications.

5.01. Use of 2022B Project. The 2022B Project will be owned and operated by the City and available for use by members of the general public on a substantially equal basis. The City shall not enter into any lease, use or other agreement with any non-governmental person relating to the use of the 2022 Project or security for the payment of the Series 2022B Bonds which might cause the Series 2022B Bonds to be considered “private activity bonds” or “private loan bonds” within the meaning of Section 141 of the Code.

5.02. General Covenant. The City covenants and agrees with the registered holders from time to time of the Series 2022B Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Series 2022B Bonds to become includable in gross income for federal income tax purposes under the Code and the Regulations, and covenants to take any and all actions within its powers to ensure that the interest on the Series 2022B Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

5.03. Arbitrage Certification. The Mayor and the City Finance Director, being the officers of the City charged with the responsibility for issuing the Series 2022B Bonds pursuant to the Original Resolution and this Supplemental Resolution, are authorized and directed to execute and deliver to the Purchaser certificates in accordance with the provisions of Section 148 of the Code and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Series 2022B Bonds, it is reasonably expected that the proceeds of the Series 2022B Bonds will not be used in a manner that would cause the Series 2022B Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and the Regulations.

5.04. Arbitrage Rebate. The City acknowledges that the Series 2022B Bonds are subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Series 2022B Bonds from gross income for federal income tax purposes, unless the Series 2022B Bonds qualify for the exception from the rebate requirement under Section 148(f)(4)(B) of the Code and no “gross proceeds” of the Series 2022B Bonds (other than amounts constituting a “bona fide debt service fund”) arise during or after the expenditure of the original proceeds thereof. In furtherance of the foregoing, the City Finance Director and the Mayor are hereby authorized and directed to execute a Rebate Certificate, substantially in the form to be prepared by Bond Counsel, and the City hereby covenants and agrees to observe and perform the covenants and agreements contained therein, unless amended or terminated in accordance with the provisions thereof.

5.05. Information Reporting. The City shall file with the Secretary of the Treasury, not later than the applicable deadline, a statement concerning the Series 2022B Bonds containing the information required by Section 149(e) of the Code.

5.06. Determination of Taxability. Upon the occurrence of a Determination of Taxability (as defined herein) and for as long as the Series 2022B Bonds remain outstanding, the interest rate on the Series 2022B Bonds shall be converted to the Taxable Rate (as defined herein). In addition, upon a Determination of Taxability, the City shall pay to the registered owner of the Series 2022B Bonds (i) an additional amount equal to the difference between the amount of interest actually paid on the Series 2022B Bonds at the tax-exempt rate and the amount of interest that would have been paid at the Taxable Rate, from and after the Date of Taxability, and (ii) an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the registered owner as a result of the Determination of Taxability.

The registered owner shall permit the City to contest, litigate or appeal any notice, ruling or decision that would, with the lapsing of time, constitute a Determination of Taxability, at the City's sole expense; provided that any such contest, litigation or appeal is, in the reasonable opinion of the registered owner, being undertaken and carried forward in good faith, diligently and with reasonable dispatch. The expenses of any contest or appeal of such a notice, ruling or decision shall be paid by the party initiating the contest and neither the City nor the registered owner shall be required to contest or appeal any such notice, ruling or decision.

"Date of Taxability" means the date specified in the determination, ruling or decision constituting the Determination of Taxability that the interest payable on the Series 2022 Bond becomes includable in the gross income of the registered owner for federal income tax purposes.

"Determination of Taxability" means a final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that interest paid or payable on the Series 2022B Bonds is or was includable in the gross income of the registered owner for federal income tax purposes.

"Taxable Rate" shall mean, upon a Determination of Taxability, the interest rate per annum that shall provide the registered owner with the same after tax yield that the registered owner would have otherwise received had the Determination of Taxability not occurred, taking into account the increased taxable income of the registered owner as a result of such Determination of Taxability. The registered owner shall provide the City with a written statement explaining the calculation of the Taxable Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the City.

