

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 \$1,583,470.53 Tax Increment Urban Renewal Revenue Refunding Bond (Urban Renewal District II), Series 2022A and \$2,231,535.90 Tax Increment Urban Renewal Revenue Bond (Urban Renewal District II), Taxable Series 2022B; Authorizing the Sale and Issuance Thereof; and Amending and Restating Resolution Nos. 7120 and 7756"** (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 meeting on October 3, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 and seal officially this 3rd day of October, 2022.

Martha L. Rehbein
City Clerk

TABLE OF CONTENTS

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

	<u>Page</u>
SECTION 1. DEFINITIONS, AUTHORIZATIONS AND FINDINGS	1
1.01. Definitions.....	1
1.02. Rules of Construction	5
1.03. Authorization	5
1.04. Prior City Actions; Series 2006 Bonds and Series 2013 Bonds	5
1.05. The Bridge Apartments; the Refunding; Amendment and Restatement of Prior Resolution.	6
1.06. Additional Bonds; Available Pledged Tax Increment	7
1.07. Findings and Determinations	7
1.08. Authorization and Sale of Series 2022 Bonds	7
1.09. Findings and Determinations	8
SECTION 2. THE BONDS	8
2.01. General Title	8
2.02. General Limitations; Issuable in Series	8
2.03. Terms of a Particular Series	8
2.04. Form and Denominations.....	9
2.05. Execution and Delivery.....	9
SECTION 3. THE SERIES 2022 BONDS	9
3.01. Title, Principal Amount, Interest Rates and Payment Provisions.....	9
3.02. Registration.	10
3.03. Redemption	12
3.04. Execution and Delivery of Series 2022 Bonds	12
3.05. Form of Series 2022 Bonds.....	13
3.06. Transcript Certification.....	13
3.07. Application of Bond Proceeds.	13
3.08. Redemption of Refunded 2006 Bonds.	14
SECTION 4. ADDITIONAL BONDS	14
4.01. General Provisions	14
4.02. Additional Bonds To Pay the Cost of Projects	14
4.03. Additional Bonds for Refunding Purposes	15
4.04. Subordinate Obligations.....	16
SECTION 5. THE TAX INCREMENT ACCOUNTS.....	16
5.01. Bond Proceeds and Pledged Tax Increment Pledged and Appropriated	16

5.02. Pledged Tax Increment Receipts	17
5.03. Construction Account	17
5.04. Tax Increment Debt Service Account.....	17
5.05. Reserved.....	18
5.06. Tax Increment Development Account	18
5.07. Investments	19
SECTION 6. SERIES 2013 BONDS.....	19
6.01. Title, Principal Amount, Interest Rate and Payment Provisions.	19
6.02. System of Registration.	20
6.03. Registrar.	22
6.04. Redemption.....	22
6.05. Execution and Delivery of Series 2013 Bonds.	22
SECTION 7. OTHER COVENANTS OF CITY	23
7.01. Punctual Payment.....	23
7.02. Accumulation of Claims of Interest.....	23
7.03. Against Encumbrances.....	23
7.04. Books and Accounts; Financial Statements.....	23
7.05. Further Assurances.....	23
7.06. Pledge of Replacement Revenues.....	23
7.07. Owners' Rights	24
SECTION 8. SUPPLEMENTAL RESOLUTIONS	24
8.01. General.....	24
8.02. Consent of Owners.....	25
8.03. Notice.....	25
8.04. Manner of Consent.....	25
SECTION 9. DEFEASANCE OR DISCHARGE	25
9.01. General.....	25
9.02. Maturity.....	26
9.03. Redemption.....	26
9.04. Escrow.....	26
SECTION 10. TAX COVENANTS AND CERTIFICATIONS RELATING TO THE SERIES 2022A BOND	26
10.01. Security for the Series 2022A Bond	26
10.02. General Covenant.....	26
10.03. Arbitrage Certification.....	26
10.04. Information Reporting	27
SECTION 11. REPEALS AND EFFECTIVE DATE.....	27

11.01. Repeal	27
11.02. Effective Date	27
Exhibit A—Legal Description of Excluded Property	A-1
Exhibit B—Aggregate Debt Service Schedule	B-1
Exhibit C-1—Form of Series 2022A Bond	C-1-1
Exhibit C-2—Form of Series 2022B Bond.....	C-2-1
Exhibit D—Form of Escrow Agreement	D-1

RESOLUTION NO. _____

Resolution Relating to \$1,583,470.53 Tax Increment Urban Renewal Revenue Refunding Bond (Urban Renewal District II), Series 2022A and \$2,231,535.90 Tax Increment Urban Renewal Revenue Bond (Urban Renewal District II), Taxable Series 2022B; Authorizing the Sale and Issuance Thereof; and Amending and Restating Resolution Nos. 7120 and 7756

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

Section 1. Definitions, Authorizations and Findings.

1.01. Definitions. The terms defined in this Section 1.01 shall for all purposes of this Resolution have the meanings herein specified, unless the context clearly otherwise requires:

Act means Montana Code Annotated, Title 7, Chapter 15, Parts 42 and 43, as amended.

Additional Bonds means any Bonds issued pursuant to Sections 4.01 through 4.03.

Council means the City Council of the City or any successor governing body thereof.

Bond Counsel means any firm of nationally recognized bond counsel experienced in matters relating to tax-exempt financing, selected by the City.

Bond Register means the register maintained for the purpose of registering the ownership, transfer and exchange of the Bonds of any series.

Bonds means the Series 2013 Bonds, the Series 2022 Bonds and any Additional Bonds.

Business Day means, with respect to the Bonds of any series, any day other than a Saturday, Sunday or other day on which the Registrar for such series of Bonds is not open for business.

City means City of Missoula, Montana, or its successors.

Code means the Internal Revenue Code of 1986.

Construction Account means the account so designated in the Tax Increment Capital Project Account.

Defeasance Obligations means obligations for payment of the principal of and interest on which the United States has pledged its full faith and credit and which are not subject to redemption or prepayment other than at the option of the holder thereof, or an acceptable government money market fund containing such obligations.

District means the City’s Urban Renewal District II, created and established pursuant to the Act and the Ordinance.

Escrow Agent means U.S. Bank Trust Company, National Association, as escrow agent under the Escrow Agreement.

Escrow Agreement means the Escrow Agreement, dated on or about October 18, 2022, by and between the City and the Escrow Agent.

Excluded Property means the real estate located in the District and described in Exhibit A to this Resolution.

Fiscal Year means the period commencing on the first day of July of any year and ending on the last day of June of the next calendar year, or any other twelve-month period authorized by law and specified by this Council as the City's Fiscal Year.

Interest Account means the subaccount so designated in the Tax Increment Debt Service Account.

Ordinance means Ordinance No. 2803, adopted by the Council on December 16, 1991, as amended and supplemented by Resolution No. 6533 and Ordinance No. 3215, each adopted by the Council on July 22, 2002, and as it may be further amended or supplemented in accordance with the Act and this Resolution.

Original Purchaser means, with respect to any series of Bonds, the Person who purchases such series of Bonds from the City when first issued. The Original Purchaser of the Series 2022 Bonds is First Security Bank of Missoula, a Division of Glacier Bank.

Outstanding means, with reference to Bonds, as of the date of determination, all Bonds theretofore issued and delivered under this Resolution except:

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

(ii) Bonds and portions of Bonds for whose payment or redemption money or Defeasance Obligations (as provided in Section 9.04) shall have been theretofore deposited in trust for the Owners of such Bonds; provided, however, that if such Bonds are to be redeemed, notice of such redemption shall have been duly given pursuant to this Resolution or irrevocable instructions to call such Bonds for redemption at a stated Redemption Date shall have been given by the City; and

(iii) Bonds in exchange for or in lieu of which other Bonds shall have been issued and delivered pursuant to this Resolution;

provided, however, that in determining whether the Owners of the requisite principal amount of Outstanding Bonds have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by the City shall be disregarded and deemed not to be Outstanding.

Owner means, with respect to any Bond, the Person in whose name such Bond is registered in the Bond Register.

Payment Date means each January 1 and July 1 on which a payment of principal of and/or interest on a Bond is due.

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

Plan means City of Missoula Urban Renewal District II Plan adopted by the Council on December 16, 1991, as amended on July 22, 2002, including all amendments thereof adopted in accordance with the Act, the Ordinance and this Resolution.

Pledged Tax Increment means all Tax Increment excluding any Tax Increment derived from the Excluded Property. It is acknowledged that if for a Fiscal Year the current taxable value of the Excluded Property is less than the “base taxable value” of the Excluded Property, the amount of Pledged Tax Increment may be reduced accordingly.

Principal Account means the subaccount so designated in the Tax Increment Debt Service Account.

Principal and Interest Requirements means, with respect to any Bonds and for any Fiscal Year or other specified period, the amount required to pay the principal of and interest on such Bonds during such Fiscal Year or other period, determined on the assumption that each serial bond is to be paid on its stated maturity, each term bond is to be paid on its sinking fund payment dates and each installment payment bond is paid in accordance with its debt service schedule.

Prior Resolution means Resolution No. 7120, adopted by the Council on August 7, 2006, as amended and supplemented by Resolution No. 7756, adopted by the Council on February 11, 2013.

Project means any urban renewal project undertaken under the Act in or for the benefit of the District.

Redemption Date when used with respect to any Bond to be redeemed or prepaid means the date on which it is to be redeemed or prepaid.

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.

Refunded Bonds means the Series 2006 Bonds maturing in the years 2023 through 2031 and outstanding in the aggregate principal amount of \$1,770,000.

Registrar means the Person, if any, appointed by the City to act as Registrar, transfer agent and paying agent for a series of Bonds. With respect to the Series 2022 Bonds, the Registrar shall be appointed as set forth in Section 3.02 and with respect to the Series 2013 Bonds, the Registrar shall be as set forth in Section 6.03.

Series 2006 Bonds means the City's Tax Increment Urban Renewal Revenue Bonds, Series 2006 (Urban Renewal District II), issued pursuant to the Prior Resolution in the original principal amount of \$3,600,000.

Series 2013 Bonds means the City's Tax Increment Urban Renewal Revenue Bonds, Series 2013 (Urban Renewal District II), issued pursuant to the Prior Resolution in the original principal amount of \$5,750,000.

Series 2022 Bonds means the Series 2022A Bond and the Series 2022B Bond.

Series 2022A Bond means the City's Tax Increment Urban Renewal Revenue Refunding Bond (Urban Renewal District II), Series 2022A, issued in the original aggregate principal amount of \$1,583,470.53.

Series 2022B Bond means the City's Tax Increment Urban Renewal Revenue Bond (Urban Renewal District II), Taxable Series 2022B, issued in the original aggregate principal amount of \$2,231,535.90.

State means the State of Montana.

Subordinate Obligations means any bonds, notes or obligations of the City issued on a subordinate basis to the Bonds as to the Pledged Tax Increment pursuant to Section 4.04.

Supplemental Resolution means any resolution supplemental to this Resolution adopted pursuant to Section 8.

Tax Increment means the amount received by the City pursuant to the Act from the extension of levies of Taxes (expressed in mills) against the incremental taxable value (as defined in the Act) of all Taxable Property, and shall include entitlement share and reimbursement amounts received from the State with respect to property in the District, payments in lieu of Taxes attributable to the incremental taxable value and all payments received by the City designated as replacement revenues for lost Tax Increment, as provided in Section 7.08.

Tax Increment Capital Project Account means the account so designated in the Tax Increment Accounts.

Tax Increment Debt Service Account means the account so designated in the Tax Increment Accounts.

Tax Increment Development Account means the account so designated in the Tax Increment Accounts.

Tax Increment Accounts means the accounts established pursuant to Section 5.

Taxable Property means all real and personal property located in the District and subject to Taxes, including land, improvements and equipment.

Taxes means all taxes levied on an ad valorem basis by any Taxing Body against the Taxable Property (exclusive of the six mill levy for university purposes levied by the State), and shall include all payments in lieu of taxes received by the City with respect to Taxable Property.

