City of Helena

CITY OF HELENA
City Commission Meeting
August 12, 2019 - 6:00 PM
Commission Chambers, Room 330

1. Call to Order and Roll Call

2. Pledge of Allegiance

3. Minutes

A. Regular City Commission Minutes - July 29, 2019

B. Special City Commission Meeting - August 1,2019

4. Consent Agenda

A. Claims

B. Approval of Montana Department of Administration 911 Grant Program funding for updated phone system for the 911 center.

C. Ordinance requiring pawnbrokers to report stolen property to the chief of police and to require presentation of identification verifying a persons age prior to accepting items for pawn by amending Title 4 Chapter 2 of the Helena City Code.

D. Ordinance updating the City's organizational structure by amending Title 2 Chapter 3 of the Helena City Code.

5. Communication/Proposals from Commissioners

6. Report of the City Attorney

7. Report of the City Manager

8. Communications from the Helena Citizens Council

9. Regular Items

A. Consider a resolution permitting back-in angle parking on the north-side of 7th Avenue between Warren Street and Cruse Avenue.

B. Consider a resolution encouraging voluntary outdoor smoke-free areas and enhanced practices to reduce outdoor secondhand smoke exposure in public places.

C. Consider a resolution relating to $5,700,000 water system revenue bonds (DNRC Drinking Water State Revolving Loan Program), series 2019 bond; authorizing the issuance and fixing the terms and conditions thereof.

D. Consider a resolution amending and restating all prior water system revenue financing resolutions and water system revenue bonds issued prior to 2019.

10. Public Communications

11. Meetings of Interest

12. Adjournment

It is the policy of the City Commission to take public comment on any action item. For further information on any of the items mentioned above, please contact the City Clerk's Office at 447-8410 or dhavens@helenamt.gov.

To read packet information while attending a City Commission Meeting please use the City/County wireless network COMM_MEET during the meeting.

ANNOUNCEMENTS

Administrative Meeting - August 21, 2019 - 4:00 p.m. - Room 326, City-County Meeting
Regular City Commission Meeting - August 26, 2019 - 6:00 p.m. - Commission Chambers, City-County Building

The City of Helena is committed to providing access to persons with disabilities for its meetings, in compliance with Title II of the Americans with Disabilities Act and the Montana Human Rights Act. The City will not exclude persons with disabilities from participation at its meetings or otherwise deny them the City's services, programs, or activities.

Persons with disabilities requiring accommodations to participate in the City's meetings, services, programs, or activities should contact the City's ADA Coordinator, Ellie Ray, as soon as possible to allow sufficient time to arrange for the requested accommodation, at any of the following:

Phone: (406) 447- 8490
TTY Relay Service 1-800-253-4091 or 711
Email: citycommunitydevelopment@helenamt.gov
Mailing Address & Physical Location: 316 North Park Avenue, Room 445, Helena, MT 59623.

City of Helena

Finance Department
316 N. Park Avenue Room 320
Helena, MT 59623
Telephone: 406-447-8417 Fax: 406-0447-8434
E-mail: jrensmon@helenamt.gov

July 22, 2019

To: Ana Cortez, City Manager

From: Jamie Rensmon, Accounting Tech II-Accounts Payable

Subject: Claims Paid

The Expenditure Approval Lists for 7/16/19, 7/17/19, 7/18/19, and 7/19/19 have been approved for claims in the amount of $1,366,956.79. Checks numbered 169950 – 170108 have been issued for payment.

A list of all claims paid and supporting detail are available in the City Finance Department, Room 320, for anyone who wishes to review them.

City of Helena

Finance Department
316 N. Park Avenue Room 320
Helena, MT 59623
Telephone: 406-447-8417 Fax: 406-0447-8434
E-mail: jrensmon@helenamt.gov

July 26, 2019

To: Ana Cortez, City Manager

From: Jamie Rensmon, Accounting Tech II-Accounts Payable

Subject: Claims Paid

The Expenditure Approval Lists for 7/25/19 and 7/26/19 have been approved for claims in the amount of $2,042,823.74. Checks numbered 170109 – 170310 have been issued for payment.

A list of all claims paid and supporting detail are available in the City Finance Department, Room 320, for anyone who wishes to review them.

City of Helena, Montana

July 18, 2019

To: Ana Cortez, City Manager

From: Steve Hagen, Interim - Chief of Police

Subject: Approval of Montana Department of Administration 911 Grant Program funding for updated phone system for the 911 center.

Present Situation: The Helena Police Department applied for and received a Grant through the Montana Department of Administration 911 Grant Program. The grant application and approval was for the purchase of a Next Generation 911 compatible integrated IP based call taking system. The amount of the award is $470,000.

Proposal/Objective: Accept the Montana Department of Administration 911 Grant Program funding for an updated phone system for the 911 center.

Advantage: The grant provides funding to replace the current phone system which is outdated and has been in place for 17 years with and updated phone system that is Next Generation 911 compatible.

Notable Energy Impact: N/A

Disadvantage: There are no disadvantages to accepting this grant.

Notice of Public Hearing: N/A

Recommended Motion: Move to approve the acceptance of Montana Department of Administration 911 Grant Program Funding for the purchase of a Next Generation 911 Compatible Integrated IP based call taking system for the 911 center in the amount of $470,000.

ATTACHMENTS:

- Grant Contract - 911 Grant Funding

MONTANA DEPARTMENT OF ADMINISTRATION
9-1-1 GRANT PROGRAM
CONTRACT # MT9-1-1 GRANT-2019-014

This agreement ("Contract") is entered by **City of Helena, Lewis & Clark County**, Montana ("Grantee") and the Montana Department of Administration ("Department").

The Grantee and the Department hereby agree to the following terms:

Section 1. PURPOSE

The purpose of this Contract is to provide funding to the Grantee for 9-1-1 system activities approved by the Department under the 9-1-1 Grant Program ("Program") as authorized by HB 61, passed by the 65th Legislature and as signed into law by Governor Bullock on May 9, 2017 (Chapter 367, Laws 2017).

Section 2. AUTHORITY

This Contract is issued under authority of Title 10, Chapter 4 of the Montana Code Annotated ("MCA") and Title 2, Chapter 13 of the Administrative Rules of Montana ("ARM"), and the terms of Chapter 353, Laws 2017.

Section 3. APPLICATION INCORPORATED BY REFERENCE

The Grantee's application for Program assistance, including any written modifications or reports resulting from the review of the application by the Department (collectively "Project"), is specifically incorporated into this Contract by this reference and the representations made therein are binding upon the Grantee.

Section 4. ACCEPTANCE OF PROGRAM REQUIREMENTS

(a) The Grantee will comply with all applicable local, state, and federal laws as well as all applicable regulations, ordinances, and resolutions now in effect or as may be amended during the term of this Contract. Grantee will comply with all administrative directives and procedures that may be established or amended by the Department for the Program.

(b) The Grantee agrees that all contracts and subcontracts entered for the completion of the activities described in Section 6 will require such contractors, subcontractors, and subrecipient entities to also comply with all requirements placed on the Grantee in paragraph (a) of this Section.

(c) The Grantee agrees to repay to the Department any funds advanced under this Contract that the Grantee, its contractors, subcontractors, or subrecipient entities, or any public or private agent or agency to which it delegates authority to carry out portions of this Contract, expends in violation of the terms of this Contract, the

statutes, and regulations governing the Program or any applicable local, state, or federal requirements.

Section 5. EFFECTIVE DATE AND TIME OF PERFORMANCE

(a) This Contract shall take effect upon execution by the parties and will terminate on September 30, 2021 or upon approval of Grantee's Project completion report by the Department, whichever is earlier, unless otherwise terminated in accordance with this Contract.

(b) All authorized expenses to be reimbursed must be incurred by the Grantee between July 1, 2018 and June 30, 2021. All requests for reimbursement must be submitted to the Department within ninety (90) days after June 30, 2021.

(c) The Department may grant an extension to this Contract upon request by the Grantee if the Department determines, in its sole discretion, that the Grantee has demonstrated progress toward completion of the Project, has engaged in a good faith effort to comply with the duties, terms, and conditions of this Contract, and that the failure to comply with any of those services, duties, terms, or conditions resulted from circumstances beyond the Grantee's control. A written request for an extension must be submitted at least ninety (90) days prior to September 30, 2021.

Section 6. SCOPE OF WORK

The Grantee will complete the Project and administer this Contract, including any amendments, approved by the Department. The Grantee will use Program funds for the following major components of the project: **purchase a NG9-1-1 compatible integrated IP based call taking system.**

Section 7. BUDGET

(a) The total amount to be awarded to the Grantee under this Contract shall not exceed **$470,000.00**.

(b) Any authorized funds not expended under this grant by the later date referenced in Section 5(b) or otherwise accounted for in accordance with the provisions of this Section will revert to the Department and will be used to finance other Program projects.

Section 8. ACCESS TO AND RETENTION OF RECORDS

(a) The Grantee agrees to create and maintain records supporting the services covered by this Contract, including but not limited to, financial records, supporting documents, and such other records as are required by law or other authority, for

a period of five (5) years after either the termination date of the Contract or the conclusion of any claim, litigation, or exception relating to the Contract taken by the State of Montana or third party, whichever is later. These records will be kept in the Grantee's offices in Helena, Montana.

(b) The Grantee shall provide the Department, Montana Legislative Auditor, or their authorized agents access to any records necessary to determine contract compliance.

Section 9. LIAISONS

All project management and coordination on behalf of the Department shall be through a single point of contact designated as the Department's liaison. Grantee shall designate a liaison that will provide the single point of contact for management and coordination of Grantee's work. All work performed pursuant to this Contract shall be coordinated between the Department's liaison and the Grantee's liaison. The liaisons for this Contract are:

For the Department:
Rhonda Sullivan
Program Manager, DOA/SITSD
1400 8th Avenue
P.O. Box 200113
Helena, MT 59620-0113
406-444-2420
rsullivan@mt.gov

For the Grantee:
Peter Callahan
City of Helena
406 Fuller Ave.
Helena, MT 59601
406-447-8233
pcallahan@helenamt.gov

Section 10. METHOD OF REIMBURSEMENT

(a) The Department will use the funds in the 9-1-1 grant account established pursuant to section 10-4-304(2)(b), MCA, to fund 9-1-1 system awards to Grantees that have received a notice of award letter from the Department. Grantee acknowledges that its access to Program funds is subject to their availability.

(b) The Department agrees that, if and when the funds described in paragraph (a) of this Section are available, the Department will authorize the Grantee to request reimbursement from funding awarded for the Project.

(c) The Department agrees to reimburse the Grantee for eligible Project costs incurred on or after July 1, 2018 upon the successful completion of activities set forth in Section 6. All reimbursements must be supported by adequate documentation provided by the Grantee and require Department approval of the Grantee's request for reimbursement. In requesting reimbursement, the Grantee will follow the instructions supplied by the Department.

(d) The Department will not reimburse the Grantee for any costs incurred prior to July 1, 2018, any ineligible expenses as set forth in 10-4-306(2) MCA, or any expenses not adequately supported by the Grantee's records.

(e) As set forth in Section 17, if the Grantee fails to or is unable to comply with any of the terms and conditions of this Contract any costs incurred will be the Grantee's sole responsibility.

(f) The Grantee understands and acknowledges that the Department will report to the Legislature and Legislative Interim Committees on the status of all Program projects. If the Department determines that the Grantee has failed to commence its project in a timely manner or complete its Project by the date prescribed in this Contract, the Department may recommend to the Legislature that the Contract be terminated and any remaining Project funds will revert to the Department and may be used, at the Department's discretion, to fund other Program grants.

(g) The Department is allowed thirty (30) days to process a request for reimbursement once adequate supporting documentation has been received by the Department. The Grantee shall provide banking information before or at the time of Contract execution in order to facilitate electronic funds transfer payments.

(h) The Department may reduce the Grantee's amount of Program funds provided by this Contract if actual Project expenses are lower than projected by the Grantee.

(i) If the Department determines that the Grantee has failed to satisfactorily carry out its responsibilities under this Contract or has breached the terms of this Contract, the Department may withhold reimbursement to the Grantee until such time as the Department and the Grantee agree on a plan to remedy the deficiency.

(j) Requests for reimbursement for contracted or subcontracted services must include appropriate documentation demonstrating compliance with contract requirements.

(k) The Grantee may not use monies provided through this Contract as payment for Project costs that are reimbursed from other sources.

Section 11. REPORTING REQUIREMENTS

(a) Project Progress Reports: During the term of this Contract the Grantee will submit Project progress reports as described in ARM 2.13.410 to the Department in conjunction with each request for reimbursement. The Department, at its sole discretion, may decline to honor any request for reimbursement if the required project progress report has not been submitted to or approved by the Department.

(b) Project Completion Report: Upon completion of the Project the Grantee will submit a final Project completion report for Department approval. Upon approval of the Project completion report the Department will issue a notice of Project close-out.

Section 12. PROJECT MONITORING

The Department or any of its authorized agents may monitor and inspect all phases and aspects of the Grantee's performance to determine compliance with Section 6 of this Contract, the proper use of funds, and other technical and administrative requirements of this Contract, including the adequacy of the Grantee's records and accounts. The Department may advise the Grantee of any specific areas of concern and provide the Grantee opportunity to propose corrective actions acceptable to the Department.

Section 13. NOTICE

All notices required under the provisions of this Contract must be in writing and delivered to the parties' liaisons identified herein by first class mail, electronic mail, facsimile, or personal service. If notice is provided by personal service or facsimile, the notice is effective upon receipt; if notice is provided by mail, the notice is effective within three business days of mailing.
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Section 14. REFERENCE TO CONTRACT

The Contract number must appear on all invoices, reports, and correspondence pertaining to the Contract. If the number is not provided, the Department is not obligated to pay the invoice.

Section 15. ASSIGNMENT, TRANSFER AND SUBCONTRACTING

(a) The Grantee may subcontract any portion of this Contract to accomplish the completion of the Project. However, Grantee accepts responsibility for the adherence to the terms of this Contract by such contractors, subcontractors, or subrecipient entities and by any public or private agents or agencies to which it delegates authority to carry out any portion(s) of this Contract. The Grantee may not otherwise assign or transfer any portion of this Contract without the express written consent of the Department.

(b) The Grantee's assignment, transfer, or subcontract of this Contract or any portion thereof neither makes the Department a party to that agreement nor creates any right, claim, or interest in favor of any party to that agreement against the Department. No contractual relationships exist between any subcontractor, assignee, or transferee and the Department.

(c) The Grantee must immediately notify the Department of any litigation concerning any assignment, transfer, or subcontract of this Contract or any portion thereof.

Section 16. CONTRACT AMENDMENT

This Contract may not be enlarged, modified, or altered without a written agreement signed by all parties to the Contract.

Section 17. TERMINATION OF CONTRACT

This Contract may only be terminated in whole or in part as follows:

(a) Termination Due to Loss or Reduction of Funding: The Department, at its sole discretion, may terminate or reduce the scope of this Contract if any funding sources are eliminated or reduced for any reason. If a termination or modification is required, the Department may, if sufficient Program funds are available, compensate the Grantee for eligible services rendered and actual, necessary, and eligible expenses incurred as of the revised termination date. The Department will notify the Grantee of the effective date of the termination or modification of this Contract and, if a reduction in funding is required, provide the Grantee with a modified Project budget. This paragraph provides Grantee's sole remedies for any event described in this paragraph, and the Department shall not be liable to Grantee or any contractor, subcontractor, or subrecipient for any other payments or damages arising from termination under this paragraph, including but not limited to general, special, or consequential damages such as lost profits or revenues.

(b) Termination for Cause with Notice to Cure Requirement: The Department may terminate this Contract for failure of the Grantee, its contractors, subcontractors, or subrecipient entities to comply with any applicable statute or rule or for any failure to perform or comply with any of the services, duties, terms, or conditions contained in this Contract after giving the Grantee written notice of the stated failure. The written notice will demand performance of the stated failure within a specified period of time not less than thirty (30) days. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period.

(c) Effect of Termination: In the event of termination described in paragraph (b) of this section, any costs incurred will be the responsibility of the Grantee. However, at its sole discretion, the Department may approve requests by the Grantee for reimbursement of eligible expenses incurred. The Department's decision to authorize payment of any costs incurred or to recover expended Program funds will be based on a consideration of the extent to which the expenditure of those funds represented a good faith effort of the Grantee to comply with any of those services, duties, terms, or conditions of this Contract, and on whether the failure to comply with any of those services, duties, terms, or conditions resulted from circumstances beyond the Grantee's control.

Section 18. COMPLIANCE WITH APPLICABLE LAWS

(a) The Grantee, in performance of work under the Contract, must fully comply with all applicable federal, state, or local laws, rules and regulations, including but not limited to, the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, Section 504 of the Rehabilitation Act of 1973, and the Patient Protection and Affordable Care Act ("ACA"). Any subletting or subcontracting by the Grantee subjects subcontractors to the same requirements.

(b) In accordance with Section 49-3-207, MCA and Executive Order No. 04-2016, the Grantee agrees that the hiring of persons to perform the Contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, sex, pregnancy, childbirth or medical conditions related to childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, disability, military service or veteran status, or marital status.

(c) The ACA requires a Grantee, if Grantee is an applicable large employer under the ACA, to provide healthcare coverage for its employees, who provide services for the State and work for thirty (30) or more hours per week. This coverage must also cover the eligible employee's dependents under the age of 26. The coverage must meet the minimum essential coverage, minimum value, and affordability requirements of the employer responsibility provisions of the ACA under Section 4980H, and otherwise satisfy the requirements of the ACA Section 4980 H if provided by the State.

(d) The Department does not discriminate on the basis of disability in admission to, access to, or operations of its programs, services, or activities. Individuals who need aids, alternative document formats, or services for effective communications or other disability related accommodations in the programs and services offered are invited to make their needs and preferences known to this office. Interested parties should provide as much advance notice as possible.

Section 19. ACCOUNTING, COST PRINCIPLES, AND AUDITING

(a) The Grantee, in accordance with Sections 2-7-503, MCA and other authorities, must maintain for the purposes of this Contract an accounting system of procedures and practices that conforms to Generally Accepted Accounting Principles ("GAAP").

(b) The Department, any other legally authorized governmental entity, or their authorized agents may, at any time during or after the term of this Contract, conduct in accordance with Sections 2-7-503, 5-13-304, and 18-1-118, MCA and other authorities, audits for the purposes of ensuring the appropriate

administration, expenditure of monies, and delivery of services provided through this Contract.

