

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Billings, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution No. \_\_\_\_\_, entitled: "RESOLUTION RELATING TO \$3,000,000 TAX INCREMENT URBAN RENEWAL REVENUE BONDS (SOUTH BILLINGS BOULEVARD URBAN RENEWAL DISTRICT), SERIES 2022; AUTHORIZING THE SALE 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 November 14, 2022, and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

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

WITNESS my hand officially this 14th day of November, 2022.

(SEAL)

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

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

RESOLUTION RELATING TO \$3,000,000 TAX INCREMENT  
URBAN RENEWAL REVENUE BONDS (SOUTH BILLINGS  
BOULEVARD URBAN RENEWAL DISTRICT), SERIES 2022;  
AUTHORIZING THE SALE AND PRESCRIBING THE FORMS  
AND TERMS THEREOF AND THE SECURITY THEREFOR

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

Section 1. Authorizations and Findings.

1.01. Recitals; Prior City Actions. Under Montana Code Annotated, Title 7, Chapter 15, Parts 42 and 43, as amended (the “Act”), the City is authorized to create urban renewal areas, prepare and adopt an urban renewal plan therefor and amendments thereto, undertake urban renewal projects therein, provide for the segregation and collection of tax increment with respect to property taxes collected in such areas, issue its bonds to pay the costs of such projects and to refund bonds previously issued under the Act and pledge to the repayment of the bonds the tax increment and other revenues derived from projects undertaken within the urban renewal area.

Pursuant to the Act and Ordinance No. 07-5441, adopted by the Council on December 10, 2007, as amended by Ordinance Nos. 08-5462, 08-5484, and 19-5725, adopted by the Council on May 12, 2008, December 8, 2008, and July 22, 2019, respectively, the City created its South Billings Boulevard Urban Renewal District and approved and amended the South Billings Boulevard Urban Renewal Plan (the “Plan”), which contains a tax increment financing provision. By Ordinance No. 21-5765, adopted by the Council on July 26, 2021, the City expanded the boundaries of its South Billings Boulevard Urban Renewal District (as so expanded, the “District”).

Pursuant to the Act and Resolution No. 15-10452 adopted by the Council on May 11, 2015 (the “Original Resolution”), as amended and supplemented by Resolution No. 16-10567, adopted by the Council on June 27, 2016 (the Original Resolution, as so amended and supplemented and as further amended and supplemented by this resolution, the “Resolution”), the City issued its Tax Increment Urban Renewal Revenue Refunding Bonds (South Billings Boulevard Urban Renewal District), Series 2015, in the aggregate principal amount of \$5,170,000 (the “Series 2015 Bonds”) and its Tax Increment Urban Renewal Revenue Bonds (South Billings Boulevard Urban Renewal District), Series 2016, in the aggregate principal amount of \$4,935,000 (the “Series 2016 Bonds”). The Series 2015 Bonds and the Series 2016 Bonds are payable from Tax Increment. Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Original Resolution.

The City proposes to undertake the design, construction and installation of street improvements with respect to various streets within the District, including Vaughn Lane, Mitchell Avenue, Morgan Avenue, Ryan Avenue and Hillview Lane (collectively, the “2022 Project”). The 2022 Project has been authorized as an urban renewal project pursuant to the Act and the Plan, and as set forth in the Plan the City declared its intention to use Tax Increment to finance such improvements.

1.02. Authorization and Sale of Series 2022 Bonds. Pursuant to Resolution No. 22-11077 adopted October 10, 2022 (the “Parameters Resolution”), this Council determined that it is in the best interests of the City to issue its Tax Increment Urban Renewal Revenue Bonds (South Billings Boulevard Urban Renewal District), Series 2022 (the “Series 2022 Bonds”), as authorized by Section 7-15-4301(1)(a) of the Act and the Resolution, for the purpose of financing a portion of the costs of the 2022 Project, funding a deposit to the Reserve Account and paying costs of issuance of the Series 2022 Bonds. The City has reserved the right under Sections 4.01 and 4.02 of the Original Resolution to issue Additional Bonds for the purpose of providing funds to pay the costs of one or more Projects, which Additional Bonds shall be payable and secured ratably and equally and on a parity with Outstanding Bonds, upon compliance with the provisions of Section 4.01 and 4.02 of the Original Resolution.

