

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 \$641,100 Pooled Special Sidewalk, Curb, Gutter and Alley Approach Bonds, Consisting of \$549,200 Taxable Series 2023A Bonds and \$91,900 Series 2023B Bonds; Fixing the Form and Details and Providing for the Execution and Delivery Thereof and 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 August 14, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 14th day of August, 2023.

\_\_\_\_\_  
City Clerk

RESOLUTION NO. \_\_\_\_\_

**Resolution Relating to \$641,100 Pooled Special Sidewalk, Curb, Gutter and Alley Approach Bonds, Consisting of \$549,200 Taxable Series 2023A Bonds and \$91,900 Series 2023B Bonds; Fixing the Form and Details and Providing for the Execution and Delivery Thereof and Security Therefor**

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

Section 1. Recitals. It is hereby found, determined and declared as follows:

1.01. Prior Acts. This Council has previously ordered in certain sidewalk, curb, gutter and alley approach improvements pursuant to:

- Resolution No. 8243, adopted February 12, 2018 (the “2018 Improvements”),
- Resolution No. 8415, adopted March 2, 2020 (the “2019 Improvements”),
- Resolution No. 8491, adopted February 1, 2021 (the “2020 Improvements”),
- Resolution No. 8583, adopted March 28, 2022 (the “2021 Improvements”), and
- Resolution No. 8576, adopted January 24, 2022 (the “General 2022 Improvements”),
- Resolution No. 8594, adopted May 16, 2022 (the “Eaton Street 2022 Improvements”), and
- Resolution No. 8661, adopted February 13, 2023 (the “Miscellaneous 2022 Improvements”).

The 2018 Improvements, 2019 Improvements, 2020 Improvements, 2021 Improvements, General 2022 Improvements, Eaton Street 2022 Improvements, and Miscellaneous 2022 Improvements are referred to collectively herein as the “Improvements”. The Improvements are more specifically described in the resolutions described above, ordering in the respective Improvements.

This Council has determined that it is in the best interests of the City to sell, at a private negotiated sale, its \$641,100 Pooled Special Sidewalk, Curb, Gutter and Alley Approach Bonds, consisting of \$549,200 Taxable Series 2023A (the “Series 2023A Bonds”) and \$91,900 Series 2023B (the “Series 2023B Bonds” and, together with the Series 2023A Bond, the “Series 2023 Bonds”) to pay or reimburse the City for costs of the Improvements, to fund a deposit to the Revolving Fund and to pay costs of issuance of the Series 2023 Bonds. The City has received an

offer from TrailWest Bank (the “Purchaser”) to purchase the Series 2023 Bonds on the terms and conditions set forth herein. This Council hereby determines that it is in the best interest of the City and of the property owners to be assessed for repayment of the Series 2023 Bonds to accept such offer. The City Finance Director, with assistance from Baker Tilly Municipal Advisors LLC, as municipal advisor, and Dorsey & Whitney LLP, as bond counsel, is hereby authorized and directed to negotiate a bond purchase agreement (the “Bond Purchase Agreement”) with the Purchaser, reflecting the agreement of the City to sell and the agreement of the Purchaser to purchase the Series 2023 Bonds, and the Mayor, the City Finance Director and the City Clerk (or, in the event of any such officer’s absence or inability, their designee) are hereby authorized and directed to execute and deliver the Bond Purchase Agreement. Execution of the Bond Purchase Agreement by at least two appropriate officers of the City shall be conclusive evidence of the City’s agreement. In the event of any conflict between the provisions of the Bond Purchase Agreement and this resolution, the provisions of this resolution shall control.

1.02. Costs. The Improvements have been completed, and the costs and expenses to be assessed against properties adjacent to the Improvements, including costs of the Improvements and incidental costs, including costs of issuance of the Series 2023 Bonds and the deposit of proceeds in the Revolving Fund, are as follows:

	<u>Total</u>
Construction Costs	\$581,380.73
Revolving Fund Deposit (5%)	32,055.00
Issuance Costs and Rounding	<u>27,664.27</u>
Total Assessed Costs	\$641,100.00

Such amount will be levied and assessed upon the assessable real property adjacent to the Improvements on the bases described in the resolutions referenced above, together with interest thereon. This Council has jurisdiction and is required by law to levy and assess such amounts, to collect such special assessments and credit the same to the 2023A Sidewalk Sinking Fund and 2023B Sidewalk Sinking Fund (each, as hereinafter defined) of the City.

1.03. Revolving Fund; Findings. This Council further finds that it is in the public interest, and in the best interest of the City and the properties to be assessed for the Improvements, to secure payment of principal of and interest on the Series 2023 Bonds by the Revolving Fund and hereby authorizes the City to enter into the undertakings and agreements authorized in Section 7-12-4225 in respect of the Series 2023 Bonds.

In determining to authorize the issuance of the Series 2023 Bonds and the pledge of the Revolving Fund to secure the Series 2023 Bonds, this Council has taken into consideration the following factors:

(a) Estimated Market Value of Parcels; Comparison of Special Assessments and Market Value. The Improvements have or are expected to result in an increase in the estimated market value of the properties to be assessed for the Improvements. The special assessments to be levied against each property are less than the increase in estimated value of the properties as a result of the construction of the Improvements.

(b) Diversity of Property Ownership. There is a high level of diversity of property ownership with respect to the properties to be assessed. Out of 100 total properties to be assessed, only 5 property owners own more than one lot, tract or parcel subject to assessment.

(c) Delinquencies. Of the 100 properties to be assessed, 0 properties were delinquent with respect to payment of property taxes or other special assessments.

(d) Public Benefit of the Improvements. The Improvements are of special, local benefit to the properties to be assessed for the costs thereof, but also have a broader public benefit and are required for the safety and convenience of the public.

1.04. Recitals. All acts, conditions and things required by the Constitution and laws of the State of Montana, including the Act, and the home rule charter of the City, in order to make the Series 2023 Bonds valid and binding special obligations in accordance with their terms and in accordance with the terms of this Resolution have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required.