Taxing Body means the City; Missoula County; High School District No. 1, Missoula County; Elementary School District No. 1, Missoula County; Elementary School District No. 4 (Hellgate), Missoula County; the State; and any other political subdivision or governmental unit which may hereafter levy Taxes against property within the District.

1.02. Rules of Construction. Unless the context otherwise requires or except as otherwise expressly provided:

(a) All references in this Resolution to designated sections and other subdivisions are to the designated sections and other subdivisions of this Resolution as originally adopted.

(b) The words “herein,” “hereof” and “hereunder” and other words of similar import without reference to any particular section or subdivision refer to this Resolution as a whole and not to any particular section or other subdivision unless the context clearly indicates otherwise.

(c) The terms defined in this Resolution include the plural as well as the singular.

(d) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles applicable to governmental entities.

(e) All computations provided herein shall be made in accordance with generally accepted accounting principles applicable to governmental entities consistently applied.

(f) “Or” is not intended to be exclusive, but is intended to contemplate or encompass one or more or all of the terms or alternatives conjoined.

1.03. Authorization. Under the provisions of Montana Code Annotated, Title 7, Chapter 15, Parts 42 and 43, as amended (the “Act”), the City is authorized to create urban renewal areas, prepare and adopt an urban renewal plan therefor and amendments thereto, undertake urban renewal projects therein, provide for the segregation and collection of tax increment with respect to property taxes collected in such areas, issue its bonds to pay the costs of such projects and pledge to the repayment of the bonds all or a portion of the tax increment and other revenues derived from projects undertaken within the urban renewal area.

1.04. Prior City Actions; Series 2006 Bonds and Series 2013 Bonds. Pursuant to the Act and the Ordinance, the City has created the District as an urban renewal district and has approved the Plan as an urban renewal plan in accordance with the provisions of the Act. The Plan provides for the segregation and collection of tax increment revenues with respect to the Urban Renewal Area. Pursuant to the Act and Resolution No. 6303, the City designated and approved the addition of additional property to the District.

Pursuant to the Act and the Prior Resolution as then in effect, the City issued the Series 2006 Bonds, which are payable from the Pledged Tax Increment. Proceeds of the Series 2006 Bonds were used to purchase a leasehold interest in certain property for Millsite Revitalization Project, LLC and to pay costs of issuance. The Series 2006 Bonds are currently outstanding in the aggregate principal amount of \$1,770,000.

In addition, pursuant to the Act and the Prior Resolution as then in effect, the City issued the Series 2013 Bonds, which are payable from and secured by the Pledged Tax Increment on a parity with the Series 2006 Bonds. Proceeds of the Series 2013 Bonds were used to pay costs of designing, engineering and construction of improvements to Silver Park, Wyoming Street and to a rail road trestle located at the western terminus of Cregg Lane, related improvements, and to pay costs of issuance. The Series 2013 Bonds were sold to and are currently held by First Security Bank of Missoula, a Division of Glacier Bank (“First Security”).

1.05. The Bridge Apartments; the Refunding; Amendment and Restatement of Prior Resolution. In August 2021, the City determined to purchase the Bridge Apartments, located at 1205 W. Broadway, from the Western Montana Mental Health Center in order to prevent the loss of 20 units of affordable housing which house low-income individuals with disabilities. In September 2021, the Missoula Redevelopment Agency (“MRA”) board agreed to fund the \$2,195,000 purchase price of the Bridge Apartments from Tax Increment of the District, which it expected to do through the issuance of bonds. Following the transfer in June 2022 of \$2,195,000 in Tax Increment funds it had on hand to reimburse the City for the purchase price of the Bridge Apartments, the City now intends to issue tax increment revenue bonds to reimburse the District and to enable the District, the MRA and the City to carry out the adopted 9 Year Strategic Exit Plan for the District.

In anticipation of the issuance of bonds to reimburse the purchase price of the Bridge Apartments, MRA staff worked with Baker Tilly Municipal Advisors, LLC (“Baker Tilly”), the City’s municipal advisor, to determine whether there were any opportunities to refund outstanding debt of the District. Baker Tilly identified refunding the Series 2006 Bonds as a possible cost savings.

First Security has offered to purchase the Series 2022A Bond, the proceeds of which will be used to refund the Refunded 2006 Bonds and pay costs of issuing the Series 2022A Bond, and to purchase the Series 2022B Bond, the proceeds of which will be used to reimburse the MRA for the purchase price of the Bridge Apartments and pay costs of issuing the Series 2022B Bond, in each case on the terms set forth herein. In addition, as holder of the Series 2013 Bonds, First Security has consented to certain amendments that are advantageous to the City, in particular to (1) remove the requirement that the Bonds be secured by a debt service reserve account, and (2) reduce the requirements related to the issuance of Additional Bonds.

To implement these changes, the City has determined that it is more convenient and efficient for the City to amend and restate the Prior Resolution in its entirety. Following the refunding of the Refunded 2006 Bonds, First Security will be the only holder of Bonds, and First Security has consented to the amendment and restatement of the Prior Resolution.

1.06. Additional Bonds; Available Pledged Tax Increment. In Section 4 of the Prior Resolution, as amended and restated by Section 4 hereof, the City reserved the right to issue Additional Bonds payable from and secured by Pledged Tax Increment on a parity with the Outstanding Bonds on certain terms and conditions, including the requirement that Pledged Tax Increment for the last complete fiscal year preceding the date of issuance of such Additional Bonds equaled at least 125% of the maximum Principal and Interest Requirements on the Outstanding Bonds and on the Additional Bonds proposed to be issued. The maximum Principal and Interest Requirements on the Series 2013 Bonds and Series 2022 Bonds is \$930,841.82, as set forth on Exhibit B hereto. The City received Pledged Tax Increment of \$3,557,949.45 in Fiscal Year 2022, which is not less than 125% of \$1,163,552.28 ($\$930,841.82 \times 125\% = \$1,163,552.28$). Accordingly, this Council hereby finds and determines that the City is authorized to issue the Series 2022 Bonds and that the Pledged Tax Increment to be received by the City will be sufficient to pay the maximum Principal and Interest Requirements on the Series 2013 Bonds and the Series 2022 Bonds.

1.07. Findings and Determinations. It is hereby found, determined and declared by this Council as follows:

- (a) the conditions precedent to the issuance of the Series 2022 Bonds under the Act and this Resolution have or shall be met prior to the issuance of the Series 2022 Bonds;
- (b) no persons will be displaced from their housing as a result of the acquisition of the Bridge Apartments or the issuance of the Series 2022 Bonds;
- (c) the Plan and the acquisition of the Bridge Apartments conform to the City's growth policy;
- (d) the Plan, the acquisition of the Bridge Apartments and the refunding of the Refunded 2006 Bonds will afford maximum opportunity, consistent with the needs of the City as a whole, for the rehabilitation or redevelopment in the District by private enterprise;
- (e) taking into account the use of tax increment revenues and the proceeds of tax increment revenue bonds, there is a sound and adequate financial program for the acquisition of the Bridge Apartments;
- (f) the acquisition of the Bridge Apartments constitutes an urban renewal project within the meaning of the Act and the Plan;
- (g) the estimated Pledged Tax Increment to be received by the City, as set forth in Section 1.06, and pledged to the payment of the Series 2013 Bonds and the Series 2022 Bonds will be sufficient to pay the principal thereof and interest thereon when due.

1.08. Authorization and Sale of Series 2022 Bonds. This Council hereby determines that it would be in the best interests of the City to sell and issue its Tax Increment Urban Renewal Revenue Refunding Bond (Urban Renewal District II), Series 2022A (the "Series 2022A Bond") and its Tax Increment Urban Renewal Revenue Bond (Urban Renewal District II), Taxable

Series 2022B (the “Series 2022B Bond”), in a negotiated sale to First Security, as authorized by the Act and Section 17-5-107, Montana Code Annotated.

1.09. Findings and Determinations. All acts, conditions and things required by the Constitution and laws of the State, including the Act, in order to pledge the Pledged Tax Increment to the payment of the Bonds, to make the Series 2022 Bonds valid and binding special, limited obligations of the City in accordance with their terms and in accordance with the terms of this Resolution have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required.

Section 2. The Bonds.

2.01. General Title. The general title of the Bonds of all series shall be “Tax Increment Urban Renewal Revenue Bonds (Urban Renewal District II),” with appropriate additions for refunding Bonds and to distinguish Bonds of each series from Bonds of other series.

2.02. General Limitations; Issuable in Series. The aggregate principal amount of Bonds that may be authenticated and delivered and Outstanding under this Resolution is not limited, except as provided in Section 4 and except as may be limited by law.

The Bonds may be issued in series as from time to time authorized by the City.

The Bonds are special, limited obligations of the City. The Bonds are not general obligations of the City and neither the general credit nor the taxing power of the City or the State is pledged to the payment of the Bonds or the interest thereon. Principal of, premium, if any, and interest on the Bonds (except to the extent expressly payable out of proceeds of the Bonds) are payable solely from the Pledged Tax Increment or other sources which may be pledged to the payment of any series of Bonds. The State shall in no event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or the performance of any pledge of any kind whatsoever that may be undertaken by the City with respect thereto. Neither the Bonds nor any of the agreements or obligations of the City contained herein or therein shall be construed to constitute an indebtedness of the City or the State within the meaning of any constitutional or statutory provisions whatsoever.

If any Payment Date or Redemption Date shall be on a day which is not a Business Day, then payment of principal of, premium, if any, or interest due on such day may be made on the next succeeding Business Day, with the same force and effect as if made on such Payment Date or Redemption Date (whether or not such next succeeding Business Day occurs in a succeeding month), and no interest shall accrue for the intervening period.

2.03. Terms of a Particular Series. Each series of Bonds (except the Series 2013 Bonds and the Series 2022 Bonds, the terms of which are set forth in Sections 6 and 3, respectively) shall be created by a Supplemental Resolution and pursuant to Section 4. The City 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 also contain, provision for a sinking, amortization, improvement or other analogous fund. All Bonds of the same series shall be substantially identical except as to denomination and the differences specified herein or in a Supplemental Resolution regarding interest rates and payment and redemption provisions.

2.04. Form and Denominations. The form of the Bonds (other than the Series 2013 Bonds and the Series 2022 Bonds, as to which specific provision is made in Sections 6 and 3, respectively) shall be established by the Supplemental Resolution creating such series.

The Bonds of any series shall be issuable as fully registered Bonds, in such denominations as shall be provided in the Supplemental Resolution creating such series (other than the Series 2013 Bonds and the Series 2022 Bonds, as to which specific provision is made in Sections 6 and 3, respectively).

2.05. Execution and Delivery. Each Bond shall be executed on behalf of the City by the officials of the City specified in a Supplemental Resolution (other than the Series 2013 Bonds and the Series 2022 Bonds, as to which specific provision is made in Sections 6 and 3, respectively). The signature of any official may be facsimile, if permitted by applicable law. Bonds bearing the manual or facsimile signatures of individuals who were at any time the proper officials of the City shall bind the City, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the delivery of such Bonds or did not hold such offices at the date of such Bonds.

At any time and from time to time, the City may deliver Bonds executed by the proper officers of the City to the Registrar for authentication, and the Registrar shall authenticate and deliver such Bonds as specified in a Supplemental Resolution (other than the Series 2013 Bonds and the Series 2022 Bonds, as to which specific provision is made in Sections 6 and 3, respectively).

Section 3. The Series 2022 Bonds.