Pursuant to the Parameters Resolution, this Council authorized the negotiated sale of the Series 2022 Bonds to D.A. Davidson & Co., Great Falls, Montana (the “Original Purchaser”) and authorized the Mayor, City Administrator, Assistant City Administrator and City Finance Director to enter into the Bond Purchase Agreement, dated as of October 24, 2022 with the Original Purchaser (the “Bond Purchase Agreement”), pursuant to which the Original Purchaser agreed to purchase the Series 2022 Bonds at the aggregate purchase price of \$2,959,595.35 (representing the par amount of the Series 2022 Bonds, less net original issue discount of \$14,904.65 and less underwriter’s compensation of \$25,500.00), in each case, subject to the terms and conditions of the Bond Purchase Agreement and the Resolution. The true interest cost of the Series 2022 Bonds is 5.7627223%. The sale of the Series 2022 Bonds to the Original Purchaser is hereby ratified and confirmed.

1.03. Application of Series 2022 Bond Proceeds. Proceeds of the Series 2022 Bonds will be applied as follows:

Deposit to Construction Account	\$2,737,676.59
Underwriter’s Discount	\$25,500.00
Deposit to Reserve Account	\$221,918.76
<u>Total*</u>	<u>\$2,985,095.35</u>

\* Totals reflect the net original issue discount of \$14,904.65 on the Series 2022 Bonds.

1.04. Estimate of Tax Increment. As set forth on the aggregate debt service schedule attached hereto as Exhibit A, the maximum Principal and Interest Requirements on the Series 2015 Bonds, the Series 2016 Bonds and the Series 2022 Bonds are equal to \$875,106.28. There are no other bonds or other obligations of the City payable from Tax Increment, other than the Grant Commitments described below.

In fiscal year 2022, the City received Tax Increment in the amount of \$3,882,119, and the City estimates that Tax Increment to be received in each future Fiscal Year will be at least \$3,882,119. Accordingly, the Tax Increment estimated to be received each year by the City will be sufficient to pay the maximum aggregate Principal and Interest Requirements on the Series 2015 Bonds, the Series 2016 Bonds and the Series 2022 Bonds, and the Grant Commitments described below. In addition, the Tax Increment received by the City in fiscal year 2022 was equal to at least 130% of the maximum aggregate Principal and Interest Requirements for any future calendar year with respect to the Series 2015 Bonds, the Series 2016 Bonds and the Series

2022 Bonds, and the Tax Increment estimated to be received by the City in the next succeeding three fiscal years, adjusted as provided in Resolution No. 15-10452, is equal to at least 140% of the maximum aggregate Principal and Interest Requirements for any future calendar year with respect to the Series 2015 Bonds, Series 2016 Bonds and the Series 2022 Bonds.

Pursuant to certain development agreements entered into between the City and various developers, the City anticipates making grant payments (the “Grant Commitments”) to such developers with respect to certain eligible infrastructure expenses in the aggregate amount of approximately \$2,065,000 over the next two Fiscal Years, subject to the satisfaction of certain conditions precedent. The Grant Commitments are Subordinate Obligations, payable from Tax Increment on a subordinate basis to the Series 2015 Bonds, Series 2016 Bonds and Series 2022 Bonds.

1.05. Findings and Determinations. It is hereby found, determined and declared by this Council as follows:

- (a) no persons will be displaced from their housing by the 2022 Project;
- (b) the Plan and the 2022 Project conform to the comprehensive plan or parts thereof of the City as a whole;
- (c) the Plan and the 2022 Project will afford maximum opportunity, consistent with the needs of the City as a whole, for the rehabilitation or redevelopment in the District by private enterprise;
- (d) a sound and adequate financial program exists for the financing of the 2022 Project, which program includes the City’s use of the proceeds of the Series 2022 Bonds;
- (e) the 2022 Project is in the best interests of the City;
- (f) the 2022 Project is authorized under the Plan and constitutes an urban renewal project within the meaning of the Act;
- (g) the estimated Tax Increment to be received by the City, as set forth in Section 1.04, and pledged to the payment of the Series 2022 Bonds will be sufficient to pay the Principal and Interest Requirements thereon when due;
- (h) it is in the best interests of the City to issue and sell the Series 2022 Bonds to finance the costs of the 2022 Project as provided in the Resolution; and
- (i) the findings and determinations made by this Council in the Ordinance are hereby ratified and confirmed.

All acts, conditions and things required by the Constitution and laws of the State, including the Act, in order to pledge the Tax Increment to the payment of the Series 2022 Bonds, to make the Series 2022 Bonds valid and binding special, limited obligations of the City in accordance with their terms and in accordance with the terms of the Resolution have been done,

do exist, have happened and have been performed in regular and due form, time and manner as so required.

Section 2. Bond Terms, Execution and Delivery.