## Section 2. The Series 2023 Bonds.

### 2.01. Principal Amount, Maturity, Denominations, Date, Interest Rate.

(a) For the purpose of paying the costs and expenses incurred in the construction of the Improvements, funding a deposit to the Revolving Fund and paying costs of issuance of the Series 2023 Bonds, and in anticipation of the collection of special assessments to be levied therefor, the City shall forthwith issue and deliver to the Purchaser the Series 2023 Bonds, denominated “Pooled Special Sidewalk, Curb, Gutter and Alley Approach Bonds, Taxable Series 2023A” in the aggregate principal amount of \$549,200, payable solely from the 2023A Sidewalk Sinking Fund (as hereinafter defined) and “Pooled Special Sidewalk, Curb, Gutter and Alley Approach Bonds, Series 2023B” in the aggregate principal amount of \$91,900, payable solely from the 2023B Sidewalk Sinking Fund (as hereinafter defined). **The Series 2023A Bonds and Series 2023B Bonds are issued as separate series due to differing federal and state tax treatment of the income thereon; however, the Series 2023A Bonds and Series 2023B Bonds are secured equally, ratably and on a parity from assessments to be paid by owners of the property benefited by the Improvements, and are also secured by the Revolving Fund as described herein.**

(b) The Series 2023A Bonds shall be dated, as originally issued, and be registered as of September 14, 2023, and shall mature in the amounts, on the dates, and bear interest from the date of original registration until paid or duly called for redemption at the rates per annum set forth below:

Maturity (July 1)	Principal	Interest Rate
2031*	\$ 49,300.00	7.05%
2035*	45,500.00	7.30

2043*	454,400.00	7.50
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\*Term bonds subject to mandatory sinking fund redemption as described in Section 2.05 hereof.

Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

(c) The Series 2023B Bonds shall be dated, as originally issued, and be registered as of September 14, 2023, and shall mature in the amounts, on the dates, and bear interest from the date of original registration until paid or duly called for redemption at the rates per annum set forth below:

Maturity (July 1)	Principal	Interest Rate
2043*	\$ 91,900.00	5.25%

\*Term bonds subject to mandatory sinking fund redemption as described in Section 2.05 hereof.

Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

2.02. Interest Payment Dates. Interest on the Series 2023 Bonds shall be payable on each January 1 and July 1, commencing January 1, 2024, to the owners of record thereof as such appear on the bond register at the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day. Upon the original delivery of the Series 2023 Bonds to the Purchaser and upon each subsequent transfer or exchange of a Series 2023 Bond pursuant to Section 2.04, the Registrar (as hereinafter defined) shall date the Series 2023 Bonds as of the date of authentication.

2.03. Method of Payment. The Series 2023 Bonds shall be issued only in fully registered form. The interest on and, upon presentation and surrender thereof at the principal office of the Registrar, the principal of the Series 2023 Bonds shall be payable by check or draft drawn on the Registrar. Notwithstanding the foregoing, so long as any Series 2023 Bond is evidenced by a single, fully registered term bond, it shall not be necessary to present and surrender such Series 2023 Bond until the final maturity date thereof pursuant to Section 2.05, but the Registrar shall note in the bond register such principal payment. The principal of and interest on the Series 2023 Bonds are payable in lawful money of the United States of America.

2.04. Registration. The City hereby appoints the City Finance Director, to act as bond registrar, transfer agent and paying agent for the Series 2023 Bonds (the "Registrar"). The City reserves the right to appoint a bank, trust company or fiscal company as successor bond registrar, transfer agent or paying agent, as authorized by the Model Public Obligations Registration Act of Montana (the "Registration Act"), but the City agrees to pay the reasonable and customary charges of the Registrar for the services performed. This Section 2.04 shall establish a system of registration for the Series 2023 Bonds as defined in the Registration Act. The effect of

registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Bond Register. The Registrar shall keep at its principal office a bond register in which the Registrar shall provide for the registration of ownership of the Series 2023 Bonds and the registration of transfers and exchanges of the Series 2023 Bonds entitled to be registered, transferred or exchanged.

(b) Transfer. Upon surrender to the Registrar for transfer of any Series 2023 Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing and guaranteed by an “eligible guarantor institution” meeting the requirements of the Registrar, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, a new Series 2023 Bond of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer of the Series 2023 Bonds or any portion thereof selected or called for redemption.

(c) Exchange. Whenever any Series 2023 Bond is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver a new Series 2023 Bond of a like aggregate principal amount, interest rate and maturity, as requested by the registered owner or the owner’s attorney duly authorized in writing.

(d) Cancellation. Any Series 2023 Bond surrendered upon any transfer or exchange shall be promptly canceled 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 Owner. The City and the Registrar may treat the person in whose name any Series 2023 Bond is at any time registered on 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, or on account of, the principal of 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 of a Series 2023 Bond or exchange of a Series 2023 Bond (except for an exchange upon the 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 Bonds. In case any Series 2023 Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Series 2023 Bond of like amount, number, maturity date and tenor 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 destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Series 2023 Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that such Series 2023 Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar 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 canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, destroyed, stolen or lost 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.

## 2.05. Redemption.

(a) Mandatory Redemption. If on any interest payment date there will be a balance in the 2023A Sidewalk Sinking Fund or the 2023B Sidewalk Sinking Fund after payment of the principal and interest due on the Series 2023A Bonds and Series 2023B Bonds, respectively, drawn against it, either from the prepayment of assessments or from the transfer of surplus money from a Construction Subaccount to a Principal Subaccount as provided in Section 3.02, the City Finance Director shall call for redemption on the next interest payment date the principal amount of the Series 2023A Bonds and/or Series 2023B Bonds, as applicable, which, together with the interest thereon to the interest payment date, will equal the amount of such funds on deposit in the 2023A Sidewalk Sinking Fund and/or 2023B Sidewalk Sinking Fund, as applicable, on that date. The redemption price shall equal the principal amount of the Series 2023A Bonds and/or Series 2023B Bonds, as applicable, to be redeemed, plus interest accrued to the date of redemption. Such mandatory redemption payments shall be applied as directed by the City Finance Director.

(b) Optional Redemption. The Series 2023 Bonds are subject to redemption at any time, at the option of the City, in whole or in part, from sources of funds available therefor (other than those described in Section 2.05(a)), at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium. Such optional redemption payments shall be applied as directed by the City Finance Director.

## (c) Mandatory Sinking Fund Redemption.

(i) 2023A Mandatory Sinking Fund Redemption. The Series 2023A Bonds are subject to redemption on January 1 and July 1 in the years (herein referred to as a “Sinking Fund Payment Date”) and in the principal amounts (hereinafter referred to as a “Mandatory Sinking Fund Payment”) set forth in the following tables:

2031 Term Bond

Sinking Fund Payment Date	Mandatory Sinking Fund Payment Amount	Sinking Fund Payment Date	Mandatory Sinking Fund Payment Amount
01/01/2024	\$ 2,800	01/01/2028	\$ 3,100
07/01/2024	3,200	07/01/2028	3,100
01/01/2025	3,200	01/01/2029	3,100
07/01/2025	3,100	07/01/2029	3,100
01/01/2026	3,100	01/01/2030	3,100
07/01/2026	3,100	07/01/2030	3,100
01/01/2027	3,100	01/01/2031	3,000
07/01/2027	3,100	07/01/2031*	3,000

\*Final maturity.