Section 6. Defeasance.

6.01. General. When the liability of the City on the Series 2022B Bonds issued under and secured by this Resolution has been discharged as provided in this Section 6, all pledges, covenants and other rights granted by this Resolution to the owners of the Series 2022B Bonds shall cease.

6.02. Payment. The City may discharge its liability with reference to any Series 2022B Bond or installment of interest thereon which is due on any date by depositing with the Registrar on or before that date funds sufficient, or, if a City officer is the Registrar, mailing to the registered owner of the Series 2022B Bonds a check or draft in a sum sufficient and providing

proceeds available, for the payment thereof in full; or if any Series 2022B Bond or installment of interest thereon shall not be paid when due, the City may nevertheless discharge its liability with reference thereto by depositing with the Registrar funds sufficient, or, if a City officer is the Registrar, by mailing to the registered owner thereof a check or draft in a sum sufficient and providing proceeds available, for the payment thereof in full with interest accrued to the date of such deposit or mailing.

6.03. Prepayment. The City may also discharge its obligations with respect to any Series 2022B Bond called for redemption on any date when it is prepayable in accordance with its terms, by on or before that date depositing with the Registrar funds sufficient, or, if a City officer is the Registrar, mailing to the registered owner of such Series 2022B Bonds a check or a draft in a sum sufficient and providing proceeds available, for the payment of the principal, interest and redemption premium, if any, which are then due; provided that notice of such redemption has been duly given as provided herein or irrevocably provided for.

6.04. Escrow. The City may also at any time discharge its liability in its entirety with reference to the Series 2022B Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to provide funds sufficient to pay all principal and interest to become due on the Series 2022B Bonds on or before maturity or, if the Series 2022B Bonds have been duly called for redemption or notice of such redemption has been irrevocably provided for, on or before the designated redemption date.

6.05. Irrevocable Deposits. If an officer of the City is the Registrar, any deposit made under this Section 6 with the Registrar shall be irrevocable and held for the benefit of the owner of the Series 2022B Bonds in respect of which such deposits have been made.

Section 7. Repeals and Effective Date.

7.01. Repeal. All provisions of other resolutions and other actions and proceedings of the City and this Council that are in any way inconsistent with the terms and provisions of this Supplemental Resolution are repealed, amended and rescinded to the full extent necessary to give full force and effect to the provisions of this Supplemental Resolution.

7.02. Effective Date. This Supplemental Resolution shall take effect immediately upon its passage and adoption by this Council.

PASSED AND ADOPTED by the City Council of the City of Missoula, Montana, this
11th day of July, 2022.

Mayor

Attest: _____
City Clerk

(SEAL)