2.01. Term of Series 2022 Bonds. The Series 2022 Bonds shall be designated “Tax Increment Urban Renewal Revenue Bonds (South Billings Boulevard Urban Renewal District), Series 2022.” The Series 2022 Bonds shall be in denominations of \$5,000 or any integral multiple thereof of single maturities. The Series 2022 Bonds shall mature, subject to redemption as hereinafter provided, on July 1 in the years and amounts listed below, and the Series 2022 Bonds maturing in such years and amounts shall bear interest from date of original issue until paid or duly called for redemption (including mandatory sinking fund redemption as to the term bonds maturing in 2037, 2042, and 2047) at the rates shown opposite such years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2023	\$120,000	5.000%
2024	65,000	5.000
2025	65,000	5.000
2026	70,000	5.000
2027	75,000	5.000
2028	75,000	5.000
2029	80,000	5.000
2030	85,000	5.000
2031	90,000	5.000
2037*	640,000	5.375
2042*	705,000	5.625
2047*	930,000	5.875

\*Term Bonds subject to mandatory sinking fund redemption as set forth in Section 2.07 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 2022 Bonds shall be issuable only in fully registered form, and the ownership of the Series 2022 Bonds shall be transferred only upon the Bond Register. The interest on the Series 2022 Bonds shall be payable on January 1 and July 1 in each year, commencing July 1, 2023. Interest on the Series 2022 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 2022 Bond shall be payable by check or draft issued by the Registrar described herein.

2.03. Dated Date. Each Series 2022 Bond shall be dated, as originally issued, as of November 22, 2022, and upon authentication of any Series 2022 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 designated corporate trust office a Bond Register in which the Registrar shall provide for the registration of ownership of Series 2022 Bonds and the registration of transfers and exchanges of Series 2022 Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Series 2022 Bonds. Upon surrender to the Registrar for transfer of any Series 2022 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 2022 Bonds of the same series and a like aggregate principal amount, interest rate and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of transfer of any Series 2022 Bond or portion thereof selected or called for redemption.

(c) Exchange of Series 2022 Bonds. Whenever any Series 2022 Bond is surrendered by the Owner for exchange, the Registrar shall authenticate and deliver one or more new Series 2022 Bonds of the same series and a like aggregate principal amount, interest rate and maturity, as requested by the Owner or the Owner’s attorney in writing.

(d) Cancellation. All Series 2022 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 2022 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 2022 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 2022 Bond is at any time registered in the Bond Register as the absolute owner of such Series 2022 Bond, whether such Series 2022 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, and interest on such Series 2022 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 2022 Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Series 2022 Bonds (except for an exchange upon the partial redemption of a Series 2022 Bond), the Registrar may impose a charge upon the Owner thereof sufficient to reimburse the

Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Series 2022 Bonds. In case any Series 2022 Bond shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Series 2022 Bond of the same series and a like aggregate principal amount, interest rate and maturity in exchange and substitution for and upon cancellation of any such mutilated Series 2022 Bond or in lieu of and in substitution for any such Series 2022 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 2022 Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Series 2022 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 2022 Bonds so surrendered to the Registrar shall be cancelled by it and evidence of such cancellation shall be given to the City. If the mutilated, lost, stolen or destroyed Series 2022 Bond has already matured or such Series 2022 Bond has been called for redemption in accordance with its terms, it shall not be necessary to issue a new Series 2022 Bond prior to payment.

2.05. Appointment of Initial Registrar. The City hereby appoints U.S. Bank Trust Company, National Association, of Salt Lake City, Utah, to act as the Registrar. The City reserves the right to appoint a successor Registrar, as authorized by the Model Public Obligations Registration Act of Montana, Montana Code Annotated, Title 17, Chapter 5, Part 11, as amended, but the City agrees to pay the reasonable and customary charges of the Registrar for the services performed. Upon merger or consolidation of a bank or trust company that is acting as the Registrar, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The City reserves the right to remove any Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Series 2022 Bonds in its possession as Registrar to the successor Registrar and shall deliver the Bond Register to the successor Registrar.

2.06. Optional Redemption. The Series 2022 Bonds with Stated Maturities in the years 2023 through 2027 are not subject to redemption prior to their Stated Maturities. The Series 2022 Bonds with Stated Maturities on or after July 1, 2028 are subject to redemption on July 1, 2027 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 Redemption Date and the principal amount of the Series 2022 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 2022 Bond to be redeemed at their addresses as they appear on the Bond Register, but no defect in or failure to give such notice shall affect the validity of proceedings for the redemption of any Series 2022 Bond not affected by such defect or failure. The notice of redemption shall specify the Redemption Date, Redemption Price, the numbers, interest rates, CUSIP numbers and Stated Maturities of the Series 2022 Bonds or portions thereof to be redeemed and the place at which the Series 2022 Bonds are to be surrendered for payment, which is the designated corporate trust office of the Registrar. Official notice of redemption having been given as aforesaid, the Series 2022 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 2022 Bonds or portions thereof shall cease to bear interest.

