

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of City of Missoula, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution No. [____], entitled: "**Resolution Relating to \$1,163,000 Special Road District Bond, Series 2023; Authorizing the Sale and Prescribing the Form and Terms Thereof and the Security Therefor**" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a regular meeting on December 19, 2022, and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

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

WITNESS my hand officially this 19th day of December, 2022.

(SEAL)

City Clerk

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RESOLUTION NO. [_____]

**Resolution Relating to \$1,163,000 Special Road District Bond,
Series 2023; Authorizing the Sale and Prescribing the Form and
Terms Thereof and the Security Therefor**

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

ARTICLE I

DEFINITIONS, RULES OF CONSTRUCTION AND APPENDICES

Section 1.1. Definitions. The terms defined in this Section 1.1 shall for all purposes of this Resolution have the meanings herein specified, unless the context clearly otherwise requires.

Additional Bonds means any Bonds issued pursuant to Section 4.1 of this Resolution.

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

Bond Anticipation Note has the meaning given in Section 4.2 hereof.

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 2023 Bond 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 the City of Missoula, Montana, or any permitted successor or assign.

Construction Account means the account so designated within the Road District Fund established pursuant to Sections 5.1 and 5.2.

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

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

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.

Grant Anticipation Note has the meaning given in Section 4.2 hereof.

Notes means Bond Anticipation Notes and/or Grant Anticipation Notes.

Ordinance means the ordinance adopted by the Council on December 12, 2022, enacting the assessments levied against assessable lots and parcels within the Road District as revenues of the Road District.

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

1. Bonds theretofore cancelled by the City or delivered to the City cancelled or for cancellation;

2. Bonds and portions of Bonds for whose payment or redemption money or Defeasance Obligations (as provided in Section 9.4) 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

3. 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 and/or interest on a Series 2023 Bond is due, or any other date on which a payment of principal and/or interest is due on any Additional Bonds.

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.

Project means the 2023 Project and any other services or improvements undertaken in or for the benefit of the Road District, the costs of which are to be paid, in whole or in part, from the proceeds of Bonds.

Purchaser means, with respect to any series of Bonds, the Person who purchases such series of Bonds from the City when first issued. The Purchaser of the Series 2023 Bond is Truist Bank, a North Carolina Banking Corporation.

Rebate Account means the account within the Road District Fund to be established pursuant to Sections 5.1 and 5.7.

Redemption Date means, with respect to any Bond to be redeemed, the date on which it is to be redeemed.

Redemption Price means, with respect to any Bond to be redeemed, the price at which it is to be redeemed.

Registrar means the Person, if any, appointed by the City to act as bond registrar, transfer agent and paying agent for a series of Bonds. With respect to the Series 2023 Bond, the Registrar shall be appointed as set forth in Section 3.2.

Resolution means this resolution as originally adopted or as it may from time to time be amended or supplemented pursuant to the applicable provisions hereof.

Revenues means those revenues derived from payment of the assessments levied against all assessable lots and parcels in the Road District in each Fiscal Year, as authorized and described in the Ordinance.

Revenue Bond Account means the account within the Road District Fund established pursuant to Sections 5.1 and 5.3.

Revenue Bond Act means Montana Code Annotated, Title 7, Chapter 7, Parts 44 and 45, as amended.

Road District means the City of Missoula Road District Number 1, established as a special district within the City in accordance with the Special District Act and pursuant to Resolution Nos. 7545, 7563 and 7571, adopted by the Council on July 19, 2010, September 13, 2010 and October 18, 2010, respectively.

Road District Fund means the Road District Fund established pursuant to Section 5.1.

Series 2023 Bond means the City's Special Road District Bond, Series 2023, issued in the original aggregate principal amount of \$1,163,000.

Services and Improvements Account means the account within the Road District Fund established pursuant to Sections 5.1 and 5.4.

Special District Act means Montana Code Annotated, Title 7, Chapter 11, Part 10, as amended.

State means the State of Montana.

Supplemental Resolution means any resolution supplemental to this Resolution adopted pursuant to Article VIII.

Surplus Revenues means Revenues remaining after the required deposits to the Revenue Bond Account described in Section 5.3.

2023 Project has the meaning given such term in Section 1.3.

Section 1.2. Rules of Construction.

(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.

Section 1.3. Authorization; the Road District and the 2023 Project. Pursuant to the Special District Act, local governments are authorized to create special districts whenever the public convenience and necessity may require. Under the Special District Act, a “special district” may be authorized by law to perform a single function or a limited number of functions, including but not limited to road districts. The Special District Act further authorizes the entity administering a special district to, among other things, implement a program and order improvements designed to fulfill the purposes of the special district, and to borrow money by the issuance of general obligation bonds or revenue bonds for the lease, purchase, and maintenance of land, facilities and buildings and the funding of projects. The governing body of a local government creating a special district is required by the Special District Act to make assessments or impose fees for the costs of the special district, and to levy such assessments against the benefited lots or parcels of land within the special district.

Pursuant to the Special District Act and Resolution Nos. 7545, 7563 and 7571, adopted by the Council on July 19, 2010, September 13, 2010 and October 18, 2010, respectively, the City created the Road District as a special district under the Act for the purpose of providing certain services and improvements with respect to City streets.

In addition, the City is authorized, pursuant to the Special District Act and the Revenue Bond Act, to issue revenue bonds in one or more series under the Revenue Bond Act to finance and refinance all or a portion of the costs of improvements to the Road District.

Pursuant to Section 7-11-1024 of the Special District Act and the Ordinance, the City shall make assessments in each Fiscal Year for the costs and expenses of the Road District based upon an annual budget determined by the Council. The Council will include in the budget for each Fiscal Year an amount necessary to pay debt service on any outstanding Bonds and to pay any other costs of the Road District as may be necessary or desirable. The Revenues derived from the payment of assessments levied in the Road District will be collected by the City in amounts sufficient for the undertaking of the Road District to be “self-supporting” under Section 7-7-4424 of the Revenue Bond Act.