Section 20. AVOIDANCE OF CONFLICT OF INTEREST

(a) The Grantee will comply with Sections 2-2-121, 2-2-201, 7-3-4256, 7-3-4367, 7-5-2106, and 7-5-4109, MCA, as applicable, and any other applicable local, state, or federal law regarding the avoidance of conflict of interest.

(b) The Grantee agrees that none of its officers, employees, or agents will solicit or accept gratuities, favors, or anything of monetary value from contractors, subcontractors, or potential contractors and subcontractors, who provide or propose to provide services relating to the project funded under this Contract.

(c) The Grantee shall promptly refer to the Department any credible evidence that a principal, employee, agent, contractor, sub-grantee, subcontractor, or other person has submitted any false claim or has committed any criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this Contract.

Section 21. COMPLIANCE WITH WORKERS' COMPENSATION ACT

Grantees are required to comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana in accordance with Sections 39-71-401, 39-71-405, and 39-71-417, MCA. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. Neither the Grantee nor its employees are employees of the State. This insurance/exemption must be valid for the entire term of the Contract. Proof of compliance and renewal documents must be sent to the Department within thirty (30) days of Contract execution.

Section 22. OWNERSHIP AND PUBLICATION OF MATERIALS

All reports, information, data, and other materials prepared by the Grantee or any of its contractors or subcontractors in furtherance of this Contract are the property of the Grantee and the Department. Both Grantee and the Department have the royalty-free, nonexclusive, and irrevocable right to reproduce, publish, authorize others to use, and to otherwise use, in whole or part, such property and any information relating thereto. No material produced in whole or part under this Contract may be copyrighted or patented in the United States or in any other country without the prior written approval of both the Department and the Grantee.

Section 23. INSURANCE

(a) General Requirements: Grantee must maintain and assure that its representatives, assigns, and subcontractors maintain for the duration of the Contract, at their own cost and expense, liability insurance against claims for injuries to persons or damages to property, including contractual liability, that may arise from or in connection with the performance of the duties and obligations in the Contract by Grantee, its agents, employees, representatives, assigns, or subcontractors. This insurance must cover such claims as may be caused by any negligent act or omission. The State, its officers, officials, employees, and volunteers must be covered as additional insureds for all claims arising out of the use of grant proceeds provided by the State of Montana.

(b) General Liability Insurance: At its sole cost and expense, Grantee must purchase occurrence coverage with minimum combined single limits of $1 million per occurrence and $2 million aggregate per year, or as established by statutory tort limits of $750,000 per claim and $1,500,000 per occurrence as provided by a self-insurance pool insuring counties, cities, or towns, as authorized under Section 2-9-211, MCA.

(c) Professional Liability Insurance: Grantee shall assure that any representatives, assigns, and subcontractors performing professional services under this Contract purchase occurrence coverage with combined single limits for each wrongful act of $1,000,000 per occurrence and $2,000,000 aggregate per year. *Note: if "occurrence" coverage is unavailable or cost prohibitive, the contractor may provide "claims made" coverage provided the following conditions are met: (1) the commencement date of the Contract must not fall outside the effective date of insurance coverage and it will be the retroactive date for insurance coverage in future years; and (2) the claims made policy must have a three (3) year tail for claims that are filed after the cancellation or expiration date of the policy.*

(d) Property Insurance: At its sole cost and expense, Grantee must maintain property and hazard insurance, including course of construction coverage and earthquake insurance, for loss or damage to any building and related improvements and contents therein on a replacement cost basis throughout the term of the Contract. *Note: earthquake insurance is required when working in areas where the shaking level is above 10g.*
(Ref: http://rmtd.mt.gov/Portals/62/aboutus/publications/files/NEHRP.pdf).

(e) General Provisions: Grantee's insurance coverage shall be primary insurance with respect to State, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by State, its officers, officials, employees, or volunteers shall be excess of Grantee's insurance and shall not contribute with it. All insurance coverage must be with a carrier licensed to do business in the State of Montana and with a Best's rating of at least A-, or by a public entity self-insured program either individually or

on a pool basis as provided by Title 2, MCA. All certificates and endorsements must be received by the Department prior to beginning any activity provided for under the Contract. Grantee must notify the Department immediately of any material change in insurance coverage, such as changes in limits, coverage, change in status of policy, etc. The Department reserves the right to request complete copies of Grantee's insurance policy, including endorsements, at any time.

Section 24. HOLD HARMLESS AND INDEMNIFICATION

The Grantee agrees to protect, defend, and save the State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Grantee's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed, omissions of services, or in any way resulting from the acts or omissions of the Grantee and/or its agents, employees, representatives, assigns, or subcontractors under this Contract.

Section 25. DEFAULT

Failure on the part of either party to perform the provisions of the Contract constitutes default. Default may result in the pursuit of remedies for breach of contract as set forth herein or as otherwise legally available, including but not limited to damages and specific performance.

Section 26. DEBARMENT

The Grantee certifies and agrees to ensure during the term of this Contract that neither it nor its principals, contractors, subcontractors, or subrecipient entities are debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Contract by any governmental department or agency.

Section 27. FORCE MAJEURE

Neither party will be responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, bombs, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the non-performing party, so long as such party is using its best efforts to remedy such failure or delays.

Section 28. SEPARABILITY

A declaration by any court, or any other binding legal forum, that any provision of the Contract is illegal, and void shall not affect the legality and enforceability of any other provision of the Contract, unless the provisions are mutually dependent.

Section 29. ARBITRATION

Unless otherwise agreed to in writing or provided for by law, arbitration is not available to the parties as a method of resolving disputes that would arise under the Contract.

Section 30. NO WAIVER OF BREACH

No failure by the Department to enforce any provisions hereof after any event of breach will be deemed a waiver of its rights regarding that event, or any subsequent event. No express failure of any event of breach will be deemed a waiver of any provision hereof. No such failure or waiver will be deemed a waiver of the right of the Department to enforce each and all the provisions hereof upon any further or other breach on the part of the Grantee.

Section 31. JURISDICTION AND VENUE

This Contract is governed by the laws of Montana. The parties agree that any litigation concerning this Contract must be brought in the First Judicial District in Lewis and Clark County, State of Montana and each party must pay its own costs and attorney fees.

Section 32. INTEGRATION

The Contract contains the entire agreement between the parties. No statements, promises, or inducements of any kind made by either party or the agents of either party, not contained herein or included as provided in section 3 or in a properly executed amendment hereto are valid or binding.

IN WITNESS OF THE TERMS SET OUT ABOVE, the parties hereto have caused this Contract to be executed.

STATE OF MONTANA
Department of Administration
PO Box 200113
125 N. Roberts St., Mitchell Bldg.
Helena, MT 59620-0113

PRINTED:
Authorized Name: _____
Title: _____
Address: _____
City, MT & Zip: _____

Federal ID #81-6001276

BY: _____ BY: _____

(Name/Title) (Name/Title)

_____ _____

(Signature) (Signature)

DATE: _____ DATE: _____

Approved as to Legal Content:

_____

Don Harris, Legal Counsel (Date)

Chief Financial Officer Approval:

_____

April Grady, Chief Financial Officer (Date)
State Information Technology Services Division

Chief Information Officer Approval:

_____

Tim Bottenfield - Chief Information Officer (Date)
Department of Administration

City of Helena, Montana

July 29, 2019

To: Ana Cortez, City Manager

From: Thomas J. Jodoin, City Attorney
Iryna O'Connor, Deputy City Attorney

Subject: Ordinance requiring pawnbrokers to report stolen property to the chief of police and to require presentation of identification verifying a persons age prior to accepting items for pawn by amending Title 4 Chapter 2 of the Helena City Code.

Present Situation: The City Commission adopted Ordinance 3253, on May 20, 2019, eliminating outdated and duplicative business regulations. The intent of that ordinance was to update the City's business regulations by updating and re-organizing the regulations contained in Title 4. During this process, two provisions from the old regulations, relating to pawnbrokers that were intended to remain, were inadvertently left out of Ordinance 3253. Those provisions relate to 1) requiring pawnbrokers to immediately report to the chief of police any item in pawnbroker's possession that is suspected to be stolen or lost; 2) that all persons wishing to pawn an item with a pawnbroker are required to present valid identification with age verification.

Proposal/Objective: Adopt the proposed ordinance amending Title 4 Chapter 2 of the Helena City Code to require pawnbrokers to report stolen property to the chief of police and to require presentation of identification verifying the person's age prior to accepting items for pawn.

Advantage: The omitted regulations will be incorporated back into Title 4 Chapter 2.

Notable Energy Impact: None noted.

Disadvantage: None noted.

Notice of Public Hearing: N/A

Recommended Motion: Move to approve first passage of an ordinance requiring pawnbrokers to report stolen property to the chief of police and to require presentation of identification verifying a person's age prior to accepting items for pawn by amending Title 4 Chapter 2 of the Helena City Code, and set a public hearing date of August 26, 2019.

ATTACHMENTS:
Ordinance

ORDINANCES OF THE CITY OF HELENA, MONTANA

ORDINANCE NO. _____

AN ORDINANCE REQUIRING PAWNBROKERS TO REPORT STOLEN PROPERTY TO THE CHIEF OF POLICE AND TO REQUIRE PRESENTATION OF IDENTIFICATION VERIFYING THE PERSON'S AGE PRIOR TO ACCEPTING ITEMS FOR PAWN BY AMENDING TITLE 4 CHAPTER 2 OF THE HELENA CITY CODE

NOW, THEREFORE, BE IT ORDAINED BY THE COMMISSION OF THE CITY OF HELENA, MONTANA:

That Title 4, Chapter 2 Business Regulations, of the Helena City Code, is hereby amended by adoption of sections 4-2-1D and 4-2-1E as follows:

CHAPTER 2

BUSINESS REGULATIONS

4-2-1: PAWNBROKERS

A through C no change.

D. STOLEN PROPERTY TO BE REPORTED:

The licensee must report immediately to the chief of police any article coming into the possession of the licensee or licensee's place of business which has been reported or advertised as lost or stolen. (Ord. 1516, 12-27-1954; amd. Ord. ____, __-__-2019)

E. PROOF OF AGE AND LEGAL IDENTIFICATION:

Prior to accepting items for pawn a duly licensed pawnbroker must require the presentation of a birth certificate or other satisfactory evidence of age and identification. (Ord. 2140, 12-3-1979; amd. Ord. ____, __-__-2019)

ORDINANCES OF THE CITY OF HELENA, MONTANA

Ord. ____

FIRST PASSED BY THE COMMISSION OF THE CITY OF HELENA, MONTANA, THIS 12th DAY OF AUGUST, 2019.

_____
MAYOR

ATTEST:

_____
CITY CLERK

FINALLY PASSED BY THE COMMISSION OF THE CITY OF HELENA, MONTANA, THIS 26TH DAY OF AUGUST, 2019.

_____
MAYOR

ATTEST:

_____
CITY CLERK

City of Helena, Montana

July 29, 2019

To: Ana Cortez, City Manager

From: Thomas J. Jodoin, City Attorney

Subject: Ordinance updating the City's organizational structure by amending Title 2 Chapter 3 of the Helena City Code.

Present Situation: The City's departments are listed in Title 2, Chapter 3, of Helena City Code. The provisions of that chapter have not been updated since 2001.

Proposal/Objective: The City Manager proposes to update the City's organizational structure and department nomenclature as follows:

1. The Administrative Services department will be renamed the Finance department with the various activities performed by the department broken out into separate divisions.

2. Open Lands will be added to the title of the Parks and Recreation department to read Parks, Recreation and Open Lands department.

3. Civic Center operations division will move from the Community Facilities department to the Parks, Recreation and Open Lands department.

4. A new Transportation Systems department will be created.

5. The Transportation Systems department will be comprised of Streets, Shop and Fleet Services, Transit, Parking, and Right-of-Way Code Enforcement divisions.

6. The Public Works department will be comprised of the City Engineer, Solid Waste, Utility System Maintenance, Water Treatment, and Wastewater Treatment divisions.

Advantage: The updated organizational structure will help streamline city operations and create greater efficiencies with respect to provision of services.

Notable Energy Impact: None noted.

Disadvantage: Some costs need to be incurred to update city publications to reflect the new organizational structure and nomenclature. Members of the public may experience some confusion during the transition period which will be mitigated with public information and outreach efforts.

Notice of Public Hearing: N/A

Recommended Motion: Move to approve first passage of an ordinance updating the City's organizational structure by amending Title 2 Chapter 3 of the Helena City Code, and set a public hearing date of August 26, 2019.

ATTACHMENTS:
Ordinance

ORDINANCES OF THE CITY OF HELENA, MONTANA

ORDINANCE NO. ____

AN ORDINANCE UPDATING THE CITY'S ORGANIZATIONAL STRUCTURE BY AMENDING TITLE 2 CHAPTER 3 OF THE HELENA CITY CODE

NOW, THEREFORE, BE IT ORDAINED BY THE COMMISSION OF THE CITY OF HELENA, MONTANA:

That Title 2 Boards, Departments and Officers, Chapter 3 Departments, of the Helena City Code, is hereby amended as follows:

CHAPTER 3

DEPARTMENTS

SECTION:

2-3-1: ESTABLISHED
2-3-2: DIRECTORS OF DEPARTMENTS
2-3-3: ~~ADMINISTRATIVE SERVICES~~ FINANCE DEPARTMENT
2-3-4: COMMUNITY DEVELOPMENT DEPARTMENT
2-3-5: FIRE DEPARTMENT
2-3-6: PARKS, ~~AND~~ RECREATION, AND OPEN LANDS DEPARTMENT
2-3-7: POLICE DEPARTMENT
2-3-8: PUBLIC WORKS DEPARTMENT
2-3-9: TRANSPORTATION SYSTEMS DEPARTMENT
2-3-~~9~~10: COMMUNITY FACILITIES DEPARTMENT
2-3-~~10~~11: CITY ATTORNEY OFFICE
2-3-~~11~~12: HUMAN RESOURCES OFFICE
2-3-~~12~~13: DUTIES OF EACH DEPARTMENT
2-3-~~13~~14: SUBSTITUTION
2-3-~~14~~15: BOND

2-3-1: ESTABLISHED: The city ~~shall have~~ has the following departments:

A. ~~Administrative services~~ Finance;

B. Community ~~d~~Development;

C. Fire;

D. Parks, ~~and~~ ~~r~~Recreation, and Open Lands;

E. Police;

F. Public ~~w~~Works; ~~and~~

G. Community ~~f~~Facilities~~.~~;and

H. Transportation Systems. (Ord. 2910, 6-4-2001; amd. Ord. ____, __-__-2019).

2-3-2: DIRECTORS OF DEPARTMENTS: No Change.

2-3-3: ~~ADMINISTRATIVE SERVICES~~ FINANCE DEPARTMENT: The ~~administrative services~~ Finance department ~~shall~~ includes such divisions as may from time to time be delegated to it by the city manager, including, but not limited to, the following:

A. Budget and ~~studies~~ Finance;

B. ~~Customer service~~ Payment Services; ~~and~~

C. Accounting~~.~~;

D. Public Finance and Debt Management;

E. Grant Administration and Contracts. (Ord. 2927, 12-17-2001; amd. Ord. ____, __-__-2019).

2-3-4: COMMUNITY DEVELOPMENT DEPARTMENT: No Change.

2-3-5: FIRE DEPARTMENT: No Change.

2-3-6: PARKS, ~~AND~~ RECREATION, AND OPEN LANDS DEPARTMENT: The ~~p~~Parks, ~~and~~ ~~r~~Recreation, and Open Lands department ~~shall~~ includes such divisions as may from time to time be delegated to it by the city manager, including, but not limited to, the following:

A. Parks and ~~r~~Recreation; ~~and~~

B. Open Lands;

~~B~~C. Golf ~~c~~Course~~.~~; and

D. Civic Center. (Ord. 2910, 6-4-2001; amd. Ord. ____, __-__-2019).

2-3-7: POLICE DEPARTMENT: No Change.

2-3-8: PUBLIC WORKS DEPARTMENT: The ~~p~~Public ~~w~~Works department ~~shall~~ includes such divisions as may from time to time be delegated to it by the city manager, including, but not limited to, the following:

A. ~~Engineering services~~ City Engineer;

~~B. Shop and fleet services;~~

~~C.~~B. ~~Streets and s~~Solid Waste;

~~D.~~C. Utility Systems ~~m~~Maintenance;

~~E.~~D. Water~~/wastewater~~ ~~t~~Treatment; and

E. Wastewater Treatment;

~~F. Electricity and natural gas.~~ (Ord. 2910, 6-4-2001; amd. Ord. ____, __-__-2019).

2-3-9: TRANSPORTATION SYSTEMS DEPARTMENT: The Transportation Systems department includes such divisions as may from time to time be delegated to it by the city manager, including, but not limited to, the following:

A. Streets;

B. Shop and Fleet Services;

C. Transit;

D. Parking; and

E. Right-of-Way Code Enforcement.

2-3-~~9~~10: COMMUNITY FACILITIES DEPARTMENT: The ~~c~~Community ~~f~~Facilities department ~~shall~~ includes such divisions as may, from time to time, be delegated to it by the city manager, including, but not limited to, the following:

~~A. Civic center;~~

~~B.~~A. Construction ~~m~~Management; and

~~C.~~B. Building ~~m~~Maintenance. Ord. 2910, 6-4-2001; amd. Ord. ____, __-__-2019).

2-3-~~10~~11: CITY ATTORNEY OFFICE: Renumbered. No substantive change. (Ord. 2910, 6-4-2001; amd. Ord. ____, __-__-2019).

2-3-~~11~~12: HUMAN RESOURCES OFFICE: Renumbered. No substantive change. (Ord. 2910, 6-4-2001; amd. Ord. ____, __-__-2019).

2-3-~~12~~13: DUTIES OF EACH DEPARTMENT: Renumbered. No substantive change. (Ord. 2910, 6-4-2001; amd. Ord. ____, __-__-2019).

2-3-~~13~~14: SUBSTITUTION: Renumbered. No substantive change. (Ord. 2910, 6-4-2001; amd. Ord. ____, __-__-2019).

2-3-~~14~~15: BOND: Renumbered. No substantive change. (Ord. 2910, 6-4-2001; amd. Ord. ____, __-__-2019).

FIRST PASSED BY THE COMMISSION OF THE CITY OF HELENA, MONTANA, THIS 12th DAY OF AUGUST 2019.

_____
MAYOR

ATTEST:

_____
CITY CLERK

FINALLY PASSED BY THE COMMISSION OF THE CITY OF HELENA, MONTANA, THIS DAY 26TH OF AUGUST 2019.

_____
MAYOR

ATTEST:

_____
CITY CLERK

City of Helena, Montana

July 26, 2019

To: Ana Cortez, City Manager

From: David Knoepke, Transportation Systems Director
Ryan Leland, (Interim) Public Works Director

Subject: Consider a resolution permitting back-in angle parking on the north-side of 7th Avenue between Warren Street and Cruse Avenue.