2.07. Mandatory Sinking Fund Redemption. The Series 2022 Bonds having Stated Maturities in 2037, 2042, and 2047 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:

2037 Term Bond		2042 Term Bond		2047 Term Bond	
July 1	Sinking Fund Payment Amount	July 1	Sinking Fund Payment Amount	July 1	Sinking Fund Payment Amount
2032	\$ 95,000	2038	\$125,000	2043	\$165,000
2033	95,000	2039	135,000	2044	175,000
2034	105,000	2040	140,000	2045	185,000
2035	110,000	2041	150,000	2046	195,000
2036	115,000	2042*	155,000	2047*	210,000
2037*	120,000				

\*Stated Maturity.

If the Term Bonds having Stated Maturities in 2037, 2042 and 2047 are not previously purchased by the City in the open market or prepaid, \$120,000, \$155,000 and \$210,000, respectively, in principal amount of such Term Bonds would remain to mature in 2037, 2042 and 2047, respectively. 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.

2.08. Execution and Delivery. The Series 2022 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, the City Finance Director 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 2022 Bond. In case any officer whose signature or a facsimile of whose signature shall appear on the Series 2022 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 2022 Bonds have been so executed by said City officers, they shall be registered by the City Finance Director. Notwithstanding such execution, no Series 2022 Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under the Resolution unless and until a certificate of authentication on such Series 2022 Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Series 2022 Bonds need not be signed by the same representative. The executed certificate of authentication on each Series 2022 Bond shall be conclusive evidence that it has been authenticated and delivered under the Resolution. When the Series 2022 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 2022 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 2022 Bond, the Person (or subrogee of the Person) recorded as the beneficial owner of such Series 2022 Bond on the records of the Participant (as hereinafter defined) in whose name DTC holds such Series 2022 Bond.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2022 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 2022 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 2022 Bonds shall be initially issued as separately authenticated fully registered Series 2022 Bonds, and one Series 2022 Bond shall be issued in the principal amount of each Stated Maturity of the Series 2022 Bonds. Upon initial issuance, the ownership of all Series 2022 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 2022 Bonds registered in its name for the purposes of payment of the principal of or interest on the Series 2022 Bonds, selecting the Series 2022 Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to Owners of Series 2022 Bonds under the Resolution, registering the transfer of Series 2022 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 2022 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 2022 Bonds, with respect to any notice which is permitted or required to be given to Owners under the 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 2022 Bonds, or with respect to any consent given or other action taken by DTC as Owner of the Series 2022 Bonds. So long as any Series 2022 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 2022 Bond, and shall give all notices with respect to such Series 2022 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 2022 Bonds to the extent of the sum or sums so paid. Unless the services of DTC as securities depository with respect to the Series 2022 Bonds are terminated as provided in subsection (c) hereof, no Person other than DTC shall receive an authenticated Series 2022 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 2022 Bonds will be transferable to such new nominee in accordance with subsection (e) hereof.

(c) In the event the City determines to discontinue the book-entry-only system for the Series 2022 Bonds, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Series 2022 Bonds in the form of certificates. In such event, the Series 2022 Bonds will be transferable in accordance with subsection (e) hereof. DTC may determine to discontinue providing its services with respect to the Series 2022 Bonds 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 2022 Bonds will be transferable in accordance with subsection (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 2022 Bonds. The Registrar shall have the same rights with respect to its actions thereunder as it has with respect to its actions under the Resolution.

(e) In the event that any transfer or exchange of Series 2022 Bonds is permitted under subsection (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Series 2022 Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of the Resolution. In the event Series 2022 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 2022 Bonds, or another securities depository as Owner of all the Series 2022 Bonds, the provisions of the Resolution shall also apply to all matters relating thereto, including, without limitation, the preparation of such Series 2022 Bonds in the form of Series 2022 Bond certificates and the method of payment of

principal of and interest on such Series 2022 Bonds in the form of Series 2022 Bond certificates.

2.10. Form of Series 2022 Bonds. The Series 2022 Bonds shall be prepared in substantially the form set forth in Exhibit B hereto and by this reference made a part hereof.

2.11. Application of Proceeds of Series 2022 Bonds. Simultaneously with the delivery of the Series 2022 Bonds, the City Finance Director shall cause the proceeds of the Series 2022 Bonds to be deposited as follows:

(a) Deposit \$221,918.76 in the Reserve Account to cause the balance therein to equal the Reserve Requirement giving effect to the issuance of the Series 2022 Bonds; and

(b) Deposit \$2,737,676.59 in the Construction Account to be used to pay costs of the 2022 Project and costs of issuance of the Series 2022 Bonds.

