

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 \$1,327,000 Sewer System Revenue Bond, 2023B; Authorizing the Issuance and Fixing the Terms and Conditions Thereof**” (the “Resolution”), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a regular meeting on June 26, 2023, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 26th day of June, 2023.

(SEAL)

City Clerk

Resolution No. ____

Resolution Relating to \$1,327,000 Sewer System Revenue Bond, 2023B; Authorizing the Issuance and Fixing the Terms and Conditions Thereof

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

ARTICLE I

AUTHORIZATION AND FINDINGS

Section 1.1 Authorization. Under Montana Code Annotated, Title 7, Chapter 7, Parts 44 and 45, as amended (the “Act”), the City is authorized to sell and issue its revenue bonds payable during a term not exceeding forty years from their date of issue, to provide funds for the reconstruction, improvement, betterment and extension of a sewer system or to refund its revenue bonds issued for such purpose; provided that the bonds and the interest thereon are to be payable solely out of the income and revenues to be derived from rates, fees and charges for the services, facilities and commodities furnished by the sewer system, and are not to create any obligation for the payment of which taxes may be levied except to pay for services provided by the sewer system to the City.

Section 1.2 The System. The City, pursuant to the Act and other laws of the State, has established and presently owns and operates a municipal sewer system (the “System”).

Section 1.3 Original Resolution; Outstanding Bonds. Pursuant to the Act and Resolution No. 8435 adopted by the City Council on June 22, 2020 (the “Original Resolution”), as amended and supplemented by Resolution Nos. 8436 and 8674, adopted by the City Council on June 22, 2020 and April 3, 2023, respectively, the City has issued and there are outstanding the following revenue bonds of the System:

- First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2004 (the “Series 2004 Bond”);
- First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2005 (the “Series 2005 Bond”);
- First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2009B (the “Series 2009B Bond”);
- Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2015 (the “Series 2015 Bond”);
- Sewer System Revenue Bond, Series 2016A (the “Series 2016A Bond”);

- Sewer System Revenue Bond, Series 2016B (the “Series 2016B Bond”);
- Sewer System Revenue and Refunding Bonds, Series 2020A (the “Series 2020A Bonds”);
- Taxable Sewer System Revenue Refunding Bonds, Series 2020B (the “Series 2020B Bonds”); and
- Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2023 (the “Series 2023 Bond”).

The Bonds described above are collectively referred to herein as the “Outstanding Bonds.” Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Resolution.

Section 1.4 The 2023B Project; Additional Bonds.

(a) The City has determined to undertake certain improvements to the System, including construction and installation of wastewater mains in connection with the Mullan BUILD Project, and related improvements (the “2023B Project”). The 2023B Project is expected to cost \$1,242,848.15, and the City has determined it is in the best interest of the System and its ratepayers to finance the costs of the 2023B Project and pay associated costs of the financing through the issuance of its Sewer System Revenue Bond, Series 2023B (as further described in Section 2.1 hereof, the “Series 2023B Bond”).

(b) The City reserved the right under Sections 5.1 through 5.3 of the Original Resolution to issue Additional Bonds payable from the Revenue Bond Account of the Sewer System Fund on a parity with Outstanding Bonds under certain conditions, including the requirement that the Net Revenues of the System for the last complete Fiscal Year preceding the date of issuance of such Additional Bonds equaled at least 125% of the maximum amount of principal and interest payable from the Revenue Bond Account in any subsequent Fiscal Year with respect to the Outstanding Bonds and the Additional Bonds proposed to be issued. The Council hereby determines that the City is authorized to issue \$1,327,000 in aggregate principal amount of the Series 2023B Bond as an Additional Bond pursuant Sections 5.1 and 5.2 of the Original Resolution and the Mayor, City Clerk and City Finance Director are hereby authorized and directed to execute a certificate to that effect.

Section 1.5 Authorization and Sale of Series 2023B Bond. TrailWest Bank (the “Original Purchaser”) has offered to purchase the Series 2023B Bond on the terms and conditions described herein and in the Series 2023B Bond. Such terms and conditions are determined to be advantageous to the City and the System, and this Council hereby determines that it is in the best interests of the City to sell the Series 2023B Bond in a negotiated sale to the Original Purchaser, as authorized by Section 7-7-4433 of the Act.