Present Situation: 7th Avenue carries two-way traffic and has approximately nine (9) parking spaces on the south side of the roadway between Warren Street and Cruse Avenue and no parking along the north side. The Helena School District, in order to improve traffic flow during student drop-off and pick-up, has requested to change 7th Avenue to a one-way street. They have also requested that on-street parking be increased (via angle parking) to decrease staff parking in the residential neighborhood.

Helena School District held a public meeting on 11 July 2019 to inform residents of their request to the city and ask the residents near Central School for their concerns or comments on the proposal.

The final number of back-in angle parking spaces will ultimately be determined by the final layout and design.

Proposal/Objective: Permit back-in angle parking on the north side of 7th Avenue between Warren Street and Cruse Avenue.

Advantage: Traffic flow during school drop-off and pick-up should be improved by removing eastbound traffic from 7th Avenue. City services, namely plowing, will not have to contend with opposite direction traffic.

The one-way street would require removal of the south-bound left-turn lane on Cruse which, in turn, would allow for a reconfiguration and increase of parking (likely angled) on the east side of Cruse adjacent to the Central School property. These additional stalls would provide more parking for school events and make better use of the large cross section of Cruse Street.

Helena School District would be given first opportunity to purchase permits for the new angled parking stalls. These permits would provide guaranteed revenue for parking enforcement.

Notable Energy Impact: N/A

Disadvantage: None noted.

Notice of Public Hearing: N/A

Recommended Motion: Move to approve a resolution permitting back-in angle parking on the north-side of 7th Avenue between Warren Street and Cruse Street .

ATTACHMENTS:
Recommended change in traffic flow
Resolution

Your Helena Public Schools
...a great place to learn

The Helena Public Schools educate, engage, and empower each student to maximize his or her individual potential with the knowledge, skills and character essential to being a responsible citizen and life-long learner.

Public Notice and Meeting Participation Memo in regards to the Helena Public Schools recommendation of a change to traffic flow on 7th Ave. between Warren and Cruse.

History of recommendation

The benefits of this recommendation are twofold.

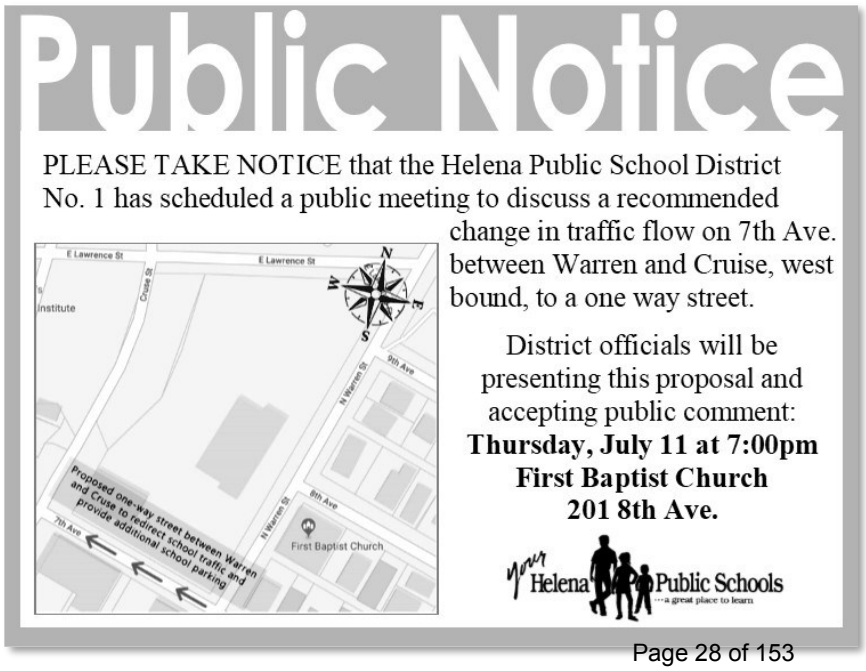
1. The traffic flow will be conducive to school drop off for Central Students each morning.
2. The traffic flow will allow for additional off-street parking, decreasing the need for staff to park in front of neighborhood residences.

Public Notification Process

Between July 3 and July 11, 2019, the Helena School District (HSD) announced a public meeting discussing the recommended traffic flow on their website. On July 3, District Superintendent, Dr. Tyler Ream, communicated the district's intent to host the public meeting with district administrators and board of trustee members. During the morning of July 8, District Superintendent and staff delivered public notices of the meeting (see insert) to the Central School neighborhood, delivering the notice to over 180 residences in an eight square block radiating from 7th Ave. between Warren and Cruse.

Public Meeting Participation

At the Public Meeting, there were nine community members present, five HSD staff and board members, one city engineer, and one representative from the hosting church. Kalli Kind, District Facilities Director discussed the proposals that have been presented and clarified the map illustration of where proposed parking spots will be located, including permit parking on Lawrence, a small parking lot on site, and additional parking spots on 7th to accommodate staff. Ms. Kind emphasized the twofold benefits of the recommended traffic flow. Mr. Mark Young, City Traffic Engineer, described in detail how angle parking would work on 7th Ave. if it becomes a one-way between Warren and Cruise.


Public Notice

PLEASE TAKE NOTICE that the Helena Public School District No. 1 has scheduled a public meeting to discuss a recommended change in traffic flow on 7th Ave. between Warren and Cruise, west bound, to a one way street.

District officials will be presenting this proposal and accepting public comment:
Thursday, July 11 at 7:00pm
First Baptist Church
201 8th Ave.

Your Helena Public Schools ...a great place to learn

Public Comments/Concerns and Questions

Please reference Page Two.

Your Helena Public Schools
...a great place to learn

The Helena Public Schools educate, engage, and empower each student to maximize his or her individual potential with the knowledge, skills and character essential to being a responsible citizen and life-long learner.

Public Notice and Meeting Participation Memo in regards to the Helena Public Schools recommendation of a change to traffic flow on 7th Ave. between Warren and Cruse.

Public Comments/Concerns and Questions

- Good start but probably not sufficient for programs and events.
- What are plans for the 7th Avenue Gym?
- Need neighborhood traffic study.
- Need more stop signs.
- Could put more angle parking on Lawrence.
- How will buses drop-off and pickup?
- How will buses be routed upon departure?
- Discussion about 7th Avenue becoming a required right turn off Warren. Clarification that it would not be a forced/required right turn.
- Look at other options for shared parking with the Cathedral, St. Paul's, etc. Others have shared parking agreements. School District should consider exploring shared parking.
- Discussion about getting teachers close to the building because of the necessity to carry things in and out.
- Not in favor of making changes without a traffic study.
- Concern expressed about parking in neighborhood during events.
- School District should expand request to include closing the alley, installing stop signs, exploring angle parking on Lawrence and reducing the speed limit.
- Discussion regarding the number of students who will be attending and the need for more parking if the school reaches maximum enrollment of 350.
- What is the process for a comprehensive traffic plan study? (Any changes to an intersection need to have a form completed – one form for each intersection OR petition the City Commission for a comprehensive traffic study once the school is open).
- What form is needed to close an alley?
- Looks like the School District will take care of 7th Avenue and everyone else will have to fend for themselves.
- Why did the School District wait so **** long to address the issue?
- Used to be a parking district and residents had to pay $20 per year for the permit. Some residents didn't like it and it was abandoned.
- Discussion about parking in the old IR building parking lot and how to get permission to park there.
- School District should have invited people to bring ideas rather that already have the solution. Felt "condescended" to.
- City traffic engineer will take parking issues related to Cruse back to the City Parking Commission. It was noted there is little parking on Cruse because of the cost and as a result parking is pushed up into the neighborhood.
- 7th Avenue resident thinks proposal is a great idea and recommends that everyone stay positive.

Please reference Addendum A for a letter received by the HSD after the meeting.

July 12, 2019

Dear Superintendent Ream,

It was a pleasure to meet you last night. Thank you for providing the following data that was previously unknown to our neighborhood:

1. Central School now has an increased capacity of 350 students
2. Enrollment in June 2019 was 240
3. Enrollment in September 2019 is 265 to 270
4. Central currently needs at least 40 total parking spots for staff alone
5. Central has an estimated 23 parking spots on premises

Based on the above new data, Central has increased capacity and reduced on-premises parking which results in:

1. **More Neighborhood Traffic**
2. **A Need for More Parking Spots**

<u>Neighborhood Traffic</u>

Safety of children walking to school is of the utmost concern. Having lived on the corner of 7th and Ewing for 33 years, I have seen many close calls involving kids and cars. With increased capacity at Central and the resulting traffic increase, I request that you attach the following three items to your parking application with the city:

1. 15 mph speed limit on:
   a. Warren between 6th and 11th
   b. Ewing between 6th and 11th
   c. 7th between Rodney and Cruse
   d. 8th between Rodney and Cruse
   e. 9th between Rodney and Cruse

2. "NO THROUGH TRAFFIC" signs on:
   a. Alley between 7th and 8th
   b. Alley between 8th and 9th

3. "STOP" signs (as a traffic calming measure) on:
   a. 7th as it intersects Ewing
   b. Ewing as it intersects 8th

More Parking Spots

Parking is needed for at least 17 more spots for staff (with est. 23 on site = 40 total) at current enrollment of 265.
Parking is needed for at least 30 more spots for staff (with est. 23 on site = 53 total) at full 350 student capacity.

Some Possible Solutions:
1. Convert Cruse to diagonal parking. This would be a safe and efficient solution. Cruse can handle all parking needs and one side of the street is adjacent to Central.
2. Use the 11 parking spaces on Lawrence, also with one side adjacent to Central.
3. Use the 14 parking spaces on 7th (between Warren and Cruse) with one side adjacent to Central. Note that both sides of 7th street would need to be used and because 7th is so narrow, it would need to designated as a one way going west. This is preferable to the submitted proposal because back-in diagonal parking is not easy and because diagonal parking is a commercial business type of parking as opposed to parking in historical neighborhoods.
4. Explore the use of some part of the following 4 parking lots located across the street from Central:
   1) IR parking lot located across the street south of Central
   2) St. Paul's Methodist parking lot located across the street north of Central
   3) Cathedral parking lot located diagonally across the street northeast of Central
   4) City parking lot located across the street west of Central

Surely, as a public service, one or two of the above would let 2 or 3 teachers park in their lots from 7 to 4 Monday through Friday.
5. Use a system to insure folks at Central School park in the designated parking spots and/or use "residence only" parking in the neighborhood.
6. Add incentives to encourage folks to walk or bike, rather than drive, to Central School.

With regard to increased parking needs, let's diversify our parking spots, think outside the box, and have a comprehensive plan for at least 53 total parking spaces rather than approaching the situation piecemeal.

Conclusion

First, insure the safety of children walking to school by incorporating the above provisions (speed limits, alley restrictions and stop signs) in your request to the city. Second, create a comprehensive parking plan for the future with Central at full capacity (350 students), giving full consideration to all parking possibilities, some of which are listed above.

Thank you much for your attention to the kids, their safety in the neighborhood, and the successful reopening of Central School.

Best,
Bobbi Uecker
cc: City Commission, School Board

RESOLUTIONS OF THE CITY OF HELENA, MONTANA

RESOLUTION NO. _____

A RESOLUTION PERMITTING BACK-IN ANGLE PARKING ON THE NORTH-SIDE OF 7TH AVENUE BETWEEN WARREN STREET AND CRUSE AVENUE

WHEREAS, 7th Avenue between Warren Street and Cruse Avenue currently is a two-way street and has approximately nine (9) on-street parking spaces on the south-side of the street and no parking along the north-side;

WHEREAS, Helena School District No. 1 owns the adjacent Central School;

WHEREAS, Helena School District No. 1 has requested that the City make 7th Avenue between Warren Street and Cruse Avenue a one-way street and allow angle parking;

WHEREAS, pursuant to §8-11-3(C), Helena City Code, angle parking is permitted only where designated by resolution of the City Commission;

WHEREAS, a two-way street with no parking on the north-side of 7th Avenue does not meet the traffic flow and parking needs of the Helena School District No. 1 or benefit the neighborhood; and

WHEREAS, it appears to be in the best interests of the City of Helena and the inhabitants thereof that the north-side of 7th Avenue between Warren Street and Cruse Avenue be designated as back-in angle parking.

RESOLUTIONS OF THE CITY OF HELENA, MONTANA

Res.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF HELENA, MONTANA, AS FOLLOWS:

Section 1. The Helena City Commission hereby permits back-in angle parking on the north-side of 7th Avenue between Warren Street and Cruse Avenue.

Section 2. The approval of back-in angle parking is conditioned upon the Helena School District No. 1 installing, at its own cost, the appropriate signage or markers, to City engineering standards, showing the propriety of the back-in angle parking.

PASSED AND EFFECTIVE BY THE COMMISSION OF THE CITY OF HELENA, MONTANA, THIS 12th DAY OF AUGUST, 2019.

_____
MAYOR

ATTEST:

_____
CLERK OF THE COMMISSION

City of Helena, Montana

July 26, 2019

To: Ana Cortez, City Manager

From: Thomas J. Jodoin, City Attorney

Subject: Consider a resolution encouraging voluntary outdoor smoke-free areas and enhanced practices to reduce outdoor secondhand smoke exposure in public places.

Present Situation: An Outdoor Smoking Workgroup, consisting of public health officials, city staff, and business representatives has worked together since November 2018 to develop the attached resolution that encourages property and business owners to voluntarily establish enhanced smoke-free practices to reduce outdoor secondhand smoke exposure in public places.

Proposal/Objective: Encourages businesses within the city to adopt smoke-free practices so that outdoor smoking near public access entrances, exits, windows, and ventilation systems is discouraged. Undertake community awareness and education efforts to ensure enhanced compliance with the Lewis and Clark Clean Indoor Air Act Implementation Protocol.

Advantage: Enhanced compliance with the Lewis and Clark Clean Indoor Air Act Implementation Protocol.

Notable Energy Impact: N/A.

Disadvantage: None noted.

Notice of Public Hearing: N/A

Recommended Motion: Move to approve a resolution encouraging voluntary outdoor smoke-free areas and enhanced practices to reduce outdoor secondhand smoke exposure in public places.

ATTACHMENTS:
Resolution

RESOLUTIONS OF THE CITY OF HELENA, MONTANA

RESOLUTION NO. ____

A RESOLUTION ENCOURAGING VOLUNTARY OUTDOOR SMOKE-FREE AREAS AND ENHANCED PRACTICES TO REDUCE OUTDOOR SECONDHAND SMOKE EXPOSURE IN PUBLIC PLACES

WHEREAS, this resolution is in direct support of and aligned with the Montana Clean Indoor Air Act Implementation Protocol for Lewis and Clark County adopted November 16, 2009, by the Lewis and Clark City-County Board of Health;

WHEREAS, according to the aformentioned protocol, "smoking may not occur within a reasonable distance of an enclosed public place such that tobacco smoke may enter through its entrances, windows, ventilation systems or other accesses and circulate to non-smoking areas";

WHEREAS, according to the aformentioned protocol, "smoke means: a) the gaseous products (which carry airborne toxic particles) of burning tobacco or something similar to tobacco, or b) the fumes and/or vapor (which carry airborne toxic particles) resulting from the action of heat on a liquid such as occurs in an e-cigarette";

WHEREAS, creating smoke-free environments provide an opportunity to role model non-smoking behavior in our community, especially to children and youth;

RESOLUTIONS OF THE CITY OF HELENA, MONTANA

Res.

WHEREAS, smoke-free environments eliminate all smoking in common outdoor places of gathering, such as parks, community events and other public use areas such as city streets and sidewalks, and are a proven way to protect people from secondhand smoke;

WHEREAS, used smoking products are often discarded on the ground, posing a risk of ingestion to young children and animals, and causing significant litter problems requiring additional maintenance expense;

WHEREAS, community surveys and assessment results indicate community support for the continued promotion of healthy activities and community wellness;

WHEREAS, the Lewis and Clark City-County Board of Health recommends the City of Helena establish public-private partnerships in support of adopting enhanced smoke-free practices intended to protect public health by reducing instances of outdoor secondhand smoke within the City of Helena;

WHEREAS, the City of Helena seeks support from Helena area residents, including private property and business owners, to responsibly designate smoke-free outdoor areas on their private property and at their places of business such that all patrons,

employees, passersby and the greater Helena community alike are further protected from outdoor secondhand smoke; and

WHEREAS, it is the intent of the Helena City Commission to provide for the public health, safety and welfare of the Helena community by discouraging the inherently dangerous behavior of smoking around non-smokers, especially children; by protecting the public from exposure to outdoor secondhand smoke where they live, work and play; and by affirming and promoting a healthy environment in the City of Helena.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF HELENA, MONTANA;

Section 1. Property and business owners are encouraged to voluntarily undertake the establishment of enhanced smoke-free practices above and beyond current laws and protocols. Such as adopting outdoor smoke-free areas thereby helping to ensure enhanced compliance with the Lewis and Clark Clean Indoor Air Act Implementation Protocol and reducing the potential for outdoor exposure to secondhand smoke by the residents and visitors of Helena.

Section 2. Property and business owners voluntarily

adopting enhanced smoke-free practices are asked to post in conspicuous places approved signage that can be easily read and understood notifying the public of these smoke-free areas; and, when applicable, identifying designated smoking area(s).

Section 3. The City of Helena and Lewis and Clark Public Health will utilize community and state resources to undertake community awareness and education efforts and provide technical assistance and resources regarding outdoor smoke-free practices within the City of Helena. Such efforts may include: the provision of signs and postings, educational and training materials, and sample practices made available to property and business owners, and notification to the community at large, about the existence of this outdoor smoke-free resolution and educational opportunities that exist.

PASSED AND EFFECTIVE BY THE COMMISSION OF THE CITY OF HELENA, MONTANA, THIS 12th DAY OF AUGUST, 2019.

_____

MAYOR

ATTEST:

_____

CLERK OF THE COMMISSION

City of Helena, Montana

July 31, 2019

To: Ana Cortez, City Manager

From: Liz Hirst, Interim Finance Director

Subject: Consider a resolution relating to $5,700,000 water system revenue bonds (DNRC Drinking Water State Revolving Loan Program), series 2019 bond; authorizing the issuance and fixing the terms and conditions thereof.

Present Situation: The City is requesting the Commission approve borrowing $5,700,000 to finance the Ten Mile transmission line replacement. Approximately 5 miles of new transmission main is being replaced between the Ten Mile Water Treatment Plant and the Baxendale junction box. Staff budgeted to complete and borrow for this project originally in 2004. It has taken until this year to engineer, resolve and obtain easements, and bid out the project. The project is almost complete with final hookup anticipated for the fall after peak water demand is over.