Section 3. Continuing Disclosure. The Council hereby approves the Continuing Disclosure Undertaking of the City substantially in the form of Exhibit C attached hereto and authorizes the City Administrator and the City Finance Director, or in the absence or unavailability of either, the Assistant City Administrator, to execute and deliver on behalf of the City contemporaneously with the date of issuance and delivery of the Series 2022 Bonds the Continuing Disclosure Undertaking, with such changes as may be necessary or appropriate. The execution and delivery by appropriate officers of the City of the Continuing Disclosure Undertaking are adequate to cause the Continuing Disclosure Undertaking to be binding and enforceable on the City.

Section 4. Tax Covenants and Certifications.

4.01. Use of 2022 Project. The 2022 Project is and will be owned and operated by the City. No user of the 2022 Project is granted any concession, license or special arrangement with respect to the 2022 Project. The City shall not enter into any lease, use or other agreement or arrangement with any non-governmental Person relating to the use of the 2022 Project or security for the payment of the Series 2022 Bonds which might cause the Series 2022 Bonds to be considered “private activity bonds” or “private loan bonds” within the meaning of Section 141 the Code. No “impermissible agreement” as defined in Section 1.141-4(e)(4)(ii) of the Regulations, has been or will be entered into by the Commission in respect of the Tax Increment or otherwise to secure the Series 2022 Bonds.

4.02. General Covenant. The City covenants and agrees with the Owners from time to time of the Series 2022 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 2022 Bonds to become includable in gross income for federal income tax purposes under the Code and applicable Regulations, and covenants to take any and all actions within its powers to ensure that the interest on the Series 2022 Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

4.03. Arbitrage Certification. The Mayor, the City Finance Director and the City Clerk being the officers of the City charged with the responsibility for issuing the Series 2022 Bonds pursuant to the Resolution, are authorized and directed to execute and deliver to the Original Purchaser a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Series 2022 Bonds, it is reasonably expected that the proceeds of the Series 2022 Bonds will not be used in a manner that would cause the Series 2022 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and the Regulations.

4.04. Arbitrage Rebate. The City acknowledges that the Series 2022 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 2022 Bonds from gross income for federal income tax purposes, unless the Series 2022 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 2022 Bonds (other than amounts constituting a “bona fide debt service fund”) arise during or after the expenditure of the original proceeds thereof. In furtherance of the foregoing, the Mayor, the City Finance Director and the City Clerk are hereby authorized and directed to execute a Tax 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.

4.05. Information Reporting. The City shall file with the Secretary of the Treasury, not later than February 15, 2023, a statement concerning the Series 2022 Bonds containing the information required by Section 149(e) of the Code.

4.06. “Qualified Tax-Exempt Obligations.” Pursuant to Section 265(b)(3)(B)(ii) of the Code, the City hereby designates the Series 2022 Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code. The City has not designated any obligations in 2022, other than the Series 2022 Bonds, under Section 265(b)(3). The City hereby represents that it does not anticipate that obligations bearing interest not includable in gross income for purposes of federal income taxation under Section 103 of the Code (including refunding obligations as provided in Section 265(b)(3) of the Code and including “qualified 501(c)(3) bonds” but excluding other “private activity bonds,” as defined in Sections 141(a) and 145(a) of the Code) will be issued by or on behalf of the City and all “subordinate entities” of the City in 2022 in an amount greater than \$10,000,000.

## Section 5. Repeals and Effective Date.

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

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

PASSED AND ADOPTED by the City Council of the City of Billings, Montana, this 14th day of November, 2022.

\_\_\_\_\_  
Mayor

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

(SEAL)

## EXHIBIT A

### Aggregate Debt Service Schedule

Date	Principal	Interest	Existing D/S	TOTAL P+I
07/01/2023	120,000.00	100,340.78	646,143.76	866,484.54
07/01/2024	65,000.00	158,943.76	646,768.76	870,712.52
07/01/2025	65,000.00	155,693.76	646,693.76	867,387.52
07/01/2026	70,000.00	152,443.76	645,431.26	867,875.02
07/01/2027	75,000.00	148,943.76	647,431.26	871,375.02
07/01/2028	75,000.00	145,193.76	653,187.52	873,381.28
07/01/2029	80,000.00	141,443.76	648,206.26	869,650.02
07/01/2030	85,000.00	137,443.76	648,393.76	870,837.52
07/01/2031	90,000.00	133,193.76	651,912.52	875,106.28
07/01/2032	95,000.00	128,693.76	649,668.76	873,362.52
07/01/2033	95,000.00	123,587.50	651,006.26	869,593.76
07/01/2034	105,000.00	118,481.26	646,543.76	870,025.02
07/01/2035	110,000.00	112,837.50	646,468.76	869,306.26
07/01/2036	115,000.00	106,925.00	650,593.76	872,518.76
07/01/2037	120,000.00	100,743.76	648,343.76	869,087.52
07/01/2038	125,000.00	94,293.76	650,281.26	869,575.02
07/01/2039	135,000.00	87,262.50	651,187.50	873,450.00
07/01/2040	140,000.00	79,668.76	306,062.50	525,731.26
07/01/2041	150,000.00	71,793.76	-	221,793.76
07/01/2042	155,000.00	63,356.26	-	218,356.26
07/01/2043	165,000.00	54,637.50	-	219,637.50
07/01/2044	175,000.00	44,943.76	-	219,943.76
07/01/2045	185,000.00	34,662.50	-	219,662.50
07/01/2046	195,000.00	23,793.76	-	218,793.76
07/01/2047	210,000.00	12,337.50	-	222,337.50
<b>Total</b>	<b>\$3,000,000.00</b>	<b>\$2,531,659.70</b>	<b>\$11,334,325.18</b>	<b>\$16,865,984.88</b>