3.01. Title, Principal Amount, Interest Rates and Payment Provisions.

(a) The Series 2022A Bond. The Series 2022A Bond to be issued hereunder shall be denominated “Tax Increment Urban Renewal Revenue Refunding Bond (Urban Renewal District II), Series 2022A” and shall be issued in the aggregate principal amount of \$1,583,470.53 to refund the Refunded 2006 Bonds and to pay costs of issuance of the Series 2022A Bond. The Series 2022A Bond 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 3.50% per annum. The principal of and interest on the Series 2022A Bond 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, 2031, in the amounts and on the respective dates reflected in the Debt Service Schedule attached as Schedule 1 to the Series 2022A Bond. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

(b) The Series 2022B Bond. The Series 2022B Bond to be issued hereunder shall be denominated “Tax Increment Urban Renewal Revenue Bond (Urban Renewal District II), Taxable Series 2022B,” and shall be issued in the maximum principal amount of \$2,231,535.90 to reimburse the MRA for the purchase price of the Bridge Apartments and to pay costs of issuance of the Series 2022B Bond. The Series 2022B Bond 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 4.50% per annum. The principal of and interest on the Series 2022B Bond 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, 2031, in the amounts and on the respective dates reflected in the Debt Service Schedule attached as Schedule 1 to the Series 2022B Bond. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

(c) Principal of and interest on the Series 2022 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; *provided* that the final installment of principal (whether at maturity or earlier redemption) plus interest shall be paid by the Registrar only upon presentation and surrender of the Series 2022 Bonds at the principal office of the Registrar. The Registrar shall note in the Bond Register each principal payment on the Series 2022 Bonds.

3.02. Registration. The City hereby appoints the City Finance Director to act as Registrar, transfer agent and paying agent for the Series 2022 Bonds (the “Registrar”). The City reserves the right to appoint a bank, trust company or fiscal company as successor 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 2022 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 2022 Bonds and the registration of transfers and exchanges thereof. The Bond Register will show that the original owner of the Series 2022 Bonds is First Security Bank of Missoula, Division of Glacier Bank, as the Original Purchaser thereof.

(b) Transfer. The Series 2022 Bonds may be transferred in whole and not in part. Upon surrender for transfer of the Series 2022A Bond or Series 2022B Bond duly endorsed by the owner or accompanied by a written instrument of transfer, 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 2022A Bond or Series 2022B Bond, as applicable, of a like aggregate principal amount, interest rate and maturity. The Registrar may, however, close the books for registration of transfer of the Series 2022A Bond or Series 2022B Bond or any portion thereof selected or called for redemption.

(c) Exchange. Whenever the Series 2022A Bond or Series 2022B Bond is surrendered by the owner for exchange, the Registrar shall authenticate and deliver a new

Series 2022A Bond or Series 2022B Bond, as applicable, of a like aggregate principal amount, interest rate and maturity.

(d) Cancellation. The Series 2022A Bond or Series 2022B Bond 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 2022A Bond or Series 2022B Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Series 2022A Bond or Series 2022B Bond, as applicable, or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owner. The City and the Registrar may treat the Person in whose name the Series 2022A Bond or Series 2022B Bond, as applicable, is at any time registered in the Bond Register as the absolute owner of such Series 2022A Bond or Series 2022B Bond, as applicable, whether such Series 2022A Bond or Series 2022B Bond 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 2022A Bond or Series 2022B Bond 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 2022A Bond or Series 2022B Bond, as applicable, to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of the Series 2022A Bond or Series 2022B Bond (except upon a partial redemption of the Series 2022A Bond or Series 2022B Bond 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 2022A Bond or Series 2022B Bond. In case the Series 2022A Bond or Series 2022B Bond shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Series 2022A Bond or Series 2022B Bond, 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 2022A Bond or Series 2022B Bond or in lieu of and in substitution for any Series 2022A Bond or Series 2022B Bond 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 2022A Bond or Series 2022B Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that the Series 2022A Bond or Series 2022B Bond, as applicable, was 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 2022A Bond or 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 2022A Bond or Series 2022B Bond has

already matured or such Series 2022A Bond or Series 2022B Bond has been called for redemption in accordance with its terms, it shall not be necessary to issue a new Series 2022A Bond or Series 2022B Bond, as applicable, prior to payment.

3.03. Redemption

(a) Optional Redemption. The Series 2022 Bonds are each subject to redemption at any time, at the option of the City, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium. Each partial prepayment must be in the amount of at least \$500,000 for the City to require the registered owner of the Series 2022A Bond or Series 2022B Bond, as applicable, to reamortize the debt service over the then-remaining term; otherwise, partial prepayments (amounts paid in excess of the semi-annual payments then owing) will be applied in inverse order of principal installments. Upon partial redemption and prepayment there shall be no need to exchange a new Series 2022A Bond or Series 2022B Bond, as applicable, for the unredeemed portion of the existing Series 2022A Bond or Series 2022B Bond, as applicable; provided that the amortization schedule attached as Schedule 1 to the form of the Series 2022A Bond or Series 2022B Bond, as applicable, shall be replaced with a revised debt service schedule reflecting the reamortization of the principal then outstanding in substantially equal semiannual installments of principal and interest or reflecting the prepayment applied in inverse order of principal installments.

(b) Notice of Redemption. The date of redemption and the principal amount of the Series 2022A Bond and/or Series 2022B Bond, as applicable, to be redeemed pursuant to Section 3.03(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 45 days prior to the date set for redemption. The Registrar shall give notice, by email if acceptable to the owner of the Series 2022A Bond and/or Series 2022B Bond, as applicable, or by first class mail, postage prepaid, to the owner of the Series 2022A Bond and/or Series 2022B Bond, as applicable, at its address appearing on the Bond Register, of the principal amount of the Series 2022A Bond and/or Series 2022B Bond, as applicable, to be redeemed and the date on which payment will be made, which date shall be not less than 30 days after the date the notice was mailed or emailed. On the date so fixed, interest on the principal amount of the Series 2022A Bond and/or Series 2022B Bond so redeemed shall cease to accrue; however interest shall continue to accrue on any portion of the Series 2022A Bond or Series 2022B Bond not so redeemed.

3.04. Execution and Delivery of Series 2022 Bonds. The Series 2022 Bonds shall be forthwith prepared for execution under the direction of the City Clerk, at the expense of the City, and shall be executed on behalf of the City and authenticated by the Registrar. When the Series 2022 Bonds have been fully executed and authenticated, they shall be delivered by the Registrar to the Original Purchaser thereof upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Original Purchaser thereof shall not be obligated to see to the application of the purchase price.

3.05. Form of Series 2022 Bonds. The Series 2022A Bond shall be in substantially the form set forth in Exhibit C-1 hereto (which is hereby incorporated herein and made a part hereof) and the Series 2022B Bond shall be in substantially the form set forth in Exhibit C-2 hereto (which is hereby incorporated herein and made a part hereof), in each case, with such appropriate variations, omissions and insertions as are permitted or required by the Resolution.

3.06. Transcript Certification. The officers of the City are directed to furnish to the Original Purchaser of the Series 2022 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 2022 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 2022 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.

3.07. Application of Bond Proceeds. On the date of delivery of the Series 2022 Bonds, the City shall receive, directly or indirectly, \$1,574,053.18 of proceeds of the Series 2022A Bond (representing the par amount of the Series 2022A Bond, \$1,583,470.53, less the origination fee and legal fees of the Original Purchaser in the amount of \$9,417.35) and \$2,218,878.22 of proceeds of the Series 2022B Bond (representing the par amount of the Series 2022B Bond (representing the par amount of the Series 2022B Bond, \$2,231.535.90, less the origination fee and legal fees of the Original Purchaser in the amount of \$12,657.68).

(a) Simultaneously with the delivery of the Series 2022A Bond, the City Finance Director shall deposit or cause to be deposited in escrow with the Escrow Agent to be applied to the refunding of the Refunded 2006 Bonds, a total amount of \$1,803,950.16, comprised of \$1,554,181.40 of the proceeds of the Series 2022A Bonds and \$249,768.76 on hand in the debt service reserve account for the Series 2006 Bonds, all as set forth in the Escrow Agreement attached as Exhibit D hereto.

(b) The Mayor and the City Finance Director (or in the absence or inability of either of them, another member of this Council or officer of the City designated by either of the Mayor or City Finance Director) are hereby authorized to enter into an Escrow Agreement with the Escrow Agent, substantially in the form which has been presented to this Council and attached hereto as Exhibit D, with such additions thereto or deletions therefrom as are necessary or appropriate. Pursuant to Section 8.03 of Resolution No. 7120, upon the establishment and funding of the Escrow Account pursuant to this Section 3.07(a), the Refunded 2006 Bonds shall be defeased and shall no longer be considered outstanding.

(c) The City Finance Director shall apply the remaining proceeds of the Series 2022A Bonds in the amount of \$19,871.78 to the Construction Account to pay costs of issuance of the Series 2022A Bonds and costs of the refunding.

(d) The City Finance Director shall apply the proceeds of the Series 2022B Bonds as follows:

(i) \$2,195,000.00 shall be credited to the Construction Account and used to reimburse the MRA for the purchase price of the Bridge Apartments, and

(ii) \$23,878.22 shall be credited to the Construction Account and used to pay costs of issuance of the Series 2022B Bonds.

3.08. Redemption of Refunded 2006 Bonds. The Series 2006 Bonds with stated maturities in 2023 and thereafter are hereby called for redemption on November 22, 2022.

Section 4. Additional Bonds.

4.01. General Provisions. In addition to the Series 2013 Bonds and the Series 2022 Bonds, whose issuance and delivery is provided for in Sections 3 and 6, respectively, Additional Bonds may at any time and from time to time be issued, sold and delivered by the City but only upon compliance with the conditions of Sections 4.02 and 4.03, whichever may be applicable, and upon filing with the City Clerk the following:

(i) A Supplemental Resolution authorizing the issuance of such series of Additional Bonds and the sale thereof to the Original Purchaser or Purchasers named therein for the purchase price set forth therein.

(ii) A certificate executed by the Mayor and the City Clerk stating that upon the issuance of such series of Additional Bonds, no default hereunder has occurred and is continuing which would not be cured upon the issuance of such series of Additional Bonds and application of the proceeds thereof.

Any Additional Bonds shall be dated, shall bear interest at a rate or rates, shall be payable on the dates, 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 Resolution authorizing their issuance. All Additional Bonds issued pursuant to Sections 4.02 and 4.03 shall be payable and secured ratably and equally and on a parity with the Series 2013 Bonds, the Series 2022 Bonds and any Additional Bonds theretofore issued, entitled to the same benefits and security of this Resolution.

4.02. Additional Bonds To Pay the Cost of Projects. Additional Bonds may be issued under this Section 4.02 subject to the conditions provided in Section 4.01 and this Section 4.02, for the purpose of providing funds, with any other funds available and committed therefor, for paying the cost of one or more Projects and any expenses in connection with such financing, provided that, prior to the execution and delivery of any series of Additional Bonds under this Section 4.02, there shall be filed with the City Clerk:

(i) A certificate executed by the Mayor, the City Finance Director and the City Clerk stating: (A) the estimated cost of the Projects being financed thereby, including an allowance for contingencies and all fees, expenses and financing costs, (B) the amount, if any, which will be required to be credited to the Tax Increment Debt Service Account to pay interest on the Additional Bonds prior to collection of sufficient Pledged Tax Increment available therefor, (C) the amount of Pledged Tax Increment received by the City in the last completed Fiscal Year, (D) the amount of the maximum Principal and Interest Requirements on the

Outstanding Bonds and the Additional Bonds proposed to be issued for any future Fiscal Year during the term of the Outstanding Bonds, and (E) that the principal amount of such Additional Bonds is sufficient to provide for the payment of all estimated costs of Project to be financed thereby and credits to the Tax Increment Debt Service Account as set forth above; and

(ii) a certificate executed by the Mayor, the City Finance Director and the City Clerk stating that the Pledged Tax Increment received by the City in the last completed Fiscal Year, which may in the City's discretion be adjusted as provided in the next sentence, was equal to at least 125% of the maximum Principal and Interest Requirements for any future calendar year (during the term of the Outstanding Bonds) with respect to Outstanding Bonds and the Additional Bonds proposed to be issued. For this purpose, the Pledged Tax Increment received by the City in the last completed Fiscal Year may be adjusted by adding 90% of any increase in Pledged Tax Increment which would have resulted from applying the aggregate tax rates of the Taxing Bodies effective for the then-current Fiscal Year (or, if such tax rates are not yet available, tax rates for the last completed Fiscal Year) to the then-current taxable value of the District as of the date of calculation, including any projects which have been completed or are underway in the District, whether or not the taxable values of which, in whole or in part, are included in the certified actual taxable value (as defined in the Act) of the District. Any adjustments to the Pledged Tax Increment made in accordance with this paragraph will be based on information supplied by developers or owners of the projects or their representatives and in consultation with the Montana Department of Revenue.