EXHIBIT A

UNITED STATES OF AMERICA
STATE OF MONTANA
COUNTY OF MISSOULA

CITY OF MISSOULA

WATER SYSTEM REVENUE BOND, SERIES 2022B

No. R-1

\$6,886,000.00

Interest Rate
3.18%

Final Payment Date
July 1, 2042

Date of Original Issue
July 15, 2022

REGISTERED HOLDER: TRUIST BANK

PRINCIPAL AMOUNT: SIX MILLION EIGHT HUNDRED EIGHTY SIX THOUSAND
AND NO/100 DOLLARS

FOR VALUE RECEIVED, THE CITY OF MISSOULA, MONTANA (the “City”), a duly organized municipal corporation, acknowledges itself to be specially indebted and hereby promises to pay to the registered holder specified above or registered assigns, solely from the Debt Service Account of its Water Revenue Fund, the principal amount specified above, on the dates specified on Schedule 1, all subject to the provisions hereinafter described relating to the redemption of this Bond prior to maturity. This Bond bears interest at the rate per annum specified above, subject to adjustment in the event of a Determination of Taxability, from the date of original issue specified above, or from such later date to which interest hereon has been paid or duly provided for, until the final installment payment date specified above or an earlier date on which this Bond shall have been duly called for redemption. Principal of and interest on this Bond are payable in semi-annual installments due on each January 1 and July 1, commencing January 1, 2023, in accordance with the payment installment schedule attached hereto as Schedule 1. Interest on this Bond shall be calculated on the basis of a year of 360 days composed of twelve 30-day months. Principal of and interest on this Bond shall be payable by check or draft of the Registrar mailed to the registered owner hereof as such appears in the Bond Register as of the close of business on the 15th day (whether or not a Business Day) of the month immediately preceding each payment date or date of redemption in whole or in part.

Upon the occurrence of a Determination of Taxability and for as long as this Bond remains outstanding, the interest rate on this Bond shall be converted to the Taxable Rate. In addition, upon a Determination of Taxability, the City shall pay to the registered owner of this Bond (i) an additional amount equal to the difference between the amount of interest actually paid on this Bond at the tax-exempt rate and the amount of interest that would have been paid at the Taxable Rate, from and after the Date of Taxability, and (ii) an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the registered owner as a result of the Determination of Taxability. Thereafter, interest on this

Bond shall accrue at the Taxable Rate and be payable to the registered owner on the payment dates specified in Schedule 1.

This Bond is one of an issue of Water System Revenue Bonds of the City authorized to be issued in one or more series from time to time, and constitutes a series in the aggregate principal amount of \$6,886,000.00 (the "Series 2022B Bond"). This Series 2022B Bond is issued pursuant to and in full conformity with the Constitution and laws of the State of Montana thereunto enabling, including Montana Code Annotated, Title 7, Chapter 7, Parts 44 and 45, as amended, and ordinances and resolutions duly adopted by the governing body of the City, including Resolution No. 8319 adopted by the City Council of the City on February 25, 2019 (the "Original Resolution"), as amended and supplemented by Resolution Nos. 8320, 8579, 8587 and [____], adopted by the City Council of the City on February 25, 2019, February 14, 2022, March 28, 2022 and July 11, 2022 (the Original Resolution, as so amended and supplemented, the "Resolution"). Terms used with initial capital letters but not defined herein have the meanings given them in the Resolution. This Series 2022B Bond is issued to reimburse the City for costs of the Settlement Agreement, pay costs of the 2022B Project and pay costs of issuance of the Series 2022B Bond. This Series 2022B Bond is issuable only as a single, fully registered bond. This Series 2022B Bond is issued on a parity and is equally and ratably secured by Net Water Revenues of the Water System with the City's Water System Revenue Bonds, Series 2019A and Water System Revenue Bonds, Series 2019B (collectively, the "Outstanding Bonds").

Reference is made to the Resolution for a more complete statement of the terms and conditions upon which this Series 2022B Bond has been issued, the Net Water Revenues of the Water System pledged and appropriated for the payment and security thereof, the conditions upon which Future Parity Bonds may be issued under the Resolution and made payable from such Net Water Revenues on a parity with this Series 2022B Bond and the Outstanding Bonds (collectively, the "Bonds") or otherwise, the conditions upon which the Resolution may be amended, the rights, duties and obligations of the City, and the rights of the owners of the Series 2022B Bond.

This Series 2022B Bond is subject to redemption on July 1, 2032, and on any payment date thereafter, at the option of the City, in whole but not in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium. The date of redemption and the principal amount of this Series 2022B Bond to be redeemed pursuant to Section 2.03(a) shall be fixed by the City Finance Director, who, if the Registrar is other than the City Finance Director, shall give notice thereof to the Registrar 30 days prior to the date set for redemption. The Registrar shall give notice, by email if acceptable to the registered owner of this Series 2022B Bond or by first class mail, postage prepaid, to the owner of this Series 2022B Bond, at its address appearing on the Bond Register, of the principal amount of this Series 2022B Bond to be redeemed and the date on which payment will be made, which date shall be not less than 15 days after the date the notice was mailed or emailed. If provision is made for the payment of principal of and interest on this Series 2022B Bond in full in accordance with the Resolution, this Series 2022B Bond shall no longer be deemed outstanding under the Resolution, shall cease to be entitled to the benefits of the Resolution, and shall thereafter be payable solely from the funds provided for payment. This Series 2022B Bond, including interest and any premium for the redemption thereof, is payable solely from the Net Water Revenues pledged for the payment thereof and does not constitute a debt of the City within the meaning of