EXHIBIT B

UNITED STATES OF AMERICA  
STATE OF MONTANA  
COUNTY OF YELLOWSTONE

**CITY OF BILLINGS, MONTANA**

TAX INCREMENT URBAN RENEWAL REVENUE BONDS  
(SOUTH BILLINGS BOULEVARD URBAN RENEWAL DISTRICT), SERIES 2022

No. \_\_\_\_\_ \$ \_\_\_\_\_

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
%	July 1,	November 22, 2022	090141

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS AND NO/100

FOR VALUE RECEIVED, THE CITY OF BILLINGS, YELLOWSTONE COUNTY, STATE OF MONTANA (the "City"), acknowledges itself to be specially indebted and hereby promises to pay to the registered owner named above or registered assigns the principal amount specified above on the maturity date specified above or, if this Bond is prepayable as stated below, on an earlier date on which this Bond shall have been duly called for redemption, with interest hereon from the date of original issue hereof, or such later date to which interest hereon has been paid or duly provided for, until the principal amount is paid or until this Bond, if redeemable, has been duly called for redemption, at the annual rate specified above. Principal of this Bond is payable upon presentation and surrender hereof to U.S. Bank Trust Company, National Association, as registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the "Registrar") at its designated corporate trust office, currently in St. Paul, Minnesota. The interest on this Bond shall be payable on January 1 and July 1 in each year, commencing July 1, 2023. Interest on the Series 2022 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 each Bond shall be payable by check or draft issued by the Registrar described herein.

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 composed of twelve 30-day months.

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 duly authorized issue of Bonds of the City designated as “Tax Increment Urban Renewal Revenue Bonds (South Billings Boulevard Urban Renewal District), Series 2022” (collectively, the “Bonds”), issued and to be issued in one or more series under, and all equally and ratably secured by Resolution No. 15-10452, adopted by the City Council on May 11, 2015 (the “Original Resolution”), as amended by Resolution Nos. 16-10567 and [\_\_\_\_], adopted by the City Council on June 27, 2016 and November 14, 2022, respectively (the Original Resolution, as so amended and supplemented and as it may be further amended and supplemented in accordance with the provisions thereof, 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 Owners of the Bonds and the City and the terms upon which the Bonds are to be issued and delivered. This Bond is one of the series specified in its title, issued in the aggregate principal amount of \$3,000,000 (the “Series 2022 Bonds”), 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 2022 Bonds are issued by the City for the purpose of financing a portion of the costs of an urban renewal project (as defined in the Act) within the City’s South Billings Boulevard Urban Renewal District (the “District”). The Series 2022 Bonds are payable and secured ratably and equally and on a parity with the City’s Tax Increment Urban Renewal Revenue Refunding Bonds (South Billings Boulevard Urban Renewal District), Series 2015 (the “Series 2015 Bonds”), Tax Increment Urban Renewal Revenue Bonds (South Billings Boulevard Urban Renewal District), Series 2016 (the “Series 2016 Bonds”), and any additional parity Bonds hereafter issued pursuant to the Resolution. Capitalized terms used herein but not otherwise defined shall have the respective meanings given such terms in the Resolution.

The Series 2022 Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Montana, particularly Montana Code Annotated, Title 7, Chapter 15, Parts 42 and 43, as amended (the “Act”), and pursuant to the Resolution. The Bonds are payable solely and ratably from Tax Increment received by the City and resulting from the extension of ad valorem taxes levied by certain Taxing Bodies against the incremental taxable value of taxable property within the District pursuant to the Act, except that under certain conditions as described in the Resolution, the Bonds may be payable from replacement revenues, if any, provided in the event of the abolition or substantial elimination of property taxation in Montana.

The Bonds are not general obligations of the City and the City’s general credit and taxing powers are not pledged to the payment of the Bonds or the interest thereon. The Bonds shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitations.