2035 Term Bond

Sinking Fund Payment Date	Mandatory Sinking Fund Payment Amount	Sinking Fund Payment Date	Mandatory Sinking Fund Payment Amount
01/01/2024	\$ 1,600	01/01/2030	\$ 1,900
07/01/2024	1,900	07/01/2030	1,900
01/01/2025	1,900	01/01/2031	1,900
07/01/2025	2,000	07/01/2031	1,900
01/01/2026	2,000	01/01/2032	1,900
07/01/2026	1,900	07/01/2032	1,900
01/01/2027	1,900	01/01/2033	1,900
07/01/2027	1,900	07/01/2033	1,900
01/01/2028	1,900	01/01/2034	1,900
07/01/2028	1,900	07/01/2034	1,900
01/01/2029	1,900	01/01/2035	1,900
07/01/2029	1,900	07/01/2035*	1,900

\*Final maturity.



2043 Term Bond

Mandatory Sinking		Mandatory Sinking	
Sinking Fund Payment Date	Fund Payment Amount	Sinking Fund Payment Date	Fund Payment Amount
01/01/2024	\$ 8,500	01/01/2034	\$ 11,400
07/01/2024	11,500	07/01/2034	11,400
01/01/2025	11,500	01/01/2035	11,400
07/01/2025	11,500	07/01/2035	11,400
01/01/2026	11,500	01/01/2036	11,400
07/01/2026	11,500	07/01/2036	11,400
01/01/2027	11,500	01/01/2037	11,400
07/01/2027	11,500	07/01/2037	11,400
01/01/2028	11,500	01/01/2038	11,400
07/01/2028	11,500	07/01/2038	11,400
01/01/2029	11,500	01/01/2039	11,400
07/01/2029	11,500	07/01/2039	11,400
01/01/2030	11,500	01/01/2040	11,400
07/01/2030	11,500	07/01/2040	11,400
01/01/2031	11,500	01/01/2041	11,300
07/01/2031	11,500	07/01/2041	11,300
01/01/2032	11,500	01/01/2042	11,300
07/01/2032	11,500	07/01/2042	11,300
01/01/2033	11,500	01/01/2043	11,300
07/01/2033	11,500	07/01/2043*	11,300

\*Final maturity.

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(ii) 2023B Mandatory Sinking Fund Redemption. The Series 2023B Bonds are subject to redemption on January 1 and July 1 in the years (herein referred to as a “Sinking Fund Payment Date”) and in the principal amounts (hereinafter referred to as a “Mandatory Sinking Fund Payment”) set forth in the following table:

2043 Term Bond			
Sinking Fund Payment Date	Mandatory Sinking Fund Payment Amount	Sinking Fund Payment Date	Mandatory Sinking Fund Payment Amount
01/01/2024	\$ 1,700	01/01/2034	\$ 2,400
07/01/2024	2,700	07/01/2034	2,300
01/01/2025	2,700	01/01/2035	2,300
07/01/2025	2,700	07/01/2035	2,300
01/01/2026	2,700	01/01/2036	2,200
07/01/2026	2,700	07/01/2036	2,200
01/01/2027	2,700	01/01/2037	2,200
07/01/2027	2,600	07/01/2037	2,200
01/01/2028	2,600	01/01/2038	2,100
07/01/2028	2,600	07/01/2038	2,100
01/01/2029	2,600	01/01/2039	2,100
07/01/2029	2,600	07/01/2039	2,000
01/01/2030	2,500	01/01/2040	2,000
07/01/2030	2,500	07/01/2040	2,000
01/01/2031	2,500	01/01/2041	1,900
07/01/2031	2,500	07/01/2041	1,900
01/01/2032	2,500	01/01/2042	1,800
07/01/2032	2,400	07/01/2042	1,800
01/01/2033	2,400	01/01/2043	1,800
07/01/2033	2,400	07/01/2043*	1,700

\*Final maturity.

(d) Notice and Effect of Redemption. The date of redemption and the principal amount of the Series 2023 Bonds to be redeemed shall be fixed by the City Finance Director. If the Registrar is other than the City Finance Director, the City Finance Director shall give notice of redemption to the Registrar 45 days prior to the date set for redemption in order for the Registrar to give notice, by first class mail, postage prepaid, to the owners of the Series 2023 Bonds at their addresses appearing on the bond register, of the respective principal amounts of the Series 2023 Bonds to be redeemed and the date on which payment will be made, which date shall be not less than 30 days after the date of mailing notice. On the date so fixed, interest on the principal amounts of the Series 2023 Bonds so redeemed shall cease to accrue. Notwithstanding anything herein to the contrary, no notice is required for mandatory sinking fund redemption pursuant to Section 2.05(c)(i) and (ii) hereof.

2.06. Form. The Series 2023A Bonds shall be prepared in substantially the form set forth in Exhibit A hereto, and by this reference made a part hereof, with such modifications as are permitted by the Act. The Series 2023B Bonds shall be prepared in substantially the form set

forth in Exhibit B hereto, and by this reference made a part hereof, with such modifications as are permitted by the Act.

2.07. Execution, Registration and Delivery. The Series 2023 Bonds shall be prepared under the direction of the City Finance Director and shall be executed on behalf of the City by the signatures of the Mayor, the City Finance Director and the City Clerk and sealed with the official seal of the City; provided that the seal and all signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on any Series 2023 Bond shall cease to be such officer before the delivery of such Series 2023 Bond, 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 entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Series 2023 Bond has been duly executed by the manual signature of an authorized representative of the Registrar. The certificate of authentication on a different Series 2023 Bond need not be signed by the same representative. The executed certificate of authentication on each of the Series 2023 Bonds shall be conclusive evidence that such bond has been authenticated and delivered under this Resolution. When the Series 2023 Bonds have been so executed, authenticated and registered, the Series 2023 Bonds shall be delivered by the Registrar to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed.

2.07. Application of Proceeds. From the proceeds of the Series 2023A Bonds, the City Finance Director shall credit \$27,460 to the Revolving Fund and from the proceeds of the Series 2023B Bonds, the City Finance Director shall credit \$4,595 to the Revolving Fund, in each case as required by Section 7-12-4169(2) of the Act. The balance of the proceeds of the Series 2023A Bonds and Series 2023B Bonds shall be credited to the 2023A Construction Subaccount and 2023B Construction Subaccount, respectively, and used solely for the purposes described in Section 3.02.