This Council shall approve and confirm the findings and estimates set forth in the above-described certificates in the Supplemental Resolution authorizing the issuance of the Additional Bonds.

4.03. Additional Bonds for Refunding Purposes. 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. Such Additional Bonds shall be designated substantially as the Bonds to be refunded, with the addition of the term "refunding".

Prior to the execution and delivery of any series of Additional Bonds under this Section 4.03, there shall be filed with the City Clerk:

(i) such documents as shall be required to show that provisions have been duly made in accordance with this Resolution for the redemption of all of the Outstanding Bonds to be refunded; and

(ii) either (a) a certificate executed by the Mayor, the City Finance Director and the City Clerk stating that the proceeds (excluding accrued interest but including any premium) of the Additional Bonds plus any moneys to be withdrawn from the Tax Increment Debt Service Account for such purpose, together with any other funds deposited for such purpose, will be not less than an amount sufficient to pay the Redemption Price on the Outstanding Bonds to be refunded, or (b) a certificate executed by an underwriter or municipal advisor or other qualified entity to the effect that from such proceeds there shall be deposited in trust, Defeasance Obligations which do not permit the redemption thereof at the option of the issuer, 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, redemption premium and interest.

If Additional Bonds are issued to refund Subordinate Obligations issued pursuant to Section 4.04, the conditions for the issuance of Additional Bonds pursuant to Section 4.02 must be satisfied in lieu of this Section 4.03.

4.04. Subordinate Obligations. Except as provided in Sections 4.01, 4.02 and 4.03, no bonds, notes or other evidence of indebtedness of the City will be issued under or secured by the provisions of this Resolution and made payable from the Tax Increment Accounts, unless the pledge and appropriation of Pledged Tax Increment 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 2013 Bonds, the Series 2022 Bonds and all Additional Bonds issued and to be issued under and secured by this Resolution in accordance with Sections 4.01, 4.02 and 4.03. In the event of the issuance of any such Subordinate Obligations, the principal, redemption premium and interest thereon will be made payable from one or more additional accounts created within the Tax Increment Accounts for that purpose by a supplemental resolution, 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 Tax Increment Debt Service Account.

Section 5. The Tax Increment Accounts.

5.01. Bond Proceeds and Pledged Tax Increment Pledged and Appropriated. The City hereby establishes on its books and records three accounts designated as the Tax Increment Capital Project Account, the Tax Increment Debt Service Account and the Tax Increment Development Account (collectively, the "Tax Increment Accounts"). The Tax Increment Accounts shall be maintained as separate and special bookkeeping accounts on the official books and records of the City until all Bonds have been fully paid, or the City's obligation with reference to all Bonds has been discharged as provided in this Resolution.

All proceeds of Bonds and all other funds hereafter received or appropriated for purposes of Projects are appropriated to the Tax Increment Accounts (except amounts otherwise appropriated in a Supplemental Resolution or received from Additional Bonds issued to refund Outstanding Bonds pursuant to Section 4.03). All Pledged Tax Increment is irrevocably pledged

and appropriated and shall be credited as received to the Tax Increment Debt Service Account. Outstanding Bonds shall be secured by a first pledge of and lien on all of the Pledged Tax Increment and all other moneys from time to time in the Tax Increment Accounts in the manner and to the extent provided in this Section 5. The City shall not issue any obligation or security superior to or on a parity with the Series 2013 Bonds and the Series 2022 Bonds, payable or secured, in whole or in part, from or by the Pledged Tax Increment, other than Additional Bonds issued pursuant to Sections 4.01, 4.02 or 4.03, until all of the Bonds have been paid or discharged as provided herein. The Tax Increment Accounts shall be subdivided into separate accounts as designated and described in Sections 5.03 to 5.06.

5.02. Pledged Tax Increment Receipts. All Pledged Tax Increment received by the City and credited to the Tax Increment Debt Service Account, as required in Section 5.01, shall be credited as received as follows: (a) first, to the Interest Account, until the balance on hand in the Interest Account is at least equal to all interest on Bonds due and payable from the Interest Account within the next six full calendar months; (b) second, after any credit to the Interest Account required by the preceding clause, to the Principal Account, until the balance on hand in the Principal Account is at least equal to all principal of and premium, if any, on Bonds due and payable from the Principal Account (including amounts due and payable on a sinking fund payment date) within the next twelve full calendar months for Bonds with principal payable annually and within the next six full calendar months for Bonds with principal payable semiannually; and (c) third, after any credit to the Interest Account or the Principal Account required by the preceding clauses, to the Tax Increment Development Account.

5.03. Construction Account. For each Project there shall be a separate Construction Account within the Tax Increment Capital Project Account, to be used only to pay allowed costs as incurred, which under accepted accounting principles are costs of the particular Project, including but not limited to payments due for work and materials performed and delivered under construction contracts, architectural, engineering, inspection, supervision, fiscal and legal expenses, the cost of lands and easements, interest accruing on Bonds during the period of construction of a Project financed thereby and for a period of time thereafter authorized by the Act and deemed necessary by this Council, if and to the extent that amounts on hand in the Interest Account are not sufficient for payment of such interest, reimbursement of any loans or advances made from other City funds, costs of issuance of Bonds or Subordinate Obligations and all other expenses incurred in connection with the acquisition, construction and financing of such Project. To the Construction Account shall be credited as received all proceeds of Bonds issued to finance such Project, except amounts otherwise appropriated in a Supplemental Resolution or received from Additional Bonds issued to refund Outstanding Bonds pursuant to Section 4.03 and all other funds appropriated by the City for Projects, and all income received from the investment of the Construction Account. Upon completion of any Project and payment of the cost thereof, the City may transfer any money then remaining in the Construction Account for that Project to the Interest Account or the Principal Account and used to pay or redeem Bonds or portions thereof.

5.04. Tax Increment Debt Service Account. There are hereby established within the Tax Increment Debt Service Account two separate subaccounts, designated as the Interest Account and the Principal Account.

(a) Interest Account. There shall be credited to the Interest Account the following amounts: (i) from the Pledged Tax Increment as received by the City, the amount specified in clause (a) of Section 5.02; and (ii) any amount specified in any Supplemental Resolution to be credited to the Interest Account.

On or before each Payment Date, the City shall withdraw from the Interest Account an amount sufficient to pay the interest due on the Bonds on such Payment Date, and shall use such amount to pay, or make provision with the Registrar for the payment of, interest of the Bonds on such Payment Date.

If on any Payment Date the balance in the Interest Account is not sufficient to pay the total amount of interest due on such Payment Date, the City shall transfer any money then on hand in the Tax Increment Development Account or the Principal Account, in the order listed and in an amount equal to such deficiency, to the Interest Account.

All income derived from the investment of amounts in the Interest Account shall be credited as received to the Interest Account.

(b) Principal Account. There shall be credited to the Principal Account the following amounts: (i) from the Pledged Tax Increment as received by the City, the amount specified in clause (b) of Section 5.02; and (ii) any amount specified in a Supplemental Resolution to be credited to the Principal Account.

Amounts on hand in the Principal Account shall be used on any Payment Date to make up a deficiency in the Interest Account, if and to the extent required by the third subparagraph of paragraph (a) of this Section 5.04.

On or before each Payment Date, the City shall withdraw from the Principal Account an amount sufficient to pay the principal due on the Bonds on such Payment Date, and shall use such amount to pay, or make provision with the Registrar for the payment of, principal of the Bonds on such Payment Date.

If on any Payment Date the balance in the Principal Account is not sufficient to pay the total amount of principal due on such Payment Date, the City shall transfer any money then on hand in the Tax Increment Development Account to the Principal Account.

All income derived from the investment of amounts in the Principal Account shall be credited as received to the Principal Account.

5.05. Reserved.

5.06. Tax Increment Development Account. There shall be credited to the Tax Increment Development Account any and all Pledged Tax Increment remaining after the required credits to the Tax Increment Debt Service Account and any investment income and other moneys in any of the accounts within the Tax Increment Accounts in excess of the requirements of said accounts and which the City determines in its discretion to transfer to the Tax Increment Development Account. Money from time to time on hand in the Tax Increment Development

Account shall be transferred to the Tax Increment Debt Service Account as provided by Section 5.04 and may be used for any authorized purpose in accordance with the Act and other applicable State law.

5.07. Investments. The City Finance Director shall cause all moneys from time to time in the Tax Increment Accounts to be deposited as received with one or more depository banks duly qualified in accordance with the provisions of Montana Code Annotated, Section 7-6-201, as amended, and shall cause the balances in such accounts, except any part thereof covered by federal deposit insurance, to be secured by the pledge of bonds or securities of the kinds required by law, and no money shall at any time be withdrawn from such deposit accounts except for the purposes of the Tax Increment Accounts as defined and authorized by this Resolution. The funds to the credit of the several accounts within the Tax Increment Accounts may be commingled in one or more deposit accounts. The balance on hand in any of the accounts of the Tax Increment Accounts may at any time be invested and reinvested in accordance with State law, in investments maturing and bearing interest payable at the times and in the amounts estimated to be required to provide cash when needed for the purposes of the respective accounts.

Section 6. Series 2013 Bonds.

6.01. Title, Principal Amount, Interest Rate and Payment Provisions.

(a) The Series 2013 Bonds were issued in the aggregate principal amount of \$5,750,000 and shall mature, subject to redemption as hereinafter provided, by July 1, 2031. The Series 2013 Bonds 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 3.15% per annum. The Series 2013 Bonds are subject to redemption on January 1 and July 1 of the respective years shown below (herein referred to as a “Sinking Fund Payment Date”) and in the principal amounts (hereinafter referred to as a “Mandatory Sinking Fund Payment”) set forth below:

Sinking Fund Payment Date	Term Bond	
	January 1	July 1
	Mandatory Sinking Fund Payment Amount	Mandatory Sinking Fund Payment Amount
2014	\$ 64,000	\$ 123,000
2015	125,000	127,000
2016	129,000	131,000
2017	133,000	135,000
2018	137,000	139,000
2019	142,000	144,000
2020	146,000	148,000
2021	151,000	153,000
2022	155,000	158,000
2023	160,000	163,000
2024	166,000	168,000
2025	171,000	173,000
2026	176,000	179,000

2027	182,000	185,000
2028	188,000	190,000
2029	194,000	197,000
2030	200,000	203,000
2031	206,000	209,000*

*Final maturity.

(b) Principal and premium, if any, shall be payable by check or draft drawn on the Registrar hereinafter described upon presentation and surrender of the Series 2013 Bonds at maturity or upon redemption at the principal corporate trust office of the Registrar, which at the date of this Resolution is located in Seattle, Washington, 1420 Fifth Avenue, 7th Floor, provided that with respect to payments on the Series 2013 Bonds and any exchange, transfer or surrender of the Series 2013 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 Registrar. Notwithstanding the foregoing, so long as the Series 2013 Bonds are evidenced by a single, fully registered term Bond, it shall not be necessary to present and surrender such term Bond upon any redemption pursuant to Section 6.04, but the Registrar shall note in the Bond Register such principal payment. Interest on the Series 2013 Bonds shall be payable by check or draft of the Registrar mailed to the owners of record thereof as such appear in the Bond Register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month.

(c) The Series 2013 Bonds continue to be evidenced by the Series 2013 Bonds held by First Security and there shall be no need to amend or restate or deliver a bond in replacement of the Series 2013 Bonds; provided that references to the Prior Resolution shall be read to refer to this Resolution and references to the Reserve Account shall be disregarded. The Series 2013 Bonds are and remain valid and enforceable in the form currently held by First Security.