In furtherance of the Road District’s purposes, the City has undertaken or intends to undertake certain projects, including improvements to Eaton Street (the “2023 Project”). The City has determined that it is in the best interest of the City and the inhabitants of the Road District to finance the 2023 Project and incidental costs thereof (including costs of issuance) through the issuance of revenue bonds payable from the Revenues.

Section 1.4. Authorization and Sale of Series 2023 Bond. The City, with assistance from Baker Tilly Municipal Advisors, LLC, as municipal advisor, has solicited bids from banks and other financial institutions to purchase the City’s \$1,163,000 Special Road District Bond, Series 2023 (the “Series 2023 Bond”). Pursuant to such solicitation, the Purchaser has offered to purchase the Series 2023 Bond on the terms and conditions described herein. Such terms and conditions are determined to be advantageous to the City and the Road District and the Council hereby determines that it is in the best interest of the City and the Road District to sell the Series 2023 Bond in a negotiated sale to the Purchaser, as authorized by Section 7-7-4433 of the Revenue Bond Act.

Section 1.5. Findings. All acts, conditions and things required by the Constitution and laws of the State to be done, to exist, to happen and to be performed prior to the issuance of the Series 2023 Bond have been done, do exist, have happened and have been performed in due time, form and manner, wherefore it is now necessary and desirable for this Council to establish the form and terms of the Series 2023 Bond to provide for the security thereof and to issue the Series 2023 Bond forthwith.

ARTICLE II

THE BONDS

Section 2.1. General Title. The general title of the Bonds of all series shall be “Special Road District Bonds,” with appropriate additions for refunding Bonds and to distinguish Bonds of each series from Bonds of all other series. With respect to the Bonds of any particular series, the City may incorporate in or add to the general title of such Bonds any words, letters or fixtures designed to distinguish that series.

Section 2.2. General Limitations; Issuable in Series. Subject to the terms of this Resolution, the Bonds may be issued in series as from time to time authorized by the Council. The aggregate principal amount of Bonds that may be authenticated and delivered and Outstanding under this Resolution is not limited, except as provided in Article IV or any Supplemental Resolution under which any series of Bonds is issued and except as may be limited by law.

The Bonds shall be special, limited obligations of the City. Principal of, premium, if any, and interest on the Bonds shall be payable solely from Revenues (other than to the extent payable out of proceeds of the Bonds). The Bonds shall not be or constitute a pledge of the general credit or taxing powers of the City of any kind whatsoever. Neither the Bonds nor any of the agreements or obligations of the City contained herein shall be construed to constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation or provisions whatsoever.

If a Payment Date or Redemption Date shall be a day which is not a Business Day, then such payment 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.

Section 2.3. Terms of Particular Series. Each series of Bonds (except the Series 2023 Bond, which is created pursuant to this Resolution) shall be created by a Supplemental Resolution. The Bonds of each series (except the Series 2023 Bond, which is created pursuant to this Resolution) shall bear such date or dates, shall be payable at such place or places, shall have such stated maturities and Redemption Dates, shall bear interest at such rate or rates, from such date or dates, shall be payable in such amounts and on such dates and at such place or places, and may be redeemable at such price or prices and upon such terms (in addition to the prices and terms herein specified for redemption of all Bonds) as shall be provided in the Supplemental Resolution creating that series, all upon such terms as the City may determine.

Section 2.4. Form and Denominations of Particular Series. The form of the Bonds of each series (except the Series 2023 Bond, the form of which is established pursuant to this Resolution) shall be established by the provisions of the Supplemental Resolution creating such series. The Bonds of each series shall be distinguished from the Bonds of other series in such manner as the City may determine.

The Bonds of each series shall be in such denominations as shall be provided in the Supplemental Resolution creating such series (except the Series 2023 Bond, the terms of which are established by this Resolution). In the absence of any such provision with respect to the Bonds of any particular series, the Bonds of such series shall be in denominations of \$5,000 or any integral multiple thereof.

Section 2.5. 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 2023 Bond, as to which specific provision is made in Section 3). 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 2023 Bond, as to which specific provision is made in Section 3).

Section 2.6. Priority of Payments. All Bonds shall be secured, equally and ratably, by a first lien upon the Revenues, without preference or priority of any one Bond over any other by reason of serial number, date of issue, series designation or otherwise; provided that if at any time the Revenues on hand in the Revenue Bond Account (as a result of insufficient current Revenues and inadequate Surplus Revenues in the Services and Improvements Account for transfer to the Revenue Bond Account) are insufficient to pay principal and interest then due on all such Bonds, any and all Revenues then on hand shall be first used to pay the interest accrued on all Outstanding Bonds, and the balance shall be applied pro rata toward payment of the maturing principal of such Bonds.

ARTICLE III

THE SERIES 2023 BOND

Section 3.1. Interest Rate, Payment Dates. The Series 2023 Bond to be issued hereunder shall be denominated “Special Road District Bond, Series 2023,” and shall be issued in the maximum principal amount of \$1,163,000 to pay or reimburse the City for costs of the 2023 Project and pay costs of issuance of the Series 2023 Bond. The Series 2023 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 4.10% per annum, subject to adjustment in the event of a Determination of Taxability, as described in Section 10.6.