The Series 2022 Bonds with Stated Maturities in the years 2023 through 2027 are not subject to redemption prior to their Stated Maturities. The Series 2022 Bonds with Stated Maturities on or after July 1, 2028 are subject to redemption on July 1, 2027 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 it deems fair), at a Redemption Price equal to the principal amount thereof and interest accrued to the Redemption Date, without premium.

The Series 2022 Bonds having Stated Maturities in 2037, 2042, and 2047 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:

2037 Term Bond		2042 Term Bond		2047 Term Bond	
July 1	Sinking Fund Payment Amount	July 1	Sinking Fund Payment Amount	July 1	Sinking Fund Payment Amount
2032	\$ 95,000	2038	\$125,000	2043	\$165,000
2033	95,000	2039	135,000	2044	175,000
2034	105,000	2040	140,000	2045	185,000
2035	110,000	2041	150,000	2046	195,000
2036	115,000	2042*	155,000	2047*	210,000
2037*	120,000				

\*Stated Maturity.

If the Term Bonds having Stated Maturities in 2037, 2042 and 2047 are not previously purchased by the City in the open market or prepaid, \$120,000, \$155,000 and \$210,000, respectively, in principal amount of such Term Bonds would remain to mature in 2037, 2042 and 2047, respectively. 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 2022 Bond is transferable upon the books of the City at the principal office of the Registrar, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney; and may also be surrendered in exchange for Series 2022 Bonds of other authorized denominations. Upon any such transfer or exchange, the City will cause a new Series 2022 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 City and the Registrar may deem and treat the Person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of

receiving payment and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

The Series 2022 Bonds have been designated by City as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Montana and ordinances and resolutions of the City to be done, to exist, to happen and to be performed in order to make this Series 2022 Bond a valid and binding special, limited obligation of the City in accordance with its terms have been done, do exist, have happened and have been performed as so required; that this Series 2022 Bond has been issued by the City in connection with an urban renewal project (as defined in the Act); that the City, in and by the Resolution, has validly made and entered into covenants and agreements with and for the benefit of the Owners from time to time of all Bonds issued thereunder, including covenants that it will pledge, appropriate and credit the Tax Increment to the Tax Increment Debt Service Account of the City; that Additional Bonds may be issued and made payable from the Tax Increment Debt Service Account on a parity with the Series 2015 Bonds, the Series 2016 Bonds and the Series 2022 Bonds upon certain conditions set forth in the Resolution, but no obligation will be otherwise incurred and made payable from the Tax Increment, unless the lien thereof shall be expressly made subordinate to the lien of the Series 2015 Bonds, the Series 2016 Bonds and the Series 2022 Bonds on the Tax Increment; that all provisions for the security of the Owners of the Bonds as set forth in the Resolution will be punctually and faithfully performed as therein stipulated; and that the issuance of the Series 2022 Bonds does not cause the obligations of the City to exceed any constitutional or statutory limitation of indebtedness.

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

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

CITY OF BILLINGS, MONTANA

(Facsimile Signature)  
MAYOR

(Facsimile Seal)

(Facsimile Signature)  
CITY FINANCE DIRECTOR

(Facsimile Signature)  
CITY CLERK

Dated:

CERTIFICATE OF AUTHENTICATION

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

U.S. BANK TRUST COMPANY,  
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)

\_\_\_\_\_ 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 Continuing Disclosure Undertaking

This CONTINUING DISCLOSURE UNDERTAKING is made by the CITY OF BILLINGS, MONTANA (the “City”) in connection with the issuance and delivery by the City of its \$3,000,000 Tax Increment Urban Renewal Revenue Bonds (South Billings Boulevard Urban Renewal District), Series 2022 (the “Series 2022 Bonds”), as of this 22nd day of November, 2022.

1. Purpose and Beneficiaries. The Series 2022 Bonds were issued by the City in a public offering pursuant to an Official Statement dated October 24, 2022 with respect to the Series 2022 Bonds (the “Official Statement”). To provide for the public availability of certain information relating to the Series 2022 Bonds and the security therefor and to permit participating underwriters in the primary offering of the Series 2022 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 Series 2022 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 Series 2022 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 or entity aggrieved thereby, including the Owners of the outstanding Series 2022 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 in this Continuing Disclosure Undertaking, in no event shall a default under this Continuing Disclosure Undertaking constitute a default under the Series 2022 Bonds or under any other provision of Resolution No. 15-10452, adopted by the City Council of the City on May 11, 2015, as amended and supplemented by Resolution Nos. 16-10567 and [\_\_\_\_\_] adopted by the City Council of the City on June 27, 2016 and November 14, 2022, respectively (collectively, the “Resolution”). Capitalized terms used herein but not otherwise defined shall have the respective meanings given such terms in the Resolution.