6.02. System of Registration. The City has appointed, and shall maintain, a Registrar for the Series 2013 Bonds. This Section 6.02 sets forth the system of registration for the Series 2013 Bonds as defined in the Model Public Obligations Registration Act of Montana. 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 corporate trust office a Bond Register in which the Registrar shall provide for the registration of ownership of Series 2013 Bonds and the registration of transfers and exchanges thereof.

(b) Transfer. The Series 2013 Bonds may be transferred in whole and not in part. Upon surrender for transfer of an Series 2013 Bond duly endorsed by the owner or accompanied by a written instrument of transfer, 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 2013 Bond of the same series and a like aggregate principal amount, interest rate and maturity. The Registrar may, however, close the

books for registration of transfer of the Series 2013 Bonds or portion thereof selected or called for redemption.

(c) Exchange. Whenever an Series 2013 Bond is surrendered by the owner for exchange, the Registrar shall authenticate and deliver a new Series 2013 Bond of the same series and a like aggregate principal amount, interest rate and maturity.

(d) Cancellation. The Series 2013 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 2013 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 2013 Bond or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owner. The City and the Registrar may treat the Person in whose name the Series 2013 Bonds are at any time registered in the Bond Register as the absolute owner of such Series 2013 Bond, whether such Series 2013 Bond 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 2013 Bond 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 such Series 2013 Bonds to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of an Series 2013 Bond (except upon a partial redemption of an Series 2013 Bond pursuant to Section 4.4), 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 2013 Bonds. In case the Series 2013 Bonds shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Series 2013 Bond of the same series and like principal amount, number, interest rate and maturity in exchange and substitution for and upon cancellation of any such mutilated Series 2013 Bond or in lieu of and in substitution for any such Series 2013 Bond lost, stolen or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of an Series 2013 Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Series 2013 Bond was 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. An Series 2013 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 2013 Bond has already matured or such Series

2013 Bond has been called for redemption in accordance with its terms, it shall not be necessary to issue a new Series 2013 Bond prior to payment.

6.03. Registrar. The City has appointed U.S. Bank Trust Company, National Association as the Registrar for the Series 2013 Bonds. The City reserves the right to appoint a successor Registrar, and the City agrees to pay the reasonable and customary charges of the Registrar for the services performed. Upon merger or consolidation of a bank or trust company that is acting as the Registrar, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar, as the case may be. The City reserves the right to remove any Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Series 2013 Bonds in its possession as Registrar to the successor Registrar and shall deliver the Bond Register to the successor Registrar.

6.04. Redemption

(a) Optional Redemption of Series 2013 Bonds. In addition to being subject to mandatory sinking fund redemption as described in Section 6.01, the Series 2013 Bonds are subject to redemption at the option of the City, at any time and from time to time, in whole or in part, and if in part, in principal amounts of \$1,000, at a 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 2013 Bonds to be redeemed shall be fixed by the City Finance Director who shall give notice thereof to the Registrar at least 45 days prior to the date of redemption or such lesser period as the Registrar accepts. The Registrar, at least 30 days prior to the designated redemption date, shall cause notice of redemption to be mailed, by first class mail, or by other means required by the securities depository, to the registered owners of each Series 2013 Bond to be redeemed at their addresses as they appear on the Bond Register, but no defect in or failure to give such mailed notice shall affect the validity of proceedings for the redemption of any Series 2013 Bond not affected by such defect or failure. The notice of redemption shall specify the redemption date, redemption price, the numbers, interest rates and any CUSIP numbers and the place at which the Series 2013 Bonds are to be surrendered for payment, which is the principal corporate trust office of the Registrar. Official notice of redemption having been given as aforesaid, the Series 2013 Bonds or portions thereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Series 2013 Bonds or portions thereof shall cease to bear interest. Notice of redemption shall not be required in connection with any Sinking Fund Payment Date.

6.05. Execution and Delivery of Series 2013 Bonds. The Series 2013 Bonds were executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk and was delivered to First Security.

Section 7. Other Covenants of City.

7.01. Punctual Payment. Subject to the extent of the availability of Pledged Tax Increment and amounts on hand in the Tax Increment Accounts, and recognizing the City's obligation to segregate and collect Pledged Tax Increment and to deposit Pledged Tax Increment to the Tax Increment Accounts as received in accordance with Section 5.02, the City will duly and punctually pay or cause to be paid the principal of, premium, if any, and interest on the Bonds in accordance with the terms of this Resolution and any applicable Supplemental Resolution and of the Bonds, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Resolution and all Supplemental Resolutions and of the Bonds. Nothing herein contained shall prevent the City from making advances of its own moneys however derived to any of the uses or purposes referred to herein, including Tax Increment derived from the Excluded Properties, nor shall be deemed or constitute a pledge or appropriation of funds or assets of the City other than those expressly pledged or appropriated hereby. The City further covenants that it will promptly deposit or cause to be deposited all Pledged Tax Increment it receives into the Tax Increment Debt Service Account, as set forth in Section 5.

7.02. Accumulation of Claims of Interest. In order to prevent any accumulation of claims for interest after maturity, the City will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and will not, directly or indirectly, be a party to or approve any such arrangements by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the City, such interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Resolution, except subject to the prior payment in full of the principal of all of the Bonds then outstanding and of all claims for interest which shall not have been so extended or funded.

7.03. Against Encumbrances. The City will not encumber, pledge or place any charge or lien upon any of the Pledged Tax Increment superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds.

7.04. Books and Accounts; Financial Statements. The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the Pledged Tax Increment and the Tax Increment Debt Service Account and the Tax Increment Development Account. Such books of record and accounts shall be at all times during business hours subject to the inspection of the Owners of not less than ten percent (10%) of the principal amount of Outstanding Bonds, or their representatives authorized in writing.

7.05. Further Assurances. The City will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Resolution.

7.06. Pledge of Replacement Revenues. In the event the Constitution or laws of the State are amended to abolish or substantially reduce or eliminate real or personal property

taxation and State law then or thereafter provides to the City an alternate or supplemental source or sources of revenue specifically to replace or supplement reduced or eliminated Pledged Tax Increment, then the City pledges, and covenants to appropriate annually, subject to the limitations of then applicable law, to the Tax Increment Debt Service Account from such alternate or supplemental revenues an amount that will, with money on hand in the Tax Increment Debt Service Account, be sufficient to pay the principal of, premium, if any, and interest on the Outstanding Bonds payable in that Fiscal Year.

7.07. Owners' Rights. No Owner of any Bond issued and secured under the provisions of this Resolution shall have the right to institute any proceeding, judicial or otherwise, for the enforcement of the covenants herein contained, without the written concurrence of the Owners of not less than 25% in aggregate principal amount of all Outstanding Bonds; but the Owners of such aggregate principal amount of Outstanding Bonds may, either at law or in equity, by suit, action or other proceedings, protect and enforce the rights of all Owners of Bonds and compel the performance of any and all of the covenants required herein to be performed by the City and its officers and employees. The Owner of a majority in aggregate principal amount of all Outstanding Bonds shall have the right to direct the time, method and place of conducting any proceedings for any remedy available to the Owners or the exercise of any power conferred on them, and the right to waive a default in the performance of any such covenant, and its consequences, except a default in the payment of the principal of or interest on any Bond when due. Nothing herein shall impair the absolute and unconditional right of the Owner of each Bond to receive payment of the principal of and interest on any Bond as such principal and interest respectively become due, solely from Pledged Tax Increment on hand in the Tax Increment Accounts and Pledged Tax Increment received by the City from time to time, and to institute suit for the enforcement of any such payment. In the event of default in any such payment, any court having jurisdiction of the action may appoint a receiver to administer the Tax Increment Accounts and to collect and segregate and apply the Pledged Tax Increment and other revenues pledged thereto as provided by this Resolution or any Supplemental Resolution and the Act.

Section 8. Supplemental Resolutions.

8.01. General. Notwithstanding Section 8.02, the City reserves the right to adopt Supplemental Resolutions to this Resolution from time to time and at any time, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained herein, or of making such provisions with regard to matters or questions arising hereunder as the City may deem necessary or desirable and not inconsistent with this Resolution, and which shall not adversely affect the interests of the Owners of Bonds issued hereunder, or for the purpose of adding to the covenants and agreements herein contained, or to the Pledged Tax Increment herein pledged, other covenants and agreements thereafter to be observed and additional revenues or income thereafter appropriated to the Tax Increment Accounts, or for the purpose of surrendering any right or power herein reserved to or conferred upon the City, or for the purpose of authorizing the creation and issuance of a series of Additional Bonds, as provided in and subject to the conditions and requirements of Section 4. Any such Supplemental Resolution may be adopted without the consent of the Owner of any of the Bonds issued hereunder.

8.02. Consent of Owners. With the consent of the Owners of a majority in principal amount of Outstanding Bonds affected thereby as provided in Section 8.04, the City may from time to time and at any time adopt a Supplemental Resolution for the purpose of amending this Resolution by adding any provisions hereto or changing in any manner or eliminating any of the provisions hereof or of any Supplemental Resolution, except that no Supplemental Resolution shall be adopted at any time without the consent of the Owners of all Outstanding Bonds affected thereby, if it would extend the time of payment of interest thereon, would reduce the amount of the principal thereof or redemption premium thereon, would give to any Bond or Bonds any privilege over any other Bond or Bonds (except for the privilege accorded Bonds over Subordinate Obligations), would reduce the sources of Pledged Tax Increment or other revenues or income appropriated to the Tax Increment Accounts, or would reduce the percentage in principal amount of such Bonds required to authorize or consent to any such Supplemental Resolution.

8.03. Notice. Notice of a Supplemental Resolution to be adopted pursuant to Section 8.02 shall be mailed by first-class mail, postage prepaid, or given by such other means as required by a securities depository, if applicable, to the Owners of all Outstanding Bonds at their addresses appearing in the Bond Register and shall become effective only upon the filing of written consents with the City Clerk, signed by the Owners of the requisite principal amount of Outstanding Bonds affected thereby. Any written consent to the Supplemental Resolution may be embodied in and evidenced by one or any number of concurrent written instruments of substantially similar tenor signed by Owners thereof in person or by agent duly appointed in writing, and shall become effective when delivered to the City Clerk. Any consent by the Owner of any Bond shall bind that Owner and every future Owner of the same Bond with respect to any Supplemental Resolution adopted by the City pursuant to such consent; provided that any Owner may revoke his consent with reference to any Bond by written notice received by the City Clerk before the Supplemental Resolution has become effective. In the event that unrevoked consents of the Owners of the requisite principal amount of Bonds have not been received by the City Clerk within one year after the publication of notice of the Supplemental Resolution, the Supplemental Resolution and all consents theretofore received shall be of no further force and effect.

8.04. Manner of Consent. Proof of the execution of any consent, or of a writing appointing any agent to execute the same, shall be sufficient for any purpose of this Resolution and shall be conclusive in favor of the City if made in the manner provided in this Section 8.04. The fact and date of the execution by any Person of any such consent may be proved by the affidavit of a witness of such execution or by the certification of any notary public or other officer authorized by law to take acknowledgment of deeds, certifying that the Person signing it acknowledged to him the execution thereof. The fact and date of execution of any such consent may also be proved in any other manner which the City may deem sufficient; but the City may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. The ownership of any Bonds shall be proved by the Bond Register.

Section 9. Defeasance or Discharge.

9.01. General. When the liability of the City on all Bonds issued under and secured by this Resolution and all interest thereon has been discharged as provided in this Section 9, all

pledges, covenants and other rights granted by this Resolution to the Owners of such Bonds shall cease.

9.02. Maturity. The City may discharge its liability with reference to all Bonds and interest thereon which are due on any date by depositing with the Registrar on or before the date a sum sufficient for the payment thereof in full; or if any Bond or interest thereon shall not be paid when due, the City may nevertheless discharge its liability with reference thereto by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

9.03. Redemption. The City may also discharge its liability with reference to any Bonds which are called for redemption on any date in accordance with their terms, by depositing with the Registrar on or before that date an amount equal to the principal, redemption premium, if any, and interest which are then due thereon; provided that notice of such redemption has been given or irrevocably provided for as provided in this Resolution.