The principal of and interest on the Series 2023 Bond shall be payable in substantially equal semiannual installments of principal and interest due each January 1 and July 1, with interest payments commencing January 1, 2024 and concluding July 1, 2043 and principal payments commencing July 1, 2024 and concluding July 1, 2043, in each case in the amounts and on the respective dates reflected in the Debt Service Schedule attached as Schedule 1 to the Series 2023 Bond. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

Principal of and interest on the Series 2023 Bond shall be payable by check or draft of the Registrar mailed to the registered owner as such appears in the Bond Register as of the close of business on the 15th day (whether or not a Business Day) of the month immediately preceding each Payment Date. The Registrar shall note in the Bond Register each principal payment on the Series 2023 Bond.

Section 3.2. Registration. The City hereby appoints the City Finance Director to act as bond registrar, transfer agent and paying agent for the Series 2023 Bond (the “Registrar”). The

City reserves the right to appoint a bank, trust company or fiscal company as successor bond registrar, transfer agent or paying agent, as authorized by the Model Public Obligations Registration Act of Montana (the "Registration Act"), but the City agrees to pay the reasonable and customary charges of the Registrar for the services performed. This Section 3.2 shall establish a system of registration for the Series 2023 Bond 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 2023 Bond and the registration of transfers and exchanges of Series 2023 Bond entitled to be registered, transferred or exchanged.

(b) Transfer of Series 2023 Bond. The Series 2023 Bond may be transferred in whole and not in part in compliance with applicable state and federal laws. Upon surrender to the Registrar for transfer of any Series 2023 Bond duly endorsed by the Owner thereof 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, one or more new Series 2023 Bonds of the same series and a like aggregate principal amount, interest rate and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of transfer of any Series 2023 Bond or portion thereof selected or called for redemption.

(c) Exchange of Series 2023 Bond. Whenever any Series 2023 Bond is surrendered by the Owner for exchange, the Registrar shall authenticate and deliver one or more new Series 2023 Bonds of the same series and a like aggregate principal amount, interest rate and maturity, as requested by the Owner or the Owner's attorney in writing.

(d) Cancellation. Any Series 2023 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 any Series 2023 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 2023 Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the Person in whose name any Series 2023 Bond is at any time registered in the Bond Register as the absolute owner of such Series 2023 Bond, whether such Series 2023 Bond shall be overdue or not, for the purpose of receiving payment of the principal of, premium, if any, and interest on such Series 2023 Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and

effectual to satisfy and discharge the liability of the City upon such Series 2023 Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Series 2023 Bond (except for an exchange upon a partial redemption of a Series 2023 Bond), the Registrar may impose a charge upon the Owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Series 2023 Bond. In case any Series 2023 Bond shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Series 2023 Bond of the same series and a like aggregate principal amount, interest rate and maturity in exchange and substitution for and upon cancellation of any such mutilated Series 2023 Bond or in lieu of and in substitution for any such Series 2023 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 2023 Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Series 2023 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. Any Series 2023 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 2023 Bond has already matured or such Series 2023 Bond has been called for redemption in accordance with its terms, it shall not be necessary to issue a new Series 2023 Bond prior to payment.

Section 3.3. Redemption.

(a) Optional Redemption. The Series 2023 Bond is subject to redemption on July 1, 2033, and on any Payment Date thereafter, 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; provided that the Series 2023 Bond may be redeemed in part only once in each calendar year, and each partial prepayment must be in the amount of at least \$300,000. Upon redemption in part, the remaining principal will be reamortized over the then-remaining term or, at the City's option, the prepayment will be applied in inverse order of principal installments. Upon partial redemption and prepayment there shall be no need to exchange a new Series 2023 Bond for the unredeemed portion of the existing Series 2023 Bond; provided that the amortization schedule attached as Schedule 1 thereto shall be replaced with a revised debt service schedule provided by the City and subject to the approval of the Owner of the Series 2023 Bond reflecting the reamortization of the principal then outstanding in substantially equal semiannual installments of principal and interest or the application of the prepayment in inverse order of principal installments.

(b) Notice of Redemption. The Redemption Date and the principal amount of the Series 2023 Bond to be redeemed pursuant to Section 3.3(a) shall be fixed by the City Finance Director, who, if the Registrar is other than the City Finance Director, shall give

notice thereof to the Registrar 30 days prior to the date set for redemption. The Registrar shall give notice, by email if acceptable to the registered owner of the Series 2023 Bond or by first class mail, postage prepaid, to the owner of the Series 2023 Bond at its address appearing on the Bond Register, of the principal amount of the Series 2023 Bond to be redeemed and the date on which payment will be made, which date shall be not less than 15 days after the date the notice was mailed or emailed. If provision is made for the payment of principal of and interest on the Series 2023 Bond in full, such Bond or Bonds shall no longer be deemed outstanding under the Resolution, shall cease to be entitled to the benefits of the Resolution, and shall thereafter be payable solely from the funds provided for payment.

Section 3.4. Execution and Delivery. The Series 2023 Bond shall be forthwith prepared for execution under the direction of the City Clerk and shall be executed on behalf of the City by the signatures of the Mayor and the City Clerk. The seal of the City need not be imprinted on or affixed to the Series 2023 Bond. In case any officer whose signature or a facsimile of whose signature shall appear on the Series 2023 Bond shall cease to be such officer before the delivery thereof, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Series 2023 Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under the Resolution unless and until a certificate of authentication on such Series 2023 Bond has been duly executed by the manual signature of the Registrar. The executed certificate of authentication on the Series 2023 Bond shall be conclusive evidence that such bonds have been authenticated and delivered under the Resolution. When the Series 2023 Bond have been fully executed and authenticated, they shall be delivered by the Registrar to the Purchaser upon payment of the purchase price, and the Purchaser shall not be obligated to see to the application of the purchase price.

Section 3.5. Form of Series 2023 Bond. The Series 2023 Bond shall be prepared in substantially the form set forth in Exhibit A hereto and by this reference is made a part hereof, with such appropriate variations, omissions and insertions as are permitted or required by the Resolution.