As used in this Continuing Disclosure Undertaking, “Owner” means, in respect of a Series 2022 Bond, the registered owner or owners thereof appearing in the Bond Register 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 in this Continuing Disclosure Undertaking, “Beneficial Owner” means, in respect of a Series 2022 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 Series 2022 Bond (including persons or entities holding Series 2022 Bonds through nominees, depositories or other

intermediaries), or (ii) is treated as the owner of the Series 2022 Bond for federal income tax purposes.

2. Information To Be Disclosed. The City will provide, in the manner set forth in Section 3 hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

(a) On or before 365 days after the end of each fiscal year of the City, commencing with the fiscal year ending June 30, 2022, the following financial information and operating data in respect of the City (the “Disclosure Information”):

(i) audited financial statements of the City for the then most recent completed fiscal year or, if unavailable by the date specified, the City shall provide on or before such date unaudited financial statements as part of the Disclosure Information and, within 10 days after the receipt of thereof, the City shall provide the audited financial statements. The audited financial statements are to be prepared in accordance with generally accepted accounting principles or as otherwise provided under State law, as such principles may be changed from time to time as permitted by State law. 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, the discrepancies will be noted; and

(ii) updated information for the City for the then most recent completed fiscal year compiled by the City and publicly available under applicable data privacy or other law to include:

(A) principal amount of Bonds outstanding of the District;

(B) information regarding the District similar to what is presented in the table in the Official Statement in the section “Value of Property and Tax Increment of the District” to include:

(1) Incremental Taxable Value;

(2) Actual Taxable Value;

(3) Real Property Tax Increment Collected; and

(4) Total Tax Increment Collected (including entitlement share revenue); and

(C) debt service coverage for the then most recent completed fiscal year.

The Disclosure Information will be provided as described in Section 3 and may be provided in a single document or multiple documents, and may be incorporated by specific reference to documents available to the public on the internet website of the MSRB or filed with

the Securities Exchange Commission (the “SEC”). Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been filed with the SEC or have been made available to the public on EMMA. The City shall clearly identify in the Disclosure Information 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 as permitted by Section 4(b) hereof, 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.

(b) In a timely manner not in excess of ten (10) business days, the City will provide 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 Series 2022 Bonds or other material events affecting the tax status of the Series 2022 Bonds;
- (G) modifications to rights of holders of the Series 2022 Bonds, if material;
- (H) bond calls, if material, and tender offers;

- (I) defeasances;
- (J) release, substitution or sale of property securing repayment of the Series 2022 Bonds, if material;
- (K) rating changes;
- (L) bankruptcy, insolvency, receivership, or similar event of the City;
- (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 City or 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.

As used herein, for those events that must be reported if material, 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 Series 2022 Bond or, if not disclosed, would materially alter the total mix of information otherwise available to an investor from the Official Statement 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 Series 2022 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.

(c) In a timely manner, the City will provide notice of the occurrence of any of the following events or conditions:

- (i) the failure of the City to provide the Disclosure Information described under Sections 2(a) and 2(b) hereof at the time specified thereunder;

(ii) the amendment or supplementing of this Continuing Disclosure Undertaking pursuant to Section 4(b) hereof, together with a copy of such amendment or supplement and any explanation provided by the City; and

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

3. Manner of Disclosure. The City agrees to make available the information described in Section 2 hereof to the MSRB through EMMA in an electronic format as prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

4. Term; Amendments; Interpretation.

(a) This Continuing Disclosure Undertaking shall remain in effect until all Series 2022 Bonds have been paid or defeased under the Resolution.

(b) Notwithstanding paragraph (a) above, 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 under Section 2(c)(ii) hereof), or the consent of the Owners of any Series 2022 Bonds, by a resolution or ordinance of the City 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 such amendment or supplement (1) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the City or the type of operations conducted by the City, or (2) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule, assuming that such provisions apply to the 2022 Bonds. If this Continuing Disclosure Undertaking (and the form and requirements of the Disclosure Information) are 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.

(c) This Continuing Disclosure Undertaking is entered into as a continuing disclosure undertaking to provide continuing disclosure identical to that required by the continuing disclosure provisions of the Rule and should be construed so this Continuing Disclosure Undertaking would satisfy the requirements of paragraph (b)(5) of the Rule, assuming it was otherwise applicable to the Series 2022 Bonds.

5. Further Limitation of Liability of City. None of the agreements or obligations of the City contained in this Continuing Disclosure Undertaking shall be construed to constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions whatsoever or constitute a pledge of the general credit or taxing powers of the City.

CITY OF BILLINGS, MONTANA

By \_\_\_\_\_  
City Administrator

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