Section 1.6 Findings. All acts, conditions and things required by the Constitution and laws of the State, including the Act, to be done, to exist, to happen and to be performed prior to the issuance of the Series 2023B Bond to make the Series 2023B Bond a valid and binding special, limited obligation 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 due form, time and manner.

ARTICLE II THE SERIES 2023B BOND

Section 2.1 Title, Principal Amount, Interest Rate and Stated Maturity.

(a) The Series 2023B Bond to be issued hereunder shall be issued as a single, fully registered bond, shall be denominated “Sewer System Revenue Bond, Series 2023B,” and shall be issued in the aggregate principal amount of \$1,327,000 to pay or reimburse the City for costs of the 2023B Project, to fund a deposit to the Reserve Account and to pay costs of issuance of the Series 2023B Bond. The Series 2023B 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 4.95% per annum. The principal of and interest on the Series 2023B Bond shall be payable in substantially equal semiannual installments of principal and interest due each January 1 and July 1, commencing January 1, 2024 and concluding July 1, 2043, in the amounts and on the respective dates reflected in the Debt Service Schedule attached as Schedule 1 to the Series 2023B Bond. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

(b) Principal of and interest on the Series 2023B 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; *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 2023B Bond at the principal office of the Registrar. The Registrar shall note in the Bond Register each principal payment on the Series 2023B Bond.

Section 2.2 Registration. The City hereby appoints the City Finance Director to act as bond registrar, transfer agent and paying agent for the Series 2023B 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 2.2 shall establish a system of registration for the Series 2023B 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

2023B Bond and the registration of transfers and exchanges thereof. The Bond Register will show that the original owner of the Series 2023B Bond is TrailWest Bank, as the Original Purchaser thereof.

(b) Transfer. The Series 2023B Bond may be transferred in whole and not in part. Upon surrender for transfer of a Series 2023B 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 2023B 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 2023B Bond or any portion thereof selected or called for redemption.

(c) Exchange. Whenever a Series 2023B Bond is surrendered by the owner for exchange, the Registrar shall authenticate and deliver a new Series 2023B Bond of a like aggregate principal amount, interest rate and maturity.

(d) Cancellation. Any Series 2023B 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 a Series 2023B 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 2023B 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 a Series 2023B Bond is at any time registered in the Bond Register as the absolute owner of such Series 2023B Bond, whether such Series 2023B 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 2023B 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 2023B Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Series 2023B Bond (except upon a partial redemption of Series 2023B Bond pursuant to Section 2.3), 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 2023B Bond. In case a Series 2023B Bond shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Series 2023B Bond of a like principal amount, number, interest rate and maturity in exchange and substitution for and upon cancellation of any such mutilated

Series 2023B Bond or in lieu of and in substitution for any Series 2023B 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 2023B Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that the Series 2023B 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. A Series 2023B 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 2023B Bond has already matured or such Series 2023B Bond has been called for redemption in accordance with its terms, it shall not be necessary to issue a new Series 2023B Bond prior to payment.

Section 2.3 Redemption

(a) Optional Redemption. The Series 2023B Bond is 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 \$100,000 for the City to require the registered owner of the Series 2023B 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 installments. Upon partial redemption and prepayment there shall be no need to exchange a new Series 2023B Bond for the unredeemed portion of the existing Series 2023B Bond; provided that the amortization schedule attached as Schedule 1 to the form of the Series 2023B 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.

(b) Notice of Redemption. The date of redemption and the principal amount of the Series 2023B Bond to be redeemed pursuant to Section 2.3(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 45 days prior to the date set for redemption. The Registrar shall give notice to the owner of the Series 2023B Bond, by email or by first class mail, postage prepaid, at its address appearing on the Bond Register, of the principal amount of the Series 2023B Bond 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 2023B Bond so redeemed shall cease to accrue; however, interest shall continue to accrue on any portion of the Series 2023B Bond not so redeemed.

Section 2.4 Execution and Delivery of Series 2023B Bond. The Series 2023B 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, provided that said signatures may be printed, engraved or lithographed facsimiles thereof. The seal of the City need not be imprinted on or affixed to the Series 2023B Bond. In case any officer whose

signature or a facsimile of whose signature shall appear on the Series 2023B 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 2023B Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Series 2023B Bond has been duly executed by the manual signature of the Registrar. The executed certificate of authentication on each of the Series 2023B Bond shall be conclusive evidence that such bonds have been authenticated and delivered under this Resolution. When the Series 2023B Bond has been fully executed and authenticated, it shall be delivered by the Registrar to the Original Purchaser upon payment of the purchase price, and the Original Purchaser shall not be obligated to see to the application of the purchase price.