Section 3.6. Financial Reporting. So long as the Series 2023 Bond remain Outstanding, the City shall, not later than 365 days after the end of its fiscal year, make its audited financial statements available to the Purchaser; provided that, if the audited financial statements are not available by such date, the City shall make the audited financial statements available to the Purchaser within 10 business days after the audited financial statements are available. For this purpose, posting audited or unaudited financial statements to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website constitutes delivery of the financial statements to the Purchaser.

Section 3.7. Use of Proceeds. The City Finance Director shall apply the proceeds of the Series 2023 Bond as follows:

- (a) \$1,106,000.00 of the proceeds of the Series 2023 Bond shall be credited to the 2023 Construction Subaccount and used to pay or reimburse the City for costs of the 2023 Project; and

(b) \$57,000.00 of the proceeds of the Series 2023 Bond shall be credited to the 2023 Construction Subaccount and used to pay costs of issuance of the Series 2023 Bond.

Following payment of all costs of issuance, any funds remaining in the 2023 Costs of Issuance Subaccount may be transferred to the 2023 Construction Subaccount or to the Revenue Bond Account, and the 2023 Costs of Issuance Account shall be closed and no longer maintained.

ARTICLE IV

ADDITIONAL BONDS AND OTHER OBLIGATIONS

Section 4.1. Additional Bonds. Additional Bonds may at any time and from time to time be issued, sold and delivered by the City to pay the costs of Projects or to refund Outstanding Bonds or for any other lawful purpose, but only upon filing with the City Clerk the following:

(a) A Supplemental Resolution authorizing the issuance of such series of Additional Bonds and fixing the amount and the details thereof and the sale thereof to the Purchaser(s) named therein for the purchase price set forth therein; and

(b) A certificate executed by the City Manager and the City Finance Director 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, shall be payable and may be subject to redemption at such times and prices and on such terms and conditions as may be provided by the Supplemental Resolution authorizing their issuance. All Additional Bonds shall be payable and secured ratably and equally and on a parity as to both principal and interest with the Series 2023 Bond and any Additional Bonds theretofore issued, and entitled to the same benefits and security of this Resolution.

Section 4.2. Grant Anticipation Notes; Bond Anticipation Notes. The City may from time to time issue notes in anticipation of receipt of grant funds ("Grant Anticipation Notes"), or in anticipation of the issuance of Additional Bonds ("Bond Anticipation Notes") subject to the following conditions:

(a) The Additional Bonds in anticipation of which Bond Anticipation Notes are issued, assuming a rate of interest on the Additional Bonds as determined by the City, shall be authorized to be issued under Section 4.1.

(b) The payment of interest on Grant Anticipation Notes and Bond Anticipation Notes from the Revenues shall be subordinated to Outstanding Bonds.

(c) The principal of the Grant Anticipation Notes shall be payable solely from the receipt of grant funds or other amounts in the Note Account, and the principal of the

Bond Anticipation Notes shall be payable solely from the proceeds of the Additional Bonds or other amounts in the Note Account.

(d) Grant Anticipation Notes and Bond Anticipation Notes shall have a term not longer than 3 years or such longer period of time as may be permitted under State law.

ARTICLE V

ROAD DISTRICT FUND

Section 5.1. Bond Proceeds and Revenues Pledged and Appropriated. A special Road District Fund has been created and shall be maintained as a separate and special bookkeeping account on the official books of the City until all Bonds and interest and redemption premiums due thereon have been fully paid, or the City's obligations with reference to such Bonds have been discharged as provided in this Resolution. All proceeds of Bonds issued hereunder are irrevocably pledged and appropriated to the Road District Fund, other than to the extent otherwise appropriated in the Supplemental Resolution relating to such Bonds. In addition, there is hereby irrevocably pledged and appropriated to the Road District Fund all Revenues. The Road District Fund shall be subdivided into separate accounts as designated and described in Sections 5.2 through 5.6, to segregate income and expenses received, paid and accrued for the respective purposes described in those sections. The Revenues received in the Road District Fund each November 30 and May 31 shall be apportioned semi-annually each December 15 and June 15, commencing December 15, 2023.

Section 5.2. Construction Account. For each Project there shall be a separate subaccount within the Construction 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, and supervision, fiscal and legal expenses, the cost of lands and easements, interest accruing on Bonds or Notes during the period of construction of the Project financed thereby and for a period of time thereafter authorized by the Revenue Bond Act if and to the extent deemed necessary by this Council, reimbursement of any loans or advances made from other City funds, and all other expenses incurred in connection with the acquisition, construction and financing of the Project, including costs of issuance of Bonds or Notes. To the Construction Account shall be credited as received all proceeds of Bonds or Notes appropriated to the Construction Account by this Resolution or a Supplemental Resolution, all other funds appropriated by the City for the Project, 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 Revenue Bond Account.

Section 5.3. Revenue Bond Account. The City shall maintain a Revenue Bond Account in the Road District Fund. Upon each semi-annual apportionment there shall be set aside and credited to the Revenue Bond Account out of the Revenues an amount equal to not less than the interest to become due in the next six months and one-half of the principal to become due within the next twelve months with respect to Outstanding Bonds payable from the Revenue

Bond Account; provided that the City shall be entitled to reduce any semi-annual credit by any amounts previously credited and then on deposit in the Revenue Bond Account. Money from time to time held in the Revenue Bond Account shall be disbursed only to meet payments of principal of, premium, if any, and interest on the Bonds payable therefrom as such payments become due. If any payment of principal or interest becomes due when moneys in the Revenue Bond Account are temporarily insufficient therefor, such payment shall be advanced out of any Surplus Revenues theretofore segregated and then on hand in the Services and Improvements Account, if any.