Proposal/Objective: Borrow up to $5,700,000 from the DNRC Drinking Water Loan Program for 20 years at 2.5%.

Advantage: The City will obtain financing to fund the Ten Mile Transmission Line Project.

Notable Energy Impact: N/A

Disadvantage: None

Notice of Public Hearing: N/A

Recommended Motion: Move approval of a resolution relating to $5,700,000 water system revenue bonds (DNRC Drinking Water State Revolving Loan Program); and authorizing the issuance and fixing the terms and conditions thereof.

ATTACHMENTS:
Bond Resolution

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting Clerk of the Commission of the City of Helena, Montana (the "City"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "RESOLUTION RELATING TO $5,700,000 WATER SYSTEM REVENUE BONDS (DNRC DRINKING WATER STATE REVOLVING LOAN PROGRAM), SERIES 2019 BOND; AUTHORIZING THE ISSUANCE AND FIXING THE TERMS AND CONDITIONS THEREOF" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Commission of the City at a regular meeting on August 12, 2019 and that the meeting was duly held by the City Commission 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 City Commission 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 August, 2019.

_____
Clerk of the Commission

(SEAL)

SUPPLEMENTAL RESOLUTION

Relating to

$5,700,000
WATER SYSTEM REVENUE BONDS
(DNRC DRINKING WATER STATE REVOLVING LOAN PROGRAM)
SERIES 2019 BOND

CITY OF HELENA, MONTANA

Adopted: August 12, 2019

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(For convenience only, not a part of this Supplemental Resolution)

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RESOLUTION NO. _____

RESOLUTION RELATING TO $5,700,000 WATER SYSTEM REVENUE BONDS (DNRC DRINKING WATER STATE REVOLVING LOAN PROGRAM), SERIES 2019 BOND; AUTHORIZING THE ISSUANCE AND FIXING THE TERMS AND CONDITIONS THEREOF

RECITALS:

WHEREAS, pursuant to the Drinking Water State Revolving Fund Act, Montana Code Annotated, Title 75, Chapter 5, Part 11, as amended (the "Act"), the State of Montana (the "State") has established a revolving loan program (the "Program") to be administered by the Department of Natural Resources and Conservation of the State of Montana, an agency of the State (the "DNRC"), and by the Department of Environmental Quality of the State of Montana, an agency of the State (the "DEQ"), and has provided that a Drinking Water state revolving fund (the "Revolving Fund") be created within the state treasury and all federal, state and other funds for use in the Program be deposited into the Revolving Fund, including, but not limited to, all federal grants for capitalization of a state Drinking Water revolving fund under the Federal Drinking Water Act (the "Safe Drinking Water Act"), all repayments of assistance awarded from the Revolving Fund, interest on investments made on money in the Revolving Fund and payments of principal of and interest on loans made from the Revolving Fund; and

WHEREAS, the Act provides that funds from the Program shall be disbursed and administered for the purposes set forth in the Safe Drinking Water Act and according to rules adopted by the DEQ and the DNRC; and

WHEREAS, the City of Helena, Montana (the "Borrower"), has applied to the DNRC for the 2019 Loan (as hereinafter defined) from the Revolving Fund to enable the Borrower to finance, refinance or reimburse itself for a portion of the costs of the 2019 Project (as hereinafter defined) which will carry out the purposes of the Safe Drinking Water Act and to pay costs of issuance of the Series 2019 Bond (as hereinafter defined); and

WHEREAS, the DNRC offered to make loans in the total principal amount of $5,700,000 available to the Borrower; and

WHEREAS, the Borrower contemplates issuing bonds in a single series, a Series 2019 Bond in the maximum principal amount of $5,700,000 (the "Series 2019 Bond"); and

WHEREAS, the Borrower is authorized under applicable laws, ordinances and regulations to adopt this Supplemental Resolution and to issue the Series 2019 Bond to evidence the 2019 Loan (as hereinafter defined) for the purposes set forth herein; and

WHEREAS, the DNRC will fund the 2019 Loan (as hereinafter defined) with proceeds of Recycled Money (as hereinafter defined).

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE BORROWER, AS FOLLOWS:

ARTICLE I

DEFINITIONS, RULES OF CONSTRUCTION AND APPENDICES

Section 1.1. Definitions. In this Supplemental Resolution, unless a different meaning clearly appears from the context, the following terms shall have the following meanings:

"Accountant" or "Accountants" means an independent certified public accountant or a firm of independent certified public accountants satisfactory to the DNRC.

"Act" means (i) with respect to the Borrower, the Enabling Act, and (ii) with respect to the DNRC, the State Act, as amended from time to time.

"Additional Bonds" means any Bonds in addition to the Outstanding Bonds issued pursuant to Section 7 of the Resolution.

"Administrative Expense Surcharge" means in respect of the 2019 Loan, a surcharge equal to twenty-five hundredths of one percent (0.25%) per annum on the outstanding principal amount of the 2019 Loan from the date of each advance thereof, payable by the Borrower on a Payment Date.

"Amended and Restated Resolution" means the Amended and Restated Resolution No. _____, adopted by the Commission on August 12, 2019, which amends and restates the Original Resolution.

"Amended Bonds" means the Amended Series 2005 Bond, the Amended Series 2007 Bond, and the Amended Series 2012 Bond.

"Amended Series 2005 Bond" means the City's Water System Revenue Bond, Series 2005 amended pursuant to the Amended and Restated Resolution, issued in the original principal amount of $2,072,000 and delivered on the Delivery Date to DNRC.

"Amended Series 2007 Bond" means the City's Water System Revenue Bond, Series 2007 amended pursuant to the Amended and Restated Resolution, issued in the original principal amount of $2,242,000 and delivered on the Delivery Date to DNRC.

"Amended Series 2012 Bond" means the City's Water System Revenue Bond, Series 2012 amended pursuant to the Amended and Restated Resolution, issued in the original principal amount of $1,325,000 and delivered on the Delivery Date to DNRC.

"Amended Resolutions" means Resolution Nos. 19261, 19468, and 19897 adopted by the City Commission on July 25, 2005, May 21, 2007, and February 13, 2012.

"Authorized DNRC Officer" means the Director or Deputy Director of the DNRC, and, when used with reference to an act or document, also means any other individual authorized by resolution of the DNRC to perform such act or sign such document. If authorized by the DNRC, an Authorized DNRC Officer may delegate all or a portion of his authority as an Authorized DNRC Officer to another individual, and such individual shall be deemed an Authorized DNRC Officer for purposes of exercising such authority.

"Bond Counsel" means any Counsel nationally recognized as experienced in matters relating to the issuance by states or political subdivisions of tax-exempt obligations selected by the Borrower and acceptable to the DNRC.

"Bonds" means the Amended Bonds, the Series 2016B Bond, and the Series 2019 Bond and any additional bonds to be issued on a parity therewith pursuant to the Original Resolution. "Bonds" does not include the Series 2016A Bonds.

"Borrower" or "City" means the City of Helena, Montana, or any permitted successor or assign.

"Business Day" means any day which is not a Saturday or Sunday, a legal holiday in the State or a day on which banks in the State are authorized or required by law to close.

"Closing" means the date of delivery of the Series 2019 Bond to the DNRC.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral Documents" means any security agreement, guaranty or other document or agreement delivered to the DNRC securing the obligations of the Borrower under this Supplemental Resolution and the Series 2019 Bond. If no Collateral Documents secure such obligations, any reference to Collateral Documents in this Supplemental Resolution shall be without effect.

"Commission" means the City Commission of the Borrower.

"Committed Amount" means the aggregate amount of the 2019 Loan committed to be lent by the DNRC to the Borrower pursuant to Section 4.1, as such amount may be reduced pursuant to Sections 3.2 and 3.4.

"Construction Account" means the account created in the Water System Fund pursuant to Section 10.1 of Resolution No. 11644.

"Consultant" means a nationally recognized consultant or firm of consultants, or an independent engineer or firm of independent engineers, or an Accountant, which in any case is qualified and has skill and experience in the preparation of financial feasibility studies or projections for facilities similar to the System or the 2019 Project, selected by the Borrower and satisfactory to the DNRC.

"Counsel" means an attorney duly admitted to practice law before the highest court of any state and satisfactory to the DNRC.

"Debt" means, without duplication, in respect of the System, (1) indebtedness of the Borrower for borrowed money or for the deferred purchase price of property or services; (2) the obligation of the Borrower as lessee under leases which should be recorded as capital leases under generally accepted accounting principles; and (3) obligations of the Borrower under direct or indirect guarantees in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clause (1) or (2) above.

"DEQ" means the Department of Environmental Quality of the State of Montana, an agency of the State, or any successor to its powers, duties and obligations under the Act or the EPA Agreements.

"DNRC" means the Department of Natural Resources and Conservation of the State of Montana, an agency of the State, and any successor to its powers, duties and obligations under the State Act.

"Enabling Act" means Montana Code Annotated, Title 7, Chapter 7, Parts 44 and 45, as amended form time to time, which authorizes the Borrower to own and operate the System, to undertake the 2019 Project and to issue the Series 2019 Bond to finance costs of the 2019 Project.

"EPA" means the Environmental Protection Agency, an agency of the United States of America, and any successor to its functions under the Safe Drinking Water Act.

"EPA Agreements" means all capitalization grant agreements and other written agreements between the DEQ, the DNRC and the EPA concerning the Program.

"EPA Capitalization Grant" means a grant of funds to the State by the EPA under Section 1452 of the Safe Drinking Water Act.

"Fund" means the Water Service Fund maintained pursuant to Article V of the Amended and Restated Resolution and established under the Original Resolution.

"Government Obligations" means direct obligations of, or obligations the principal of and the interest on which are fully and unconditionally guaranteed as to payment by, the United States of America.

"Governmental Unit" means governmental unit as such term is used in Section 145(a) of the Code.

"Indenture" means the Indenture of Trust, dated as of June 1, 1991, between the Board of Examiners of the State and the Trustee, as such may be supplemented or amended from time to time in accordance with the provisions thereof, pursuant to which, among other things, the State Bonds are to be or have been issued.

"Loan Loss Reserve Surcharge" means in respect of the 2019 Loan, a surcharge equal to twenty-five hundredths of one percent (0.25%) per annum on the outstanding principal amount of the 2019 Loan from the date of each advance thereof, payable by the Borrower on a Payment Date.

"Loan Term" means that period of time commencing and ending as set in Sections 4.2 and 4.3.

"Net Revenues" means the gross revenues of the System remaining after the payment of operating expenses of the System as more fully described in the Amended and Restated Resolution and this Supplemental Resolution.

"Operating Account" means the account created in the Water System Fund pursuant to Section 5.2 of the Amended and Restated Resolution.

"Opinion of Bond Counsel" means a written opinion of Bond Counsel.

"Original Resolution" means, collectively, Resolution Nos. 10386, 10391, 11644, 11822, 19146, 19261, 19468, 19897, and Resolution No. 20319, adopted by the City Commission on March 30, 1992, April 13, 1992, June 18, 2001, October 7, 2002, July 26, 2004, the Previously Amended Resolutions, as amended by Resolution No. 19973, adopted by the City on November 19, 2012, and November 14, 2016, respectively, as amended and restated by the Amended and Restated Resolution.

"Payment Date" means with respect the 2019 Loan, each January 1 and July 1 during the term of the Series 2019 Bond on which a payment of interest or principal and interest is due, as determined under this Supplemental Resolution.

"Person" means any Private Person or Public Entity.

"Private Person" means an individual, corporation, partnership, association, joint venture, joint stock company or unincorporated organization, except a Public Entity.

"Program" means the Drinking Water State Revolving Fund Program established by the Act.

"Project" means an improvement, betterment, reconstruction or extension of the System, including the 2019 Project.

"Public Entity" means a municipality, city, town, county, irrigation district, drainage district, county water and sewer district, a soil conservation district, political or administrative subdivision of State government or other public body established by State law or an Indian tribe that has a federally recognized governing body carrying out substantial governmental duties and powers over any area.

"Recycled Money" means payments and prepayments of principal of loans made under the Program, and any other amounts transferred to the Principal Subaccount in the Revenue Subaccount in the State Allocation Account (as such terms are defined in the Indenture).

"Registrar" means, with respect to the Series 2019 Bond, the Chief Financial Officer or any successor appointed pursuant to this Supplemental Resolution, and, with respect to any other series of Bonds, the Person or Persons designated by or pursuant to this Supplemental Resolution or any other future supplemental resolution to receive and disburse the principal of, premium, if any, and interest on the Bonds on behalf of the Borrower and to hold and maintain the Bond Register.

"Regulations" means the Treasury Department, Income Tax Regulations, as amended or any successor regulation thereto, promulgated under the Code or otherwise applicable to the Series 2019 Bond.

"Replacement and Depreciation Account" means the Account created in the Water System Fund pursuant to Section 5.4 of the Amended and Restated Resolution.

"Reserve" means the Bond Reserve created within the Revenue Bond Account of the Water System Fund pursuant to Section 5.3 of the Amended and Restated Resolution.

"Reserve Requirement" means, as of the date of calculation, an amount equal to one-half the sum of the highest amount of principal and interest payable on all outstanding Bonds in any one future fiscal year (giving effect to mandatory sinking fund redemption, if any).

"Revenue Bond Account" means the account created in the Water System Fund pursuant to Section 5.3 of the Amended and Restated Resolution.

"Revolving Fund" shall have the meaning set forth in the recitals hereof.

"Safe Drinking Water Act" means Title XIV of the Public Health Service Act, commonly known as the Safe Drinking Water Act, 42 U.S.C. §§300f et seq., as amended, and all regulations, rules and interpretations issued by the EPA thereunder.

"Series 2016A Bond" means the Subordinate Lien Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Taxable Series 2016A, issued in the original principal amount of $500,000 and delivered to the DNRC.

"Series 2016B Bond" means the Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2016B, issued in the original principal amount of $661,000 and delivered to DNRC.

"Series 2019 Bond" means the $5,700,000 Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2019, issued to the DNRC to evidence the 2019 Loan.

"State" means the State of Montana.

"State Act" means Montana Code Annotated, Title 75, Chapter 5, Part 11, as amended from time to time.

"State Bonds" means the State's General Obligation Bonds (Drinking Water State Revolving Fund Program), issued or to be issued pursuant to the Indenture.

"Subordinate Obligations" mean any subordinate obligations issued under Section 6.4 of the Amended and Restated Resolution.

"Supplemental Resolution" means this resolution of the Borrower adopted on August 12, 2019.

"Surplus Account" means the account created in the Water System Fund pursuant to Section 5.5 of the Amended and Restated Resolution.

"Surplus Net Revenues" means that portion of the Net Revenues in excess of the current requirements of the Operating Account, the Debt Service Account and the Bond Reserve.

"System" means the existing water system of the Borrower and all extensions, improvements and betterments thereof hereafter constructed and acquired, including the 2019 Project.

"Trustee" means U.S. Bank National Association, in Seattle, Washington or any successor trustee under the Indenture.

"2019 Loan" or "Loan" means the 2019 Loan made to the Borrower by the DNRC pursuant to the Program in the maximum amount of the Committed Amount to provide funds to pay costs of the 2019 Project and to pay costs of issuance of the Series 2019 Bond.

"2019 Project" means the designing, engineering and construction of the facilities, improvements and activities the cost of which is being financed by or reimbursed to the Borrower in part with proceeds of the 2019 Loan, described in Appendix A hereto.

"2019 First Advance" means the first advance of funds of the 2019 Loan by the DNRC to the Borrower in an amount of at least $50,001.

"2019 Loan" means the loan made to the Borrower by the DNRC pursuant to the Program in the maximum amount of the Committed Amount to provide funds to pay costs of the 2019 Project payable under the Program and to pay costs of issuance of the Series 2019 Bond.

"Water System Fund" means the fund by such name created by the Amended and Restated Resolution.

"Undisbursed Committed Amount" means any undisbursed Committed Amount which is not required to pay costs of the 2019 Project as provided in Section 3.4.

Section 1.2. Other Rules of Construction. For all purposes of this Supplemental Resolution, except where the context clearly indicates otherwise:

(a) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted government accounting standards.

(b) Terms in the singular include the plural and vice versa.

(c) All references to time shall refer to Helena, Montana time, unless otherwise provided herein.

(d) All references to mail shall refer to first-class mail postage prepaid.

(e) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(f) "Or" is not exclusive, but is intended to permit or encompass one, more or all of the alternatives conjoined.

Section 1.3. Appendices. Attached to this Supplemental Resolution and hereby made a part hereof are the following Appendices:

Appendix A: a description of and estimated budget for the 2019 Project;

Appendix B: the form of the Series 2019 Bond; and

Appendix C: additional agreements and representations of the Borrower.

ARTICLE II

AUTHORIZATION, FINDINGS, REPRESENTATIONS AND COVENANTS

Section 2.1. Authorization and Findings.

(a) Authorization. Under the provisions of the Enabling Act, the Borrower is authorized to issue and sell 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 the System or to refund its revenue bonds issued for such purpose; provided that the bonds and the interest thereon are to be payable solely out of the net income and revenues to be derived from rates, fees and charges for the services, facilities and commodities furnished by the undertaking, and are not to create any general obligation for the payment of which taxes may be levied except to pay for services provided by the undertaking to the City.

(b) The System. The Borrower, pursuant to the Enabling Act and other laws of the State, has established and presently owns and operates the System.

(c) The 2019 Project. After investigation of the facts and as authorized by the Enabling Act, this Commission has determined it to be necessary and desirable and in the best interests of the Borrower to acquire and construct the 2019 Project.

(d) Outstanding Bonds. Pursuant to the Enabling Act and the Amended and Restated Resolution, the Borrower has previously issued, and has outstanding, the Amended Bonds and the Series 2016B Bond. The Amended Bonds and the Series 2016B Bond are payable from Net Revenues of the System. The Series 2016A Bond is payable from Surplus Net Revenues if not forgiven. No other bonds or indebtedness are outstanding that are payable from or secured by revenues of the System.