Section 2.5 Forms of Series 2023B Bond. The Series 2023B Bond shall be in substantially the form set forth in Appendix A hereto (which is hereby incorporated herein and made a part hereof), with such appropriate variations, omissions and insertions as are permitted or required by the Resolution.

Section 2.6 Transcript Certification. The officers of the City are directed to furnish to the Original Purchaser of the Series 2023B Bond 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 2023B Bond, 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 2023B Bond, 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.

ARTICLE III APPROPRIATION OF BOND PROCEEDS

The proceeds of the Series 2023B Bond, \$1,327,000, are appropriated to the Sewer System Fund created pursuant to Article VI of the Original Resolution and deposited or applied as follows:

- (a) \$1,242,848.15 shall be credited to the Acquisition and Construction Account to pay or reimburse the City for costs of the 2023B Project;
- (b) \$52,437.23 shall be credited to the Reserve Account; and
- (c) \$31,714.62 shall be credited to the Acquisition and Construction Account to pay costs of issuance of the Series 2023B Bond and, to the extent not needed to pay costs of issuance, used to pay or reimburse the City for costs of the 2023B Project or deposited in the Revenue Bond Account and applied to pay debt service on the Series 2023B Bond on January 1, 2024.

ARTICLE IV

SECURITY FOR THE SERIES 2023B BOND

The Series 2023B Bond is issued as an Additional Bond under Sections 5.1 and 5.2 of the Original Resolution and shall, with the Outstanding Bonds and any Additional Bonds issued on a parity therewith, be equally and ratably secured by the provisions of the Resolution and payable out of the Net Revenues appropriated to the Revenue Bond Account of the Fund, without preference or priority, all as provided in the Resolution, and secured by the Reserve Account. The City shall keep, perform and observe each and every one of its covenants and undertakings set forth in the Resolution for the benefit of the registered owners from time to time of the Outstanding Bonds and the Series 2023B Bond. For the avoidance of doubt, the covenants made by the City in the Original Resolution for the benefit of Holders inure to the benefit of the Holder of the Series 2023B Bond to the same extent and with the same force and effect as if set forth herein.

ARTICLE V TAX MATTERS

Section 5.1 Use of 2023B Project and System. The 2023B Project will be owned and operated by the City and available for use by members of the general public on a substantially equal basis, and the City shall not enter into any lease, use or other agreement with any non-governmental person relating to the use of the 2023B Project or the System or security for the payment of the Series 2023B Bond which might cause the Series 2023B Bond to be considered a “private activity bond” or “private loan bond” within the meaning of Section 141 of the Code.

Section 5.2 General Covenant. The City covenants and agrees with the owners from time to time of the Series 2023B 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 2023B 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 2023B Bond will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

Section 5.3 Arbitrage Certification. The City Finance Director, being among the officers of the City charged with the responsibility for issuing the Series 2023B Bond pursuant to this Supplemental 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 2023B Bond, it is reasonably expected that the proceeds of the Series 2023B Bond will be used in a manner that would not cause the Series 2023B Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code and the Regulations.

Section 5.4 Arbitrage Rebate. The City acknowledges that the Series 2023B 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 2023B Bond from gross income for federal income tax purposes, unless the Series 2023B 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 2023B Bond (other than amounts constituting a “bona fide debt service fund”) arise during or after the expenditure of the original proceeds thereof.

Section 5.5 Information Reporting. The City shall file with the Secretary of the Treasury, not later than November 15, 2023, a statement concerning the Series 2023B Bond containing the information required by Section 149(e) of the Code.

ARTICLE VI

REPEALS AND EFFECTIVE DATE

Section 6.1 Repeal. All provisions of other resolutions and other actions and proceedings of the City and this Council that are in any way inconsistent with the terms and provisions of this Supplemental Resolution are repealed, amended and rescinded to the full extent necessary to give full force and effect to the provisions of this Supplemental Resolution.

Section 6.2 Effective Date. This Supplemental Resolution shall take effect immediately upon its passage and adoption by this Council.

Adopted by the City Council of the City of Missoula, Montana, on this ____ day of _____, 2023.