9.04. Escrow. The City may also at any time discharge its liability in its entirety with reference to any Bond 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 Defeasance Obligations 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, redemption premiums, if any, and interest to become due on such Bond at its stated maturity or Payment Date or, if such Bond is prepayable and notice of redemption thereof has been given or irrevocably provided for as provided in this Resolution, to such earlier Redemption Date.

Section 10. Tax Covenants and Certifications Relating to the Series 2022A Bond.

10.01. Security for the Series 2022A Bond. The City shall not enter into any lease, use or other agreement or arrangement with any non-governmental Person relating to the security for the payment of the Series 2022A Bond which might cause the Series 2022A Bond to be considered a “private activity bond” or “private loan bond” within the meaning of Section 141 of the Code. No “impermissible agreement” as defined in Section 1.141-4(e)(4)(ii) of the Regulations, has been or will be entered into by the City in respect of the Pledged Tax Increment or otherwise to secure the Series 2022A Bond.

10.02. General Covenant. The City covenants and agrees with the Owners from time to time of the Series 2022A Bond 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 2022A Bond to become includable in gross income for federal income tax purposes under the Code and applicable Regulations, and covenants to take any and all actions within its powers to ensure that the interest on the Series 2022A Bond will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

10.03. Arbitrage Certification. The Mayor, the City Finance Director and the City Clerk, being the officers of the City charged with the responsibility for issuing the Series 2022A Bond pursuant to this Resolution, are authorized and directed to execute and deliver to the Original

Purchaser a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Series 2022A Bond, it is reasonably expected that the proceeds of the Series 2022A Bond will not be used in a manner that would cause the Series 2022A Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code and the Regulations.

10.04. Information Reporting. The City shall file with the Secretary of the Treasury, not later than February 15, 2023, a statement concerning the Series 2022A Bond containing the information required by Section 149(e) of the Code.

Section 11. Repeals and Effective Date.

11.01. 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 Resolution are repealed, amended and rescinded to the full extent necessary to give full force and effect to the provisions of this Resolution.

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

PASSED AND APPROVED by the City Council of City of Missoula, Montana, this 3rd day of October, 2022.

Jordan Hess
Mayor

Attest:

Martha L. Rehbein
City Clerk

EXHIBIT A

Legal Description of Excluded Property

Legal Description of Mill Site Property:

Lots 1 to 19 in Block 9 of Sunnyside Addition to the City of Missoula, Montana, according to the official map or plat thereof on file and of record in the office of the County Clerk and Recorder of Missoula County, Montana as recorded in Book 1 of Plats at Page 88.

All of Block 18 of Sunnyside Addition to the City of Missoula, lying West of the right-of-way line of the Northern Pacific Railway Company which includes: Fraction of Lots 2 and 3, all of Lots 4 thru 10, and fraction of Lots 11 and 12 of said Block 18 of Sunnyside Addition as recorded in Book 1 of Plats at Page 88.

Lots 6 to 12 in Block 9 and Lots 6 to 19 in Block 16 of Eddy Addition to the City of Missoula, Montana, according to the official map or plat thereof on file and of record in the office of the County Clerk and Recorder of Missoula County, Montana as recorded in Book 1 of Plats at Page 77.

All that portion of the S1/2NE1/4NW1/4 of Section 21, T13N, R19W, lying South of the main channel of the Missoula River.

The SE1/4NE1/4 of Section 21, T13N, R19W, excepting a certain right-of-way granted to the Chicago, Milwaukee, and St. Paul Railroad, a corporation of Montana, by deed recorded in Volume 37 of Deeds at Page 285, and also a certain grant to the Chicago, Milwaukee, and Puget Sound Railroad, a corporation of Washington, by deed recorded in Volume 56 of Deeds at Page 192, and subject to a certain right-of-way or easement for a water ditch made May 14, 1900, unto Robert Cobban, et al., recorded in Book 21 of Deeds at Page 257.

TOGETHER WITH appurtenances.

Legal Description of Safeway-Shop Property:

Entire site is located on Broadway between the Montana Rail Link Bitterroot Branch Line and Scott Street. The north boundary is Pine Street. The site is addressed on the 800 block of West Broadway. The site includes:

Lots 1 thru 10 in Block 47 of McCormick's Addition to the City of Missoula, and Lots 6 – 20 in Block 48 of McCormick's Addition to the City of Missoula; and, Lots 11 – 20, Block 47 of McCormick's Addition to the City of Missoula, and Lots 1 – 5, Block 48 of McCormick's Addition to the City of Missoula; and, Vacated portion of Nora Street, the platted alleys and a 20-foot wide portion of Pine Street within and adjacent to Blocks 47 and 48 of the McCormick Addition.

Legal Description of Intermountain Lumber Property:

Tract 1 of Intermountain – BMC. Tracts 1 and 2 located in E ½ of Section 20 T13N R19W Prime Meridian Montana, Missoula County, Montana. 119 Russell St. between Wyoming & S. 2nd St.

EXHIBIT B

Aggregate Debt Service Table

As of: 09/12/2022

City of Missoula, Montana

Urban Renewal Tax Increment Revenue Bonds

Urban Renewal District II

Bonds Debt Service Coverage

Fiscal Year	TIF* Revenues	State Entitlement & Reimbursements	2013 Bonds Silver Park	2022A Bonds	Taxable 2022B	Total Bonds Debt Service	Remaining Revenue	Bonds Debt Coverage
2023	3,076,805.00	481,144.45	424,745.00	204,514.30	300,299.52	929,558.82	2,628,390.63	3.82757x
2024	3,076,805.00	481,144.45	425,478.00	204,514.30	300,299.52	930,289.82	2,627,659.63	3.82456x
2025	3,076,805.00	481,144.45	424,876.25	204,514.30	300,299.52	929,690.07	2,628,259.38	3.82703x
2026	3,076,805.00	481,144.45	424,961.50	204,514.30	300,299.52	929,775.32	2,628,174.13	3.82668x
2027	3,076,805.00	481,144.45	425,684.50	204,514.30	300,299.52	930,498.32	2,627,451.13	3.82370x
2028	3,076,805.00	481,144.45	425,029.50	204,514.30	300,299.52	929,843.32	2,628,106.13	3.82640x
2029	3,076,805.00	481,144.45	426,028.00	204,514.30	300,299.52	930,841.82	2,627,107.63	3.82229x
2030	3,076,805.00	481,144.45	425,617.00	204,514.30	300,299.52	930,430.82	2,627,518.63	3.82398x
2031	3,076,805.00	481,144.45	424,828.00	204,514.35	300,299.66	929,642.01	2,628,307.44	3.82723x
Total	\$27,691,245.00	\$4,330,300.05	\$3,827,245.75	\$1,840,628.75	\$2,702,895.82	\$8,370,570.32	\$23,650,974.73	

*FY2022 Revenues provided by the MRA net of Millsite, Intermountain, and Safeway Revenue

Note: "Bonds" holds the same meaning as in the Bond Resolution

Max FY Bonds Debt Service	\$930,841.82
FY2022 TIF Revenues & State Entitlements	\$3,557,949.45
Coverage	3.82229x

EXHIBIT C-1

UNITED STATES OF AMERICA
STATE OF MONTANA
COUNTY OF MISSOULA

CITY OF MISSOULA

TAX INCREMENT URBAN RENEWAL REVENUE REFUNDING BOND
(URBAN RENEWAL DISTRICT II), SERIES 2022A

No. R-1

\$1,583,470.53

Interest
Rate
3.50%

Final Payment
Date
July 1, 2031

Date of
Original Issue
October 18, 2022

REGISTERED HOLDER: FIRST SECURITY BANK OF MISSOULA, A DIVISION OF
GLACIER BANK

PRINCIPAL AMOUNT: ONE MILLION FIVE HUNDRED EIGHTY THREE
THOUSAND FOUR HUNDRED SEVENTY DOLLARS AND
53/100

FOR VALUE RECEIVED, CITY OF MISSOULA, MONTANA (the “City”), a duly organized political subdivision of the State of Montana, acknowledges itself to be specially indebted and hereby promises to pay to the registered owner specified above or registered assigns, solely from the Tax Increment Debt Service Account, on each Payment Date specified on the attached Schedule 1, the dollar amount corresponding to that Payment Date as set forth on such Schedule 1, all subject to the provisions hereinafter described relating to the redemption of this Bond prior to maturity or final Payment Date. This Bond bears interest at the rate per annum specified above 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 of principal and interest due on each January 1 and July 1, commencing January 1, 2023, in accordance with the payment installment schedule attached hereto as Schedule 1, as such schedule may be amended from time to time as described hereinafter. The owner of record of this Bond is the owner appearing as such 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 a Payment Date. Interest on and principal of this Bond are payable by check or draft drawn by the Registrar. Interest on this Bond shall be calculated on the basis of a 360-day year composed of 12 30-day months. The City Finance Director shall initially serve as the Registrar for this Bond.

This Bond is one of a duly authorized issue of Bonds of the City designated as “Tax Increment Urban Renewal Revenue Bond (Urban Renewal District II)” (collectively, the

“Bonds”), issued and to be issued in one or more series under, and all equally and ratably secured by Resolution No. _____, adopted by the City Council on October 3, 2022 (the “Resolution”), to which Resolution (copies of which are on file with the City) reference is hereby made for a description of the nature and extent of the security, the respective rights thereunder of the Owners of the Bonds and the City and the terms upon which the Bonds are to be issued and delivered. Capitalized terms used herein but not otherwise defined shall have the respective meanings given such terms in the Resolution. This Bond constitutes an issue that evidences a loan from the Original Purchaser to the City in the aggregate principal amount of \$1,583,470.53 (the “Series 2022A Bond”) for the purpose of refunding the Refunded 2006 Bonds (as defined in the Resolution) and paying costs of issuance and of the refunding.

The Series 2022A Bond is issued pursuant to and in full compliance with the Constitution and laws of the State of Montana, particularly Montana Code Annotated, Title 7, Chapter 15, Parts 42 and 43, as amended (the “Act”), and pursuant to the Resolution. The Series 2022A Bond is payable solely, and equally and ratably with the Series 2013 Bonds, the Series 2022B Bond issued simultaneously herewith, and any Additional Bonds that may be issued hereafter, from Pledged Tax Increment received by the City, except that under certain conditions as described in the Resolution, the Series 2022A Bond may be payable from replacement revenues, if any, provided in the event of the abolition or substantial elimination of property taxation in Montana. By the Resolution, the City has pledged the Pledged Tax Increment received by the City to the Tax Increment Debt Service Account.

The Series 2022A Bond is not a general obligation of the City and the City’s general credit and taxing powers are not pledged to the payment of the Series 2022A Bond or the interest thereon. The Series 2022A Bond shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitations. The Series 2022A Bond is not secured by a debt service reserve.

The Series 2022A Bond is subject to prepayment and redemption at the option of the City, in whole or in part, at any time and from time to time, with 30 days’ prior written notice to the registered owner of the Series 2022A Bond, at a price of the principal amount being prepaid and redeemed plus interest thereon through the date of prepayment or redemption, without premium or penalty. Each partial prepayment must be in the amount of at least \$500,000 for the City to require the registered owner of the Series 2022A Bond to reamortize the debt service over the then-remaining term; otherwise, partial prepayments (amounts paid in excess of the semi-annual payments then owing) will be applied in inverse order of principal installments. Upon partial redemption and prepayment there shall be no need to exchange a new Series 2022A Bond for the unredeemed portion of the existing Series 2022A Bond; provided that the Debt Service Schedule attached as Schedule 1 to the form of this Series 2022A Bond shall be replaced with a revised debt service schedule reflecting the reamortization of the principal then outstanding in substantially equal semiannual installments of principal and interest or reflecting the prepayment applied in inverse order of principal installments.

