

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 \$[\_\_\_\_] Sewer System Revenue and Refunding Bonds, Series 2020A and \$[\_\_\_\_] Taxable Sewer System Revenue Refunding Bonds, Series 2020B; Authorizing the Issuance and Prescribing the Forms and Terms Thereof and the Security Therefor**" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a regular meeting on June 22, 2020, and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

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

WITNESS my hand officially this 22nd day of June, 2020.

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

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

**Resolution Relating to \$[\_\_\_\_\_] Sewer System Revenue and Refunding Bonds, Series 2020A and \$[\_\_\_\_\_] Taxable Sewer System Revenue Refunding Bonds, Series 2020B; Authorizing the Issuance and Prescribing the Forms and Terms Thereof and the Security Therefor**

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

Section 1. Definitions, Authorizations and Findings.

1.01. Authorization. Under Montana Code Annotated, Title 7, Chapter 7, Parts 44 and 45, as amended (the “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 and to issue refunding bonds to refund bonds issued for such purposes; 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 such sewer system, and are not to create any obligation of the City for the payment of which taxes may be levied except to pay for services provided by the sewer system to the City.

1.02. Prior City Actions. In accordance with the Act, and pursuant to a resolution adopted on June 22, 2020 amending and restating prior sewer revenue bond resolutions (the “Original Resolution”), 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 2000B;
- First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2001A;
- First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2002A;
- First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2002B;
- First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2003;
- First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2004;
- First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2005;

- First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2009B;
- Taxable Sewer Revenue Bonds, Series 2010 (Recovery Zone Economic Development Bonds—Direct Pay) (the “Series 2010 Bonds”);
- Taxable Sewer System Revenue Bonds, Series 2011 (the “Series 2011 Bonds”);
- Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2015;
- Sewer System Revenue Bond, Series 2016A; and
- Sewer System Revenue Bond, Series 2016B.

The Bonds described above, excluding the Series 2010 Bonds and Series 2011 Bonds, 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.

#### 1.03. Authorization and Sale of Series 2020 Bonds.

(a) Pursuant to Resolution No. [\_\_\_\_], adopted by the Council on June 1, 2020 (the “Authorizing Resolution”), this Council authorized and provided for the sale and issuance of its Sewer System Revenue and Refunding Bonds, Series 2020A (the “Series 2020A Bonds”) and Taxable Sewer System Revenue Refunding Bonds, Series 2020B (the “Series 2020B Bonds”) and, together with the Series 2020A Bonds, the “Series 2020 Bonds”). Pursuant to such authorization, the City conducted a public sale duly noticed and held, pursuant to which bids were received on June 17, 2020 and thereafter the Mayor and City Finance Director were presented with tabulated bids.

(b) Based on such bids and in accordance with the parameters set forth in the Authorizing Resolution, on June 17, 2020, the Mayor and City Finance Director awarded the sale of the Series 2020A Bonds to [\_\_\_\_] (the “2020A Original Purchaser”), on its bid, which is attached hereto as Exhibit A-1, to purchase the Series 2020A Bonds at a price of \$[\_\_\_\_\_] (representing the principal amount of the Series 2020A Bonds (\$[\_\_\_\_\_] [plus/less] original issue [premium/discount] of \$[\_\_\_\_\_] and less underwriter’s discount of \$[\_\_\_\_\_] ). As further described in the Authorizing Resolution and herein, proceeds of the Series 2020A Bonds will be used to (i) pay or reimburse the City for costs of certain improvements to the System (the “Improvements”), (ii) refund the Series 2010 Bonds with stated maturities in 2021 and thereafter, (iii) fund a deposit to the Reserve Account and (iv) pay costs of issuance and of the refunding. The interest rates designated by the Original Purchaser in such bid and set forth in Section 2.01 result in a true interest cost of [\_\_\_\_\_]%. The net present value of debt service savings to be achieved by the refunding of the Series 2010 Bonds is [\_\_\_\_\_] % of the principal amount of the refunded Series 2010 Bonds, using the yield of the Series 2020A Bonds as the discount factor, calculated over the term of the refunded Series 2010 Bonds. It is hereby found, determined and declared that the interest rates and other terms of the Original Purchaser’s bid are in accordance

with the parameters set forth in the Authorizing Resolution and the award of the Series 2020A Bonds to the Original Purchaser is hereby ratified and confirmed.

(c) Based on such bids and in accordance with the parameters set forth in the Authorizing Resolution, on June 17, 2020, the Mayor and City Finance Director awarded the sale of the Series 2020B Bonds to [\_\_\_\_\_] (the “2020B Original Purchaser”), on its bid, which is attached hereto as Exhibit A-2, to purchase the Series 2020B Bonds at a price of \$[\_\_\_\_\_] (representing the principal amount of the Series 2020B Bonds (\$[\_\_\_\_\_] [plus/less] original issue [premium/discount] of \$[\_\_\_\_\_] and less underwriter’s discount of \$[\_\_\_\_\_] ). As further described in the Authorizing Resolution and herein, proceeds of the Series 2020B Bonds will be used to (i) refund the Series 2011 Bonds with stated maturities in 2021 and thereafter, (ii) fund a deposit to the Reserve Account and (iii) pay costs of issuance and of the refunding. The interest rates designated by the Original Purchaser in such bid and set forth in Section 2.01 result in a true interest cost of [\_\_\_\_\_]%. The net present value of debt service savings to be achieved by the refunding of the Series 2011 Bonds is [\_\_\_\_\_] % of the principal amount of the refunded Series 2011 Bonds, using the true interest cost of the Series 2020B Bonds as the discount factor, calculated over the term of the refunded Series 2011 Bonds. It is hereby found, determined and declared that the interest rates and other terms of the Original Purchaser’s bid are in accordance with the parameters set forth in the Authorizing Resolution and the award of the Series 2020B Bonds to the Original Purchaser is hereby ratified and confirmed.

1.04. Bond Insurance. In connection with the issuance of the Series [2020A/B] Bonds, the Original Purchaser has required the City to obtain bond insurance from [\_\_\_\_\_] (“[\_\_\_\_\_]”). In consideration for [\_\_\_\_\_]’s agreement to insure the Series [2020A/B] Bonds, the City hereby agrees to the provisions set forth in Exhibit [E] hereto, which are hereby incorporated herein.

The Mayor and City Finance Director are hereby authorized and directed to approve, execute and deliver to [\_\_\_\_\_] any documentation necessary for the issuance of the insurance policy for the Series [2020] Bonds.]

1.05. Additional Bonds. In Article V of the Original Resolution, the City reserved the right to issue Additional Bonds payable from and secured by Net Revenues of the System on a parity with the Outstanding Bonds on certain terms and conditions, including the requirement that 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 during the term of the Outstanding Bonds, on all Bonds then Outstanding and on the Additional Bonds proposed to be issued. The Net Revenues of the System for Fiscal Year ended June 30, 2019 were equal to \$2,652,821, which is more than 125% of the maximum amount of principal and interest payable on the Outstanding Bonds and Series 2020 Bonds in any Fiscal Year ( $\$[\_] \times 125\% = \$[\_]$ ). Therefore, it is determined that the City is authorized to issue the Series 2020 Bonds in the aggregate principal amount of \$[\_\_\_\_\_] on a parity with the Outstanding Bonds.

1.06. Recitals. All acts, conditions and things required by the Constitution and laws of the State to be done, to exist, to happen and to be performed prior to the issuance of the Series 2020 Bonds have been done, do exist, have happened, and have been performed in due time,

form and manner, wherefore it is now necessary for this Council to establish the form and terms of the Series 2020 Bonds, to provide for the security thereof and to issue the Series 2020 Bonds forthwith.

Section 2. Bond Terms, Execution and Delivery.