Section 5.4. Services and Improvements Account. The City shall maintain a Services and Improvements Account in the Road District Fund. Any amount of Surplus Revenues from time to time remaining after the required application of Revenues to the Revenue Bond Account shall be credited to the Services and Improvements Account, and the money from time to time in that account, when not required to restore a current deficiency in the Revenue Bond Account, may be used as follows and not otherwise:

- (a) pay any of the budgeted costs and expenses of services and improvements to be undertaken with respect to the Road District or for any other lawful purpose of the Road District;
- (b) to be transferred to the Construction Account to pay costs authorized to be paid therefrom;
- (c) to be transferred to the Note Account to pay, redeem, discharge or otherwise secure Grant Anticipation Notes or Bond Anticipation Notes in accordance with this Resolution or any Supplemental Resolution;
- (d) to purchase Bonds on the open market, or to redeem or discharge Bonds prior to their stated maturities in accordance with this Resolution or any Supplemental Resolution; and
- (e) to make payments of arbitrage rebate to the United States of America pursuant to Section 148(f) of the Internal Revenue Code of 1986, in respect of any series of Bonds or Subordinate Obligations.

Section 5.5. Note Account. Upon the issuance of any Grant Anticipation Notes or Bond Anticipation Notes as permitted by Section 4.2, there shall be established a Note Account within the Road District Fund, to which shall be appropriated proceeds of the grant or Bonds in anticipation of which such Notes were issued, and any other Surplus Revenues on hand in the Services and Improvements Account, as directed by the City.

Section 5.6. Rebate Account. If the City issues Bonds the interest on which is excludable from gross income for federal income tax purposes, the City shall establish and thereafter maintain a Rebate Account in the Road District Fund. The City shall make deposits to and disbursements from the Rebate Account pursuant to one or more rebate certificates executed and delivered by the City in connection with the issuance of such Bonds, and for such purposes may make transfers from the Services and Improvements Account, as necessary, to meet the requirements of the Rebate Account. The City shall invest the Rebate Account in accordance

with the provisions of the rebate certificates and shall deposit income from such investments immediately upon receipt thereof in the Rebate Account.

Section 5.7. Prohibition on Transfer. No money shall at any time be transferred from the Road District Fund to any other fund of the City, nor shall such moneys at any time be loaned to other municipal funds or invested in warrants, special improvement bonds or other obligations payable from other funds, except as provided in Section 5.8.

Section 5.8. Deposit and Investment of Funds. The City Finance Director shall cause all moneys from time to time in the Road District Fund 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 Road District Fund as defined and authorized by this Resolution. The funds to the credit of the several accounts within the Road District Fund may be commingled in one or more deposit accounts. The balance on hand in any of the accounts of the Road District Fund may at any time be invested and reinvested in any lawful 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. Income from the investment of the moneys in the various accounts shall be credited thereto.

ARTICLE VI

COVENANTS OF CITY

Section 6.1. Punctual Payment. 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, nor shall anything herein 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 Revenues it receives into the Revenue Bond Account, as set forth in Section 5.3.

Section 6.2. Against Encumbrances. The City will not encumber, pledge or place any charge or lien upon any of the Revenues superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds.

Section 6.3. 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 Revenues and the Road District Fund. 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.

Section 6.4. 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.

Section 6.5. Dissolution; Alteration of District Boundaries. So long as any Bonds are Outstanding, the City will not cause the Road District to be dissolved, or cause the boundaries of the Road District to be reduced if doing so would materially adversely affect the security for the Bonds. The boundaries of the Road District are the current incorporated limits of the City and change by operation of law to include new properties as new properties are annexed into the City.

Section 6.6. Levy of Assessments. The City hereby agrees and covenants for the benefit of the Owners of the Bonds that, for each Fiscal Year, so long as any Bonds are outstanding, it will (i) establish and approve a budget for the costs and expenses of the Road District, including amounts necessary to pay debt service on the Bonds, and (ii) levy assessments against all assessable lots and parcels within the Road District in an amount that will produce Revenues sufficient to pay all budgeted costs and expenses of the Road District, including the debt service on Bonds. The City will do all acts and things necessary for the valid levy of special assessments upon all assessable lots and parcels within the Road District, in accordance with the laws of the State of Montana. The assessments to be levied to pay costs and expenses of the Road District will be reflected on property tax bills each October, and will be due in substantially equal installments on each November 30 and May 31. The assessments shall constitute a lien upon and against the property against which they are made and levied, which lien may be extinguished only by payment of the assessment with all penalties, cost and interest as provided in Section 7-11-1028 of the Act. No tax deed issued with respect to any lot or parcel of land shall operate as payment of any assessment which is payable after the execution of such deed, and any tax deed so issued shall convey title subject to the lien of said future assessments, as provided in Montana Code Annotated, Section 15-18-214. The City covenants to take appropriate legal action to collect unpaid assessments.

ARTICLE VII

SUPPLEMENTAL RESOLUTIONS

Section 7.1. General. Notwithstanding Section 7.2, the City reserves the right to adopt Supplemental Resolutions 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 Outstanding Bonds, or for the purpose of adding to the covenants and agreements herein contained, or to the revenues herein pledged, other covenants and agreements thereafter to be observed and additional revenues or income thereafter appropriated to the Road District Fund, 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 Article IV. Any such Supplemental Resolution may be adopted pursuant to this Section 7.1 without notice to or the consent of the Owner of any of the Bonds issued hereunder.

Section 7.2. Consent of Owners. With the consent of the Owners of at least a majority in principal amount of the Outstanding Bonds affected thereby as provided in Section 7.4, 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 or principal thereof, would reduce the interest rate thereon or the amount of the principal or the Redemption Price, would give to any Bond or Bonds any privileges over any other Bond or Bonds, would reduce the sources of Revenues or income appropriated to the Road District Fund, or would reduce the percentage in principal amount of such Bonds required to authorize or consent to any such Supplemental Resolution.