### Section 3. Sidewalk Sinking Funds and Accounts; Assessments.

#### 3.01. Sidewalk Sinking Funds.

(a) There is hereby created and established the fund designated as the “2023A Sidewalk, Curb, Gutter and Alley Approach Sinking Fund” which shall be maintained by the City Finance Director on the books and records of the City separate and apart from all other funds of the City. Within the 2023A Sidewalk Sinking Fund there shall be maintained three separate subaccounts, designated as the “2023A Construction Subaccount,” the “2023A Principal Subaccount” and the “2023A Interest Subaccount,” respectively.

(b) There is hereby created and established the fund designated as the “2023B Sidewalk, Curb, Gutter and Alley Approach Sinking Fund” which shall be maintained by the City Finance Director on the books and records of the City separate and apart from all other funds of the City. Within the 2023B Sidewalk Sinking Fund there shall be maintained three separate subaccounts, designated as the “2023B Construction Subaccount,” the “2023B Principal Subaccount” and the “2023B Interest Subaccount,” respectively.

### 3.02. Construction Subaccounts.

(a) There shall be credited to the 2023A Construction Subaccount the proceeds of the sale of the Series 2023A Bonds remaining after the required deposits to the Revolving Fund (\$521,740), of which \$498,104.69 shall be applied to reimburse the City for costs of the Improvements and \$23,635.31 shall be applied to pay costs of issuing the Series 2023A Bonds. After the City has been reimbursed for all costs of the Improvements to be reimbursed from proceeds of the Series 2023A Bonds and after all costs of issuance have been fully paid and satisfied, any money remaining in the 2023A Construction Subaccount shall be transferred to the 2023A Principal Subaccount and used to redeem principal amounts of the Series 2023A Bonds as provided in Section 3.03.

(b) There shall be credited to the 2023B Construction Subaccount the proceeds of the sale of the Series 2023B Bonds remaining after the required deposits to the Revolving Fund (\$87,305), of which \$83,276.04 shall be applied to reimburse the City for costs of the Improvements and \$4,028.96 shall be applied to pay costs of issuing the Series 2023B Bonds. After the City has been reimbursed for all costs of the Improvements to be reimbursed from proceeds of the Series 2023B Bonds and after all costs of issuance have been fully paid and satisfied, any money remaining in the 2023B Construction Subaccount shall be transferred to the 2023B Principal Subaccount and used to redeem principal amounts of the Series 2023B Bonds as provided in Section 3.03.

3.03. Principal Subaccounts and Interest Subaccounts. Money in the 2023A Principal Subaccount and the 2023A Interest Subaccount shall be used only for payment of the principal of and interest on the Series 2023A Bonds as such payments become due or to redeem all or a portion of the principal amount of the Series 2023A Bonds. Money in the 2023B Principal Subaccount and the 2023B Interest Subaccount shall be used only for payment of the principal of and interest on the Series 2023B Bonds as such payments become due or to redeem all or a portion of the principal amount of the Series 2023B Bonds. **The Series 2023A Bonds and Series 2023B Bonds are issued as separate series due to differing federal and state tax treatment of the income thereon; however, the Series 2023A Bonds and Series 2023B Bonds are secured equally, ratably and on a parity from assessments to be paid by owners of the property benefited by the Improvements, and are also secured by the Revolving Fund as described herein.**

Upon collection of the installment of principal and interest due on November 30 and May 31 of each year on the special assessments to be levied with respect to the Improvements, the City Finance Director shall credit to the respective Interest Subaccount, pro rata based on the amount of interest next coming due on the Series 2023A Bonds and Series 2023B Bonds, respectively, so much of said special assessments as is collected as interest payment and the balance thereof to the respective Principal Subaccounts, pro rata based on the amount of principal next coming due on the Series 2023A Bonds and Series 2023B Bonds, respectively. Any installment of any special assessment paid prior to its due date with interest accrued thereon to the next succeeding interest payment date shall be credited with respect to principal and interest payments in the same manner as other assessments are credited to the Principal Subaccounts and Interest Subaccounts. All money in the Interest Subaccounts and the Principal Subaccounts shall be used first to pay interest then due, and any remaining money shall be used

to pay principal then due and, if money is available, to redeem all or a portion of the principal amount of the Series 2023 Bonds in accordance with Section 2.05; provided that any money transferred to a Principal Subaccount from a Construction Subaccount pursuant to Section 3.02 shall be applied to redeem the Series 2023 Bonds to the extent possible on the next interest payment date for which notice of redemption has been properly given pursuant to Section 2.05(a). Interest shall be paid from the respective Interest Subaccount as accrued on the Series 2023 Bonds to the date of redemption, in accordance with the provisions of Section 7-12-4206 of the Act.

3.04. Loans From Revolving Fund. The Council shall annually or more often if necessary issue an order authorizing a loan or advance from the Revolving Fund in an amount sufficient to make good any deficiency then existing in the Interest Subaccount and issue an order authorizing a loan or advance from the Revolving Fund in an amount sufficient to make good any deficiency then existing in the Principal Subaccounts, in each case to the extent that money is available in the Revolving Fund. A deficiency shall be deemed to exist in the Principal Subaccounts or Interest Subaccounts if the money on deposit therein on any December 15 or June 15 (excluding amounts in the Principal Subaccount representing prepaid special assessments) is less than the amount necessary to pay the principal of and interest on the Series 2023A Bonds and/or Series 2023B Bonds, as applicable (other than upon mandatory or optional redemption pursuant to Section 2.05(a) and (b) hereof), on the next succeeding Sinking Fund Payment Date.

Pursuant to Ordinance No. 601, the City has undertaken and agreed to provide funds for the Revolving Fund by annually levying such tax or making such loan from the general fund of the City, subject to the limitation that no such tax levy or loan may in any year cause the balance in the Revolving Fund to exceed five percent of the principal amount of the City's then outstanding special improvement and sidewalk, curb, gutter and alley approach bonds and warrants secured thereby and subject to the durational limitations specified in the Act. In the event that the balance on hand in the Revolving Fund fifteen days prior to any date when interest is due on special improvement and sidewalk, curb, gutter and alley approach bonds and warrants of the City is not sufficient to make good all deficiencies then existing in the funds for which the City covenants to make loans from the Revolving Fund, the balance on hand in the Revolving Fund shall be allocated to the funds in which such deficiencies then exist in proportion to the amounts of the deficiencies on the respective dates of receipt of such money, until all interest accrued on such special improvement and sidewalk, curb, gutter and alley approach bonds and warrants of the City has been paid and to the extent of amounts available in the Revolving Fund. On any date when all accrued interest on special improvement and sidewalk, curb, gutter and alley approach bonds and warrants of the City payable from funds for which the City has covenanted to make loans from the Revolving Fund has been paid, any balance remaining in the Revolving Fund shall be loaned or advanced to the funds for payment and redemption of bonds and warrants to the extent such funds are deficient for such purpose and, if money in the Revolving Fund is insufficient therefor, *pro rata* in an amount proportionate to the amount of such deficiency.