2.01. Term of Series 2020 Bonds.

(a) Series 2020A Bonds. The Series 2020A Bonds shall be designated “Sewer System Revenue and Refunding Bonds, Series 2020A.” The Series 2020A Bonds shall be in the denomination of \$5,000 each or any integral multiple thereof of single maturities. The Series 2020A Bonds shall mature on July 1 in the years and amounts listed below, and the Series 2020A Bonds maturing in such years and amounts shall bear interest from date of original issue until paid or duly called for redemption at the rates shown opposite such years and amounts, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2023			2030		
2024			2031		
2025			2032		
2026			2033		
2027			2034		
2028			2035		
2029					

[\*Term Bonds subject to mandatory sinking fund redemption as set forth in Section 2.07(a) below.]

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

(b) Series 2020B Bonds. The Series 2020B Bonds shall be designated “Taxable Sewer System Revenue Refunding Bonds, Series 2020B.” The Series 2020B Bonds shall be in the denomination of \$5,000 each or any integral multiple thereof of single maturities. The Series 2020B Bonds shall mature on July 1 in the years and amounts listed below, and the Series 2020B Bonds maturing in such years and amounts shall bear interest from date of original issue until paid or duly called for redemption at the rates shown opposite such years and amounts, as follows:

<u>Year</u>	<u>Principal Amount</u>
2023	\$100,000
2024	200,000
2025	200,000

2026	200,000
2027	210,000

[\*Term Bond subject to mandatory sinking fund redemption as set forth in Section 2.07(b) below.]

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

2.02. Registered Form, Interest Payment Dates. The Series 2020 Bonds shall be issuable only in fully registered form, and the ownership of the Series 2020 Bonds shall be transferred only upon the Bond Register of the City hereinafter described. The interest on the Series 2020 Bonds shall be payable on January 1 and July 1 in each year, commencing January 1, 2021. Interest on the Series 2020 Bonds shall be payable to the Owners thereof as of the close of business on the 15th day of the month immediately preceding each Interest Payment Date, whether or not such day is a Business Day. Interest on, and upon presentation and surrender thereof, the principal of each Series 2020 Bond shall be payable by check or draft issued by the Registrar described herein.

2.03. Dated Date. Each Series 2020 Bond shall be originally dated as of June 30, 2020, and upon authentication of any Series 2020 Bond the Registrar shall indicate thereon the date of such authentication.

2.04. Registration. The City shall appoint, and shall maintain, a bond registrar, transfer agent and paying agent (the "Registrar"). 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 2020 Bonds and the registration of transfers and exchanges of Series 2020 Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Series 2020 Bonds. Upon surrender to the Registrar for transfer of any Series 2020 Bond duly endorsed by the Owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the Owner thereof or by an attorney duly authorized by the Owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Series 2020 Bonds of the same series of a like aggregate principal amount and maturity, as the case may be, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer of any Series 2020 Bond or portion thereof selected or called for redemption.

(c) Exchange of Bonds. Whenever any Series 2020 Bond is surrendered by the Owner for exchange, the Registrar shall authenticate and deliver one or more new Series 2020 Bonds of the same series of a like aggregate principal amount, interest rate and maturity, as requested by the Owner or the Owner's attorney in writing.

(d) Cancellation. All Series 2020 Bonds surrendered upon any transfer or exchange shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any Series 2020 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 2020 Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name any Series 2020 Bond is at any time registered in the Bond Register as the absolute owner of such Series 2020 Bond, whether such Series 2020 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 2020 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 2020 Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Series 2020 Bonds (except for an exchange upon the partial redemption of a Series 2020 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 Bonds. In case any Series 2020 Bond shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Series 2020 Bond of the same series of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Series 2020 Bond or in lieu of and in substitution for any such Series 2020 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 2020 Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Series 2020 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. All Series 2020 Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, lost, stolen or destroyed Series 2020 Bond has already matured or such Series 2020 Bond has been called for redemption in accordance with its terms, it shall not be necessary to issue a new Series 2020 Bond prior to payment.

2.05. Appointment of Initial Registrar. The City hereby appoints U.S. Bank National Association, in Salt Lake City, Utah, to act as bond registrar, transfer agent and paying agent (the "Registrar"). The City reserves the right to appoint a successor bond registrar, transfer agent or paying agent, as authorized by the Model Public Obligations Registration Act of Montana, Montana Code Annotated, Title 17, Chapter 5, Part 11, as amended (the "Registration Act"), but the City agrees to pay the reasonable and customary charges of the Registrar for the services performed.

2.06. Optional Redemption.

(a) Series 2020A Bonds. The Series 2020A Bonds with Stated Maturities on or after July 1, 2031 are subject to redemption on January 1, 2030 and any date thereafter, at the option of the City, in whole or in part, and if in part from such Stated Maturities and in such principal amounts as the City may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner as directed by the City), at a Redemption Price equal to the principal amount thereof and interest accrued to the Redemption Date, without premium.

(b) Series 2020B Bonds. The Series 2020B Bonds are not subject to redemption prior to their Stated Maturities.

(c) Notice of Redemption. The Redemption Date and the principal amount of the Series 2020A Bonds to be redeemed shall be fixed by the City Finance Director who shall give notice thereof to the Registrar at least 35 days prior to the Redemption Date or such lesser period as the Registrar accepts. The Registrar, at least 30 days prior to the designated Redemption Date, shall cause notice of redemption to be mailed, by first class mail, or by other means required by the securities depository, to the Owners of each Series 2020A Bond to be redeemed at their addresses as they appear on the Bond Register, but no defect in or failure to give such mailed notice shall affect the validity of proceedings for the redemption of any Series 2020A Bond not affected by such defect or failure. The notice of redemption shall specify the Redemption Date, Redemption Price, the numbers, interest rates and CUSIP numbers of the Series 2020A Bonds to be redeemed and the place at which the Series 2020A Bonds are to be surrendered for payment, which is the principal office of the Registrar. Official notice of redemption having been given as aforesaid, the Series 2020A Bonds or portions thereof so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified and from and after such date (unless the City shall default in the payment of the Redemption Price) such Series 2020A Bonds or portions thereof shall cease to bear interest.

2.07. [Mandatory Sinking Fund Redemption.]

(a) The Series 2020A Bonds having Stated Maturities in 20\_\_ and 20\_\_ are subject to mandatory sinking fund redemption on July 1 in the respective years and the respective principal amounts set forth below in \$5,000 principal amounts selected by the Registrar, by lot or other manner as directed by the City, at a Redemption Price equal to the principal amount thereof to be redeemed plus interest accrued to the Redemption Date:

Sinking Fund Payment Date <u>(July 1)</u>	Principal Amount on Sinking Fund <u>Payment Date</u>
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If the Series 2020A Bonds having Stated Maturities in 20\_\_ and 20\_\_ are not previously purchased by the City in the open market or prepaid, \$\_\_\_\_\_ and \$\_\_\_\_\_,



respectively,, in principal amount of such Series 2020A Bonds would remain to mature in 20\_\_ and 20\_\_. The principal amount of the Series 2020A Bonds required to be redeemed on the above Sinking Fund Payment Dates shall be reduced by the principal amount of such Series 2020A Bonds theretofore redeemed at the option of this Council and as to which the City has not previously applied amounts to reduce the principal amount of such Series 2020A Bonds on a Sinking Fund Payment Date.

(b) The Series 2020B Bonds having Stated Maturities in 20\_\_ and 20\_\_ are subject to mandatory sinking fund redemption on July 1 in the respective years and the respective principal amounts set forth below in \$5,000 principal amounts selected by the Registrar, by lot or other manner as directed by the City, at a Redemption Price equal to the principal amount thereof to be redeemed plus interest accrued to the Redemption Date:

Sinking Fund Payment Date <u>(July 1)</u>	Principal Amount on Sinking Fund <u>Payment Date</u>
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If the Series 2020B Bonds having Stated Maturities in 20\_\_ and 20\_\_ are not previously purchased by the City in the open market or prepaid, \$\_\_\_\_\_ and \$\_\_\_\_\_, respectively, in principal amount of such Series 2020B Bonds would remain to mature in 20\_\_ and 20\_\_. The principal amount of the Series 2020B Bonds required to be redeemed on the above Sinking Fund Payment Dates shall be reduced by the principal amount of such Series 2020B Bonds theretofore redeemed at the option of this Council and as to which the City has not previously applied amounts to reduce the principal amount of such Series 2020B Bonds on a Sinking Fund Payment Date.]