(e) Additional Parity Bonds. The Borrower reserved the right under Article VI of the Amended and Restated Resolution to issue Additional Bonds payable from the Revenue Bond Account of the Fund on a parity as to both principal and interest with the outstanding Bonds, if the Net Revenues of the System for the last complete fiscal year preceding the date of issuance of such additional Bonds have equaled at least 110% 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. For the purpose of the foregoing computation, the Net Revenues for the fiscal year preceding the issuance of the Additional Bonds shall be those shown by the financial reports caused to be prepared by the Borrower pursuant to the Amended and Restated Resolution, except that if the rates and charges for services provided by the System or finally authorized to go into effect within 60 days after the issuance of the additional Bonds have been changed since the beginning of such preceding fiscal year, then the rates and charges in effect at the time of issuance of the additional Bonds shall be applied to the quantities of service actually rendered and made available during such preceding fiscal year to ascertain the gross revenues, from which there shall be deducted to determine the Net Revenues, the actual operation and maintenance cost plus any additional annual costs of operation and maintenance the Consultant estimates will be incurred because of the improvement or extension of the System to be constructed from the proceeds of the additional Bonds proposed to be issued. In no event shall any additional Bonds be issued and made payable from the Revenue Bond Account if the Borrower is then in default in any payment of principal of or interest on any outstanding Bonds payable therefrom, or if there then exists any deficiency in the balances required by the Amended and Restated Resolution to be maintained in any of the accounts of the Fund, which will not be cured or restored upon the issuance of the additional Bonds. Based on a certificate executed or to be executed by the Mayor and the Chief Financial Officer, or either of them, it is hereby determined that the Borrower is authorized to issue $5,700,000 in aggregate principal amount of additional Bonds pursuant to Article VI of the Amended and Restated Resolution payable from and secured by the Net Revenues on a parity with the outstanding Amended Bonds.

Section 2.2. Representations. The Borrower represents as follows:

(a) Organization and Authority. The Borrower:

(i) is duly organized and validly existing as a municipal corporation and political subdivision of the State;

(ii) has all requisite power and authority and all necessary licenses and permits required as of the date hereof to own and operate the System and to carry on its current activities with respect to the System, to adopt this Supplemental Resolution and to enter into the Collateral Documents and to issue the Series 2019 Bond and to carry out and consummate all transactions

contemplated by this Supplemental Resolution, the Series 2019 Bond and the Collateral Documents;

(iii) is a Governmental Unit and a Public Entity; and

(iv) has taken all proper action to authorize the execution, delivery and performance of its obligations under this Supplemental Resolution, the Series 2019 Bond and the Collateral Documents and the incurrence of the Debt evidenced by the Series 2019 Bond in the maximum amount of the Committed Amount.

(b) Pending Litigation. There is no litigation or proceeding pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower in any court or before or by any governmental authority or arbitration board or tribunal that, if adversely determined, would materially and adversely affect the existence, corporate or otherwise, of the Borrower, or the ability of the Borrower to make all payments and otherwise perform its obligations under this Supplemental Resolution, the Series 2019 Bond and the Collateral Documents, or the financial condition of the Borrower, or the transactions contemplated by this Supplemental Resolution, the Series 2019 Bond and the Collateral Documents or the validity and enforceability of this Supplemental Resolution, the Series 2019 Bond and the Collateral Documents. If any such litigation should be initiated or threatened, the Borrower will forthwith notify in writing the DNRC, and will furnish the DNRC a copy of all documents, including pleadings, in connection with such litigation. No referendum petition has been filed with respect to any resolution or other action of the Borrower relating to the 2019 Project, the Series 2019 Bond or any Collateral Documents.

(c) Borrowing Legal and Authorized. The adoption of this Supplemental Resolution, the execution and delivery of the Series 2019 Bond and the Collateral Documents and the consummation of the transactions provided for in this Supplemental Resolution, the Series 2019 Bond and the Collateral Documents and compliance by the Borrower with the provisions of this Supplemental Resolution, the Series 2019 Bond and the Collateral Documents, to the knowledge of the Borrower:

(i) are within the powers of the Borrower and have been duly authorized by all necessary action on the part of the Borrower; and

(ii) do not and will not result in any breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Borrower pursuant to any ordinance, resolution, indenture, loan agreement or other agreement or instrument (other than this Supplemental Resolution and any Collateral Documents) to which the Borrower is a party or by which the Borrower or its property may be bound, nor will such action result in any violation of the provisions of any charter or similar document, if applicable, any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the Borrower, its properties or operations are subject.

(d) No Defaults. To the knowledge of the Borrower, no event has occurred and no condition exists that, upon execution and delivery of the Series 2019 Bond and the Collateral Documents, would constitute a default under this Supplemental Resolution or the Collateral Documents. To the knowledge of the Borrower, the Borrower is not in material violation of any term of any agreement, bond resolution, trust indenture, charter or other instrument to which it is a party or by which it or its property may be bound which violation would materially and adversely affect the transactions contemplated hereby or the compliance by the Borrower with the terms hereof or of the Series 2019 Bond and the Collateral Documents.

(e) Governmental Consent. To the knowledge of the Borrower, the Borrower has obtained or made all permits, findings and approvals required to the date of adoption of this Supplemental Resolution by any governmental body or officer for the making and performance by the Borrower of its obligations under this Supplemental Resolution, the Series 2019 Bond and the Collateral Documents (including any necessary water rate increase) or for the 2019 Project, the financing or refinancing thereof or the reimbursement of the Borrower for costs thereof. To the knowledge of the Borrower, no consent, approval or authorization of, or filing, registration or qualification with, any governmental authority (other than those, if any, already obtained) is required on the part of the Borrower as a condition to adopting this Supplemental Resolution, issuing the Series 2019 Bond or entering into the Collateral Documents and the performance of the Borrower's obligations hereunder and thereunder. If a utility board or commission manages or controls the System, such board or commission has agreed with the DNRC to abide by the terms of this Supplemental Resolution and the Collateral Documents, including approving any necessary water rate increases.

(f) Binding Obligation. This Supplemental Resolution, the Series 2019 Bond and any Collateral Documents to which the Borrower is a party are the valid and binding special, limited obligations and agreements of the Borrower, enforceable against the Borrower in accordance with their terms except to the extent that the enforceability thereof may be limited by laws relating to bankruptcy, moratorium, reorganization, insolvency or similar laws affecting creditors' rights and general principles of equity.

(g) The 2019 Project. The 2019 Project consists and will consist of the facilities, improvements and activities described in Appendix A, as such Appendix A may be amended from time to time in accordance with Article III of this Supplemental Resolution. The 2019 Project comprises facilities of a type that, as determined by the EPA, will facilitate compliance with the national primary Drinking Water regulations applicable to the System or will otherwise significantly further the health protection objectives of the Safe Drinking Water Act.

(h) The System. The System is a "community water system" within the meaning of the Act and the Safe Drinking Water Act in that it is a public water system, comprising collection, treatment, storage and distribution facilities for the provision to the public of water for human consumption, that serves not less than 15 service connections used by year-round residents of the area served by the System or regularly serves not less than 25 year-round residents.

(i) Full Disclosure. There is no fact that the Borrower has not specifically disclosed in writing to the DNRC that materially and adversely affects or (so far as the Borrower can now foresee), except for pending or proposed legislation or regulations that are a matter of general public information, that will materially and adversely affect the properties, operations and finances of the System, the Borrower's status as a Public Entity and Governmental Unit, its ability to own and operate the System in the manner currently operated or the Borrower's ability to perform its obligations under this Supplemental Resolution, the Series 2019 Bond and the Collateral Documents and to pledge any revenues or other property pledged to the payment of the Series 2019 Bond.

(j) Compliance With Law. To the knowledge of the Borrower, it:

(i) is in compliance with all laws, ordinances, governmental rules and regulations and court or other governmental orders, judgments and decrees to which it is subject and which are material to the properties, operations and finances of the System or its status as a Public Entity and Governmental Unit; and

(ii) has obtained all licenses, permits, franchises or other governmental authorizations necessary to the ownership of the System and the operation thereof and agrees to obtain all such licenses, permits, franchises or other governmental authorizations as may be required in the future for the System and the operation thereof, which failure to obtain might materially and adversely affect the ability of the Borrower to conduct the operation of the System as presently conducted or the condition (financial or otherwise) of the System or the Borrower's ability to perform its obligations under this Supplemental Resolution, the Series 2019 Bond and the Collateral Documents.

Section 2.3. Covenants.

(a) Insurance. In addition to the requirements of the Amended and Restated Resolution, the Borrower at all times shall keep and maintain with respect to the System property and casualty insurance and liability insurance with financially sound and reputable insurers, or self- insurance as authorized by State law, against such risks and in such amounts, and with such deductible provisions, as are customary in the State in the case of entities of the same size and type as the Borrower and similarly situated and shall carry and maintain, or cause to be carried and maintained, and pay or cause to be paid timely the premiums for all such insurance. All such insurance policies shall name the DNRC as an additional insured to the extent permitted under the policy or program of insurance or risk coverage of the Borrower. Each policy must provide that it cannot be cancelled by the insurer without giving the Borrower and the DNRC 30 days' prior written notice. The Borrower shall give the DNRC prompt notice of each insurance policy it obtains or maintains to comply with this section and of each renewal, replacement, change in coverage or deductible under or amount of or cancellation of each such insurance policy and the amount and coverage and deductibles and carrier of each new or replacement policy. Such notice shall specifically note any adverse change as being an adverse change. The Borrower shall deliver to the DNRC at Closing a certificate providing the information required by this section. To the extent that the Borrower has risk coverage from the Montana Municipal Interlocal Authority ("MMIA") and includes the System on the Borrower's schedule of property to be coverage by MMIA, then such risk coverage shall be deemed to be acceptable insurance for the DNRC.

(b) Right of Inspection and Notice of Change of Location. The DNRC, the DEQ and the EPA and their designated agents shall have the right at all reasonable times during normal business hours and upon reasonable notice to enter into and upon the property of the Borrower for the purpose of inspecting the System or any or all books and records of the Borrower relating to the System.

(c) Further Assurance. The Borrower shall execute and deliver to the DNRC all such documents and instruments and do all such other acts and things as may be necessary or required by the DNRC to enable the DNRC to exercise and enforce its rights under this Supplemental Resolution, the Series 2019 Bond and the Collateral Documents and to realize thereon, and record and file and re-record and refile all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or required by the DNRC to validate, preserve and protect the position of the DNRC under this Supplemental Resolution, the Series 2019 Bond and the Collateral Documents.

(d) Maintenance of Security; Recordation of Interest.

(i) The Borrower shall, at its expense, take all necessary action to maintain and preserve the lien and security interest of this Supplemental Resolution and the Collateral Documents so long as any amount is owing under this Supplemental Resolution or the Series 2019 Bond;

(ii) The Borrower shall forthwith, after the execution and delivery of the Series 2019 Bond and thereafter from time to time, cause this Supplemental Resolution and any Collateral Documents granting a security interest in revenues or real or personal property and any financing statements or other notices or documents relating thereto to be filed, registered and recorded in such manner and in such places as may be required by law in order to perfect and protect fully the lien and security interest hereof and thereof and the security interest in them granted by this Supplemental Resolution and, from time to time, shall perform or cause to be performed any other act required by law, including executing or causing to be executed any and all required continuation statements and shall execute or cause to be executed any further instruments that may be requested by the DNRC for such perfection and protection; and

(iii) Except to the extent it is exempt therefrom, the Borrower shall pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of the documents described in subparagraph (ii), and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Series 2019 Bond and the Collateral Documents and the documents described in subparagraph (ii).

(e) Additional Agreements. The Borrower covenants to comply with all representations, covenants, conditions and agreements, if any, set forth in Appendix C hereto.

(f) Financial Information. This Section 2.3(f) supplements, and is not intended to limit, the requirements in the Amended and Restated Resolution. The Borrower agrees that for each fiscal year it shall furnish to the DNRC and the DEQ, promptly when:

(i) the budget for the System, with items for the 2019 Project shown separately; and

(ii) when adopted, the final budget for the System, with items for the 2019 Project shown separately.

(g) Project Accounts. The Borrower shall maintain Project accounts in accordance with generally accepted government accounting standards.

(h) Records. After reasonable notice from the EPA or the DNRC, the Borrower shall make available to the EPA or the DNRC such records as the EPA or the DNRC reasonably requires to review and determine compliance with the Safe Drinking Water Act, as provided in Section 75-5-1113(l)(d) of the State Act.

(i) Compliance with Safe Drinking Water Act. The Borrower has complied and shall comply with all conditions and requirements of the Safe Drinking Water Act pertaining to the 2019 Loan and the 2019 Project and shall maintain sufficient financial, managerial and technical capability to continue to effect such compliance.

(j) Compliance with DEQ Requirements. The Borrower shall comply with plan, specification and other requirements for public water systems established by the DEQ, as required by Section 75-5-1113(l)(g) of the Act.

Section 2.4. Covenants Relating to the Tax-Exempt Status of the State Bonds.

(a) The Borrower covenants and agrees that it will not use or permit to be used any of the proceeds of the Series 2019 Bond or any other funds of the Borrower in respect of the 2019 Project or the Series 2019 Bond, directly or indirectly, in a manner that would cause, or take any other action that would cause, any State Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code or would otherwise cause the interest on the State Bonds to be included in gross income for purposes of federal income taxation.

(b) The Borrower agrees that it will not enter into, or allow any "related person" (as defined in Section 147(a)(2) of the Code) to enter into, any arrangement, formal or informal, for the purchase of the State Bonds or any other obligations of the DNRC in an amount related to the amount of the 2019 Loan or the portion of the 2019 Loan derived directly or indirectly from proceeds of the State Bonds or that would otherwise cause any State Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code.

(c) The Borrower shall not use or permit the use of the 2019 Project directly or indirectly in any trade or business carried on by any Person who is not a Governmental Unit. For the purpose of this subparagraph, use as a member of the general public (within the meaning of the Regulations) shall not be taken into account and any activity carried on by a Person other than a natural person shall be treated as a trade or business.

(d) Any portion of the 2019 Project being refinanced or the cost of which is being reimbursed was acquired by and is now and shall, during the term of the 2019 Loan, be owned by the Borrower and not by any other Person. Any portion of the 2019 Project being financed shall be acquired by and shall, during the term of the 2019 Loan, be owned by the Borrower and not by any other Person. Notwithstanding the previous two sentences, the Borrower may transfer the 2019 Project or a portion thereof to another Governmental Unit which is also a Public Entity if such transfer is otherwise permitted under the Amended and Restated Resolution and if such organization agrees with the DNRC to comply with Section 2.3(h), Section 2.3(i) and Section 2.4 of this Supplemental Resolution and if the DNRC receives an Opinion of Bond Counsel that such transfer will not violate the State Act or the Safe Drinking Water Act or adversely affect the exclusion of interest on the State Bonds from gross income or purposes of federal income taxation. In addition, except as otherwise provided in the Amended and Restated Resolution or in any Collateral Documents, the Borrower may sell or otherwise dispose of any portion of the 2019 Project which has become obsolete or outmoded or is being replaced or for other reasons is not needed by the Borrower or beneficial to the general public or necessary to carry out the purposes of the Safe Drinking Water Act.

(e) At the Closing of the 2019 Loan, the DNRC will, if necessary to obtain the Opinion of Bond Counsel described in Section 7.05(a) of the Indenture, deliver to the Borrower instructions concerning compliance by the Borrower with the arbitrage rebate requirements of Section 148 of the Code (the "Arbitrage Rebate Instructions"). The Borrower shall comply with the Arbitrage Rebate Instructions, if any, delivered to it by the DNRC at Closing, as such Instructions may be amended or replaced by the DNRC from time to time. The Arbitrage Rebate Instructions may be amended or replaced by new Arbitrage Rebate Instructions delivered by the DNRC and accompanied by an Opinion of Bond Counsel to the effect that the use of said amended or new Arbitrage Rebate Instructions will not adversely affect the excludability of interest on the State Bonds or any Additional State Bonds (except State Bonds the interest on which the State did not intend to be excluded from gross income for federal income tax purposes) from gross income of the recipients thereof for federal income tax purposes.

(f) The Borrower agrees that during the term of the 2019 Loan it will not contract with or permit any Private Person to manage the 2019 Project or any portion thereof except according to a written management contract and upon delivery to the DNRC of an Opinion of Bond Counsel to the effect that the execution and delivery of such management contract will not violate the State Act or the Safe Drinking Water Act or adversely affect the exclusion of interest on State Bonds from gross income or purposes of federal income taxation.

(g) The Borrower may not lease the 2019 Project or any portion thereof to any Person other than a Nonexempt Person which agrees in writing with the Borrower and the State not to cause any default to occur under the Amended and Restated Resolution; provided the Borrower may lease all or any portion of the 2019 Project to a Nonexempt Person pursuant to a lease which in the Opinion of Bond Counsel delivered to the DNRC will not cause the interest on the State Bonds to be included in gross income for purposes of federal income taxation.

(h) The Borrower shall not change the use or nature of the 2019 Project if (i) such change will violate the Safe Drinking Water Act, or (ii) so long as the State Bonds are outstanding unless, in the Opinion of Bond Counsel delivered to the DNRC, such change will not result in the inclusion in gross income of interest on the State Bonds for federal income tax purposes.

Section 2.5. Maintenance of System; Liens. The Borrower shall maintain the System, including the 2019 Project, in good condition and make all necessary renewals, replacements, additions, betterments and improvements thereto. The Borrower shall not grant or permit to exist any lien on the 2019 Project or any other property making up part of the System, other than liens securing Debt where a parity or senior lien secures the Series 2019 Bond; provided that this Section 2.5. shall not be deemed to be violated if a mechanic's or contractor's lien is filed against any such property so long as the Borrower uses its best efforts to obtain the discharge of such lien and promptly reports to the DNRC the filing of such lien and the steps it plans to take and does take to discharge of such lien.

Section 2.6. Maintenance of Existence; Merger. Consolidation. Etc.; Disposition of Assets. The Borrower shall maintain its corporate existence, except that it may consolidate with or merge into another Governmental Unit or permit one or more Governmental Units to consolidate with or merge into it or may transfer all or substantially all of its assets to another Governmental Unit and then dissolve if the surviving, resulting or transferee entity (if other than the Borrower) (i) is a Public Entity and (ii) assumes in writing all of the obligations of the Borrower under this Supplemental Resolution, the Series 2019 Bond and the Collateral Documents, and (a) such action does not result in any default in the performance or observance of any of the terms, covenants or agreements of the Borrower under this Supplemental Resolution, the Series 2019 Bond and the Collateral Documents, (b) such action does not violate the State Act or the Safe Drinking Water Act and does not adversely affect the exclusion of interest on the Series 2019 Bond or the State Bonds from gross income for federal income tax purposes and (c) the Borrower delivers to the DNRC on the date of such action an Opinion of Bond Counsel that such action complies with this Section 2.6.