Mayor

Attest: _____
City Clerk

(SEAL)

APPENDIX A

[Form of the Series 2023B Bond]

UNITED STATES OF AMERICA
STATE OF MONTANA
COUNTY OF MISSOULA

CITY OF MISSOULA
SEWER SYSTEM REVENUE BOND, SERIES 2023B

No. R- <u>1</u>			\$1,327,000
Interest <u>Rate</u>	Final Maturity <u>Date</u>	Date of <u>Original Issue</u>	
4.95%	July 1, 2043	[____], 2023	

REGISTERED HOLDER: TRAILWEST BANK

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

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 holder specified above or registered assigns, solely from the Revenue Bond Account of its Sewer System Fund, 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. 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 due on each January 1 and July 1, commencing January 1, 2024, in accordance with the payment installment schedule attached hereto as Schedule 1. Interest on this Bond shall be calculated on the basis of a year of 360 days composed of twelve 30-day months. Principal of and interest on this Bond shall be payable by check or draft of the Registrar mailed to the registered owner hereof as such appears in the Bond Register as of the close of business on the 15th day (whether or not a Business Day) of the month immediately preceding each payment date or date of redemption in whole or in part, without presentation or surrender; *provided* that the final installment of principal (whether at maturity or earlier redemption) shall be paid by the Registrar only upon presentation and surrender of this Bond at the principal corporate trust office of the Registrar. Principal and interest on this Bond are payable in lawful money of the United States of America.

This Bond is an issue of Sewer System Revenue Bonds of the City authorized to be issued in one or more series from time to time, and constitutes a series in the aggregate principal amount of \$1,327,000 (the “Series 2023B Bond”). The Series 2023B Bond is issued to pay or reimburse the City for costs of construction of certain improvements to the sewer system of the City (the “System”), to fund a deposit to the Reserve Account and to pay costs of issuance of the Series 2023B Bond. The Series 2023B Bond is issued pursuant to and in full conformity with the Constitution and laws of the State of Montana thereunto enabling, including Montana Code Annotated, Title 7, Chapter 7, Parts 44 and 45, as amended, and ordinances and resolutions duly adopted by the governing body of the City, including Resolution No. 8435 adopted by the City Council of the City on June 22, 2020 (the “Original Resolution”), as amended and supplemented by Resolution Nos. 8436, 8674 and [____], adopted by the City Council of the City on June 22, 2020, April 3, 2023 and June 26, 2023 (the Original Resolution, as so amended and supplemented, the “Resolution”). Terms used with initial capital letters but not defined herein have the meanings given them in the Resolution. The Series 2023B Bond is issuable only as a single, fully registered bond. The Series 2023B Bond is issued on a parity and is equally and ratably secured by Net Revenues of the System with the City’s First Amended and Restated Sewerage System Revenue Bond (DNRC Revolving Loan Program), Series 2004 (the “Series 2004 Bond”), First Amended and Restated Sewer System Revenue Bond (DNRC Revolving Loan Program), Series 2005 (the “Series 2005 Bond”), First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2009B (the “Series 2009B Bond”), Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2015 (the “Series 2015 Bond”), Sewer System Revenue Bond, Series 2016A (the “Series 2016A Bond”), Sewer System Revenue Bond, Series 2016B (the “Series 2016B Bond”), Sewer System Revenue and Refunding Bonds, Series 2020A (the “Series 2020A Bonds”), Taxable Sewer System Revenue Refunding Bonds, Series 2020B (the “Series 2020B Bonds”) and Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2023 (the “Series 2023 Bond”) (collectively, the “Outstanding Bonds”).

Reference is made to the Resolution for a more complete statement of the terms and conditions upon which the Series 2023B Bond has been issued, the Net Revenues of the System pledged and appropriated for the payment and security thereof, the conditions upon which Additional Bonds may be issued under the Resolution and made payable from such Net Revenues on a parity with the Series 2023B Bond and the Outstanding Bonds or otherwise, the conditions upon which the Resolution may be amended, the rights, duties and obligations of the City, and the rights of the owners of the Series 2023B Bond.

The Series 2023B Bond is 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 \$100,000 for the City to require the registered owner of the Series 2023B 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 installments. Upon partial redemption and prepayment there shall be no need to exchange a new Series 2023B Bond for the unredeemed portion of the existing Series 2023B Bond; provided that the amortization schedule attached as Schedule 1 to the form of the Series 2023B 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.