2.08. Execution and Delivery. The Series 2020 Bonds shall be forthwith prepared for execution under the direction of the City Clerk and shall be executed on behalf of the City by the signatures of the Mayor and the City Clerk, provided that said signatures may be printed, engraved or lithographed facsimiles thereof. The seal of the City need not be imprinted on or affixed to any Series 2020 Bond. In case any officer whose signature or a facsimile of whose signature shall appear on the Series 2020 Bonds shall cease to be such officer before the delivery thereof, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. When the Series 2020 Bonds have been so executed by said City officers, they shall be registered by the City Clerk in accordance with Montana Code Annotated, Section 7-7-4257, as amended. Notwithstanding such execution, no Series 2020 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 2020 Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Series 2020 Bonds need not be signed by the same representative. The executed certificate of authentication on each Series 2020 Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution. When the Series 2020 Bonds have been fully executed and authenticated, they shall be delivered

by the Registrar to the Original Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Original Purchaser shall not be obligated to see to the application of the purchase price.

2.09. Securities Depository for the Series 2020 Bonds.

(a) For purposes of this Section [2.09], the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Series 2020 Bond, the person in whose name such Series 2020 Bond is recorded as the beneficial owner of such Series 2020 Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2020 Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds Series 2020 Bonds as securities depository.

“Representation Letter” shall mean the Blanket Issuer Letter of Representations pursuant to which the City agrees to comply with DTC’s Operational Arrangements.

(b) The Series 2020 Bonds of each series shall be initially issued as separately authenticated fully registered Series 2020 Bonds, and one Series 2020 Bond shall be issued in the principal amount of each stated maturity of each series of the Series 2020 Bonds. Upon initial issuance, the ownership of such Series 2020 Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive Owner of the Series 2020 Bonds registered in its name for the purposes of payment of the principal of or interest on the Series 2020 Bonds, selecting the Series 2020 Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to Owners of Series 2020 Bonds under this Resolution, registering the transfer of Series 2020 Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Series 2020 Bonds under or through DTC or any Participant, or any other Person which is not shown on the Bond Register as being an Owner, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Series 2020 Bonds, with respect to any notice which is permitted or required to be given to Owners under this Resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2020 Bonds, or with respect to any consent given or other action taken by DTC as Owner of the Series 2020 Bonds. So long as any Series 2020 Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar

shall pay all principal of and interest on such Series 2020 Bond, and shall give all notices with respect to such Series 2020 Bond, only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and interest on the Series 2020 Bonds to the extent of the sum or sums so paid. No Person other than DTC shall receive an authenticated Series 2020 Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Series 2020 Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the City determines to discontinue the book-entry-only system for one or both series of Series 2020 Bonds, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Series 2020 Bonds of such series in the form of certificates. In such event, the Series 2020 Bonds of such series will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Series 2020 Bonds of one or both series at any time by giving notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Series 2020 Bonds of such series will be transferable in accordance with paragraph (e) hereof.

(d) The Representation Letter sets forth certain matters with respect to, among other things, notices, consents and approvals by Owners and Beneficial Owners and payments on the Series 2020 Bonds. The Registrar shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this Resolution.

(e) In the event that any transfer or exchange of Series 2020 Bonds of a series is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Series 2020 Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this Resolution. In the event Series 2020 Bonds in the form of certificates are issued to Owners other than Cede & Co., its successor as nominee for DTC as Owner of all the Series 2020 Bonds, or another securities depository as Owner of all the Series 2020 Bonds, the provisions of this Resolution shall also apply to all matters relating thereto, including, without limitation, the preparation of such Series 2020 Bonds in the form of Series 2020 Bond certificates and the method of payment of principal of and interest on such Series 2020 Bonds in the form of Series 2020 Bond certificates.

2.10. Form of Series 2020 Bonds. The Series 2020A Bonds shall be prepared in substantially the form set forth in Exhibit B-1 hereto and the Series 2020B Bonds shall be prepared in substantially the form set forth in Exhibit B-2 hereto, and by this reference are made a part hereof.

### Section 3. Use of Proceeds; Refunding and Redemption.

#### 3.01. Use of Proceeds.

(a) Simultaneously with the delivery of the Series 2020 Bonds, the City Finance Director shall deposit or cause to be deposited in escrow with U.S. Bank National Association, of Salt Lake City, Utah (the “Escrow Agent”) the following amounts: (i) to be applied to the refunding of the Series 2010 Bonds, a total amount of \$[\_\_\_\_], comprised of \$[\_\_\_\_] of the proceeds of the Series 2020A Bonds and \$707,788 on hand in the Reserve Account for the Series 2010 Bonds, and (ii) to be applied to the refunding of the Series 2011 Bonds, a total amount of \$[\_\_\_\_], comprised of \$[\_\_\_\_] of the proceeds of the Series 2020B Bonds and \$116,050 on hand on the Reserve Account for the Series 2011 Bonds, all as set forth in the Escrow Agreement attached as Exhibit C hereto.

(b) The Mayor and the City Finance Director (or in the absence or inability of either of them, another member of this Council or officer of the City designated by either of the Mayor or City Finance Director) are hereby authorized to enter into an Escrow Agreement with the Escrow Agent, in the form which has been presented to this Council and attached hereto as Exhibit C, with such additions thereto or deletions therefrom as are necessary or appropriate. On or prior to the date of delivery of the Series 2020 Bonds, the City Finance Director will deposit the July 1, 2020 debt service payment for the Series 2010 Bonds and the Series 2011 Bonds with the paying agents for such bonds. Pursuant to Article X of the Original Resolution, following deposit of the July 1, 2020 debt service payments and upon the establishment and funding of the Escrow Account pursuant to this Section 3.01, the Series 2010 Bonds and Series 2011 Bonds shall be defeased and shall no longer be considered outstanding.

(c) The City Finance Director shall apply the remaining proceeds of the Series 2020A Bonds as follows:

(i) \$[\_\_\_\_] shall be credited to the Acquisition and Construction Account and used to pay or reimburse the City for costs of the Improvements (\$[\_\_\_\_]) and to pay costs of issuance of the Series 2020A Bonds and costs of the refunding (\$[\_\_\_\_]), and

(ii) \$[\_\_\_\_] shall be credited to the Reserve Account to satisfy the Reserve Requirement with respect to the Series 2020A Bonds.

(d) The City Finance Director shall apply the remaining proceeds of the Series 2020B Bonds as follows:

(i) \$[\_\_\_\_] shall be credited to the Acquisition and Construction Account and used to pay costs of issuance of the Series 2020B Bonds and costs of the refunding, and

(ii) \$[\_\_\_\_] shall be credited to the Reserve Account to satisfy the Reserve Requirement with respect to the Series 2020B Bonds.

3.02. Redemption of Series 2010 Bonds and Series 2011 Bonds. The Series 2010 Bonds with stated maturities in 2021 and thereafter are hereby called for redemption on August 15, 2020. The Series 2011 Bonds with stated maturities in 2022 and thereafter are hereby called for redemption on July 1, 2021.

Section 4. Security for the Series 2020 Bonds. The Series 2020 Bonds are issued under and pursuant to Sections 5.1, 5.2 and 5.3 of the Original Resolution and shall, with the Outstanding Bonds and any Additional Bonds hereafter issued, be secured, equally and ratably, by a first lien upon the Net Revenues of the System (the Gross Revenues being subject to the prior appropriation thereof to the Operating Account for the payment of Operating Expenses) and secured by the Reserve Account, without preference or priority of any one Bond over any other by reason of serial number, date of issue, series designation or otherwise, all as provided in the Original Resolution. Upon the transfers of funds to the Reserve Account as described in Section 3.01(c)(ii) and (d)(ii), amounts in the Reserve Account shall equal the Reserve Requirement with respect to the Outstanding Bonds and the Series 2020 Bonds. The City shall keep, perform and observe each and every one of its covenants and undertakings set forth in the Original Resolution, as amended and supplemented by this resolution.