any constitutional or statutory limitation or provision. This Series 2022B Bond is not secured by the Reserve Account.

The City may deem and treat the person in whose name this Series 2022B Bond is registered as the absolute owner hereof, whether this Series 2022B Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and the City shall not be affected by any notice to the contrary. This Series 2022B Bond may be transferred, in whole but not in part, only with the prior written consent of the City.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that the City will prescribe and collect reasonable rates and charges for all services and facilities afforded by the Water System, including all additions thereto and replacements and improvements thereof, and has created a special Water Revenue Fund into which the Water Revenues will be paid, and a separate and special Debt Service Account in the Water Revenue Fund, into which will be paid each month, from and as a first and prior lien on the Net Water Revenues then on hand, an amount equal to not less than the sum of one-sixth of the interest to become due within the next six months and one-twelfth of the principal to become due within the next twelve months with respect to all Bonds payable semiannually from the Debt Service Account; that the Debt Service will be used only to pay the principal of, premium, if any, and interest on the Series 2022 Bond, the Outstanding Bonds and any Future Parity Bonds issued pursuant to the Resolution on a parity therewith; that the rates and charges for the Water System will from time to time be made and kept sufficient, to provide Water Revenues adequate to pay promptly Operating Expenses and to maintain a Debt Service Coverage Ratio of at least 1.25 to 1; that Future Parity Bonds may be issued and made payable from the Debt Service Account in the Bond Fund on a parity with the Outstanding Bonds upon certain conditions set forth in the Resolution, but no obligation will be otherwise incurred and made payable from the Net Water Revenues of the Water System, unless the lien thereof shall be expressly made subordinate to the lien of the Outstanding Bonds on such Net Water Revenues; that all provisions for the security of the registered holder of this Series 2022B Bond set forth in the Resolution will be punctually and faithfully performed as therein stipulated; that all acts, conditions and things required by the Constitution and laws of the State of Montana and the ordinances and resolutions of the City to be done, to exist, to happen and to be performed in order to make this Series 2022B Bond a valid and binding special obligation of the City according to its terms have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required; and that this Series 2022B Bond and the interest hereon are payable solely from the Net Water Revenues of the Water System pledged and appropriated to the Debt Service Account in the Bond Fund and do not constitute a debt of the City within the meaning of any constitutional or statutory limitation or provision and the issuance of this Series 2022B Bond does not cause either the general or the special indebtedness of the City to exceed any constitutional or statutory limitation.

This Series 2022B Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by the manual signature of an authorized representative.

IN WITNESS WHEREOF, the City of Missoula, Montana, by its City Council, has caused this Series 2022B Bond to be executed by the signatures of the Mayor and the City Clerk, has caused the official seal of the City to be affixed hereto, and has caused this Series 2022B Bond to be dated as of the 15th day of July, 2022.

(SEAL)

Mayor

City Clerk

Dated: July 15, 2022

CERTIFICATE OF AUTHENTICATION

This Bond is the Water System Revenue Bond, Series 2022B, delivered pursuant to the Resolution mentioned within.

City Finance Director, as Bond Registrar, Transfer
Agent and Paying Agent

By _____
City Finance Director

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

TEN COM -- as tenants
in common

UTMA.....Custodian.....
(Cust) (Minor)

TEN ENT -- as tenants
by the entireties

JT TEN -- as joint tenants
with right of
survivorship and
not as tenants in
common

under Uniform Gifts to
Minor Act.....
(State)

Additional abbreviations may also be used.