Other than pursuant to the preceding paragraph, the Borrower shall not transfer the System or any portion thereof to any other Person, except for property which is obsolete, outmoded, worn out, is being replaced or otherwise is not needed for the operation of the System, unless the provisions of (a) and (b) of the preceding paragraph are satisfied and the Borrower delivers to the DNRC an Opinion of Bond Counsel to that effect and, in addition, the DNRC consents to such transfer

ARTICLE III

USE OF PROCEEDS; THE 2019 PROJECT

Section 3.1. Use of Proceeds. The Borrower shall apply the proceeds of the 2019 Loan solely as follows:

(a) The Borrower shall apply the proceeds of the 2019 Loan solely to the financing, refinancing or reimbursement of costs of the 2019 Project as set forth in Appendix A hereto and this Section 3.1 and to pay costs of issuance of the Series 2019 Bond. The 2019 Loan will be disbursed in accordance with Article IV hereof and Article VII of the Indenture. If the 2019 Project has not been completed prior to Closing, the Borrower shall, as quickly as reasonably possible, complete the 2019 Project and expend proceeds of the 2019 Loan to pay costs of completing the 2019 Project.

(b) No portion of the proceeds of the 2019 Loan shall be used to reimburse the Borrower for costs paid prior to the date of adoption of this Supplemental Resolution or a Project the construction or acquisition of which occurred or began earlier than March 7, 1985. In addition, if any proceeds of the 2019 Loan are to be used to reimburse the Borrower for Project costs paid prior to the date of adoption of this Supplemental Resolution, the Borrower shall have complied with Section 1.150-2 of the Regulations in respect of such costs.

(c) Any Debt to be refinanced with proceeds of the 2019 Loan that was incurred after March 7, 1985, or with respect to a Project the construction or acquisition of which began after March 7, 1985. No proceeds of the 2019 Loan shall be used for the purpose of refinancing an obligation the interest on which is exempt from federal income tax or excludable from gross income for purposes of federal income taxation unless the DNRC has received an Opinion of Bond Counsel, satisfactory to it, to the effect that such refinancing will not adversely affect the exclusion of interest on the State Bonds from gross income for purposes of federal income taxation.

Section 3.2. The 2019 Project. Set forth in Appendix A to this Supplemental Resolution is a description of the 2019 Project, which describes the property which has been or is to be acquired, installed, constructed or improved and the other activities, if any, to be funded from the 2019 Loan (the 2019 Project may consist of more than one facility or activity), and an estimated budget relating to the 2019 Project. The 2019 Project may be changed and the description thereof in Appendix A may be amended from time to time by the Borrower but only after delivery to the DNRC of the following:

(a) a certificate of the Borrower setting forth the amendment to Appendix A and stating the reason therefor, including statements as to whether the amendment would cause an increase or decrease in the cost of the 2019 Project or an increase or decrease in the amount of proceeds of the 2019 Loan which will be required to complete the 2019 Project and whether the change will materially accelerate or delay the construction schedule for the 2019 Project;

(b) a written consent to such change in the 2019 Project by an Authorized DNRC Officer; and

(c) an Opinion of Bond Counsel stating that the 2019 Project, as constituted after such amendment, is, and was at the time the State Bonds were issued, eligible for financing under the Act and is, and was at the time the Series 2019 Bond were issued, eligible for financing under the Enabling Act, such amendment will not violate the Act or the Enabling Act and such

amendment will not adversely affect the exclusion of interest on the State Bonds or the Series 2019 Bond from gross income for purposes of federal income taxation. Such an Opinion of Bond Counsel shall not be required for amendments which do not affect the type of facility to be constructed or activity to be financed.

The Borrower acknowledges and agrees that an increase in the principal amount of the 2019 Loan may be made only upon an application to the DEQ, the DNRC and the Trustee, in such form as the DEQ shall specify, which is approved by the DEQ and the DNRC, in their sole and absolute discretion, and adoption by the governing body of the Borrower of a Supplemental Resolution authorizing the additional loan and delivery of written certifications by officers of the Borrower to the DEQ, the DNRC and the Trustee to the effect that all representations and covenants contained in this Supplemental Resolution as it may be so amended or supplemented are true as of the date of closing of the additional loan and compliance with applicable tests for the incurrence of such debt. No assurance can be given that any additional loan funds will be available under the Program at the time of any such application. The Borrower acknowledges and agrees that neither the DEQ, the DNRC, the Trustee nor any of their agents, employees or representatives shall have any liability to the Borrower and have made no representations to the Borrower as to the sufficiency of the 2019 Loan to pay costs of the 2019 Project or as to the availability of additional funds under the Program to increase the principal amount of the 2019 Loan.

Section 3.3. 2019 Project Representations and Covenants. The Borrower hereby represents to and covenants with the DNRC that:

(a) all construction of the 2019 Project has complied and will comply with all federal and state standards, including, without limitation, EPA regulations;

(b) all future construction of the 2019 Project, if any, will be done only pursuant to fixed price construction contracts. The Borrower shall obtain a performance and payment bond from the contractor for each construction contract in the amount of 100% of the construction price and ensure that such bond is maintained until construction is completed to the Borrower's, the DNRC's and the DEQ's satisfaction;

(c) all future construction of the 2019 Project will be done in accordance with plans and specifications on file with the DNRC and the DEQ, provided that changes may be made in such plans and specifications with the written consent of an Authorized DNRC Officer and the DEQ;

(d) all laborers and mechanics employed by contractors and subcontractors on the 2019 Project have been and will be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the United States Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code;

(e) the iron and steel products used in the 2019 Project comply with the "American Iron and Steel" requirements of Section 436 of the Consolidated Appropriations Act of 2018 (P.L. 113-76), as those requirements are further interpreted by applicable EPA guidance;

(f) to the Borrower's knowledge, the 2019 Project is a project of the type permitted to be financed under the State Act, the Enabling Act and the Program and Section 1452 of the Safe Drinking Water Act; and

(g) the Borrower has completed the 2019 Project.

Section 3.4. Completion or Cancellation or Reduction of Costs of the 2019 Project.

(a) Promptly after issuance of the Series 2019 Bond, the Borrower shall deliver to the DNRC a certificate stating that the 2019 Project is complete and stating the amount, if any, of the Undisbursed Committed Amount. If Appendix A describes two or more separate projects as making up the 2019 Project, a separate completion certificate shall be delivered for each.

(b) If all or any portion of the 2019 Project is cancelled or cut back or its costs are reduced or for any other reason the Borrower will not require the full Committed Amounts, the Borrower shall promptly notify the DNRC in writing of such fact and the amount of the Undisbursed Committed Amount.

ARTICLE IV

THE LOAN

Section 4.1. The Loan; Disbursement of Loan.

(a) The DNRC has agreed to lend to the Borrower, from time to time as the requirements of this Section 4.1 are met, an amount up to $5,700,000 (the "Committed Amount") for the purposes of financing, refinancing or reimbursing the Borrower for costs of the 2019 Project and paying costs of issuance of the Series 2019 Bond; provided the DNRC shall not be required to disburse any proceeds of the 2019 Loan after December 31, 2020. The Committed Amounts may be reduced as provided in Sections 3.2 and 3.4.

(b) The DNRC intends to disburse the 2019 Loan through the Trustee. In consideration of the issuance of the Series 2019 Bond by the Borrower, the DNRC shall make, or cause the Trustee to make, a disbursement of all or a portion of the 2019 Loan upon receipt of the following documents:

(i) an Opinion of Bond Counsel as to the validity and enforceability of the Series 2019 Bond and the security therefor and stating in effect that interest on the Series 2019 Bond is not includable in gross income of the owner thereof for purposes of federal income taxation, in form and substance satisfactory to the DNRC;

(ii) the Series 2019 Bond, fully executed and authenticated;

(iii) a certified copy of the Amended and Restated Resolution and this Supplemental Resolution;

(iv) any other security instruments or documents required by the DNRC or DEQ as a condition to their approval of the 2019 Loan;

(v) if all or part of a Loan is being made to refinance a Project or reimburse the Borrower for costs of a Project paid prior to the Closing, evidence, satisfactory to the DNRC and the Bond Counsel referred to in subparagraph (1) above, (A) that the acquisition or construction of the Project was begun no earlier than March 7, 1985 or the debt was incurred no earlier than March 7, 1985, (B) of the Borrower's title to the Project, (C) of costs of such Project and that such costs have been paid by the Borrower and (D) if such costs were paid before adoption of this Supplemental Resolution that the Borrower has complied with Section 1.150-2 of the Regulations;

(vi) the items required by the Indenture for the portion of the 2019 Loan to be disbursed at Closing; and

(vii) such other certificates, documents and other information as the DNRC, the DEQ or the Opinion of Bond Counsel referred to in subparagraph (1) may require (including any necessary arbitrage rebate instructions).

(c) In order to obtain a disbursement of a portion of the 2019 Loan to pay costs of the 2019 Project, the Borrower shall submit to the DNRC and the Trustee a signed request for disbursement on the form prescribed by the DNRC, with all attachments required by such form. The Borrower may obtain disbursements only for costs which have been legally incurred and are due and payable. All Loan disbursements will be made to the Borrower only upon proof that cost was incurred.

(d) Provided that the EPA Capitalization Grant is available to the Program, from and after the 2019 First Advance, the 2019 Loan shall be disbursed, subject to the other terms and conditions of this Supplemental Resolution.

(e) The Borrower shall not be entitled to, and the DNRC shall have no obligation to make, the 2019 First Advance or any subsequent advance of any amounts under the 2019 Loan until such time as the Borrower shall have funded the Reserve Account in an amount then required to satisfy the Reserve Requirement.

(f) The Borrower shall submit the request for the 2019 First Advance in the form required by the DNRC so that it is received in sufficient time for the DNRC to process the information by the date desired by the Borrower for the making of the 2019 First Advance.

(g) For refinancings, a disbursement schedule complying with the requirements of the Safe Drinking Water Act shall be established by the DNRC and the Borrower at Closing.

(h) If all or a portion of the 2019 Loan is made to reimburse a Borrower for Project costs paid by it prior to Closing, the Borrower shall present at Closing the items required by Section 4.1(b) relating to such costs. The Trustee shall disburse such amounts to the Borrower pursuant to a disbursement schedule complying with the requirements of the Safe Drinking Water Act established by the DNRC and the Borrower at the Closing.

(i) Notwithstanding anything herein to the contrary, the Trustee shall not be obligated to disburse the 2019 Loan any faster or to any greater extent than it has available EPA Capitalization Grants, Bond proceeds and other amounts available therefor in the Revolving Fund. The DNRC shall not be required to do "overmatching" pursuant to Section 5.04(b) of the Indenture, but may do so in its discretion. The Borrower acknowledges that if Project costs are incurred faster than the Borrower projected at Closing, there may be delays in making Loan disbursements for such costs because of the schedule under which EPA makes EPA Capitalization Grant money available to the DNRC. The DNRC will use its reasonable best efforts to obtain an acceleration of such schedule if necessary.

(j) Upon making each 2019 Loan disbursement, the Trustee shall note such disbursement on Schedule A to the Series 2019 Bond. At Closing, Schedule A to the Series 2019 Bond shall note the 2019 First Advance.

(k) The Borrower agrees that it will deposit in the Reserve Account upon receipt thereof, on the date of the 2019 First Advance and any subsequent disbursement dates, any proceeds of the 2019

Loan borrowed for the purpose of increasing the balance in the Reserve Account to the Reserve Requirement. The Borrower further acknowledges and agrees that any portion of the 2019 Loan representing capitalized interest shall be advanced only on Payment Dates and shall be transferred by the Trustee on the Payment Date directly to the Debt Service Account. The amount of any such transfer shall be a credit against the interest payments due on the Series 2019 Bond and interest thereon shall accrue only from the date of transfer.

(l) Compliance by the Borrower with its representations, covenants and agreements contained in this Supplemental Resolution and the Collateral Documents shall be a further condition precedent to the disbursement of the 2019 Loan in whole or in part. The DNRC and the Trustee, in their sole and absolute discretion, may make one or more disbursements, in whole or in part, notwithstanding such noncompliance, and without liability to make any subsequent disbursement of the 2019 Loan.

Section 4.2. Commencement of Loan Term. The Borrower's obligations under this Supplemental Resolution and the Collateral Documents shall commence on the date hereof unless otherwise provided in this Supplemental Resolution. However, the obligation to make payments under Article V hereof shall commence only upon the first disbursement by the Trustee of the 2019 First Advance.

Section 4.3. Termination of Loan Term. The Borrower's obligations under this Supplemental Resolution and the Collateral Documents in respect of the Series 2019 Bond shall terminate upon payment in full of all amounts due under the Series 2019 Bond and this Supplemental Resolution; provided, however, that the covenants and obligations provided in Article VI and Section 10.3 of this Supplemental Resolution shall survive the termination of the Amended and Restated Resolution.

Section 4.4. Loan Closing Submissions. On or prior to the Closing, the Borrower will have delivered to the DNRC and the Trustee the closing submissions required by Section 7.05 of the Indenture.

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ARTICLE V

REPAYMENT OF 2019 LOAN

Section 5.1. Repayment of 2019 Loan. The Borrower shall repay the amounts borrowed by it pursuant to Section 4.1 in accordance with this Section 5.1.

5.1.1. Interest and Surcharges. The 2019 Loan shall bear interest at the rate of two percent (2.00%) per annum and the Borrower shall pay the Administrative Expense Surcharge and Loan Loss Reserve Surcharge on the outstanding principal amounts of the 2019 Loan, each at the rate of twenty-five hundredths of one percent (0.25%) per annum. For purposes of this Supplemental Resolution and the Program, the term "interest on the 2019 Loan" when not used in conjunction with a reference to any surcharges, shall include the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge, if applicable. The Borrower shall pay all Loan Repayments and surcharges in lawful money of the United States of America to the DNRC. Interest, Administrative Expense Surcharge, and Loan Loss Reserve Surcharge shall be calculated on the basis of a year of 360 days comprising 12 months of 30 days each.

5.1.2. Details Regarding 2019 Loan Repayments. Upon each disbursement of the 2019 Loan to the Borrower pursuant to Section 4.1 hereof, the Trustee shall enter or cause to be entered the amount advanced on Schedule A to the Series 2019 Bond under "Advances" and the total amount advanced under Section 4.1, including such disbursement, under "Total Amount Advanced." Loan Repayments and the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge on the 2019 Loan accrue on each such advance from the date of disbursement and shall be due and payable on the dates and in the amounts shown in Schedule B to the Series 2019 Bond, as such Schedule B shall be modified from time to time as provided in Section 5.1.2 and below. The portion of each such Loan Repayment consisting of principal, of interest, of Administrative Expense Surcharge and of Loan Loss Reserve Surcharge shall be set forth in Schedule B to the Series 2019 Bond.

Past-due Loan Repayments and the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge shall bear interest at the rate of ten percent (10.00%) per annum, until paid.

Any payment of principal and interest as to the Series 2019 Bond and the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge as to the Series 2019 Bond under this Section 5.1 shall be credited against the same payment obligation under the Series 2019 Bond.

Section 5.2. Additional Payments. The Borrower shall also pay, within 30 days after receipt of a bill therefor, from any legally available funds therefor, including proceeds of the 2019 Loan, all reasonable expenses of the DNRC and the Trustee in connection with the 2019 Loan, the Collateral Documents and the Series 2019 Bond, including, but not limited to:

(a) the cost of reproducing this Supplemental Resolution, the Collateral Documents and the Series 2019 Bond;

(b) the fees and disbursements of Bond Counsel and other Counsel utilized by the DNRC and the Trustee in connection with the 2019 Loan, this Supplemental Resolution, the Collateral Documents and the Series 2019 Bond and the enforcement thereof; and

(c) all taxes and other governmental charges in connection with the execution and delivery of the Collateral Documents or the Series 2019 Bond, whether or not the Series 2019 Bond are then outstanding, including all recording and filing fees relating to the Collateral Documents and the pledge of the State's right, title and interest in and to the Series 2019 Bond,

the Collateral Documents and this Supplemental Resolution (and with the exceptions noted therein) and all expenses, including attorneys' fees, relating to any amendments, waivers, consents or collection or enforcement proceedings pursuant to the provisions hereof or thereof.

Section 5.3. Prepayments. The Borrower may not prepay all or any part of the outstanding principal amount of the Series 2019 Bond unless (i) it obtains the prior written consent of the DNRC thereto, and (ii) no Loan Repayment or Administrative Expense Surcharge or Loan Loss Reserve Surcharge is then delinquent. Any prepayment permitted by the DNRC must be accompanied by payment of accrued interest, Administrative Expense Surcharge and Loan Loss Reserve Surcharge to the date of prepayment on the amount of principal prepaid. If the Series 2019 Bond are prepaid in part pursuant to this Section 5.3, such prepayments shall be applied to principal payments in inverse order of maturity.

Section 5.4. Obligations of Borrower Unconditional. The obligations of the Borrower to make the payments required by this Supplemental Resolution and the Series 2019 Bond and to perform its other agreements contained in this Supplemental Resolution, the Series 2019 Bond and Collateral Documents shall be absolute and unconditional, except as otherwise provided herein or in such documents. The Borrower (a) shall not suspend or discontinue any payments provided for in this Supplemental Resolution and the Series 2019 Bond, (b) shall perform all its other agreements in this Supplemental Resolution, the Series 2019 Bond and the Collateral Documents and (c) shall not terminate this Supplemental Resolution, the Series 2019 Bond or the Collateral Documents for any cause, including any acts or circumstances that may constitute failure of consideration, destruction of or damage to the 2019 Project or the System, commercial frustration of purpose, any dispute with the DNRC or the EPA, any change in the laws of the United States or of the State or any political subdivision thereof or any failure of the DNRC to perform any of its agreements, whether express or implied, or any duty, liability or obligation arising from or connected with this Supplemental Resolution.

Section 5.5. Limited Liability. All payments of principal of and interest on the 2019 Loan and other payment obligations of the Borrower hereunder and under the Series 2019 Bond shall be special, limited obligations of the Borrower payable with respect to the Series 2019 Bond solely out of the Net Revenues and shall not, except at the option of the Borrower and as permitted by law, be payable out of any other revenues of the Borrower. The obligations of the Borrower under this Supplemental Resolution and the Series 2019 Bond shall never constitute an indebtedness of the Borrower within the meaning of any State constitutional provision or statutory or charter limitation and shall never constitute or give rise to a pecuniary liability of the Borrower or a charge against its general credit or taxing power. The taxing powers of the Borrower may not be used to pay principal of or interest on the Series 2019 Bond, no funds or property of the Borrower other than the Net Revenues may be required to be used to pay principal of or interest on the Series 2019 Bond.