Section 5. Consent to Future Amendment of Reserve Requirement. Upon receipt of the consents of the Holders of the Outstanding Bonds as required under Article VIII of the Original Resolution and Section 2.4 of Appendix B to the Original Resolution, the definition of “Reserve Requirement” contained in Section 1.1 of the Original Resolution shall be amended to read as follows:

“‘Reserve Requirement’ means, as of the date of calculation, an amount equal to one-half the maximum amount of principal and interest payable on the Bonds in the current or any future Fiscal Year (giving effect to any Sinking Fund Payment Dates with respect to any series of Bonds).”

By acceptance of the Series 2020 Bonds, Holders of the Series 2020 Bonds are deemed to consent to such amendment.

Section 6. Continuing Disclosure. The Council hereby approves the Continuing Disclosure Undertaking of the City substantially in the form of the attached Exhibit C and authorizes the Mayor and the City Clerk, or in the absence of either of them or in the event of their inability to sign, their designees, to execute and deliver the Continuing Disclosure Undertaking on behalf of the City contemporaneously with the date of issuance and delivery of the Series 2020 Bonds, with such changes as may be necessary or appropriate. The signatures of any two authorized officers of the City are adequate to cause the Continuing Disclosure Undertaking to be binding and enforceable on the City.

Section 7. Tax Covenants and Certifications.

7.01. Use of Improvements and Prior Improvements. The Series 2010 Bonds financed certain improvements to the System (collectively, the “Prior Improvements”). The Improvements and the Prior Improvements have been and will continue to 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 Prior Improvements or security for the payment of the Series 2020A Bonds which might cause the Series 2020A Bonds to be considered “private activity bonds” or “private loan bonds” within the meaning of Section 141 of the Code.

7.02. General Covenant. The City covenants and agrees with the Holders from time to time of the Series 2020A 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 2020A Bonds to become includable in gross income for federal income tax purposes under the Code and the Regulations, and covenants to take any and all actions within its powers to ensure that the interest on the Series 2020A Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

7.03. Arbitrage Certification. The Mayor and the City Finance Director, being the officers of the City charged with the responsibility for issuing the Series 2020A Bonds pursuant to the Original Resolution and this Supplemental Resolution, are authorized and directed to execute and deliver to the Original Purchaser, certificates in accordance with the provisions of Section 148 of the Code and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Series 2020A Bonds, it is reasonably expected that the proceeds of the Series 2020A Bonds will not be used in a manner that would cause the Series 2020A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and the Regulations.

7.04. Arbitrage Rebate. The City acknowledges that the Series 2020A Bonds are subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Series 2020A Bonds from gross income for federal income tax purposes, unless the Series 2020A 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 2020A Bonds (other than amounts constituting a “bona fide debt service fund”) arise during or after the expenditure of the original proceeds thereof. In furtherance of the foregoing, the City Finance Director and the Mayor are hereby authorized and directed to execute a Rebate Certificate, substantially in the form to be prepared by Bond Counsel, and the City hereby covenants and agrees to observe and perform the covenants and agreements contained therein, unless amended or terminated in accordance with the provisions thereof.

7.05. Information Reporting. The City shall file with the Secretary of the Treasury, not later than August 15, 2020, a statement concerning the Series 2020A Bonds containing the information required by Section 149(e) of the Code.

#### Section 8. Certification of Proceedings.

The officers of the City are hereby authorized and directed to prepare and furnish to the Original Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records of the City, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Series 2020 Bonds as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

Section 9. Repeals and Effective Date.

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

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

PASSED AND ADOPTED by the City Council of the City of Missoula, Montana, this  
22nd day of June, 2020.

\_\_\_\_\_  
Mayor

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

(SEAL)



EXHIBIT A-1

[2020A Bid Form]

EXHIBIT A-2

[2020B Bid Form]

EXHIBIT B-1

[FORM OF SERIES 2020A BOND]

UNITED STATES OF AMERICA  
STATE OF MONTANA  
COUNTY OF MISSOULA

**CITY OF MISSOULA**

SEWER SYSTEM REVENUE AND REFUNDING BOND  
SERIES 2020A

No. R-\_\_\_\_\_ \$\_\_\_\_\_

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
%	July 1,	June 30, 2020	[_____]

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS AND NO/100

FOR VALUE RECEIVED, CITY OF MISSOULA, MONTANA (the "City"), a duly organized municipal corporation and political subdivision of the State of Montana, acknowledges itself to be specially indebted and, for value received, hereby promises to pay to the registered owner named above, or registered assigns, solely from the Revenue Bond Account of its Sewer System Fund, the principal amount specified above on the maturity date specified above or, if this Bond is prepayable as stated herein, on any date prior thereto on which this Bond shall have been duly called for redemption, with interest thereon from the date of original issue set forth above or from such later date to which interest has been paid or duly provided for at the rate specified above. Principal of this Bond is payable upon presentation and surrender hereof to U.S. Bank National Association, of Salt Lake City, Utah, as registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the "Registrar"), at its operations center in St. Paul, Minnesota. The interest on this Bond shall be payable on January 1 and July 1 in each year, commencing January 1, 2021. Interest on the Series 2020A Bonds shall be payable to the owners of record thereof as such appear on the Bond Register as of the close of business on the 15th day of the month immediately preceding each interest payment date, whether or not such day is a Business Day. Interest on, and upon presentation and surrender thereof, the principal of this Bond shall be payable by check or draft issued by or drawn on the Registrar or, as appropriate, by wire transfer. The principal of and interest on this Bond are payable in lawful money of the United States of America. Interest shall be calculated on the basis of a 360-day year comprising 12 months of 30 days each.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other

nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

This Bond is one of a series of Sewer System Revenue and Refunding Bonds of the City authorized to be issued in the aggregate principal amount of \$[\_\_\_\_\_] (the “Series 2020A Bonds”). The Series 2020A Bonds are issued to (i) pay or reimburse the City for costs of certain improvements to the municipal sewer system of the City; (ii) refund the City’s Taxable Sewer System Revenue Bonds, Series 2010 (Recovery Zone Economic Development Bonds—Direct Pay); (iii) fund a deposit to the Reserve Account; and (iv) pay costs of issuance of the Series 2020A Bonds and of the refunding. The Series 2020A 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 7, Parts 44 and 45, as amended, and Resolution No. \_\_\_\_ (the “Original Resolution”), adopted by the City Council on June 22, 2020, as amended and supplemented by Resolution No. \_\_\_\_, adopted June 22, 2020 (as so amended and supplemented, the “Resolution”), to which Resolution, copies of which are on file with the City, reference is hereby made for a description of the nature and extent of the security, the respective rights thereunder of the Holders of the Series 2020A Bonds and the City and the terms upon which the Series 2020A Bonds are to be issued and delivered. Terms used with initial capital letters but not defined herein have the meanings given them in the Resolution. The Series 2020A Bonds are issuable as a series, all of like date of original issue and tenor except as to serial number, denomination, date, interest rate, maturity date and redemption privilege. The Series 2020A Bonds are issued on a parity and are equally and ratably secured by Net Revenues of the System with the City’s outstanding First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2000B; First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2001A; First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2002A; First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2002B; First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2003; Second Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2004; First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2005; First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2009B; Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2015; Sewer System Revenue Bond, Series 2016A, Sewer System Revenue Bond, Series 2016B and Taxable Sewer System Revenue Refunding Bonds, Series 2020B (which are issued simultaneously herewith) (all such Bonds, collectively, the “Outstanding Bonds”).

Reference is made to the Resolution for a more complete statement of the terms and conditions upon which the Series 2020A Bonds have 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 Outstanding Bonds and the Series 2020A 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 2020A Bonds.