Section 7.3. Notice. Notice of a Supplemental Resolution to be adopted pursuant to Section 7.2 shall be mailed by first-class mail to the Owners of all Outstanding Bonds at their addresses appearing in the Bond Register, or provided by such other means then required by the securities depository, and shall become effective only upon the filing of written consents with the City Clerk, signed by the Owners of the requisite aggregate 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 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 its 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 aggregate principal amount of Bonds have not been received by the City Clerk within one year after the mailing of notice of the Supplemental Resolution, the Supplemental Resolution and all consents theretofore received shall be of no further force and effect.

Section 7.4. 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 7.4. The fact and date of the execution by any Person of any such consent or appointment 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 or her 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 Bonds shall be proved by the Bond Register.

ARTICLE VIII

REMEDIES

No Owner of any Bond shall have the right to institute any proceeding, judicial or otherwise, for the enforcement of the covenants herein contained, without the written concurrence of Owners of not less than 25% in aggregate principal amount of all Outstanding Bonds; but the Owners of such aggregate principal amount of Outstanding of 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 Owners 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 proceeding 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 Bond as such principal and interest respectively become due, and to institute suit for any such payment.

ARTICLE IX

DEFEASANCE

Section 9.1. 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 Article IX, all pledges, covenants and other rights granted by this Resolution to the Owners of such Bonds shall cease, other than to the payment of such Bonds from money segregated for such purpose.

Section 9.2. Maturity. The City may discharge its liability with reference to any Bonds and interest thereon which are due on any date by depositing with the Registrar for such Bonds 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.

Section 9.3. 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, premium, if any, and interest which are then due thereon; provided that notice of such redemption has been duly given as provided in this Resolution.

Section 9.4. 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, premium, if any, and interest to become due on such Bond at its stated maturity or, if such Bond is prepayable and notice of redemption thereof has been given or irrevocably provided for in this Resolution, to such earlier Redemption Date.

ARTICLE X

TAX COVENANTS AND CERTIFICATIONS

Section 10.1. Use of 2023 Project. The 2023 Project will be owned and operated by the City and available for use by members of the general public on a substantially equal basis. The City shall not enter into any lease, use or other agreement with any non-governmental person relating to the use of the 2023 Project or security for the payment of the Series 2023 Bond which might cause the Series 2023 Bond to be considered a “private activity bond” or “private loan bond” within the meaning of Section 141 of the Code.

Section 10.2. General Covenant. The City covenants and agrees with the registered Owners from time to time of the Series 2023 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 2023 Bond to become includable in gross income for federal income tax purposes under the Code and the Regulations, and covenants to take any and all actions within its powers to ensure that the interest on the Series 2023 Bond will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

Section 10.3. Arbitrage Certification. The City Finance Director, being among the officers of the City charged with the responsibility for issuing the Series 2023 Bond pursuant to this Resolution, is authorized and directed to execute and deliver to the 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 2023 Bond, it is reasonably expected that the proceeds of the Series 2023 Bond will not be used in a manner that would cause the Series 2023 Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code and the Regulations.

Section 10.4. Arbitrage Rebate. The City acknowledges that the Series 2023 Bond is subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Series 2023 Bond from gross income for federal income tax purposes, unless the Series 2023 Bond qualifies for the exception from the rebate requirement under Section 148(f)(4)(B) of the Code and no “gross proceeds” of the Series 2023 Bond (other than amounts constituting a “bona fide debt service fund”) arise during or after the expenditure of the original proceeds thereof. In furtherance of the foregoing, the City Finance Director is hereby authorized and directed to execute a Rebate Certificate, substantially in the form to be prepared by Bond Counsel, and the City hereby covenants and agrees to observe and perform the covenants and agreements contained therein, unless amended or terminated in accordance with the provisions thereof.

Section 10.5. Information Reporting. The City shall file with the Secretary of the Treasury, not later than the applicable deadline, a statement concerning the Series 2023 Bond containing the information required by Section 149(e) of the Code.

Section 10.6. Determination of Taxability. Upon the occurrence of a Determination of Taxability (as defined herein) and for as long as the Series 2023 Bond remains outstanding, the interest rate on the Series 2023 Bond shall be converted to the Taxable Rate (as defined herein). In addition, upon a Determination of Taxability, the City shall pay to the registered owner of the Series 2023 Bond (i) an additional amount equal to the difference between the amount of interest actually paid on the Series 2023 Bond at the tax-exempt rate and the amount of interest that would have been paid at the Taxable Rate, from and after the Date of Taxability, and (ii) an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the registered owner as a result of the Determination of Taxability.

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

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

"Determination of Taxability" means a final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that interest paid or payable on the Series 2023 Bond is or was includable in the gross income of the registered owner for federal income tax purposes.

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

ARTICLE XI

MISCELLANEOUS

Section 11.1. Certification of Proceedings. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records of the City, and such other

affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Series 2023 Bond as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

Section 11.2. Repeals and Effective Date.

(a) 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.

(b) Effective Date. This Resolution shall take effect immediately upon its passage and adoption by the City.

PASSED AND ADOPTED by the City Council of the City of Missoula, Montana on this
19th day of December, 2022.