Notice of redemption will be mailed at least 30 days prior to the designated redemption date to the registered owner of the Series 2022A Bond to be redeemed, but no defect in or failure to give such notice shall affect the validity of the proceedings for the redemption of the Series 2022A Bond not affected by such defect or failure. The Series 2022A Bond or portions thereof so

called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption have been duly deposited.

If provision is made for the payment of principal of and interest on this Series 2022A Bond in accordance with the Resolution, this Series 2022A 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.

The Resolution permits, with certain exceptions as therein provided, the amendment thereof and the modification of certain rights and obligations of the City and the Owners of the Bonds at any time without the consent of any Owners or with the consent of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding (as defined in the Resolution) which are affected by such modifications. The Resolution also contains provisions permitting Owners of a majority in aggregate principal amount of the Bonds of all series at the time Outstanding, on behalf of all the Owners of all Bonds, to waive compliance by the City with certain provisions of the Resolution and certain past defaults under the Resolution and their consequences. Any such consent or waiver by the Owner of this Bond shall bind that Owner and every future Owner 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 Owner of this Bond shall have no right to enforce the provisions of the Resolution, or to institute action to enforce the covenants therein or take any action with respect to a default under the Resolution or to institute, appear in or defend any suit or other procedure with respect thereto except as provided in the Resolution.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Registrar, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange, the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Registrar may deem and treat the Person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Montana and ordinances and resolutions of the City to be done, to exist, to happen and to be performed in order to make this Bond a valid and binding special, limited obligation of the City in accordance with its terms have been done, do exist, have happened and have been performed as so required; that this Bond has been issued by the City in connection with an urban renewal project (as defined in the Act); that the City, in and by the

Resolution, has validly made and entered into covenants and agreements with and for the benefit of the Owners from time to time of all Bonds issued thereunder, including covenants that it will pledge, appropriate and credit the Pledged Tax Increment derived from the District to the Tax Increment Debt Service Account of the City; that Additional Bonds may be issued and made payable from the Tax Increment Debt Service Account on a parity with the Series 2013 Bonds, Series 2022A Bond and Series 2022B Bond upon certain conditions set forth in the Resolution, but no obligation will be otherwise incurred and made payable from the Pledged Tax Increment unless the lien thereof shall be expressly made subordinate to the lien of the Series 2013 Bonds, Series 2022A Bond, Series 2022B Bond and any Additional Bonds on the Pledged Tax Increment; that all provisions for the security of the Owners of the Series 2022A Bond as set forth in the Resolution will be punctually and faithfully performed as therein stipulated; and that the issuance of the Series 2022A Bond does not cause the indebtedness of the City to exceed any constitutional or statutory limitation.

This 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, City of Missoula, Montana, by its City Council, has caused this Bond to be executed by the signatures of the Mayor and the City Clerk, and by the official seal of the City.

Mayor

(SEAL)

Attest:

City Clerk

Dated: _____

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned herein.

CITY OF MISSOULA, MONTANA,
as 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

\$1,583,470.53

City of Missoula, Montana

Tax Increment Urban Renewal Revenue Refunding Bond, Series 2022A
(Urban Renewal District II)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/18/2022	-	-	-	-	-
01/01/2023	91,018.91	3.500%	11,238.24	102,257.15	-
07/01/2023	76,139.25	3.500%	26,117.90	102,257.15	204,514.30
01/01/2024	77,471.68	3.500%	24,785.47	102,257.15	-
07/01/2024	78,827.44	3.500%	23,429.71	102,257.15	204,514.30
01/01/2025	80,206.92	3.500%	22,050.23	102,257.15	-
07/01/2025	81,610.54	3.500%	20,646.61	102,257.15	204,514.30
01/01/2026	83,038.72	3.500%	19,218.43	102,257.15	-
07/01/2026	84,491.90	3.500%	17,765.25	102,257.15	204,514.30
01/01/2027	85,970.51	3.500%	16,286.64	102,257.15	-
07/01/2027	87,474.99	3.500%	14,782.16	102,257.15	204,514.30
01/01/2028	89,005.81	3.500%	13,251.34	102,257.15	-
07/01/2028	90,563.41	3.500%	11,693.74	102,257.15	204,514.30
01/01/2029	92,148.27	3.500%	10,108.88	102,257.15	-
07/01/2029	93,760.86	3.500%	8,496.29	102,257.15	204,514.30
01/01/2030	95,401.68	3.500%	6,855.47	102,257.15	-
07/01/2030	97,071.21	3.500%	5,185.94	102,257.15	204,514.30
01/01/2031	98,769.95	3.500%	3,487.20	102,257.15	-
07/01/2031	100,498.48	3.500%	1,758.72	102,257.20	204,514.35
Total	\$1,583,470.53	-	\$257,158.22	\$1,840,628.75	-

EXHIBIT C-2

UNITED STATES OF AMERICA
STATE OF MONTANA
COUNTY OF MISSOULA

CITY OF MISSOULA

TAX INCREMENT URBAN RENEWAL REVENUE BOND
(URBAN RENEWAL DISTRICT II), TAXABLE SERIES 2022B

No. R-1 \$2,231,535.90

Interest	Final Payment	Date of
<u>Rate</u>	<u>Date</u>	<u>Original Issue</u>
4.50%	July 1, 2031	October 18, 2022

REGISTERED HOLDER: FIRST SECURITY BANK OF MISSOULA, A DIVISION OF
GLACIER BANK

PRINCIPAL AMOUNT: TWO MILLION TWO HUNDRED THIRTY ONE THOUSAND
FIVE HUNDRED THIRTY FIVE DOLLARS AND 90/100

FOR VALUE RECEIVED, CITY OF MISSOULA, MONTANA (the “City”), a duly organized political subdivision of the State of Montana, acknowledges itself to be specially indebted and hereby promises to pay to the registered owner specified above or registered assigns, solely from the Tax Increment Debt Service Account, on each Payment Date specified on the attached Schedule 1, the dollar amount corresponding to that Payment Date as set forth on such Schedule 1, all subject to the provisions hereinafter described relating to the redemption of this Bond prior to maturity or final Payment Date. This Bond bears interest at the rate per annum specified above 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 of principal and interest due on each January 1 and July 1, commencing January 1, 2023, in accordance with the payment installment schedule attached hereto as Schedule 1, as such schedule may be amended from time to time as described hereinafter. The owner of record of this Bond is the owner appearing as such 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 a Payment Date. Interest on and principal of this Bond are payable by check or draft drawn by the Registrar. Interest on this Bond shall be calculated on the basis of a 360-day year composed of 12 30-day months. The City Finance Director shall initially serve as the Registrar for this Bond.

This Bond is one of a duly authorized issue of Bonds of the City designated as “Tax Increment Urban Renewal Revenue Bond (Urban Renewal District II)” (collectively, the “Bonds”), issued and to be issued in one or more series under, and all equally and ratably secured

by Resolution No. _____, adopted by the City Council on October 3, 2022 (the “Resolution”), to which Resolution (copies of which are on file with the City) reference is hereby made for a description of the nature and extent of the security, the respective rights thereunder of the Owners of the Bonds and the City and the terms upon which the Bonds are to be issued and delivered. Capitalized terms used herein but not otherwise defined shall have the respective meanings given such terms in the Resolution. This Bond constitutes an issue that evidences a loan from the Original Purchaser to the City in the aggregate principal amount of \$2,231,535.90 (the “Series 2022B Bond”) for the purpose of reimbursing the Missoula Redevelopment Agency for the purchase price of the Bridge Apartments (as described in the Resolution) and paying costs of issuance.

The Series 2022B Bond is issued pursuant to and in full compliance with the Constitution and laws of the State of Montana, particularly Montana Code Annotated, Title 7, Chapter 15, Parts 42 and 43, as amended (the “Act”), and pursuant to the Resolution. The Series 2022B Bond is payable solely, and equally and ratably with the Series 2013 Bonds, the Series 2022A Bond issued simultaneously herewith, and any Additional Bonds that may be issued hereafter, from Pledged Tax Increment received by the City, except that under certain conditions as described in the Resolution, the Series 2022B Bond may be payable from replacement revenues, if any, provided in the event of the abolition or substantial elimination of property taxation in Montana. By the Resolution, the City has pledged the Pledged Tax Increment received by the City to the Tax Increment Debt Service Account.

The Series 2022B Bond is not a general obligation of the City and the City’s general credit and taxing powers are not pledged to the payment of the Series 2022B Bond or the interest thereon. The Series 2022B Bond shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitations. The Series 2022B Bond is not secured by a debt service reserve account.

The Series 2022B Bond is subject to prepayment and redemption at the option of the City, in whole or in part, at any time and from time to time, with 30 days’ prior written notice to the registered owner of the Series 2022B Bond, at a price of the principal amount being prepaid and redeemed plus interest thereon through the date of prepayment or redemption, without premium or penalty. Each partial prepayment must be in the amount of at least \$500,000 for the City to require the registered owner of the Series 2022B Bond to reamortize the debt service over the then-remaining term; otherwise, partial prepayments (amounts paid in excess of the semi-annual payments then owing) will be applied in inverse order of principal installments. Upon partial redemption and prepayment there shall be no need to exchange a new Series 2022B Bond for the unredeemed portion of the existing Series 2022B Bond; provided that the Debt Service Schedule attached as Schedule 1 to the form of this Series 2022B Bond shall be replaced with a revised debt service schedule reflecting the reamortization of the principal then outstanding in substantially equal semiannual installments of principal and interest or reflecting the prepayment applied in inverse order of principal installments.

Notice of redemption will be mailed at least 30 days prior to the designated redemption date to the registered owner of the Series 2022B Bond to be redeemed, but no defect in or failure to give such notice shall affect the validity of the proceedings for the redemption of the Series 2022B Bond not affected by such defect or failure. The Series 2022B Bond or portions thereof so

called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption have been duly deposited.

If provision is made for the payment of principal of and interest on this Series 2022B Bond 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.

The Resolution permits, with certain exceptions as therein provided, the amendment thereof and the modification of certain rights and obligations of the City and the Owners of the Bonds at any time without the consent of any Owners or with the consent of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding (as defined in the Resolution) which are affected by such modifications. The Resolution also contains provisions permitting Owners of a majority in aggregate principal amount of the Bonds of all series at the time Outstanding, on behalf of all the Owners of all Bonds, to waive compliance by the City with certain provisions of the Resolution and certain past defaults under the Resolution and their consequences. Any such consent or waiver by the Owner of this Bond shall bind that Owner and every future Owner 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 Owner of this Bond shall have no right to enforce the provisions of the Resolution, or to institute action to enforce the covenants therein or take any action with respect to a default under the Resolution or to institute, appear in or defend any suit or other procedure with respect thereto except as provided in the Resolution.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Registrar, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange, the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Registrar may deem and treat the Person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Montana and ordinances and resolutions of the City to be done, to exist, to happen and to be performed in order to make this Bond a valid and binding special, limited obligation of the City in accordance with its terms have been done, do exist, have happened and have been performed as so required; that this Bond has been issued by the City in connection with an urban renewal project (as defined in the Act); that the City, in and by the

Resolution, has validly made and entered into covenants and agreements with and for the benefit of the Owners from time to time of all Bonds issued thereunder, including covenants that it will pledge, appropriate and credit the Pledged Tax Increment derived from the District to the Tax Increment Debt Service Account of the City; that Additional Bonds may be issued and made payable from the Tax Increment Debt Service Account on a parity with the Series 2013 Bonds, Series 2022A Bond and Series 2022B Bond upon certain conditions set forth in the Resolution, but no obligation will be otherwise incurred and made payable from the Pledged Tax Increment unless the lien thereof shall be expressly made subordinate to the lien of the Series 2013 Bonds, Series 2022A Bond, Series 2022B Bond and any Additional Bonds on the Pledged Tax Increment; that all provisions for the security of the Owners of the Series 2022B Bond as set forth in the Resolution will be punctually and faithfully performed as therein stipulated; and that the issuance of the Series 2022B Bond does not cause the indebtedness of the City to exceed any constitutional or statutory limitation.