The Series 2020A Bonds with stated maturities in the years 2021 through 2030 are not subject to redemption prior to their stated maturities. The Series 2020A Bonds with stated maturities on or after July 1, 2031 are subject to redemption on July 1, 2030 and any date thereafter, at the option of the City, in whole or in part, and if in part from such stated maturities and in such principal amounts as the City may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner as directed by the City), at a redemption price equal to the principal amount thereof and interest accrued to the Redemption Date, without premium.

[The Series 2020A Bonds having a stated maturity in 20\_\_ (the "Term Bonds") are subject to mandatory sinking fund redemption on July 1, 20\_\_, in the principal amount set forth below, in \$5,000 principal amounts selected by the Registrar, by lot or other manner as directed by the City, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the mandatory sinking fund redemption date:

<u>20__ Term Bond</u>	
<u>Sinking Fund</u>	
<u>July 1</u>	<u>Payment Amount</u>

If the Term Bonds having a stated maturity in 20\_\_ are not previously purchased by the City in the open market or prepaid, \$\_\_\_\_\_ in principal amount of such Term Bonds would remain to mature in 20\_\_. The principal amount of such Term Bonds required to be redeemed on the above sinking fund payment dates shall be reduced by the principal amount of such Term Bonds theretofore redeemed at the option of the City and as to which the City has not previously applied amounts to reduce the principal amount of such Term Bonds on a sinking fund payment date.]

As provided in the Resolution and subject to certain limitations set forth therein, this Series 2020A 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 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; and may also be surrendered in exchange for Series 2020A Bonds of other authorized denominations. Upon any such transfer or exchange, the City will cause a new Series 2020A Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The Series 2020A Bonds, including interest and any premium for the redemption thereof, are payable solely from the Net Revenues pledged for the payment thereof and do not constitute a debt of the City within the meaning of any constitutional or statutory limitation or provision.

The City 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 the City shall not be affected by any notice to the contrary.

[Bond insurance provisions]

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that the City has duly authorized the refunding and redemption of the Refunded Bonds hereinabove described; that it will prescribe and collect reasonable rates and charges for all services and facilities afforded by the System, including all additions thereto and replacements and improvements thereof, and 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 the Sewer System Fund, into which will be paid semiannually, 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 all of the interest to become due in the next six months and one-half of the principal to become due within the next twelve months with respect to 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 the Reserve Requirement; that the Revenue Bond Account will be used only to pay the principal of, premium, if any, and interest on the Outstanding Bonds, the Series 2020A Bonds and any other 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 of the System 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 the current or any future Fiscal Year; that Additional Bonds may be issued and made payable from the Revenue Bond Account on a parity with the Outstanding Bonds and the Series 2020A 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 Outstanding Bonds and Series 2020A Bonds on such Net Revenues; that all provisions for the security of the holder of this Series 2020A 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 2020A Bond a valid and binding special obligation of the City according to its terms have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required; and that this Series 2020A 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 the Series 2020A Bonds does not cause either the general or the special indebtedness of the City to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Missoula, Montana, by its governing body, has caused this Bond to be executed by the signatures of its Mayor and City Clerk, and has caused the official seal of the City to be affixed hereto, and has caused this Bond to be dated as of the 30th day of June, 2020.

CITY OF MISSOULA, MONTANA

(Facsimile Signature)  
MAYOR

(Facsimile Seal)

(Facsimile Signature)  
CITY CLERK

Dated:

CERTIFICATE OF AUTHENTICATION

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

U.S. BANK NATIONAL ASSOCIATION,  
as Registrar, Transfer Agent, and  
Paying Agent

By \_\_\_\_\_  
Authorized Signature

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

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-2

[FORM OF SERIES 2020B BOND]

UNITED STATES OF AMERICA  
STATE OF MONTANA  
COUNTY OF MISSOULA

**CITY OF MISSOULA**

TAXABLE SEWER SYSTEM REVENUE REFUNDING BOND  
SERIES 2020B

No. R-\_\_\_\_\_ \$\_\_\_\_\_

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
%	July 1,	June 30, 2020	[_____]

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS AND NO/100

FOR VALUE RECEIVED, CITY OF MISSOULA, MONTANA (the "City"), a duly organized municipal corporation and political subdivision of the State of Montana, acknowledges itself to be specially indebted and, for value received, hereby promises to pay to the registered owner named above, or registered assigns, solely from the Revenue Bond Account of its Sewer System Fund, the principal amount specified above on the maturity date specified above or, if this Bond is prepayable as stated herein, on any date prior thereto on which this Bond shall have been duly called for redemption, with interest thereon from the date of original issue set forth above or from such later date to which interest has been paid or duly provided for at the rate specified above. Principal of this Bond is payable upon presentation and surrender hereof to U.S. Bank National Association, of Salt Lake City, Utah, as registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the "Registrar"), at its operations center in St. Paul, Minnesota. The interest on this Bond shall be payable on January 1 and July 1 in each year, commencing January 1, 2021. Interest on the Series 2020B Bonds shall be payable to the owners of record thereof as such appear on the Bond Register as of the close of business on the 15th day of the month immediately preceding each interest payment date, whether or not such day is a Business Day. Interest on, and upon presentation and surrender thereof, the principal of this Bond shall be payable by check or draft issued by or drawn on the Registrar or, as appropriate, by wire transfer. The principal of and interest on this Bond are payable in lawful money of the United States of America. Interest shall be calculated on the basis of a 360-day year comprising 12 months of 30 days each.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay

all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

This Bond is one of a series of Taxable Sewer System Revenue Refunding Bonds of the City authorized to be issued in the aggregate principal amount of \$[\_\_\_\_\_] (the "Series 2020B Bonds"). The Series 2020B Bonds are issued to (i) refund the City's Taxable Sewer System Revenue Bonds, Series 2011; (ii) fund a deposit to the Reserve Account; and (iii) pay costs of issuance of the Series 2020B Bonds and of the refunding. The Series 2020B 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 7, Parts 44 and 45, as amended, and Resolution No. \_\_\_\_ (the "Original Resolution"), adopted by the City Council on June 22, 2020, as amended and supplemented by Resolution No. \_\_\_\_, adopted June 22, 2020 (as so amended and supplemented, the "Resolution"), to which Resolution, copies of which are on file with the City, reference is hereby made for a description of the nature and extent of the security, the respective rights thereunder of the Holders of the Series 2020B Bonds and the City and the terms upon which the Series 2020B Bonds are to be issued and delivered. Terms used with initial capital letters but not defined herein have the meanings given them in the Resolution. The Series 2020B Bonds are issuable as a series, all of like date of original issue and tenor except as to serial number, denomination, date, interest rate and maturity date. The Series 2020B Bonds are issued on a parity and are equally and ratably secured by Net Revenues of the System with the City's outstanding First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2000B; First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2001A; First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2002A; First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2002B; First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2003; Second Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2004; First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2005; First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2009B; Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2015; Sewer System Revenue Bond, Series 2016A, Sewer System Revenue Bond, Series 2016B and Sewer System Revenue and Refunding Bonds, Series 2020A (which are issued simultaneously herewith) (all such Bonds, collectively, the "Outstanding Bonds").

Reference is made to the Resolution for a more complete statement of the terms and conditions upon which the Series 2020B Bonds have 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 Outstanding Bonds and the Series 2020B 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 2020B Bonds.

The Series 2020B Bonds are not subject to optional redemption prior to their stated maturities.

[The Series 2020B Bonds having a stated maturity in 20\_\_ (the “Term Bonds”) are subject to mandatory sinking fund redemption on July 1, 20\_\_, in the principal amount set forth below, in \$5,000 principal amounts selected by the Registrar, by lot or other manner as directed by the City, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the mandatory sinking fund redemption date:

20__ Term Bond	
Sinking Fund	
July 1	Payment Amount

If the Term Bonds having a stated maturity in 20\_\_ are not previously purchased by the City in the open market or prepaid, \$\_\_\_\_\_ in principal amount of such Term Bonds would remain to mature in 20\_\_. The principal amount of such Term Bonds required to be redeemed on the above sinking fund payment dates shall be reduced by the principal amount of such Term Bonds theretofore redeemed at the option of the City and as to which the City has not previously applied amounts to reduce the principal amount of such Term Bonds on a sinking fund payment date.]