Mayor

Attest: _____
City Clerk

(SEAL)

EXHIBIT A

UNITED STATES OF AMERICA
STATE OF MONTANA
COUNTY OF MISSOULA

CITY OF MISSOULA, MONTANA

SPECIAL ROAD DISTRICT BOND, SERIES 2023

No. R-1

\$1,163,000.00

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
4.10%	July 1, 2043	January 12, 2023

REGISTERED OWNER: TRUIST BANK

PRINCIPAL AMOUNT: ONE MILLION ONE HUNDRED SIXTY THREE THOUSAND
DOLLARS AND NO/100

FOR VALUE RECEIVED, CITY OF MISSOULA, MONTANA (the “City”), a duly organized municipal corporation, acknowledges itself to be specially indebted and hereby promises to pay to the registered owner named above, or registered assigns, solely from the Revenue Bond Account of its Road District Fund, the principal amount specified above, together with interest thereon, in the amounts and on the dates specified on Schedule 1, all subject to the provisions hereinafter relating to the redemption of this Bond prior to maturity. Payments of principal shall not be subject to presentation and surrender of this Bond, except that upon receipt of the final installment of principal (whether at maturity or earlier redemption), the Owner will surrender this Bond for cancellation. This Bond bears interest at the rate per annum specified above, subject to adjustment in the event of a Determination of Taxability, from the date of original issue specified above, or from such later date to which interest hereon has been paid or duly provided for, until the final maturity date specified above or an earlier date on which this Bond shall have been duly called for redemption. Principal of and interest on this Bond are payable in semi-annual installments due on each January 1 and July 1, with interest payments commencing January 1, 2024 and principal payments commencing July 1, 2024, in each case in accordance with the installment payment schedule attached hereto as Schedule 1. Interest on this Bond shall be calculated on the basis of a year of 360 days composed of twelve 30-day months. Principal of and interest on this Bond shall be payable by check or draft of the Registrar mailed to the registered owner hereof as such appears in the Bond Register as of the close of business on the 15th day (whether or not a Business Day) of the month immediately preceding each Payment Date.

Upon the occurrence of a Determination of Taxability and for as long as this Bond remains outstanding, the interest rate on this Bond shall be converted to the Taxable Rate. In addition, upon a Determination of Taxability, the City shall pay to the registered owner of this Bond (i) an additional amount equal to the difference between the amount of interest actually paid on this Bond at the tax-exempt rate and the amount of interest that would have been paid at the Taxable Rate,

from and after the Date of Taxability, and (ii) an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the registered owner as a result of the Determination of Taxability. Thereafter, interest on this Bond shall accrue at the Taxable Rate and be payable to the registered owner on the Payment Dates specified in Schedule 1.

This Bond represents all of a duly authorized issue of Special Road District Bonds of the City in the aggregate principal amount of \$1,163,000 (the “Series 2023 Bond”). This Series 2023 Bond is issued pursuant to and in full conformity with the Constitution and the laws of the State of Montana thereunto enabling, including Montana Code Annotated, Title 7, Chapter 11, Part 10 and Title 7, Chapter 7, Parts 44 and 45, as amended, and ordinances and resolutions duly adopted by the governing body of the City, including Resolution No. [____] of the City, adopted by the City Council on December 19, 2022 (the “Resolution”). This Series 2023 Bond is issued to reimburse the City for costs of the 2023 Project and to pay costs of issuance of the Series 2023 Bond. Capitalized terms used herein but not otherwise defined shall have the respective meanings given such terms in the Resolution.

Reference is made to the Resolution, a copy of which is on file with the City, for a description of the nature and extent of the security, the respective rights thereunder of the Owners of the Series 2023 Bond and the City, and the terms upon which the Series 2023 Bond is to be issued and delivered.

This Series 2023 Bond is issued on a parity with and is equally and ratably secured by the Revenues with any Additional Bonds hereafter issued on a parity therewith (collectively, the “Bonds”). Revenues are amounts derived by the City from the payment of assessments levied against all assessable lots and parcels in the Road District in each Fiscal Year. The City covenants in the Resolution that, for each Fiscal Year, so long as any Bonds are Outstanding, it will (i) establish and approve a budget for the costs and expenses of the Road District, including amounts necessary to pay debt service on the Bonds, and (ii) levy assessments against all assessable lots and parcels within the Road District in an amount that will produce Revenues sufficient to pay all budgeted costs and expenses of the Road District, including the debt service on Bonds.

The Bonds are special, limited obligations of the City. Principal of, premium, if any, and interest on the Bonds shall be payable solely from Revenues (other than to the extent payable out of proceeds of the Bonds). The Bonds shall not be or constitute a pledge of the general credit or taxing powers of the City. Neither the Bonds nor any of the agreements or obligations of the City contained herein shall be construed to constitute an indebtedness of the City within the meaning of any constitutional or statutory limitations.

This Series 2023 Bond is subject to redemption on July 1, 2033, and on any Payment Date thereafter, 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; provided that this Series 2023 Bond may be redeemed in part only once in each calendar year, and each partial prepayment must be in the amount of at least \$300,000. Upon redemption in part, the remaining principal will be reamortized over the then-remaining term or, at the City’s option, the prepayment will be applied in inverse order of principal installments. Upon partial redemption and prepayment there shall be no need to exchange a new Series 2023 Bond for the unredeemed

portion of the existing Series 2023 Bond; provided that the amortization schedule attached as Schedule 1 hereto shall be replaced with a revised debt service schedule provided by the City and subject to the approval of the Owner of this Series 2023 Bond reflecting the reamortization of the principal then outstanding in substantially equal semiannual installments of principal and interest or the application of the prepayment in inverse order of principal installments.