The City hereby determines, covenants and agrees to levy the property tax described in the immediately preceding paragraph to provide funds for the Revolving Fund so long as Series 2023 Bonds are outstanding to the extent required under the provisions of this Resolution and the

Act, even though such property tax levy may, under applicable law or provisions of the home rule charter of the City, require that property tax levies of the City for other purposes be reduced correspondingly.

Section 4. Covenants. The City covenants and agrees with the owners from time to time of the Series 2023 Bonds that until the principal amount of the Series 2023 Bonds and interest thereon are fully paid:

4.01. Compliance with Resolution. The City will hold the 2023A Sidewalk Sinking Fund and 2023B Sidewalk Sinking Fund and the Revolving Fund as trust funds, separate and apart from all of its other funds, and the City, its officers and agents, will comply with all covenants and agreements contained in this Resolution.

4.02. Levy of Assessments. The City will do all acts and things necessary for the final and valid levy of special assessments upon all assessable real property adjacent to the Improvements, in accordance with the Constitution and laws of the State of Montana and the Constitution of the United States, in an aggregate principal amount not less than \$641,100. Such special assessments shall be levied on the basis or bases prescribed in the resolutions ordering in the Improvements, and shall be payable in substantially equal semiannual installments of principal and interest, at an annual rate equal to the sum of: (i) the average blended annual interest rate borne by the Series 2023 Bonds, plus (ii) one-half of one percent (0.50%) per annum. The assessments to be levied will be payable on the 30th day of November in each of the years 2023 through 2042, and on the 31st day of May in the years 2024 through 2043, inclusive, if not theretofore paid, and shall become delinquent on such date unless paid in full. The first partial payment of each assessment shall include interest on the entire assessment from the date of original registration of the Series 2023 Bonds to January 1, 2024. 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 7-12-4191 of the Act. No tax deed issued with respect to any lot or parcel of land shall operate as payment of any installment of the assessment thereon which is payable after the execution of such deed, and any tax deed so issued shall convey title subject only to the lien of said future installments, as provided in Montana Code Annotated, Section 15-18-214.

4.03. Reassessment. If at any time and for whatever reason any special assessment or tax herein agreed to be levied is held invalid, the City and this Council, its officers and employees, will take all steps necessary to correct the same and to reassess and re-levy the same, with the same force and effect as if made at the time provided by law, ordinance or resolution relating thereto, and will reassess and re-levy the same with the same force and effect as an original levy thereof, as authorized in Section 7-12-4186 of the Act. Any special assessment, or reassessment or re-levy shall, so far as is practicable, be levied and collected as it would have been if the first levy had been enforced including the levy and collection of any interest accrued on the first levy.

If proceeds of the Series 2023 Bonds, including investment income thereon, are applied to the redemption of the Series 2023 Bonds, as provided in Sections 7-12-4205 and 7-12-4206 of the Act, or if refunding bonds are issued and the outstanding principal amount of the Series 2023

Bonds is decreased or increased, the City will reduce or increase, respectively, the assessments levied in the respective project area and then outstanding pro rata by the principal amount of such prepayment or the increment above or below the outstanding principal amount of the Series 2023 Bonds represented by the refunding bonds. The City and this Council, its officers and employees will reassess and re-levy such assessments, with the same effect as an original levy, in such reduced or increased amounts in accordance with the provisions of Sections 7-12-4176 through 7-12-4178 of the Act.

4.04. Absence of Litigation. There is now no litigation pending or, to the best knowledge of the City, threatened questioning the validity or regularity of the ordering of the Improvements, the contracts for construction of the Improvements or the undertaking and agreement of the City to levy special assessments therefor and to make good any deficiency in the collection thereof through the levy of taxes for and the making of advances from the Revolving Fund, or the right and power of the City to issue the Series 2023 Bonds or in any manner questioning the existence of any condition precedent to the exercise of the City's powers in these matters. If any such litigation should be initiated or threatened, the City will forthwith notify in writing the Purchaser, and will furnish the Purchaser a copy of all documents, including pleadings, in connection with such litigation.

4.05. Waiver of Penalty and Interest. The City covenants not to waive the payment of penalty or interest on delinquent assessments levied for costs of the Improvements, unless the City determines, by resolution of the Council, that such waiver is in the best interest of the owners of the Series 2023 Bonds.

## Section 5. Tax Matters.

5.01. Use of Improvements. The Improvements 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 Improvements or security for the payment of the Series 2023B Bonds which might cause the Series 2023B Bonds to be considered "private activity bonds" or "private loan bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986 (the "Code").

5.02. General Covenant. The City covenants and agrees with the owners of the Series 2023B Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Series 2023B Bonds to become includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations (the "Regulations"), and covenants to take any and all actions within its powers to ensure that the interest on the Series 2023B Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

5.03. Arbitrage Certification. The Mayor, the City Finance Director and the City Clerk, being the officers of the City charged with the responsibility for issuing the Series 2023B Bonds pursuant to this Resolution, are 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 2023B Bonds, it is reasonably expected that the proceeds of the Series 2023B Bonds will be used in a manner that would not cause the Series

2023B Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and the Regulations.

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

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

Section 6. Authentication of Transcript. The officers of the City are hereby authorized and directed to furnish to the Purchaser and to Bond Counsel certified copies of all proceedings relating to the issuance of the Series 2023 Bonds and such other certificates and affidavits as may be required to show the right, power and authority of the City to issue the Series 2023 Bonds, and all statements contained in and shown by such instruments, including any heretofore furnished, shall constitute representations of the City as to the truth of the statements purported to be shown thereby.

Section 7. Defeasance.

7.01. General. When the liability of the City on the Series 2023 Bonds issued under and secured by this Resolution has been discharged as provided in this Section 7, all pledges, covenants and other rights granted by this Resolution to the owners of the Series 2023 Bonds shall cease.