As provided in the Resolution and subject to certain limitations set forth therein, this Series 2020B 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 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; and may also be surrendered in exchange for Series 2020B Bonds of other authorized denominations. Upon any such transfer or exchange, the City will cause a new Series 2020B Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The Series 2020B Bonds, including interest and any premium for the redemption thereof, are payable solely from the Net Revenues pledged for the payment thereof and do not constitute a debt of the City within the meaning of any constitutional or statutory limitation or provision.

The City 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 the City shall not be affected by any notice to the contrary.

[Bond insurance provisions]

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that the City has duly authorized the refunding and redemption of the Refunded Bonds hereinabove described; that it will prescribe and collect reasonable rates and charges for all services and facilities afforded by the System, including all additions thereto and replacements and improvements thereof, and 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 the Sewer System Fund, into which will be paid semiannually, 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 all of the interest to become due in the next six months and one-half of the principal to become due within the next twelve months with respect to 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 the Reserve Requirement; that the Revenue Bond Account will be used only to pay the principal of, premium, if any, and interest on the Outstanding Bonds, the Series 2020B Bonds and any other 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 of the System 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 the current or any future Fiscal Year; that Additional Bonds may be issued and made payable from the Revenue Bond Account on a parity with the Outstanding Bonds and the Series 2020B 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 Outstanding Bonds and Series 2020B Bonds on such Net Revenues; that all provisions for the security of the holder of this Series 2020B 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 2020B Bond a valid and binding special obligation of the City according to its terms have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required; and that this Series 2020B 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 the Series 2020B Bonds does not cause either the general or the special indebtedness of the City to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Missoula, Montana, by its governing body, has caused this Bond to be executed by the signatures of its Mayor and City Clerk, and has caused the official seal of the City to be affixed hereto, and has caused this Bond to be dated as of the 30th day of June, 2020.

CITY OF MISSOULA, MONTANA

(Facsimile Signature)  
MAYOR

(Facsimile Seal)

(Facsimile Signature)  
CITY CLERK

Dated:

CERTIFICATE OF AUTHENTICATION

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

U.S. BANK NATIONAL ASSOCIATION,  
as Registrar, Transfer Agent, and  
Paying Agent

By \_\_\_\_\_  
Authorized Signature

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

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 C

### Form of Escrow Agreement

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

1. The City, in accordance with resolutions of its City Council adopted June 22, 2020, sold its Sewer System Revenue and Refunding Bonds, Series 2020A, dated, as originally issued, as of June 30, 2020 (the “Series 2020A Bonds”), in the aggregate principal amount of \$[\_\_\_\_\_]. The Series 2020A Bonds were issued, in part, for the purpose of refunding and redeeming the City’s Taxable Sewer System Revenue Bonds, Series 2010 (Recovery Zone Economic Development Bonds—Direct Pay) (the “Series 2010 Bonds”) with stated maturities in 2021 and thereafter, outstanding as of the date hereof in the aggregate principal amount of \$9,085,000 (the “Series 2010 Refunded Bonds”).

2. The City, in accordance with resolutions of its City Council adopted June 22, 2020, also sold its Sewer System Revenue Refunding Bonds, Series 2020B, dated, as originally issued, as of June 30, 2020 (the “Series 2020B Bonds”), in the aggregate principal amount of \$[\_\_\_\_\_]. The Series 2020B Bonds were issued for the purpose of refunding, paying and redeeming the City’s Taxable Sewer System Revenue Bonds, Series 2011 (the “Series 2011 Bonds”), with stated maturities in 2021 and thereafter, outstanding as of the date hereof in the aggregate principal amount of \$900,000 (the “Series 2011 Refunded Bonds” and, together with the Series 2010 Refunded Bonds, the “Refunded Bonds”).

3. The City has directed that proceeds of the Series 2020A Bonds in the amount of \$[\_\_\_\_\_], together with \$707,788 of amounts in the debt service reserve account for the Series 2010 Bonds, be deposited in the 2010 Refunding Subaccount in the the Escrow Account (each, as hereinafter defined) and applied to the refunding of the Series 2010 Refunded Bonds, and that proceeds of the Series 2020B Bonds in the amount of \$[\_\_\_\_\_], together with \$116,050 of amounts in the debt service reserve account for the Series 2011 Bonds, be deposited in the 2011 Refunding Subaccount (as hereinafter defined) in the Escrow Account and applied to the refunding of the Series 2011 Refunded Bonds.

4. The Agent (i) acknowledges receipt of the cash in the aggregate amount of \$[\_\_\_\_\_] to be deposited in a subaccount established hereby and denominated the “2010 Refunding Subaccount” to be applied to the refunding of the Series 2010 Refunded Bonds, (ii) acknowledges receipt of the cash in the aggregate amount of \$[\_\_\_\_\_] to be deposited in a subaccount established hereby and denominated the “2011 Refunding Subaccount” to be applied to the refunding of the Series 2011 Refunded Bonds, and (iii) agrees that it will hold such cash in such subaccounts within in a special segregated escrow account in the name of the City (the “Escrow Account”), that it will account separately for amounts apportioned to each subaccount for each refunding, and that it will remit from the 2010 Refunding Subaccount to the paying agent of the Series 2010 Bonds the funds required for the payment of principal of the Series 2010 Refunded Bonds and from the 2011 Refunding Subaccount to the paying agent of the Series

2011 Bonds the funds required for the payment of principal of the Series 2011 Refunded Bonds, in each case with interest thereon as shown on the attached Exhibit A (which is hereby incorporated herein and made a part hereof).

The Agent shall with respect to the Series 2010 Bonds:

(i) not less than 35 days prior to August 15, 2020, provide notice of the redemption of the Series 2010 Refunded Bonds (in the form of Exhibit B hereto, which is incorporated herein and made a part hereof) by certified mail, telecopy or other means required by the recipient, to any rating agency then maintaining a rating on the Series 2010 Bonds; to D.A. Davidson & Co., 8 Third Street North, Great Falls, Montana 59401, Attention: Aaron Rudio, as the original purchaser of the Series 2010 Bonds; to The Depository Trust Company, of New York, New York (“DTC”); and to the Municipal Securities Rulemaking Board (“MSRB”), through its Electronic Municipal Market Access system website (“EMMA”), as required by Section 2.08(d)(2) of the resolution of the City Council of the City adopted November 1, 2010, authorizing the issuance of the Series 2010 Bonds (the “2010 Resolution”); and

(ii) not less than 30 days prior to August 15, 2020, provide notice of the redemption of the Series 2010 Refunded Bonds (in the form of Exhibit B hereto), by first class mail, or by other means required by DTC, to the registered owners of each Series 2010 Refunded Bond to be redeemed at their addresses as they appear on the Bond Register, as required by Section 2.08(d)(1) of the 2010 Resolution.

The Agent shall with respect to the Series 2011 Bonds:

(i) within 10 days of the date hereof, provide notice of the defeasance of the Series 2011 Refunded Bonds (in the form of Exhibit C-1 hereto (which is incorporated herein and made a part hereof)) by telecopy, overnight delivery, mail or other means required by the recipient, to any rating agency then maintaining a rating on the Series 2011 Bonds and to the MSRB through EMMA;

(ii) not less than 35 days prior to July 1, 2021, provide notice of the redemption of the Series 2010 Refunded Bonds (in the form of Exhibit C-2 hereto (which is incorporated herein and made a part hereof)) by certified mail, telecopy or such other means as required by the recipient to D.A. Davidson & Co., 8 Third Street North, Great Falls, Montana 59401, Attention: Aaron Rudio, as the original purchaser of the Series 2011 Bonds; to DTC; and to the MSRB through EMMA, as required by Section 2.06(c)(2) of the resolution of the City Council of the City adopted on April 25, 2011, authorizing the issuance of the Series 2011 Bonds (the “2011 Resolution”); and

(iii) not less than 30 days prior to July 1, 2021, provide notice of the redemption of the Series 2010 Refunded Bonds (in the form of Exhibit C-2 hereto), by first class mail, or by other means required by DTC, to the registered owners of each Series 2011 Refunded Bonds to be redeemed at their addresses as they appear on the Bond Register, as required by Section 2.06(c)(1) of the 2011 Resolution.