ARTICLE VI

INDEMNIFICATION OF DNRC AND DEQ

The Borrower shall, to the extent permitted by law, indemnify and save harmless the DNRC and the DEQ and their officers, employees and agents (each an "Indemnified Party" or, collectively, the "Indemnified Parties") against and from any and all claims, damages, demands, expenses, liabilities and losses of every kind asserted by or on behalf of any Person arising out of the acts or omissions of the Borrower or its employees, officers, agents, contractors, subcontractors, or consultants in connection with or with regard or in any way relating to the condition, use, possession, conduct, management, planning, design, acquisition, construction, installation or financing of the 2019 Project. The Borrower shall, to the extent permitted by law, also indemnify and save harmless the Indemnified Parties against and from all

costs, reasonable attorneys' fees, expenses and liabilities incurred in any action or proceeding brought by reason of any such claim or demand. If any proceeding is brought against an Indemnified Party by reason of such claim or demand, the Borrower shall, upon notice from an Indemnified Party, defend such proceeding on behalf of the Indemnified Party.

ARTICLE VII

ASSIGNMENT

Section 7.1. Assignment by Borrower. The Borrower may not assign its rights and obligations under this Supplemental Resolution or the Bonds, except as provided in Section 6.3.

Section 7.2. Assignment by DNRC. The DNRC will pledge its rights under and interest in this Supplemental Resolution, the Bonds and the Collateral Documents (except to the extent otherwise provided in the Indenture) as security for the payment of the State Bonds and may further assign such interests to the extent permitted by the Indenture, without the consent of the Borrower.

Section 7.3. State Refunding Bonds. In the event the State Bonds are refunded by bonds which are not State Bonds, all references in this Supplemental Resolution to State Bonds shall be deemed to refer to such refunding bonds (together, the "Refunding Bonds") or, in the case of a crossover refunding, to the State Bonds and the Refunding Bonds. In the event the State Bonds are refunded by an issue of Additional State Bonds, all references in the Amended and Restated Resolution to the State Bonds shall be deemed to refer to such Additional State Bonds or, in the case of a crossover refunding, both the State Bonds and such Additional State Bonds.

ARTICLE VIII

THE SERIES 2019 BOND

Section 8.1. Net Revenues Available. The Borrower is authorized to charge just and equitable rates, charges and rentals for all services directly or indirectly furnished by the System, and to pledge and appropriate to the Series 2019 Bond the Net Revenues to be derived from the operation of the System, including improvements, betterments or extensions thereof hereafter constructed or acquired. The Net Revenues to be produced by such rates, charges and rentals during the term of the Series 2019 Bond are expected to be more than sufficient to pay the principal and interest when due on the Series 2019 Bond, and to create and maintain reasonable reserves therefor and to provide an adequate allowance for replacement and depreciation, as prescribed herein.

Section 8.2. Issuance and Sale of the Series 2019 Bond. The Commission has investigated the facts necessary and hereby finds, determines and declares it to be necessary and desirable for the Borrower to issue the Series 2019 Bond to evidence the 2019 Loan. The Series 2019 Bond are issued to the DNRC without public sale pursuant to Montana Code Annotated, Section 7-7-4433.

Section 8.3. Terms. The Series 2019 Bond shall be in the maximum principal amount equal to the original Committed Amount, shall be issued as a single, fully registered bond numbered R-l, shall be dated as of the date of delivery to the DNRC, and shall bear interest at the rate charged by the DNRC on the 2019 Loan. The principal of and interest on the Series 2019 Bond and any Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be payable on the same dates and in the same amounts as Loan Repayments are payable. Advances of principal of the Series 2019 Bond shall be deemed made

when advances of the 2019 Loan are made under Section 4.1, and such advances shall be payable in accordance with Schedule B to the Series 2019 Bond, as it may be revised by the DNRC from time to time in accordance with Section 5.1. The Borrower may prepay the Series 2019 Bond, in whole or in part, only upon the terms and conditions under which it can prepay the 2019 Loan under Section 5.3.

Section 8.4. Negotiability, Transfer and Registration. The Series 2019 Bond shall be fully registered as to both principal and interest, and shall be initially registered in the name of and payable to the DNRC, shall be dated the date of delivery. While so registered, principal of and interest on the Series 2019 Bond shall be payable to the DNRC at the Office of the Department of Natural Resources and Conservation, 1625 Eleventh Avenue, Helena, Montana 59620 or such other place as may be designated by the DNRC in writing and delivered to the Borrower. The Series 2019 Bond shall be negotiable, subject to the provisions for registration and transfer contained in this Section 8.4. No transfer of the Series 2019 Bond shall be valid unless and until (1) the holder, or his duly authorized attorney or legal representative, has executed the form of assignment appearing on the Series 2019 Bond, and (2) the Chief Financial Officer of the Borrower or successors, as bond registrar (the "Registrar"), has duly noted the transfer on the Series 2019 Bond and recorded the transfer on the registration books of the Registrar. The Registrar may, prior to noting and recording the transfer, require appropriate proof of the transferor's authority and the genuineness of the transferor's signature. The Borrower shall be entitled to deem and treat the Person in whose name the Series 2019 Bond is registered as the absolute owner of the Series 2019 Bond for all purposes, notwithstanding any notice to the contrary, and all payments to the registered holder shall be valid and effectual to satisfy and discharge the Borrower's liability upon such Series 2019 Bond to the extent of the sum or sums so paid.

Section 8.5. Execution and Delivery. The Series 2019 Bond shall be executed on behalf of the Borrower by the manual signatures of the Mayor, City Manager, and the Clerk of the Commission. Any or all of such signatures may be affixed at or prior to the date of delivery of the Series 2019 Bond. In the event that any of the officers who shall have signed the Series 2019 Bond shall cease to be officers of the Borrower before the Series 2019 Bond are issued or delivered, their signatures shall remain binding upon the Borrower. Conversely, the Series 2019 Bond may be signed by an authorized official who did not hold such office on the date of adoption of this Supplemental Resolution. The Series 2019 Bond shall be delivered to the DNRC, or its attorney or legal representative.

Section 8.6. Form. The Series 2019 Bond shall be prepared in substantially the form attached as Appendix B.

ARTICLE IX

[RESERVED]

ARTICLE X

TAX MATTERS

Section 10.1. Use of Project and System. The 2019 Project and the System will be owned and operated by the Borrower and available for use by members of the general public on a substantially equal basis. The Borrower shall not enter into any lease, use or other agreement with any non-governmental person relating to the use of the 2019 Project or the System or security for the payment of the Series 2019 Bond which might cause the Series 2019 Bond to be considered a "private activity bond" or "private loan bond" within the meaning of Section 141 of the Code.

Section 10.2. General Covenant. The Borrower covenants and agrees with the owners from time to time of the Series 2019 Bond that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Series 2019 Bond to become includable in gross income for federal income tax purposes under the Code and the Regulations, and covenants to take any and all actions within its powers to ensure that the interest on the Series 2019 Bond will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

Section 10.3. Arbitrage Certification. The Mayor, City Manager, and Chief Financial Officer being the officers of the Borrower charged with the responsibility for issuing the Series 2019 Bond pursuant to this Supplemental Resolution, are authorized and directed to execute and deliver to the DNRC 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 2019 Bond, it is reasonably expected that the proceeds of the Series 2019 Bond will be used in a manner that would not cause the Series 2019 Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the Regulations.

Section 10.4. Arbitrage Rebate. The Borrower acknowledges that the Series 2019 Bond is subject to the rebate requirements of Section 148(f) of the Code. The Borrower covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Treasury Regulations to preserve the exclusion of interest on the Series 2019 Bond from gross income for federal income tax purposes, unless the Series 2019 Bond qualifies for the exception from the rebate requirement under Section 148(f)(4)(B) of the Code and no "gross proceeds" of the Series 2019 Bond (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, City Manager, and Chief Financial Officer are hereby authorized and directed to execute a rebate or tax certificate with respect to the Series 2019 Bond, substantially in the form to be prepared by Bond Counsel, and the Borrower hereby covenants and agrees to observe and perform the covenants and agreements contained therein, unless amended or terminated in accordance with the provisions thereof.

Section 10.5 Information Reporting. The Borrower shall file with the Secretary of the Treasury, not later than November 15, 2019, a statement concerning the Series 2019 Bond containing the information required by Section 149(e) of the Code.

ARTICLE XI

CONTINUING DISCLOSURE

The Borrower understands and acknowledges that the DNRC is acquiring the Series 2019 Bond under the Program pursuant to which the State issues from time to time State Bonds to provide funds therefor. The Borrower covenants and agrees that, upon written request of the DNRC from time to time, the Borrower will promptly provide to the DNRC all information that the DNRC reasonably determines to be necessary or appropriate to offer and sell State Bonds or to provide continuing disclosure in respect of State Bonds, whether under Rule 15c2-12 (17 C.F.R. § 240.15c2-12) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, or otherwise. Such information shall include, among other things and if so requested, financial statements of the Borrower prepared in accordance with governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Montana law, as in effect from time to time

(such financial statements to relate to a fiscal year or any period therein for which they are customarily prepared by the Borrower, and, if for a fiscal year and so requested by the DNRC, subject to an audit report and opinion of an accountant or government auditor, as permitted or required by the laws of the State). The Borrower will also provide, with any information so furnished to the DNRC, a certificate of the Mayor and the City Manager of the Borrower to the effect that, to the best of their knowledge, such information does not include any untrue statement of a material fact or omit to state any material fact required to be stated therein to make the statements made, in light of the circumstances under which they are made, not misleading.

ARTICLE XII

MISCELLANEOUS

Section 12.1. Notices. All notices or other communications hereunder shall be sufficiently sent or given and shall be deemed sent or given when delivered or mailed by certified mail, postage prepaid, to the parties at the following addresses:

DNRC: Department of Natural Resources and Conservation
1539 Eleventh Avenue
P. O. Box 201801
Helena, Montana 59620-1601
Attn: Conservation and Resource Development Division

Trustee: U.S. Bank National Association
c/o Corporate Trust Services
1420 Fifth Avenue, 7th Floor
Seattle, Washington 98101

Borrower: City of Helena
316 North Park Avenue
Helena, Montana 59623
Attn: Chief Financial Officer

Any of the above parties may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices or other communications shall be sent.

Section 12.2. Binding Effect. This Supplemental Resolution shall inure to the benefit of and shall be binding upon the DNRC, the Borrower and their respective permitted successors and assigns.

Section 12.3. Severability. If any provision of this Supplemental Resolution shall be determined to be unenforceable at any time, it shall not affect any other provision of this Supplemental Resolution or the enforceability of that provision at any other time.

Section 12.4. Amendments. This Supplemental Resolution may not be effectively amended without the written consent of the DNRC.

Section 12.5. Applicable Law. This Supplemental Resolution shall be governed by and construed in accordance with the laws of the State.

Section 12.6. Captions; References to Sections. The captions in this Supplemental Resolution are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Supplemental Resolution. References to Articles and Sections are to the Articles and Sections of this Supplemental Resolution, unless the context otherwise requires.

Section 12.7. No Liability of Individual Officers, Directors, Trustees or Commission Members. No recourse under or upon any obligation, covenant or agreement contained in this Supplemental Resolution shall be had against any director, officer or employee, as such, past, present or future, of the DNRC, the DEQ or the Trustee, either directly or through the DNRC, the DEQ or the Trustee, or against any officer, or member of the governing body or employee of the Borrower, past, present or future, as an individual so long as such individual was acting in good faith. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer or member of the governing body or employee of the DNRC, the Trustee or the Borrower is hereby expressly waived and released by the Borrower and by the DNRC as a condition of and in consideration for the adoption of this Supplemental Resolution and the making of the Loan.

Section 12.8. Payments Due on Holidays. If the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Supplemental Resolution or the Series 2019 Bond, shall not be a Business Day, such payments may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Supplemental Resolution or the Series 2019 Bond.

Section 12.9. Right of Others to Perform Borrower's Covenants. In the event the Borrower shall fail to make any payment or perform any act required to be performed hereunder, then and in each such case the DNRC or the provider of any Collateral Document may (but shall not be obligated to) remedy such default for the account of the Borrower and make advances for that purpose. No such performance or advance shall operate to release the Borrower from any such default and any sums so advanced by the DNRC or the provider of any Collateral Document shall be paid immediately to the party making such advance and shall bear interest at the rate of ten percent per annum from the date of the advance until repaid. The DNRC and the provider of any Collateral Document shall have the right to enter the 2019 Project or the facility or facilities of which the 2019 Project is a part or any other facility which is a part of the System in order to effectuate the purposes of this Section.

Section 12.10. Authentication of Transcript. The officers of the Borrower are hereby authorized and directed to furnish to the DNRC and to Bond Counsel certified copies of all proceedings relating to the issuance of the Series 2019 Bond and such other certificates and affidavits as may be required to show the right, power and authority of the Borrower to issue the Series 2019 Bond, and all statements contained in and shown by such instruments, including any heretofore furnished, shall constitute representations of the Borrower as to the truth of the statements of fact purported to be shown thereby.

Section 12.11. Repeals and Effective Date.

(a) Repeal. All provisions of other resolutions and other actions and proceedings of the Borrower and this Commission 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.

(b) Effective Date. This Supplemental Resolution shall take effect immediately.

PASSED AND ADOPTED by the City Commission of the City of Helena, Montana, this 12th day of August, 2019.

_____
Its: Mayor

(SEAL)

Attest:

_____
Its: Clerk of the Commission

APPENDIX A

DESCRIPTION OF THE PROJECT

The 2019 Project consists of designing, engineering, constructing, and replacing approximately five miles of water main between the City of Helena and the City's Tenmile Treatment Plant.

Estimated 2019 Project Budget

Completed By: City of Helena/Updated by DNRC	City of Helena: Drinking Water	Date: Dec 2018	
Administrative/ Finance Costs	Source: WRF-20447 $5,700,000 2.5%	Source: City Funds	Total:
Personnel Costs			-
Office Costs			-
Professional Services			-
Legal Costs			-
Audit Fees			-
Travel & Training			-
Loan Reserves	181,832		181,832
Interim Interest			-
Bond Counsel & Related costs	10,000		10,000
ADMIN/FINANCE COSTS:	191,832	-	191,832
Planning			-
Engineering Basic		465,000	465,000
Engineering-Additional Services	22,262		22,262
Construction	5,054,606		5,054,606
Contingency	431,300		431,300
ACTIVITY COSTS	5,508,168	465,000	5,973,168
TOTAL PROJECT COSTS	5,700,000	465,000	6,165,000

Added $210,208 to Construction to bring loan to $5,700,000.

APPENDIX B

[Form of the Series 2019 Bond]

UNITED STATES OF AMERICA
STATE OF MONTANA
COUNTY OF LEWIS AND CLARK
CITY OF HELENA

CITY OF HELENA
WATER SYSTEM REVENUE BOND
(DNRC DRINKING WATER STATE REVOLVING LOAN PROGRAM),
SERIES 2019

No. R-l $5,700,000

FOR VALUE RECEIVED, the City of Helena, Montana (the "Borrower"), a duly organized and existing municipal corporation in Lewis and Clark County, Montana, acknowledges itself to be specially indebted and hereby promises to pay to the Department of Natural Resources and Conservation of the State of Montana (the "DNRC"), or its registered assigns, solely from the Revenue Bond Account of its Water System Fund, the principal sum equal to the sum of the amounts entered on Schedule A attached hereto under "Total Amount Advanced," with interest on each such amount from the date such amount is advanced hereunder at the rate of two percent (2.00%) per annum on the unpaid balance until paid. In addition, the Borrower shall pay an Administrative Expense Surcharge and a Loan Loss Reserve Surcharge on the outstanding principal amount of this Series 2019 Bond, each at the rate of twenty-five hundredths of one percent (0.25%) per annum. Interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be payable in semiannual installments payable on each January 1 and July 1 (each a "Loan Repayment Date") commencing on January 1, 2020 and concluding on July 1, 2039. Principal shall be payable on the dates set forth in Schedule B hereto. Each installment shall be in the amount set forth opposite its due date in Schedule B attached hereto under "Total Loan Payment." The portion of each such payment consisting of principal, the portion consisting of interest, the portion consisting of Administrative Expense Surcharge, and the portion consisting of Loan Loss Reserve Surcharge shall be as set forth in Schedule B hereto. Upon each disbursement of Loan amounts to the Borrower pursuant to the Resolution described below, the DNRC shall enter (or cause to be entered) the amount advanced on Schedule A under "Advances" and the total amount advanced under the Resolution (as hereinafter defined), including such disbursement, under "Total Amount Advanced." The DNRC shall prepare Schedule B and any revised Schedule B, or cause Schedule B and any revised Schedule B to be prepared, as provided in Section 5.1 of the Resolution, and the final Schedule B will reflect repayments under Section 5.1.2 of the Resolution. Schedule B shall be calculated and recalculated on a level debt service basis assuming an interest rate of 2.50% per annum. Past- due payments of principal and interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall bear interest at the rate of ten percent (10.00%) per annum, until paid. Interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be calculated on the basis of a 360-day year comprising 12 months of 30 days each. All payments under this Series 2019 Bond shall be made to the registered holder of this Series 2019 Bond, at its address as it appears on the Bond register, in lawful money of the United States of America.

This Series 2019 Bond is one of an issue of Water System Revenue Bonds of the Borrower authorized to be issued in one or more series from time to time, and constitutes a series in the maximum authorized principal amount of $5,700,000 (the "Series 2019 Bond"). The Series 2019 Bond is issued to finance a portion of costs of the construction of certain improvements to the Water System of the Borrower (the "System") and to pay costs of issuance of the Series 2019 Bond. The Series 2019 Bond is issued pursuant to and in full conformity with the Constitution and laws of the State of Montana thereunto enabling, including Montana Code Annotated, Title 7, Chapter 7, Part 44, as amended, and ordinances and resolutions duly adopted by the governing body of the

Borrower, including Amended and Restated Resolution No. _____ of the City adopted on August 12, 2019 (the "Original Resolution"), as amended and supplemented by a Resolution adopted on August 12, 2019 (the Original Resolution, as so amended and supplemented, the "Resolution"). Terms used with initial capital letters but not defined herein have the meanings given to them in the Resolution. The Series 2019 Bond is issuable only as a single, fully registered bond. The Series 2019 Bond is issued on a parity with the Borrower's outstanding Amended Bonds and Series 2016B Bond (as defined in the Resolution). The 2019 First Advance has been advanced at Closing.

Reference is made to the Resolution for a more complete statement of the terms and conditions upon which the Series 2019 Bond has been issued, the Net Revenues of the System pledged and appropriated for the payment and security thereof, the conditions upon which additional Bonds may be issued under the Resolution and made payable from such Net Revenues on a parity with the Amended Bonds, the Series 2016B Bond, this Series 2019 Bond, and any other parity Bond (collectively, the "Bonds") or otherwise, the conditions upon which the Resolution may be amended, the rights, duties and obligations of the Borrower, and the rights of the owners of the Series 2019 Bond.