This 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, City of Missoula, Montana, by its City Council, has caused this Bond to be executed by the signatures of the Mayor and the City Clerk, and by the official seal of the City.

Mayor

(SEAL)

Attest:

City Clerk

Dated: _____

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned herein.

CITY OF MISSOULA, MONTANA,
as 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

\$2,231,535.90

City of Missoula, Montana

Tax Increment Urban Renewal Revenue Bond, Taxable Series 2022B
(Urban Renewal District II)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/18/2022	-	-	-	-	-
01/01/2023	129,786.99	4.500%	20,362.77	150,149.76	-
07/01/2023	102,860.41	4.500%	47,289.35	150,149.76	300,299.52
01/01/2024	105,174.77	4.500%	44,974.99	150,149.76	-
07/01/2024	107,541.20	4.500%	42,608.56	150,149.76	300,299.52
01/01/2025	109,960.88	4.500%	40,188.88	150,149.76	-
07/01/2025	112,435.00	4.500%	37,714.76	150,149.76	300,299.52
01/01/2026	114,964.79	4.500%	35,184.97	150,149.76	-
07/01/2026	117,551.49	4.500%	32,598.27	150,149.76	300,299.52
01/01/2027	120,196.40	4.500%	29,953.36	150,149.76	-
07/01/2027	122,900.82	4.500%	27,248.94	150,149.76	300,299.52
01/01/2028	125,666.09	4.500%	24,483.67	150,149.76	-
07/01/2028	128,493.58	4.500%	21,656.18	150,149.76	300,299.52
01/01/2029	131,384.68	4.500%	18,765.08	150,149.76	-
07/01/2029	134,340.84	4.500%	15,808.92	150,149.76	300,299.52
01/01/2030	137,363.51	4.500%	12,786.25	150,149.76	-
07/01/2030	140,454.18	4.500%	9,695.58	150,149.76	300,299.52
01/01/2031	143,614.40	4.500%	6,535.36	150,149.76	-
07/01/2031	146,845.87	4.500%	3,304.03	150,149.90	300,299.66
Total	\$2,231,535.90	-	\$471,159.92	\$2,702,695.82	-

EXHIBIT D

[Form of Escrow Agreement]

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this “Agreement”) is made and executed between the City of Missoula, Montana (the “City”), and U.S. Bank Trust Company, National Association, in Salt Lake City, Utah (the “Agent”). The parties hereto recite and, in consideration of the mutual covenants and payments referred to and contained herein, covenant and agree as follows:

1. The City, in accordance with a resolution of its City Council adopted October 3, 2022, sold its Tax Increment Urban Renewal Refunding Bond (Urban Renewal District II), Series 2022A (the “Series 2022A Bond”). The Series 2022A Bond was issued for the purpose of refunding and redeeming the City’s Tax Increment Urban Renewal Revenue Bonds, Series 2006 (Urban Renewal District II) (the “Series 2006 Bonds”), with stated maturities in 2023 and thereafter, outstanding as of the date hereof in the aggregate principal amount of \$1,770,000 (the “Refunded Bonds”).

2. The City has directed that proceeds of the Series 2022A Bond in the amount of \$1,554,181.40, together with \$249,768.76 of amounts in the debt service reserve account for the Series 2006 Bonds, be deposited in the Escrow Account (as hereinafter defined), invested in the First American Funds Treasury Obligation Fund Class D money market fund, and applied to the refunding of the Refunded Bonds.

3. The Agent acknowledges receipt of cash in the aggregate amount of \$1,803,950.16 to be applied to the refunding of the Refunded Bonds, and agrees that it will invest such amounts in the First American Funds Treasury Obligation Fund Class D money market fund as directed by the City, it will hold such funds within a special segregated escrow account in the name of the City (the “Escrow Account”), and that it will remit from the Escrow Account to the paying agent of the Series 2006 Bonds the funds required for the payment of principal of and interest on the Refunded Bonds on the date and in the amount as shown on the attached Exhibit A (which is hereby incorporated herein and made a part hereof). The Agent shall direct such paying agent to pay the redemption price of the Refunded Bonds on November 22, 2022.

The Agent shall:

(i) not less than 35 days prior to November 22, 2022, provide notice of the redemption of the Refunded Bonds (in the form of Exhibit B hereto, which is incorporated herein and made a part hereof) by certified mail, telecopy, express delivery service or other means required by the recipient, to D.A. Davidson & Co., 8 Third Street North, Great Falls, Montana 59401, as the original purchaser of the Series 2006 Bonds; to The Depository Trust Company, of New York, New York (“DTC”); and to the Municipal Securities Rulemaking Board (“MSRB”), through its Electronic Municipal Market Access system website (“EMMA”), as required by Section 3.04(c) of the resolution of the

City Council of the City adopted August 7, 2006, authorizing the issuance of the Series 2006 Bonds (the “2006 Resolution”); and

(ii) not less than 30 days prior to November 22, 2022, provide notice of the redemption of the Refunded Bonds (in the form of Exhibit B hereto), by first class mail, or by other means required by DTC, to the registered owners of each Refunded Bond to be redeemed at their addresses as they appear on the Bond Register, as required by Section 3.04(c) of the 2006 Resolution.

After provision for payment of all Refunded Bonds with interest accrued thereon, the Agent will remit any remaining funds in the Escrow Account to the City, to be applied toward the payment of the interest to become due on the Series 2022A Bond on January 1, 2023.

4. The City represents, based on a certification from Baker Tilly Municipal Advisors, LLC, as municipal advisor to the City, that the amount deposited by the City pursuant to this Agreement into the Escrow Account (\$1,803,950.16), is sufficient to redeem the Refunded Bonds on November 22, 2022 at a redemption price equal to par plus interest accrued thereon through the date of redemption, without premium.

5. The City acknowledges that regulations of the Comptroller of the Currency grant the City the right to receive brokerage confirmations of the security transactions as they occur. The City specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements from the Agent which will detail all investment transactions.

6. In order to ensure continuing compliance with Section 148 of the Code and applicable Treasury Regulations, the Agent agrees that it will not reinvest any cash held in the Escrow Account. Said prohibition on reinvestment shall continue unless and until an opinion is received from nationally recognized bond counsel that reinvestments in general obligations of the United States or obligations the principal of and interest on which are guaranteed as to payment by the United States, as specified in said opinion, may be made in a manner consistent with said Section 148 and then existing Treasury Regulations.

7. The Agent also acknowledges receipt of a sum described in a letter agreement between the City and the Agent, as and for full compensation for all services to be performed by it as Agent under this Agreement, and the Agent expressly waives any lien upon or claim against the moneys in the Escrow Account.

8. If at any time it shall appear to the Agent that the money in the Escrow Account will not be sufficient to make any payment due to the owners of any of the Refunded Bonds, the Agent shall immediately notify the City. Upon receipt of such notice, the City shall forthwith transmit to the Agent for deposit in the Escrow Account from moneys on hand and legally available therefor, such additional moneys as may be required to make any such payment.

9. By no later than December 15, 2022, the Agent shall submit to the City a report covering all money it shall have received and all payments it shall have made or caused to be made with respect to the Escrow Account. Such report shall also list the amount of money existing in the Escrow Account, if any, on such date.

10. It is recognized that title to the moneys held in the Escrow Account from time to time shall remain vested in the City but subject always to the prior charge and lien thereon of this Agreement and the use thereof required to be made by the provisions of this Agreement. The Agent shall hold all such money in the Escrow Account as a special trust fund and account separate and wholly segregated from all other funds of the Agent on deposit therein and shall never commingle such money with other money. It is understood and agreed that the responsibility of the Agent under this Agreement is limited to the safekeeping and segregation of the funds deposited with it in the Escrow Account and the collection of and accounting for any interest payable with respect thereto. Except as provided herein, no withdrawals, transfers or investment or reinvestment shall be made of funds within the Escrow Account. Cash balances shall be held by the Agent as cash balances as shown on the books and records of the Escrow Agent and shall not be reinvested or invested by the Agent except as provided in Section 6 hereof.

11. This Agreement is made by the City for the benefit of the owners of the Refunded Bonds and is not revocable by the City, and the investments and other funds deposited in the Escrow Account and all income therefrom have been irrevocably appropriated for the payment and redemption of the Refunded Bonds and interest thereon, in accordance with this Agreement.

12. This Agreement shall be binding upon and shall inure to the benefit of the City and the Agent and their respective successors and assigns. In addition, this Agreement shall constitute a third-party beneficiary contract for the benefit of the owners of the Refunded Bonds. Said third-party beneficiaries shall be entitled to enforce performance and observance by the City and the Agent of the respective agreements and covenants herein contained as fully and completely as if said third-party beneficiaries were parties hereto. Any bank or trust company into which the Agent may be merged or with which it may be consolidated or any bank or trust company resulting from any merger or consolidation to which it shall be a party or any bank or trust company to which it may sell or transfer all or substantially all of its corporate trust business shall, if the City approves, be the successor agent hereunder without the execution of any additional document or the performance of any further act.

13. This Agreement shall terminate when all of the Refunded Bonds have been discharged and any and all remaining cash has been distributed in accordance with Section 3 and the report has been submitted in accordance with Section 9.

14. This Agreement may not be amended in a manner that materially adversely affects the interests of the holders of the Refunded Bonds, except with the prior written consent of all registered holders of the Refunded Bonds.

IN WITNESS WHEREOF the parties hereto have caused this Escrow Agreement to be duly executed by their duly authorized officers, as of October 18, 2022.

CITY OF MISSOULA, MONTANA

Mayor

City Clerk

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Escrow Agent

By _____
Its Vice President

(Signature page to Escrow Agreement, dated October 18, 2022,
with the City of Missoula, Montana)

EXHIBIT A

DEBT SERVICE SCHEDULE FOR
REFUNDED BONDS

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
11/22/2022	\$1,770,000.00	\$33,950.16	\$1,803,950.16

EXHIBIT B

NOTICE OF REDEMPTION

Tax Increment Urban Renewal Revenue Bonds, Series 2006
(Urban Renewal District II)
City of Missoula, Montana

NOTICE IS HEREBY GIVEN that the City of Missoula, Montana (the "City"), has called for redemption all of its Tax Increment Urban Renewal Revenue Bonds, Series 2006 (Urban Renewal District II), dated, as originally issued, as of August 15, 2006, maturing on July 1 in the years and amounts and bearing interest and CUSIP numbers as set forth below:

<u>Maturity</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP</u> <u>Number</u>
2026*	695,000	5.125%	605868 BL1
2031*	1,075,000	4.750%	605868 BM9

**Term Bonds*

Such bonds have been called for redemption on November 22, 2022, and interest thereon will cease to accrue from and after said date. The redemption price is equal to the principal amount of the bonds plus interest accrued to the redemption date, without premium.

Holders of such bonds maturing in said years should surrender their bonds for payment to U.S. Bank Trust Company, National Association, as paying agent, for payment on November 22, 2022 at its operations center at 60 Livingston Avenue - Bond Drop Window, St. Paul, Minnesota 55107 or if by mail to P.O. Box 64111, St. Paul, Minnesota 55164-0111.

Important Notice:

We are required by law to withhold an applicable portion of the principal amount of your holdings redeemed unless we are provided with your social security number or federal employer identification number, properly certified. Accordingly, you are instructed to submit at the time of surrender of your bonds a W-9 Form which may be obtained at a bank or other financial institution.

Under the Jobs and Growth Tax Relief Reconciliation Act of 2003, federal backup withholding tax will be withheld at the applicable backup withholding rate in effect at the time the payment is made if the tax identification number is not properly certified.

The paying agent shall not be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Redemption Notice. It is included solely for the convenience of the holders.

Interest on the bonds shall cease to accrue on November 22, 2022 and the holders thereof shall have no further rights with respect thereto except to receive the redemption price so deposited.

Dated: October 18, 2022.

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION