

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 a resolution entitled: **"Resolution Relating to a Project on Behalf of Trinity Apartments, LLLP, and the Issuance of Revenue Bonds or Notes to Finance All or a Portion of the Costs of Designing, Engineering, and Constructing a Multifamily Rental Housing Project Commonly Known as Trinity Apartments and Associated Costs under Montana Code Annotated, Title 90, Chapter 5, Part 1, as Amended; Approving the Project and Authorizing the Issuance of Bonds or Notes 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 November 23, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 and seal officially this ____ day of November, 2020.

(SEAL)

City Clerk

RESOLUTION NO. _____

Resolution Relating to a Project on Behalf of Trinity Apartments, LLLP, and the Issuance of Revenue Bonds or Notes to Finance All or a Portion of the Costs of Designing, Engineering, and Constructing a Multifamily Rental Housing Project Commonly Known as Trinity Apartments and Associated Costs under Montana Code Annotated, Title 90, Chapter 5, Part 1, as Amended; Approving the Project and Authorizing the Issuance of Bonds or Notes Therefor

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

Section 1. Recitals.

1.01. On November 4, 2019, this Council, by Resolution No. 8394, considered a multifamily rental housing project commonly known as Trinity Apartments, and, to facilitate the issuance of revenue bonds or notes, called for a public hearing thereon. Following a public hearing on November 25, 2019, this Council by Resolution No. 8400 (the “Prior Resolution”), approved the project and the issuance of bonds to pay all or a portion of the costs of the project. Since November 2019, the estimated costs of Trinity Apartments have increased by \$3,100,000 and the estimated costs of Trinity Apartments to be financed with bond proceeds have increased by \$7,000,000. Thus, this Council is now asked to revisit the project so that an increased amount of revenue bonds or notes may be issued in connection with the project.

1.02. A public hearing was held on the Project (defined below) prior to consideration of this resolution. It is proposed that the City issue its revenue bonds or notes, in one or more series, in an approximate aggregate principal amount not to exceed \$34,000,000 (the “Bonds”) under Title 90, Chapter 5, Part 1, Montana Code Annotated (the “Act”), the proceeds of which will be loaned by the City to Trinity Apartments, LLLP, a Montana limited liability limited partnership (the “Borrower”), to finance all or a portion of the costs of designing, engineering, and constructing a multifamily rental housing project commonly known as Trinity Apartments consisting of a total of approximately 202 units, related improvements, and associated costs (the “Project”). The maximum aggregate principal amount of the Bonds set forth in the Prior Resolution was \$27,000,000, thus the total amount of the Bonds has increased by \$7,000,000. The general partners of the Borrower are expected to include entities owned or controlled by Missoula Housing Authority and by Homeword, Inc.

The Project, which includes associated costs of financing, is located on two parcels of real property, one located at 2340 Mullan Road in Missoula, Montana and consisting of approximately 4 acres just east of the Missoula County Detention Center, and one located at 1600 Cooley Street in Missoula, Montana and consisting of approximately 1.79 acres between Burns and Cowper Streets. The facilities comprising the Project will be used in an integrated operation. The total cost of the Project is now estimated to not exceed \$39,700,000, and costs of the Project in excess of the proceeds of the Bonds will be paid by

funds of or available to the Borrower, whether from funds on hand or borrowed funds. The total costs of the Project set forth in the Prior Resolution were estimated to not exceed \$36,600,000, thus the estimated total cost of the Project has increased by \$3,100,000.

The Borrower currently anticipates that the purchaser of the Bonds will be Freddie Mac, Glacier Bank, or similar entity, but reserves the right to cause the Bonds to be sold publicly or privately to any purchaser or purchasers (such purchaser or purchasers, individually or collectively, the “Purchaser”) as it sees fit. It is anticipated that the Project will be a “qualified residential rental project” and that the Borrower will own and operate the Project in compliance with the affordability requirements of Section 142(d) of the Internal Revenue Code of 1986, as amended.

Section 2. Public Hearing. At the public hearing duly called, noticed and held as required by the Act all persons who appeared were afforded an opportunity to express their views with respect to the proposal to undertake and finance the Project. Based on the public hearing, any written comments filed with the City Clerk and such other facts and circumstances as this Council deems relevant, this Council hereby finds, determines and declares, as follows:

(a) The Project, as proposed, will be eligible for financing under the Act and the City is authorized to issue the Bonds to defray the costs of making a loan to the Borrower, the proceeds of which will be used to finance part or all of the costs of the Project and pay the costs and expenses incident to the issuance and sale of the Bonds, and to enter into a loan agreement or other financing or credit agreement or arrangements with the Borrower and, if appropriate, the Purchaser, requiring loan repayments from the Borrower in amounts and at times sufficient to pay the principal of and interest on the Bonds when due and requiring the Borrower to pay all costs of maintaining and insuring the Project, including taxes thereon, if any.

(b) The loan will be secured by a first-lien mortgage or trust indenture (deed of trust) on the Project and/or such other security devices or arrangements as may be dictated by the Purchaser of the Bonds.

(c) The loan repayments to be made by the Borrower under the loan agreement or loan agreements or such other loan documents and arrangements shall be established at a level or levels and payable in installments at times sufficient to allow the payment of all principal of, premium, if any, and interest on the Bonds when due.

(d) In preliminarily authorizing the Project and the issuance of the Bonds, the City’s purpose is, and the Council believes the effect thereof will be, to promote the public welfare of the City and its residents by facilitating the provision of affordable multifamily housing within the City by making the Project more financially feasible because of tax-exempt financing in furtherance of the purposes and policies of the Act.

(e) The undertaking of the Project and the issuance of the Bonds to finance all or a portion of the costs thereof are in the public interest.

Section 3. Approval of Project. This Council hereby approves the Project and the issuance of the Bonds in the approximate aggregate principal amount not to exceed \$34,000,000

to finance all or a portion of the costs of the Project and associated costs of the financing. The Bonds will be issued for a term not to exceed 40 years from their date of issuance, and will bear interest at a rate or rates allowable by law and contain such other terms and provisions as shall be agreed upon by the Council, the Borrower and the purchaser or purchasers of the Bonds. The Borrower shall, pursuant to one or more loan agreements or indentures of trust, or supplemental loan agreements or supplemental indentures of trust, and/or other documents or arrangements, or any combination thereof, agree to apply the proceeds of the Bonds to costs of the Project and other eligible costs; to operate and maintain, or cause to be operated and maintained, the land and improvements included within the Project in compliance with the affordability requirements of Section 142(d) of the Internal Revenue Code of 1986, as amended; to keep the land and improvements included within the Project properly insured; to pay all assessments, if any, on or against the land and improvements included within the Project; to keep a loan reserve, if any, fully funded; to make loan payments sufficient to pay the principal of, premium, if any, and interest on the Bonds; and, to the extent required, to pay all costs and expenses of the City and any trustee or other custodian in connection with the Project. There is expected to be a pledge and assignment of certain of the City's interests in a loan agreement or agreements or other arrangements under an assignment or other arrangements and such other security devices as shall be deemed necessary or appropriate.

The Bonds will be special, limited obligations of the City, and the Bonds and interest thereon will be payable solely from the revenues pledged to the payment thereof. No holder of any of the Bonds will ever have the right to compel any exercise of the taxing power of the City to pay the Bonds or the interest thereon, nor to enforce payment thereof against any property of the City, except funds or assets the Borrower pledged to the City and to the payment of the Bonds.

Section 4. Preparation of Documents. Dorsey & Whitney LLP, as bond counsel, is authorized in cooperation with the City Attorney, the Borrower and the purchaser or purchasers of the Bonds to prepare and/or review forms of loan documents and security agreements and other loan or credit devices, including, without limitation, a loan agreement or agreements, assignments, mortgages or indentures of trust, bond or bonds, supplements to any of the foregoing, and any and all other documents necessary or appropriate to provide for financing of the Project and the security for the repayment thereof for review and approval of the final terms and conditions thereof by this Council.

Section 5. Costs. The Borrower will pay, or upon demand reimburse the City for payment of, any and all costs incurred by the City in connection with the Project, whether or not the Project is carried to completion, including the City's issuance fee or administration fee, if any, and the fees and costs of bond counsel, whether or not the Bonds are issued.

Section 6. Commitment Conditional. The adoption of this resolution does not constitute a guarantee or a firm commitment that the City will issue the Bonds as requested by the Borrower. The City retains the right, in its sole discretion, to withdraw from participation and accordingly not issue the Bonds should the Council, at any time prior to the issuance thereof, determine that it is in the best interests of the City not to issue the Bonds or should the parties to the transaction or any of them be unable to reach agreement as to the terms and conditions of any of the documents for the transaction.

PASSED AND APPROVED by the City Council of the City of Missoula, Montana, on this 23rd day of November, 2020.

CITY OF MISSOULA, MONTANA

Mayor

Attest:

City Clerk

(SEAL)