After provision for payment of all Series 2010 Refunded Bonds with interest accrued thereon, the Agent will remit any remaining funds in the 2010 Refunding Subaccount to the City, to be applied toward the payment of the interest to become due on the Series 2020A Bonds on January 1, 2021. After provision for payment of all Series 2011 Refunded Bonds with interest thereon, the Agent will remit any remaining funds in the 2011 Refunding Subaccount to the City, to be applied toward the payment of the interest to become due on the Series 2020B Bonds on January 1, 2022.

5. The City represents, based on a certification from Baker Tilly Municipal Advisors, LLC, as municipal advisor to the City, that (i) the amount deposited by the City pursuant to this Agreement into the 2010 Refunding Subaccount (\$[\_\_\_\_\_]), is sufficient to redeem the Series 2010 Refunded Bonds on August 15, 2020 at a redemption price equal to par plus interest accrued thereon through the date of redemption, without premium; and (ii) the amount deposited by the City pursuant to this Agreement into the 2011 Refunding Subaccount (\$[\_\_\_\_\_]), is sufficient to pay principal of and interest as due on the Series 2011 Refunded Bonds coming due on or prior to July 1, 2021 and to redeem on July 1, 2021 the Series 2011 Refunded Bonds maturing on and after July 1, 2022 at a redemption price equal to par plus interest accrued thereon through the date of redemption, without premium.

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

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

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

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

10. By no later than August 30, 2020, the Agent shall submit to the City a report covering all money it shall have received and all payments it shall have made or caused to be made with respect to the 2010 Refunding Subaccount. By no later than July 15, 2021, the Agent

shall submit to the City a report covering all money it shall have received and all payments it shall have made or caused to be made with respect to the 2011 Refunding Subaccount. Such reports shall also list the amount of money existing in the applicable subaccount, if any, on such date.

11. It is recognized that title to the moneys held in the subaccounts within the Escrow Account from time to time shall remain vested in the City but subject always to the prior charge and lien thereon of this Agreement and the use thereof required to be made by the provisions of this Agreement. The Agent shall hold all such money in the Escrow Account and the subaccounts therein as a special trust fund and account separate and wholly segregated from all other funds of the Agent on deposit therein and shall never commingle such money with other money. It is understood and agreed that the responsibility of the Agent under this Agreement is limited to the safekeeping and segregation of the funds deposited with it in the Escrow Account and the subaccounts therein and the collection of and accounting for any interest payable with respect thereto. Except as provided herein, no withdrawals, transfers or investment or reinvestment shall be made of cash balances in the subaccounts within the Escrow Account. Cash balances shall be held by the Agent as cash balances as shown on the books and records of the Escrow Agent and shall not be reinvested or invested by the Agent except as provided in Section 7 hereof.

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

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

14. This Agreement may not be amended except to sever any clause herein deemed to be illegal or cure any ambiguity or correct or supplement any provision herein which may be inconsistent with any other provision; provided that the Agent shall determine that any such amendment shall not adversely affect the owners of the Refunded Bonds.

IN WITNESS WHEREOF the parties hereto have caused this Escrow Agreement to be duly executed by their duly authorized officers, as of June 30, 2020.

CITY OF MISSOULA, MONTANA

---

Mayor

---

City Clerk

U.S. BANK NATIONAL ASSOCIATION,  
as Escrow Agent

By \_\_\_\_\_  
Its Vice President

(Signature page to Escrow Agreement, dated June 30, 2020,  
with the City of Missoula, Montana)

## EXHIBIT A

### DEBT SERVICE SCHEDULE FOR REFUNDED BONDS

#### Series 2010 Refunded Bonds:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
08/15/2020	\$9,085,000	\$[_____]	\$[_____]

#### Series 2011 Refunded Bonds:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
01/01/2021	\$[_____]	\$[_____]	\$[_____]
07/01/2021	\$[_____]	\$[_____]	\$[_____]

## EXHIBIT B

### NOTICE OF REDEMPTION

Taxable Sewer System Revenue Bonds, Series 2010  
(Recovery Zone Economic Development Bonds—Direct Pay)  
City of Missoula, Montana

NOTICE IS HEREBY GIVEN that the City of Missoula, Montana (the “City”), has called for redemption all of its Taxable Sewer System Revenue Bonds, Series 2010 (Recovery Zone Economic Development Bonds—Direct Pay), dated, as originally issued, as of November 15, 2010, maturing on July 1 in the years and amounts and bearing interest and CUSIP numbers as set forth below:

<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>
2021	\$ 270,000	4.649%	605855 DG7
2022	380,000	4.749%	605855 DH5
2023	355,000	4.849%	605855 DJ1
2025*	1,000,000	4.949%	605855 DL6
2030*	3,020,000	6.038%	605855 DR3
2035*	4,060,000	6.138%	605855 DW2

*\*Term Bonds*

Such bonds have been called for redemption on August 15, 2020, and interest thereon will cease to accrue from and after said date. The redemption price is equal to the principal amount of the bonds plus interest accrued to the redemption date, without premium.

Holders of such bonds maturing in said years should surrender their bonds for payment to U.S. Bank National Association, as paying agent, for payment on August 15, 2020 at its operations center at 60 Livingston Avenue - Bond Drop Window, St. Paul, Minnesota 55107 or if by mail to P.O. Box 64111, St. Paul, Minnesota 55164-0111.

Important Notice:

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

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

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

Interest on the bonds shall cease to accrue on August 15, 2020 and the holders thereof shall have no further rights with respect thereto except to receive the redemption price so deposited.

Dated: June 30, 2020.

U.S. BANK NATIONAL ASSOCIATION

## EXHIBIT C-1

### NOTICE OF DEFEASANCE

#### Taxable Sewer System Revenue Bonds, Series 2011 City of Missoula, Montana

NOTICE IS HEREBY GIVEN that pursuant to and under the authority of the resolution of the City of Missoula, Montana, authorizing the issuance thereof, the Taxable Sewer System Revenue Bonds, Series 2011, dated, as originally issued, as of May 11, 2011, which mature on July 1 in the years and amounts and bear interest and CUSIP numbers as set forth below (the “Defeased Bonds”), are now payable from an escrow account established with U.S. Bank National Association, as escrow agent:

<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>
2021	\$ 60,000	4.50%	605865 AK0
2023*	130,000	5.00%	605865 AM6
2026*	235,000	5.25%	605865 AQ7
2027	85,000	5.30%	605865 AR5
2028	90,000	5.35%	605865 AG9
2029	90,000	5.40%	605865 AJ3
2030	100,000	5.45%	605865 AL8
2031	110,000	5.50%	605865 AN4

\*Term Bonds

The escrow account has been established with the escrow agent to pay the principal of and interest on all Defeased Bonds as they become due through July 1, 2021, on which date the Defeased Bonds will be paid in full or will be prepaid and redeemed at a redemption price equal to the principal amount thereof with interest accrued to the date of redemption, without premium. The Defeased Bonds are deemed to have been paid in accordance with the resolution authorizing their issuance, and are secured by and payable from the escrow account. Interest on the Defeased Bonds shall cease to accrue on July 1, 2021, and the Holders thereof shall have no further rights with respect thereto except to receive the redemption price so deposited. A further notice of redemption will be given in accordance with the requirements of the resolution authorizing the Defeased Bonds. As of the date hereof, the continuing disclosure requirements set forth in the resolution authorizing the Defeased Bonds shall terminate.