ASSIGNMENT

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

Dated: _____

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE:

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

SIGNATURE GUARANTEED

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

SCHEDULE 1

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/15/2022	-	-	-	-	-
01/01/2023	133,000.00	3.180%	100,971.71	233,971.71	-
07/01/2023	126,000.00	3.180%	107,372.70	233,372.70	467,344.41
01/01/2024	128,000.00	3.180%	105,369.30	233,369.30	-
07/01/2024	130,000.00	3.180%	103,334.10	233,334.10	466,703.40
01/01/2025	132,000.00	3.180%	101,267.10	233,267.10	-
07/01/2025	135,000.00	3.180%	99,168.30	234,168.30	467,435.40
01/01/2026	137,000.00	3.180%	97,021.80	234,021.80	-
07/01/2026	139,000.00	3.180%	94,843.50	233,843.50	467,865.30
01/01/2027	141,000.00	3.180%	92,633.40	233,633.40	-
07/01/2027	143,000.00	3.180%	90,391.50	233,391.50	467,024.90
01/01/2028	146,000.00	3.180%	88,117.80	234,117.80	-
07/01/2028	148,000.00	3.180%	85,796.40	233,796.40	467,914.20
01/01/2029	150,000.00	3.180%	83,443.20	233,443.20	-
07/01/2029	153,000.00	3.180%	81,058.20	234,058.20	467,501.40
01/01/2030	155,000.00	3.180%	78,625.50	233,625.50	-
07/01/2030	158,000.00	3.180%	76,161.00	234,161.00	467,786.50
01/01/2031	160,000.00	3.180%	73,648.80	233,648.80	-
07/01/2031	163,000.00	3.180%	71,104.80	234,104.80	467,753.60
01/01/2032	165,000.00	3.180%	68,513.10	233,513.10	-
07/01/2032	168,000.00	3.180%	65,889.60	233,889.60	467,402.70
01/01/2033	170,000.00	3.180%	63,218.40	233,218.40	-
07/01/2033	173,000.00	3.180%	60,515.40	233,515.40	466,733.80
01/01/2034	176,000.00	3.180%	57,764.70	233,764.70	-
07/01/2034	179,000.00	3.180%	54,966.30	233,966.30	467,731.00
01/01/2035	182,000.00	3.180%	52,120.20	234,120.20	-
07/01/2035	184,000.00	3.180%	49,226.40	233,226.40	467,346.60
01/01/2036	187,000.00	3.180%	46,300.80	233,300.80	-
07/01/2036	190,000.00	3.180%	43,327.50	233,327.50	466,628.30
01/01/2037	193,000.00	3.180%	40,306.50	233,306.50	-
07/01/2037	197,000.00	3.180%	37,237.80	234,237.80	467,544.30
01/01/2038	200,000.00	3.180%	34,105.50	234,105.50	-
07/01/2038	203,000.00	3.180%	30,925.50	233,925.50	468,031.00
01/01/2039	206,000.00	3.180%	27,697.80	233,697.80	-
07/01/2039	209,000.00	3.180%	24,422.40	233,422.40	467,120.20
01/01/2040	213,000.00	3.180%	21,099.30	234,099.30	-
07/01/2040	216,000.00	3.180%	17,712.60	233,712.60	467,811.90
01/01/2041	219,000.00	3.180%	14,278.20	233,278.20	-
07/01/2041	223,000.00	3.180%	10,796.10	233,796.10	467,074.30
01/01/2042	226,000.00	3.180%	7,250.40	233,250.40	-
07/01/2042	230,000.00	3.180%	3,657.00	233,657.00	466,907.40
Total	\$6,886,000.00	-	\$2,461,660.61	\$9,347,660.61	-