As provided in the Resolution and subject to certain limitations set forth therein, the Series 2023B Bond is transferable, in whole but not in part, upon the books of the City at the principal office of the Registrar, by the registered owner hereof in person or by its 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. Upon any such transfer, the City will cause a new Series 2023B Bond to be issued in the name of the transferee 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.

The City may deem and treat the person in whose name this Series 2023B Bond is registered as the absolute owner hereof, whether this Series 2023B Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and the City shall not be affected by any notice to the contrary.

This Series 2023B Bond, including interest and any premium for the redemption thereof, is payable solely from the Net Revenues pledged for the payment thereof and does not constitute a debt of the City within the meaning of any constitutional or statutory limitation or provision.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that the City has created a special Sewer System Fund into which the Gross Revenues of the System will be paid, and a separate and special Revenue Bond Account in that Sewer System Fund, into which will be paid each month, from and as a first and prior lien on the Net Revenues of the System then on hand, an amount equal to not less than the sum of one-sixth of the interest to become due within the next six months and one-twelfth of the principal to become due within the next twelve months with respect to all Bonds payable semiannually from the Revenue Bond Account; that the City has created a Reserve Account in the Sewer System Fund into which shall be paid additional Net Revenues, after required credits to the Revenue Bond Account, sufficient to maintain a reserve therein equal to, as of the date of calculation, the Reserve Requirement; that the Revenue Bond Account will be used only to pay the principal of, premium, if any, and interest on the Series 2004 Bond, the Series 2005 Bond, the Series 2009B Bond, the Series 2015 Bond, the Series 2016A Bond, the Series 2016B Bond, the Series 2020A Bonds, the Series 2020B Bonds, the Series 2023 Bond, the Series 2023B Bond, and any Additional Bonds issued pursuant to the Resolution on a parity therewith; that the rates and charges for the System will from time to time be made and kept sufficient, to provide Gross Revenues adequate to pay promptly the Operating Expenses and to produce during each Fiscal Year Net Revenues not less than 125% of the maximum annual principal and interest payable on the Outstanding Bonds in any future Fiscal Year and to maintain the balance in the Reserve Account at the Reserve Requirement; that Additional Bonds may be issued and made payable from the Revenue Bond Account on a parity with the Series 2004 Bond, the Series 2005 Bond, the Series 2009B Bond, the Series 2015 Bond, the Series 2016A Bond, the Series 2016B Bond, the Series 2020A Bonds, the Series 2020B Bonds, the Series 2023 Bond, the Series 2023B Bond, and other parity Bonds, upon certain conditions set forth in the Resolution,

but no obligation will be otherwise incurred and made payable from the Net Revenues of the System, unless the lien thereof shall be expressly made subordinate to the lien of the Series 2004 Bond, the Series 2005 Bond, the Series 2009B Bond, the Series 2015 Bond, the Series 2016A Bond, the Series 2016B Bond, the Series 2020A Bonds, the Series 2020B Bonds, the Series 2023 Bond, the Series 2023B Bond and Additional Bonds on such Net Revenues; that all provisions for the security of the holder of this Series 2023B 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 2023B 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 as so required; and that this Series 2023B Bond and the interest hereon are payable solely from the Net Revenues of the System 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 this Series 2023B Bond does not cause either the general or the special indebtedness of the City to exceed any constitutional or statutory limitation.

This Series 2023B Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by the manual signature of an authorized representative.

IN WITNESS WHEREOF, the City of Missoula, Montana, by its City Council, has caused this Series 2023B Bond to be executed by the signatures of the Mayor and the City Clerk, has caused the official seal of the City to be affixed hereto, and has caused this Series 2023B Bond to be dated as of the _____ day of _____, 2023.

Mayor

(SEAL)

City Clerk

Dated: [_____] , 2023

CERTIFICATE OF AUTHENTICATION

This Bond is the Sewer System Revenue Bond, Series 2023B, delivered pursuant to the Resolution mentioned within.

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

By _____
City Finance Director

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

TEN COM -- as tenants
in common

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

TEN ENT -- as tenants
by the entireties

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

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

Additional abbreviations may also be used.

ASSIGNMENT

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

Dated: _____

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE:

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

SIGNATURE GUARANTEED

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

SCHEDULE 1
DEBT SERVICE SCHEDULE

[to come]