Dated: June 30, 2020.

U.S. BANK NATIONAL ASSOCIATION



## EXHIBIT C-2

### NOTICE OF REDEMPTION

Taxable Sewer System Revenue Bonds, Series 2011  
City of Missoula, Montana

NOTICE IS HEREBY GIVEN that the City of Missoula, Montana (the "City"), has called for redemption all of its Taxable Sewer System Revenue Bonds, Series 2011, dated, as originally issued, as of May 11, 2011, which mature on July 1 in the years and amounts and bear interest and CUSIP numbers as set forth below:

<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>
2023*	\$ 130,000	5.00%	605865 AM6
2026*	235,000	5.25%	605865 AQ7
2027	85,000	5.30%	605865 AR5
2028	90,000	5.35%	605865 AG9
2029	90,000	5.40%	605865 AJ3
2030	100,000	5.45%	605865 AL8
2031	110,000	5.50%	605865 AN4

\*Term Bonds

Such bonds have been called for redemption on July 1, 2021, and interest thereon will cease to accrue from and after said date. The redemption price is equal to 100% of the principal amount of the bonds plus interest accrued to the date of redemption, without premium.

Holders of such bonds maturing in said years should surrender their bonds for payment to U.S. Bank National Association, of Seattle, Washington, as paying agent, for payment on July 1, 2021 at its operations center at 60 Livingston Avenue - Bond Drop Window, St. Paul, Minnesota 55107 or if by mail to P.O. Box 64111, St. Paul, Minnesota 55164-0111.

#### Important Notice:

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

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

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

Interest on the bonds shall cease to accrue on July 1, 2021 and the holders thereof shall have no further rights with respect thereto except to receive the redemption price so deposited.

Dated: May 15, 2021.

U.S. BANK NATIONAL ASSOCIATION

## EXHIBIT D

### Form of Continuing Disclosure Undertaking

\$[\_\_\_\_\_]  
Sewer System Revenue and Refunding Bonds, Series 2020A  
and  
\$[\_\_\_\_\_]  
Taxable Sewer System Revenue Refunding Bonds, Series 2020B  
City of Missoula, Montana

### CONTINUING DISCLOSURE UNDERTAKING

This CONTINUING DISCLOSURE UNDERTAKING is made by the City of Missoula, Montana (the “City”) in connection with the issuance and delivery by the City of its \$[\_\_\_\_\_] Sewer System Revenue and Refunding Bonds, Series 2020A and \$[\_\_\_\_\_] Taxable Sewer System Revenue Refunding Bonds, Series 2020B (collectively, the “Bonds”), as of this 30th day of June, 2020.

(a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), the City hereby makes the following covenants and agrees, for the benefit of the Owners (as hereinafter defined) from time to time of the outstanding Bonds, to provide annual reports of specified information and notice of the occurrence of certain events to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system website (“EMMA”), as hereinafter described. The City is the only “obligated person” in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made.

If the City fails to comply with this Continuing Disclosure Undertaking, any person aggrieved thereby, including the Owners of any outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of this Continuing Disclosure Undertaking, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder. Notwithstanding anything to the contrary contained herein, in no event shall a default under this Continuing Disclosure Undertaking constitute a default under the Bonds or under any other provision of the Resolution.

As used herein, “Owner” means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, “Beneficial Owner” means, in respect of a Bond, any person or entity that (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of,

such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

(1) on or before 270 days after the end of each fiscal year of the City, commencing with the fiscal year ending June 30, 2020, the following financial information and operating data in respect of the City (the “Disclosure Information”):

(A) the audited financial statements of the City for such fiscal year, accompanied by the audit report and opinion of the accountant or government auditor relating thereto, as permitted or required by the laws of the State of Montana, containing a balance sheet as of the end of such fiscal year and a statement of revenues, expenses, and changes in fund net position and cash flows for the System for the fiscal year then ended, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Montana law, as in effect from time to time or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof; and

(B) to the extent compiled by the City on a customary basis and publicly available and not included in the financial statements referred to in paragraph (A) above, information of the type set forth below:

(1) updated information regarding any changes in the user rates containing the information set forth in the table under the heading “Sewer Rates” in the Official Statement;

(2) updated information regarding the number of customers for such fiscal year in a format similar to the table “Number of Customers” in the Official Statement;

(3) updated information regarding the treatment requirements of the System for such fiscal year in a format similar to the table “Sewage Treatment Requirements” in the Official Statement;

(4) the ten largest customers of the System for such fiscal year, in a format similar to the table under the heading “Largest Customers” in the Official Statement; and

(5) the debt service coverage ratio for the System for such fiscal year.

Notwithstanding anything herein, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within ten days after the receipt thereof, the City shall provide the audited financial statements.

Any or all of the Disclosure Information may be incorporated, if it is updated as required hereby, by reference from other documents, including official statements, which have been submitted to the MSRB in the manner set forth in subsection (c) hereof. The City shall clearly identify the Disclosure Information in each document so incorporated by reference.

If any part of the Disclosure Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be material (as hereinafter defined), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations.

If the Disclosure Information is changed or this Continuing Disclosure Undertaking is amended, then the City shall include in the next Disclosure Information to be delivered pursuant to this Continuing Disclosure Undertaking, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner not in excess of ten business days, notice of the occurrence of any of the following events:

- (A) principal and interest payment delinquencies;
- (B) non-payment related defaults, if material;
- (C) unscheduled draws on debt service reserves reflecting financial difficulties;
- (D) unscheduled draws on credit enhancements reflecting financial difficulties;
- (E) substitution of credit or liquidity providers, or their failure to perform;
- (F) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the

tax status of the Bonds or other material events affecting the tax status of the Bonds;

(G) modifications to rights of holders of the Bonds, if material;

(H) bond calls, if material, and tender offers;

(I) defeasances;

(J) release, substitution or sale of property securing repayment of the Bonds, if material;

(K) rating changes;

(L) bankruptcy, insolvency, receivership, or similar event of the obligated person;

(M) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(N) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(O) incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City or obligated person, any of which affect security holders, if material; and

(P) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the City or obligated person, any of which reflect financial difficulties.

An event is “material” if it is an event as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed in this Bond Resolution or information generally available to the public. Notwithstanding the foregoing sentence, an event is also “material” if it is an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For purposes of paragraphs (O) and (P) above, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or

(iii) guarantee of either (i) or (ii). A “financial obligation” does not include municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule.

(3) In a timely manner, notice of the occurrence of any of the following events or conditions:

(A) the failure of the City to provide the Disclosure Information described above under paragraph (b)(1) above at the time specified thereunder;

(B) the amendment or supplementing of this Continuing Disclosure Undertaking, together with a copy of such amendment or supplement and any explanation provided by the City; and

(C) any change in the fiscal year of the City.

(c) Manner of Disclosure. The City agrees to make available the information described in subsection (b) hereof to the MSRB via EMMA or in a manner as may be otherwise proscribed by the MSRB consistent with the Rule. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(d) Term; Amendments; Interpretation.

(1) This Continuing Disclosure Undertaking shall remain in effect so long as any Bonds are outstanding.

(2) This Continuing Disclosure Undertaking (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (b)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of the City Council filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that the Continuing Disclosure Undertaking (and the form and requirements of the Disclosure Information), as so amended or supplemented, will comply with the provisions of paragraph (b)(5) of the Rule, assuming that such provisions apply to the Bonds.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

(3) This Continuing Disclosure Undertaking is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so the undertaking would satisfy the requirements of paragraph (b)(5) of the Rule.

Dated: June 30, 2020.

CITY OF MISSOULA, MONTANA

By \_\_\_\_\_  
Mayor

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



## EXHIBIT D

[Bond insurance provisions, if applicable]

## EXHIBIT E

[Form of Escrow Agreement]