7.02. Payment. The City may discharge its liability with reference to any Series 2023 Bond or installment of interest thereon which is due on any date by depositing with the Registrar on or before that date funds sufficient, or, if a City officer is the Registrar, mailing to the registered owner of the Series 2023 Bonds a check or draft in a sum sufficient and providing proceeds available, for the payment thereof in full; or if any Series 2023 Bond or installment of interest thereon shall not be paid when due, the City may nevertheless discharge its liability with reference thereto by depositing with the Registrar funds sufficient, or, if a City officer is the Registrar, by mailing to the registered owner thereof a check or draft in a sum sufficient and providing proceeds available, for the payment thereof in full with interest accrued to the date of such deposit or mailing.



7.03. Prepayment. The City may also discharge its obligations with respect to any Series 2023 Bond called for redemption on any date when it is prepayable in accordance with its terms, by on or before that date depositing with the Registrar funds sufficient, or, if a City officer is the Registrar, mailing to the registered owner of such Series 2023 Bonds a check or a draft in a sum sufficient and providing proceeds available, for the payment of the principal, interest and redemption premium, if any, which are then due; provided that notice of such redemption has been duly given as provided herein or irrevocably provided for.

7.04. Escrow. The City may also at any time discharge its liability in its entirety with reference to the Series 2023 Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to provide funds sufficient to pay all principal and interest to become due on the Series 2023 Bonds on or before maturity or, if the Series 2023 Bonds has been duly called for redemption or notice of such redemption has been irrevocably provided for, on or before the designated redemption date.

7.05. Irrevocable Deposits. If an officer of the City is the Registrar, any deposit made under this Section 7 with the Registrar shall be irrevocable and held for the benefit of the owner of the Series 2023 Bonds in respect of which such deposits have been made.

#### Section 8. Repeals and Effective Date.

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

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

PASSED AND ADOPTED by the City Council of the City of Missoula, Montana, this 14th day of August, 2023.

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Mayor

Attest: \_\_\_\_\_  
City Clerk

(SEAL)

EXHIBIT A

UNITED STATES OF AMERICA  
STATE OF MONTANA  
MISSOULA COUNTY

**CITY OF MISSOULA**

POOLED SPECIAL SIDEWALK, CURB, GUTTER AND  
ALLEY APPROACH BOND, TAXABLE SERIES 2023A

Interest at the rate per annum specified below,  
payable on the 1<sup>st</sup> day of January and the 1<sup>st</sup> day of July  
in each year, commencing January 1, 2024.

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
[ ]%	July 1, 20[ ]	September 14, 2023
No. R-[ ]		[\$[ ]].00

REGISTERED OWNER: TRAILWEST BANK

PRINCIPAL AMOUNT: [ ] AND NO/100 DOLLARS

FOR VALUE RECEIVED, the City of Missoula, Montana (the “City”), will pay to the registered owner identified above, or registered assigns, on the maturity date specified above the principal amount specified above, solely from the revenues hereinafter specified, as authorized by Resolution No. [ ], adopted August 14, 2023 (the “Bond Resolution”), all subject to the provisions hereinafter described relating to the redemption of this Bond before 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 maturity date specified above or an earlier date on which this Bond shall have been duly called for redemption by the City Finance Director. Interest on this Bond is payable semiannually on the 1st day of January and the 1st day of July in each year, commencing January 1, 2024, to the owner of record of this Bond appearing as such in the bond register as of the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. Interest on and, upon presentation and surrender hereof at the principal office of the Registrar, the principal of this Bond, shall be payable by check or draft drawn on the Registrar. Notwithstanding the foregoing, so long as this Bond is evidenced by a single, fully registered term Bond, it shall not be necessary to present and surrender this Bond until the full redemption hereof pursuant to the Bond Resolution, but the Registrar shall note in the bond register such principal payment. The principal of and interest on this Bond are payable in lawful money of the United States of America. Interest on this Bond shall be calculated on the basis of a 360-day year composed of twelve 30-day months. The City Finance Director shall initially serve as Registrar for this Bond.

This Bond is one of an issue in the aggregate principal amount of \$549,200 (the “Series 2023A Bonds”), all of like date of original issue and tenor, except as to serial number, denomination, interest rate and maturity date. The Series 2023A Bonds are 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 14, Part 41 and Title 7, Chapter 12, Parts 41 and 42, as amended (the “Act”), and ordinances and resolutions duly adopted by the governing body of the City, including the Bond Resolution. Pursuant to the Bond Resolution, the City is issuing simultaneously herewith its Pooled Special Sidewalk, Curb, Gutter and Alley Approach Bonds, Series 2023B (the “Series 2023B Bonds” and, together with the Series 2023A Bonds, the “Series 2023 Bonds”). The Series 2023 Bonds are issued for the purpose of reimbursing the City for costs of installation, construction, reconstruction or replacements of certain curbs, gutters, sidewalks, drive approaches, driveways, alley approaches and appurtenant improvements in certain locations in the City (collectively, the “Improvements”), to fund a deposit to the Special Improvement District Revolving Fund (the “Revolving Fund”) and to pay costs of issuance of the Series 2023 Bonds.

The Series 2023A Bonds are payable from and secured by, equally and ratably and on a parity with the Series 2023B Bonds, the collection of special assessments levied upon all assessable real property adjacent to the Improvements, in an aggregate principal amount not less than \$641,100, except as such amounts may be reduced or increased in accordance with provisions of Montana law. Such assessments constitute a lien against the property against which they are made and levied and are to be deposited, on a pro rata basis, into the 2023A Special Sidewalk, Curb, Gutter and Alley Approach Sinking Fund of the City (the “2023A Sidewalk Sinking Fund”) and 2023B Special Sidewalk, Curb, Gutter and Alley Approach Sinking Fund of the City (the “Series 2023B Sidewalk Sinking Fund” and, together with the 2023A Sidewalk Sinking Fund, the “2023 Sidewalk Sinking Funds”). The Series 2023 Bonds are not general obligations of the City.

The City has validly established the Revolving Fund to secure the payment of certain of its special improvement and sidewalk, curb, gutter and alley approach bonds and warrants, including the Series 2023A Bonds. The City has also agreed, to the extent permitted by the Act, to issue orders annually, or more often as necessary, authorizing loans or advances from the Revolving Fund to the 2023 Sidewalk Sinking Fund, in amounts sufficient to make good any deficiency in the 2023 Sidewalk Sinking Fund to pay principal of or interest on the Series 2023 Bonds, to the extent money is available in the Revolving Fund, and to provide funds for the Revolving Fund by annually levying such tax or making such loan from its general fund, subject to the limitation that no such tax levy or loan may in any year cause the balance in the Revolving Fund to exceed five percent of the principal amount of the City’s then outstanding special improvement and sidewalk, curb, gutter and alley approach bonds and warrants secured thereby and subject to the durational limitations specified in the Act. While any property tax levy to be made by the City to provide funds for the Revolving Fund is subject to levy limits under current law, the City has agreed in the Bond Resolution to levy property taxes to provide funds for the Revolving Fund to the extent described in this paragraph and, if necessary, to reduce other property tax levies correspondingly to meet applicable levy limits.