As provided in the Resolution and subject to certain limitations set forth therein, this Series 2023 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 its attorney; and may also be surrendered in exchange for Series 2023 Bonds of other authorized denominations. Upon any such transfer or exchange, the City will cause a new Series 2023 Bond or Series 2023 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, RECITED, COVENANTED AND AGREED that for each Fiscal Year, the City will establish and approve a budget of the costs and expenses of the Road District, including amounts to pay debt services on the Bonds; that it will levy assessments against all assessable lots and parcels within the Road District in an amount that will produce Revenues sufficient to pay all budgeted costs and expenses of the Road District, including the debt service on Bonds; that it has created a special Road District Fund into which the Revenues will be paid, and a separate and special Revenue Bond Account in that fund, into which will be paid upon each semi-annual apportionment, from and as a first and prior lien on the Revenues then on hand, an amount equal to not less than the sum of all interest due within the next six months plus one-half of the principal due within the next twelve months with respect to all Bonds payable semiannually from the Revenue Bond Account; that the Revenue Bond Account will be used only to pay the principal of, premium, if any, and interest on the Series 2023 Bond and any Additional Bonds issued pursuant to the Resolution on a parity therewith; that Additional Bonds may be issued and made payable from the Revenue Bond Account on a parity with the Series 2023 Bond from time to time as set forth in the Resolution; that the Revenues produced by the payment of the assessments levied against the lots and parcels in the Road District are revenues of the Road District; that all provisions for the security of the Owner of this Series 2023 Bond set forth in the Resolution will be punctually and faithfully performed as therein stipulated; that all acts, conditions and things required by the Constitution and laws of the State of Montana and the ordinances and resolutions of the City to be done, to exist, to happen and to be performed in order to make this Series 2023 Bond a valid and binding special obligation of the City according to its terms have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required; and that this Series 2023 Bond and the interest hereon are payable solely from the Revenues pledged and appropriated to the Revenue Bond Account and do not constitute a debt of the City within the meaning of any constitutional or statutory limitation or

provision and the issuance of the Series 2023 Bond does not cause either the general or the special 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 an authorized representative.

IN WITNESS WHEREOF, the 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 has caused the official seal of the City to be affixed hereto.

(SEAL)

Mayor

City Clerk

Dated:

CERTIFICATE OF AUTHENTICATION

This is the Series 2023 Bond delivered pursuant to the Resolution mentioned herein.

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

By _____
City Finance Director

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

TEN COM -- as tenants
in common

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

TEN ENT -- as tenants
by the entireties

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

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

Additional abbreviations may also be used.

ASSIGNMENT

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

Dated: _____

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE

/ _____ /

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

SCHEDULE 1

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
01/12/2023	-	-	-	-	-
01/01/2024	-	-	46,226.02	46,226.02	-
07/01/2024	17,000.00	4.100%	23,841.50	40,841.50	87,067.52
01/01/2025	20,000.00	4.100%	23,493.00	43,493.00	-
07/01/2025	21,000.00	4.100%	23,083.00	44,083.00	87,576.00
01/01/2026	21,000.00	4.100%	22,652.50	43,652.50	-
07/01/2026	22,000.00	4.100%	22,222.00	44,222.00	87,874.50
01/01/2027	22,000.00	4.100%	21,771.00	43,771.00	-
07/01/2027	22,000.00	4.100%	21,320.00	43,320.00	87,091.00
01/01/2028	23,000.00	4.100%	20,869.00	43,869.00	-
07/01/2028	23,000.00	4.100%	20,397.50	43,397.50	87,266.50
01/01/2029	24,000.00	4.100%	19,926.00	43,926.00	-
07/01/2029	24,000.00	4.100%	19,434.00	43,434.00	87,360.00
01/01/2030	25,000.00	4.100%	18,942.00	43,942.00	-
07/01/2030	25,000.00	4.100%	18,429.50	43,429.50	87,371.50
01/01/2031	26,000.00	4.100%	17,917.00	43,917.00	-
07/01/2031	26,000.00	4.100%	17,384.00	43,384.00	87,301.00
01/01/2032	27,000.00	4.100%	16,851.00	43,851.00	-
07/01/2032	27,000.00	4.100%	16,297.50	43,297.50	87,148.50
01/01/2033	28,000.00	4.100%	15,744.00	43,744.00	-
07/01/2033	29,000.00	4.100%	15,170.00	44,170.00	87,914.00
01/01/2034	29,000.00	4.100%	14,575.50	43,575.50	-
07/01/2034	30,000.00	4.100%	13,981.00	43,981.00	87,556.50
01/01/2035	30,000.00	4.100%	13,366.00	43,366.00	-
07/01/2035	31,000.00	4.100%	12,751.00	43,751.00	87,117.00
01/01/2036	32,000.00	4.100%	12,115.50	44,115.50	-
07/01/2036	32,000.00	4.100%	11,459.50	43,459.50	87,575.00
01/01/2037	33,000.00	4.100%	10,803.50	43,803.50	-
07/01/2037	34,000.00	4.100%	10,127.00	44,127.00	87,930.50
01/01/2038	34,000.00	4.100%	9,430.00	43,430.00	-
07/01/2038	35,000.00	4.100%	8,733.00	43,733.00	87,163.00
01/01/2039	36,000.00	4.100%	8,015.50	44,015.50	-
07/01/2039	36,000.00	4.100%	7,277.50	43,277.50	87,293.00
01/01/2040	37,000.00	4.100%	6,539.50	43,539.50	-
07/01/2040	38,000.00	4.100%	5,781.00	43,781.00	87,320.50
01/01/2041	39,000.00	4.100%	5,002.00	44,002.00	-
07/01/2041	39,000.00	4.100%	4,202.50	43,202.50	87,204.50
01/01/2042	40,000.00	4.100%	3,403.00	43,403.00	-
07/01/2042	41,000.00	4.100%	2,583.00	43,583.00	86,986.00
01/01/2043	42,000.00	4.100%	1,742.50	43,742.50	-
07/01/2043	43,000.00	4.100%	881.50	43,881.50	87,624.00
Total	\$1,163,000.00	-	\$584,740.52	\$1,747,740.52	-