If on any interest payment date there will be a balance in the 2023 Sidewalk Sinking Fund after payment of the principal and interest due on the Series 2023 Bonds drawn against it, either from the prepayment of assessments or from the transfer of surplus money from a Construction

Subaccount to a Principal Subaccount, the City Finance Director shall call for redemption on the interest payment date the principal amount of the Series 2023 Bonds which, together with the interest thereon to the interest payment date, will equal the amount of such funds on deposit in the 2023 Sidewalk Sinking Fund on that date. The redemption price shall equal the principal amount of the Series 2023 Bonds to be redeemed plus interest accrued to the date of redemption. Such mandatory redemption payments shall be applied as directed by the City Finance Director.

The Series 2023 Bonds are subject to redemption at any time, at the option of the City, in whole or in part, from sources of funds available therefor (other than those described in Section 2.05(a) of the Bond Resolution), at a redemption price equal to the principal amount hereof to be redeemed plus interest accrued to the redemption date, without premium. Such optional redemption payments shall be applied as directed by the City Finance Director.

This Bond is subject to redemption on January 1 and July 1 of the years (herein referred to as a “Sinking Fund Payment Date”) and in the principal amounts (hereinafter referred to as a “Mandatory Sinking Fund Payment”) set forth below:

[20 ] Term Bond			
Sinking Fund Payment Date	Mandatory Sinking Fund Payment Amount	Sinking Fund Payment Date	Mandatory Sinking Fund Payment Amount

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\*Final maturity.

The date of redemption and principal amount of this Bond to be redeemed shall be fixed by the City Finance Director. If the Registrar is other than the City Finance Director, the City Finance Director shall give notice of redemption to the Registrar 45 days prior to the date set for redemption in order for the Registrar to give notice, by first class mail, postage prepaid, to the owner of this Bond at its addresses appearing on the bond register, of the principal amount of this Bond to be redeemed and the date on which payment will be made, which date shall not be less than 30 days after the date of mailing of notice. On the date so fixed interest on this Bond or principal amount thereof so redeemed shall cease to accrue.

As provided in the Bond Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Registrar, by the registered owner hereof in person or by his attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange, the City will cause a new Bond 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 all things required to be done precedent to the issuance of this Bond have been properly done, happened and been performed in the manner prescribed by the laws of the State of Montana and the resolutions and ordinances of the City of Missoula, Montana, relating to the issuance hereof.

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

IN WITNESS WHEREOF, the City of Missoula, Montana, by its City Council, has caused this Bond to be executed by the facsimile signatures of the Mayor, the City Finance Director and the City Clerk, and by a printed facsimile of the official seal of the City.

CITY OF MISSOULA, MONTANA

(Facsimile Signature)  
MAYOR

(Facsimile Seal)

(Facsimile Signature)  
CITY FINANCE DIRECTOR

(Facsimile Signature)  
CITY CLERK

Dated:

CERTIFICATE OF AUTHENTICATION

This Bond is delivered pursuant to the Resolution mentioned herein.

CITY OF MISSOULA, MONTANA,  
as Registrar, Transfer Agent, and  
Paying Agent

By \_\_\_\_\_  
City Finance Director

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

TEN COM -- as tenants  
in common

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

TEN ENT -- as tenants  
by the entirety

under Uniform Gifts to

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

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

EXHIBIT B

UNITED STATES OF AMERICA  
STATE OF MONTANA  
MISSOULA COUNTY

**CITY OF MISSOULA**

POOLED SPECIAL SIDEWALK, CURB, GUTTER AND  
ALLEY APPROACH BOND, SERIES 2023B

Interest at the rate per annum specified below,  
payable on the 1<sup>st</sup> day of January and the 1<sup>st</sup> day of July  
in each year, commencing January 1, 2024.

Interest <u>Rate</u>	Maturity <u>Date</u>	Date of <u>Original Issue</u>
5.25%	July 1, 2043	September 14, 2023

No. R-1	\$91,900.00
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REGISTERED OWNER: TRAILWEST BANK

PRINCIPAL AMOUNT: NINETY ONE THOUSAND NINE HUNDRED AND NO/100  
DOLLARS

FOR VALUE RECEIVED, the City of Missoula, Montana (the “City”), will pay to the registered owner identified above, or registered assigns, on the maturity date specified above the principal amount specified above, solely from the revenues hereinafter specified, as authorized by Resolution No. [\_\_\_\_], adopted August 14, 2023 (the “Bond Resolution”), all subject to the provisions hereinafter described relating to the redemption of this Bond before 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 maturity date specified above or an earlier date on which this Bond shall have been duly called for redemption by the City Finance Director. Interest on this Bond is payable semiannually on the 1<sup>st</sup> day of January and the 1<sup>st</sup> day of July in each year, commencing January 1, 2024, to the owner of record of this Bond appearing as such in the bond register as of the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. Interest on and, upon presentation and surrender hereof at the principal office of the Registrar, the principal of this Bond, shall be payable by check or draft drawn on the Registrar. Notwithstanding the foregoing, so long as this Bond is evidenced by a single, fully registered term Bond, it shall not be necessary to present and surrender this Bond until the full redemption hereof pursuant to the Bond Resolution, but the Registrar shall note in the bond register such principal payment. The principal of and interest on this Bond are payable in lawful money of the United States of America. Interest on this Bond shall be calculated on the basis of a 360-day year composed of twelve 30-day months. The City Finance Director shall initially serve as Registrar for this Bond.



This Bond constitutes an issue in the aggregate principal amount of \$91,900 (the “Series 2023B Bonds”). The Series 2023B Bonds are 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 14, Part 41 and Title 7, Chapter 12, Parts 41 and 42, as amended (the “Act”), and ordinances and resolutions duly adopted by the governing body of the City, including the Bond Resolution. Pursuant to the Bond Resolution, the City is issuing simultaneously herewith its Pooled Special Sidewalk, Curb, Gutter and Alley Approach Bonds, Taxable Series 2023A (the “Series 2023A Bonds” and, together with the Series 2023B Bonds, the “Series 2023 Bonds”). The Series 2023 Bonds are issued for the purpose of reimbursing the City for costs of installation, construction, reconstruction or replacements of certain curbs, gutters, sidewalks, drive approaches, driveways, alley approaches and appurtenant improvements in certain locations in the City (collectively, the “Improvements”), to fund a deposit to the Special Improvement District Revolving Fund (the “Revolving Fund”) and to pay costs of issuance of the Series 2023 Bonds.

The Series 2023B Bonds are payable from and secured by, equally and ratably and on a parity with the Series 2023A Bonds, the collection of special assessments levied upon all assessable real property adjacent to the Improvements, in an aggregate principal amount not less than \$641,100, except as such amounts may be reduced or increased in accordance with provisions of Montana law. Such assessments constitute a lien against the property against which they are made and levied and are to be deposited, on a pro rata basis, into the 2023A Special Sidewalk, Curb, Gutter and Alley Approach Sinking Fund of the City (the “2023A Sidewalk Sinking Fund”) and 2023B Special Sidewalk, Curb, Gutter and Alley Approach Sinking Fund of the City (the “Series 2023B Sidewalk Sinking Fund” and, together with the 2023A Sidewalk Sinking Fund, the “2023 Sidewalk Sinking Funds”). The Series 2023 Bonds are not general obligations of the City.

The City has validly established the Revolving Fund to secure the payment of certain of its special improvement and sidewalk, curb, gutter and alley approach bonds and warrants, including the Series 2023B Bonds. The City has also agreed, to the extent permitted by the Act, to issue orders annually, or more often as necessary, authorizing loans or advances from the Revolving Fund to the 2023 Sidewalk Sinking Fund, in amounts sufficient to make good any deficiency in the 2023 Sidewalk Sinking Fund to pay principal of or interest on the Series 2023 Bonds, to the extent money is available in the Revolving Fund, and to provide funds for the Revolving Fund by annually levying such tax or making such loan from its general fund, subject to the limitation that no such tax levy or loan may in any year cause the balance in the Revolving Fund to exceed five percent of the principal amount of the City’s then outstanding special improvement and sidewalk, curb, gutter and alley approach bonds and warrants secured thereby and subject to the durational limitations specified in the Act. While any property tax levy to be made by the City to provide funds for the Revolving Fund is subject to levy limits under current law, the City has agreed in the Bond Resolution to levy property taxes to provide funds for the Revolving Fund to the extent described in this paragraph and, if necessary, to reduce other property tax levies correspondingly to meet applicable levy limits.

If on any interest payment date there will be a balance in the 2023 Sidewalk Sinking Fund after payment of the principal and interest due on the Series 2023 Bonds drawn against it, either from the prepayment of assessments or from the transfer of surplus money from a Construction Subaccount to a Principal Subaccount, the City Finance Director shall call for redemption on the interest payment date the principal amount of the Series 2023 Bonds which, together with the

interest thereon to the interest payment date, will equal the amount of such funds on deposit in the 2023 Sidewalk Sinking Fund on that date. The redemption price shall equal the principal amount of the Series 2023 Bonds to be redeemed plus interest accrued to the date of redemption. Such mandatory redemption payments shall be applied as directed by the City Finance Director.

The Series 2023B Bonds are subject to redemption at any time, at the option of the City, in whole or in part, from sources of funds available therefor (other than those described in Section 2.05(a) of the Bond Resolution), at a redemption price equal to the principal amount hereof to be redeemed plus interest accrued to the redemption date, without premium. Such optional redemption payments shall be applied as directed by the City Finance Director.

This Bond is subject to redemption on January 1 and July 1 of the years (herein referred to as a “Sinking Fund Payment Date”) and in the principal amounts (hereinafter referred to as a “Mandatory Sinking Fund Payment”) set forth below:

2043 Term Bond			
Sinking Fund Payment Date	Mandatory Sinking Fund Payment Amount	Sinking Fund Payment Date	Mandatory Sinking Fund Payment Amount
01/01/2024	\$ 1,700	01/01/2034	\$ 2,400
07/01/2024	2,700	07/01/2034	2,300
01/01/2025	2,700	01/01/2035	2,300
07/01/2025	2,700	07/01/2035	2,300
01/01/2026	2,700	01/01/2036	2,200
07/01/2026	2,700	07/01/2036	2,200
01/01/2027	2,700	01/01/2037	2,200
07/01/2027	2,600	07/01/2037	2,200
01/01/2028	2,600	01/01/2038	2,100
07/01/2028	2,600	07/01/2038	2,100
01/01/2029	2,600	01/01/2039	2,100
07/01/2029	2,600	07/01/2039	2,000
01/01/2030	2,500	01/01/2040	2,000
07/01/2030	2,500	07/01/2040	2,000
01/01/2031	2,500	01/01/2041	1,900
07/01/2031	2,500	07/01/2041	1,900
01/01/2032	2,500	01/01/2042	1,800
07/01/2032	2,400	07/01/2042	1,800
01/01/2033	2,400	01/01/2043	1,800
07/01/2033	2,400	07/01/2043*	1,700

\*Final maturity.

The date of redemption and principal amount of this Bond to be redeemed shall be fixed by the City Finance Director. If the Registrar is other than the City Finance Director, the City Finance Director shall give notice of redemption to the Registrar 45 days prior to the date set for redemption in order for the Registrar to give notice, by first class mail, postage prepaid, to the owner of this Bond at its addresses appearing on the bond register, of the principal amount of this

Bond to be redeemed and the date on which payment will be made, which date shall not be less than 30 days after the date of mailing of notice. On the date so fixed interest on this Bond or principal amount thereof so redeemed shall cease to accrue.

As provided in the Bond Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Registrar, by the registered owner hereof in person or by his attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange, the City will cause a new Bond 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 all things required to be done precedent to the issuance of this Bond have been properly done, happened and been performed in the manner prescribed by the laws of the State of Montana and the resolutions and ordinances of the City of Missoula, Montana, relating to the issuance hereof.

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

IN WITNESS WHEREOF, the City of Missoula, Montana, by its City Council, has caused this Bond to be executed by the facsimile signatures of the Mayor, the City Finance Director and the City Clerk, and by a printed facsimile of the official seal of the City.

CITY OF MISSOULA, MONTANA

(Facsimile Signature)  
MAYOR

(Facsimile Seal)

(Facsimile Signature)  
CITY FINANCE DIRECTOR

(Facsimile Signature)  
CITY CLERK

Dated:

#### CERTIFICATE OF AUTHENTICATION

This Bond is delivered pursuant to the Resolution mentioned herein.

CITY OF MISSOULA, MONTANA,  
as Registrar, Transfer Agent, and  
Paying Agent

By \_\_\_\_\_  
City Finance Director

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

TEN COM -- as tenants  
in common

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

TEN ENT -- as tenants  
by the entirety

under Uniform Gifts to

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

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