The Borrower may prepay the principal of the Series 2019 Bond only if (i) it obtains the prior written consent of the DNRC thereto, and (ii) no Loan Repayment or Administrative Expense Surcharge or Loan Loss Reserve Surcharge is then delinquent. Any prepayment permitted by the DNRC must be accompanied by payment of accrued interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge to the date of prepayment on the amount of principal prepaid. If the Series 2019 Bond is prepaid in part, such prepayments shall be applied to principal payments in inverse order of maturity.

The Series 2019 Bond, including interest and any premium, are payable solely from the Net Revenues pledged for the payment hereof and do not constitute a debt of the Borrower within the meaning of any constitutional or statutory limitation or provision.

The Borrower may deem and treat the person in whose name this Series 2019 Bond is registered as the absolute owner hereof, whether this Series 2019 Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and the Borrower shall not be affected by any notice to the contrary. The Series 2019 Bond may be transferred as hereinafter provided.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that the Borrower has duly authorized and will forthwith construct and complete the improvements to the System 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 Water System Fund into which the gross revenues of the System will be paid, and a separate and special Revenue Bond Account in that Water System Fund, into which will be paid each month, from and as a first and prior lien on the Net Revenues then on hand, an amount equal to not less than the sum of one- sixth of principal and the interest to become due within the next six months with respect to all Bonds payable semi-annually from the Revenue Bond Account; that the Borrower has created a Reserve Account in the Water System Fund into which shall be paid additional Net Revenues, after required credits to the Revenue Bond Account, sufficient to establish and maintain a reserve therein equal to, as of the date of calculation, the Reserve Requirement; that the Revenue Bond Account will be used only to pay the principal of, premium, if any, and interest on the Amended Bonds, the Series 2019 Bond 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 income and revenues adequate to pay promptly the reasonable and current expenses of operating and maintaining the System and to produce in each fiscal year Net Revenues in excess of such current expenses, equal to at least 110% of the maximum amount of principal and interest payable from the Revenue Bond Account in any subsequent fiscal year; that additional Bonds and refunding Bonds may be issued and made payable from the Revenue Bond Account on a parity with the Amended Bonds, the Series 2016B Bond, the Series 2019 Bond and other parity Bonds upon certain

conditions set forth in the Resolution, but no obligation will be otherwise incurred and made payable from the Net Revenues of the System, unless the lien thereof shall be expressly made subordinate to the lien of the Amended Bonds, the Series 2016B Bond, the Series 2019 Bond and additional parity Bonds on such Net Revenues and such obligations are payable only from Surplus Net; that all provisions for the security of the holder of this Series 2019 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 Borrower to be done, to exist, to happen and to be performed in order to make this Series 2019 Bond a valid and binding special obligation of the Borrower according to its terms have been done, do exist, have happened and have been performed as so required; and that this Series 2019 Bond and the premium, if any, and 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 Borrower within the meaning of any constitutional or statutory limitation or provision and the issuance of the Series 2019 Bond does not cause either the general or the special indebtedness of the Borrower to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Helena, Lewis and Clark County, Montana, by its City Commission, has caused this Series 2019 Bond to be executed on its behalf by the facsimile or manual signatures of the Mayor and City Manager and has caused this Series 2019 Bond to be dated as of the date set forth below.

Dated: _____, 2019

CITY OF HELENA, MONTANA

_____
Mayor

_____
City Manager

ATTEST:

_____
Clerk of the Commission

REGISTRATION AND TRANSFER

The Series 2019 Bond shall be fully registered as to both principal and interest. No transfer of the Bond shall be valid unless and until (1) the registered holder of the Series 2019 Bond, or his duly authorized attorney or legal representative, executes the form of assignment appearing on the Series 2019 Bond, and (2) the Chief Financial Officer of the Borrower as bond registrar (the "Registrar"), has duly noted the transfer on the Bond and recorded the transfer on the Registrar's registration books. The Borrower shall be entitled to deem and treat the person in whose name the Series 2019 Bond is registered as absolute owner thereof for all purposes, notwithstanding any notice to the contrary. Payments on account of the Series 2019 Bond shall be made only to the order of the registered holder thereof, and all such payments shall be valid and effectual to satisfy and discharge the Borrower's liability upon the Bond to the extent of the sum or sums so paid.

REGISTER

The ownership of the outstanding principal balance of the Series 2019 Bond and the interest accruing thereon is registered on the books of City of Helena, Montana in the name of the registered holder appearing on the first page hereof or as last noted below:

Date of Registration	Name and Address of Registered Holder	Signature of Chief Financial Officer
_____, 2019	Department of Natural Resources and Conservation 1625 Eleventh Avenue Helena. MT 59620	_____

THE FOLLOWING ENTRIES ARE TO BE MADE ONLY BY THE BOND REGISTRAR UPON REGISTRATION OF EACH TRANSFER

The Chief Financial Officer of the City of Helena, Montana, acting as Bond Registrar, has transferred, on the books of the Borrower, on the date last noted below, ownership of the principal amount of and the accrued interest on the Series 2019 Bond to the new registered holder noted next to such date, except for amounts of principal and interest theretofore paid.

Date of Transfer	Name of New Registered Holder	Signature of Bond Registrar

FORM OF ASSIGNMENT

For value received, the Series 2019 Bond is hereby transferred and assigned by the undersigned holder, without recourse,
to _____on this _____ day
of _____, _____.

By: _____
(Authorized Signature)

For: _____
(Holder)

SCHEDULE A

SCHEDULE OF AMOUNTS ADVANCED

Date	Advances	Total Amount Advanced	Notation Made By

SCHEDULE B

GENERAL OBLIGATION BONDS

DRINKING WATER

(REVOLVING FUND PROGRAM)

[Attached]

WRF-20447 **Preliminary Schedule**

GENERAL OBLIGATION BONDS
DRINKING WATER
(REVOLVING FUND PROGRAM)

BORROWER:	Helena		
PROJECT NAME:		FINAL LOAN PAYMENT:	7/1/2039
LOAN COMMITMENT:	$5,700,000	# OF LOAN PAYMENTS:	40
LOAN AMOUNT:	5,700,000	PROJECT NUMBER:	
INTEREST RATE:	2.50%	DATE OF FUNDING:	8/23/2019

	PAYMENT DUE	LOAN LOSS RESERVE	ADM EXPENSE SURCHARGE	INTEREST PAYMENT	PRINCIPAL PAYMENT	O/S LOAN BALANCE	TOTAL AMOUNT OF PAYMENT	
1	1/1/2020	5,066.67	5,066.67	40,533.33	111,000.00	5,589,000.00	$161,666.67	$161,666.67
2	7/1/2020	6,986.25	6,986.25	55,890.00	112,000.00	5,477,000.00	$181,862.50	
3	1/1/2021	6,846.25	6,846.25	54,770.00	113,000.00	5,364,000.00	$181,462.50	$363,325.00
4	7/1/2021	6,705.00	6,705.00	53,640.00	115,000.00	5,249,000.00	$182,050.00	
5	1/1/2022	6,561.25	6,561.25	52,490.00	116,000.00	5,133,000.00	$181,612.50	$363,662.50
6	7/1/2022	6,416.25	6,416.25	51,330.00	118,000.00	5,015,000.00	$182,162.50	
7	1/1/2023	6,268.75	6,268.75	50,150.00	119,000.00	4,896,000.00	$181,687.50	$363,850.00
8	7/1/2023	6,120.00	6,120.00	48,960.00	121,000.00	4,775,000.00	$182,200.00	
9	1/1/2024	5,968.75	5,968.75	47,750.00	122,000.00	4,653,000.00	$181,687.50	$363,887.50
10	7/1/2024	5,816.25	5,816.25	46,530.00	124,000.00	4,529,000.00	$182,162.50	
11	1/1/2025	5,661.25	5,661.25	45,290.00	125,000.00	4,404,000.00	$181,612.50	$363,775.00
12	7/1/2025	5,505.00	5,505.00	44,040.00	127,000.00	4,277,000.00	$182,050.00	
13	1/1/2026	5,346.25	5,346.25	42,770.00	128,000.00	4,149,000.00	$181,462.50	$363,512.50
14	7/1/2026	5,186.25	5,186.25	41,490.00	130,000.00	4,019,000.00	$181,862.50	
15	1/1/2027	5,023.75	5,023.75	40,190.00	132,000.00	3,887,000.00	$182,237.50	$364,100.00
16	7/1/2027	4,858.75	4,858.75	38,870.00	133,000.00	3,754,000.00	$181,587.50	
17	1/1/2028	4,692.50	4,692.50	37,540.00	135,000.00	3,619,000.00	$181,925.00	$363,512.50
18	7/1/2028	4,523.75	4,523.75	36,190.00	137,000.00	3,482,000.00	$182,237.50	
19	1/1/2029	4,352.50	4,352.50	34,820.00	138,000.00	3,344,000.00	$181,525.00	$363,762.50
20	7/1/2029	4,180.00	4,180.00	33,440.00	140,000.00	3,204,000.00	$181,800.00	
21	1/1/2030	4,005.00	4,005.00	32,040.00	142,000.00	3,062,000.00	$182,050.00	$363,850.00
22	7/1/2030	3,827.50	3,827.50	30,620.00	144,000.00	2,918,000.00	$182,275.00	
23	1/1/2031	3,647.50	3,647.50	29,180.00	145,000.00	2,773,000.00	$181,475.00	$363,750.00
24	7/1/2031	3,466.25	3,466.25	27,730.00	147,000.00	2,626,000.00	$181,662.50	
25	1/1/2032	3,282.50	3,282.50	26,260.00	149,000.00	2,477,000.00	$181,825.00	$363,487.50
26	7/1/2032	3,096.25	3,096.25	24,770.00	151,000.00	2,326,000.00	$181,962.50	
27	1/1/2033	2,907.50	2,907.50	23,260.00	153,000.00	2,173,000.00	$182,075.00	$364,037.50
28	7/1/2033	2,716.25	2,716.25	21,730.00	155,000.00	2,018,000.00	$182,162.50	
29	1/1/2034	2,522.50	2,522.50	20,180.00	157,000.00	1,861,000.00	$182,225.00	$364,387.50
30	7/1/2034	2,326.25	2,326.25	18,610.00	159,000.00	1,702,000.00	$182,262.50	
31	1/1/2035	2,127.50	2,127.50	17,020.00	161,000.00	1,541,000.00	$182,275.00	$364,537.50
32	7/1/2035	1,926.25	1,926.25	15,410.00	163,000.00	1,378,000.00	$182,262.50	
33	1/1/2036	1,722.50	1,722.50	13,780.00	165,000.00	1,213,000.00	$182,225.00	$364,487.50
34	7/1/2036	1,516.25	1,516.25	12,130.00	167,000.00	1,046,000.00	$182,162.50	
35	1/1/2037	1,307.50	1,307.50	10,460.00	169,000.00	877,000.00	$182,075.00	$364,237.50
36	7/1/2037	1,096.25	1,096.25	8,770.00	171,000.00	706,000.00	$181,962.50	
37	1/1/2038	882.50	882.50	7,060.00	173,000.00	533,000.00	$181,825.00	$363,787.50
38	7/1/2038	666.25	666.25	5,330.00	175,000.00	358,000.00	$181,662.50	
39	1/1/2039	447.50	447.50	3,580.00	177,000.00	181,000.00	$181,475.00	$363,137.50
40	7/1/2039	226.25	226.25	1,810.00	181,000.00	0.00	$183,262.50	$183,262.50
		155,801.67	155,801.67	1,246,413.33	5,700,000.00		7,258,016.67	

APPENDIX C

ADDITIONAL AGREEMENTS, REPRESENTATIONS AND COVENANTS

none

DMNORTH #6796936 v4/077779.00/00321029

City of Helena, Montana

July 31, 2019

To: Ana Cortez, City Manager

From: Liz Hirst, Interim Finance Director

Subject: Consider a resolution amending and restating all prior water system revenue financing resolutions and water system revenue bonds issued prior to 2019.

Present Situation: The City has four outstanding water bond issues. All were borrowed from the State of Montana, Department of Natural Resources, State Revolving Fund (SRF). All bond documents refer to the original bond resolution No. 10386 adopted in 1992. The language is outdated and difficult to interpret. The attached resolution will replace resolution No. 10386 as the originating resolution for all current and future water bonds to provide for up-to-date bond language.

Proposal/Objective: Replace resolution No. 10386 with a new master bond resolution for all water bonds issued prior to 2019.

Advantage: The City will have bond language that is consistent with current bond language used in the market place making it more understandable by all.

Notable Energy Impact: N/A

Disadvantage: None

Notice of Public Hearing: N/A

Recommended Motion: Move approval of a resolution amending and restating all prior water system revenue financing resolutions and water system revenue bonds issued prior to 2019.

ATTACHMENTS:
Resolution

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting Clerk of the Commission of the City of Helena, Montana (the "City"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "RESOLUTION AMENDING AND RESTATING ALL PRIOR WATER SYSTEM REVENUE FINANCING RESOLUTIONS AND WATER SYSTEM REVENUE BONDS ISSUED PRIOR TO 2019" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Commission of the City at a regular meeting on August 12, 2019 and that the meeting was duly held by the City Commission 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 City Commission 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 August, 2019.

Clerk of the Commission

(SEAL)

AMENDED AND RESTATED RESOLUTION

Relating to

ALL PRIOR WATER SYSTEM REVENUE FINANCING RESOLUTIONS AND
WATER SYSTEM REVENUE BONDS ISSUED PRIOR TO 2019

CITY OF HELENA, MONTANA

Adopted: August 12, 2019

_____

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(For convenience only, not a part of this Amended and Restated Resolution)

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RESOLUTION NO. _____

RESOLUTION AMENDING AND RESTATING ALL PRIOR WATER SYSTEM REVENUE FINANCING RESOLUTIONS AND WATER SYSTEM REVENUE BONDS ISSUED PRIOR TO 2019

RECITALS:

WHEREAS, pursuant to the Drinking Water State Revolving Fund Act, Montana Code Annotated, Title 75, Chapter 5, Part 11, as amended (the "Act"), the State of Montana (the "State") has established a revolving loan program (the "Program") to be administered by the Department of Natural Resources and Conservation of the State of Montana, an agency of the State (the "DNRC"), and by the Department of Environmental Quality of the State of Montana, an agency of the State (the "DEQ"), and has provided that a Drinking Water state revolving fund (the "Revolving Fund") be created within the state treasury and all federal, state and other funds for use in the Program be deposited into the Revolving Fund, including, but not limited to, all federal grants for capitalization of a state Drinking Water revolving fund under the Federal Drinking Water Act (the "Safe Drinking Water Act"), all repayments of assistance awarded from the Revolving Fund, interest on investments made on money in the Revolving Fund and payments of principal of and interest on loans made from the Revolving Fund; and

WHEREAS, the Act provides that funds from the Program shall be disbursed and administered for the purposes set forth in the Safe Drinking Water Act and according to rules adopted by the DEQ and the DNRC; and

WHEREAS, the current EPA Capitalization Grant (as hereinafter defined) requires that loans under the Program funded in whole or in part by such grant in the aggregate and not on a loan-by-loan basis be structured in such a way that a percentage of the total proceeds of such grant be subject to loan forgiveness; and

WHEREAS, the Borrower has decided to replace all prior resolutions relating to the issuance of its Water System Revenue Bonds with this Amended and Restated Resolution, and the amended and restated resolutions include Resolution Nos. 10386, 10391, 11644, 11822, 19146, 19261, 19468, 19897, 19973, and 20319, adopted by the Borrower on March 30, 1992, April 13, 1992, June 18, 2001, October 7, 2002, July 26, 2004, July 25, 2005, May 21, 2007, February 13, 2012, November 19, 2012, and November 14, 2016 (the "Prior Resolutions"), respectively;

WHEREAS, this Amended and Restated Resolution amends and restates and replaces and supersedes the Prior Resolutions in all respects and the Department of Natural Resources and Conservation of the State of Montana (the "DNRC") has consented in writing to the Borrower's adoption of this Amended and Restated Bond Resolution and the replacing of the Prior Resolutions; and

WHEREAS, the Borrower is authorized under applicable laws, ordinances and regulations to adopt this Amended and Restated Resolution and to issue Bonds to evidence Loans (as hereinafter defined) for the purposes set forth herein.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HELENA, MONTANA, AS FOLLOWS:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions. In this Amended and Restated Resolution, unless a different meaning clearly appears from the context, the following terms shall have the following meanings:

"Accountant" or "Accountants" means an independent certified public accountant or a firm of independent certified public accountants satisfactory to the applicable agency of the State (currently, the Department of Administration) relating the accounting firms who are authorized to audit local units of government in the State such as the Borrower.

"Act" means (i) with respect to the Borrower, the Enabling Act, and (ii) with respect to the DNRC, the State Act, as amended from time to time.

"Additional Bonds" means any Bonds in addition to the Outstanding Bonds issued pursuant to Article VI of this Amended and Restated Resolution.

"Administrative Expense Surcharge" means in respect of a Loan, upon the delivery of a Noncompliance Statement as provided by this Amended and Restated Resolution, a surcharge equal to twenty-five hundredths of one percent (0.25%) per annum on the outstanding principal amount of the Loan from the date of each advance thereof, payable by the Borrower on a Payment Date.

"Amended Bonds" means the Amended Series 2005 Bond, the Amended Series 2007 Bond, the Amended Series 2012 Bond, and the Amended Series 2016B Bond.

"Amended Loans" means the Amended 2005 Loan, the Amended 2007 Loan, the Amended 2012 Loan, and the Amended 2016B Loan.

Amended Series 2005 Bond" means the City's Amended Water System Revenue Bond (DNRC Drinking Water Revolving Loan program), Series 2005 amended pursuant to Resolution No. 19973, issued in the aggregate principal amount of $2,072,000 and delivered on the Delivery Date to DNRC.

"Amended Series 2007 Bond" means the City's Amended Water System Revenue Bond (DNRC Drinking Water Revolving Loan Program), Series 2007 amended pursuant to Resolution No. 19973, issued in the aggregate principal amount of $2,242,000 and delivered on the Delivery Date to DNRC.

"Amended Series 2012 Bond" means the City's Amended Water System Revenue Bond (DNRC Drinking Water Revolving Loan Program), Series 2012 amended pursuant to Resolution No. 19973, issued in the aggregate principal amount of $1,375,000 and delivered on the Delivery Date to DNRC.

"Amended Series 2016B Bond" means the City's Amended Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2016B, issued in the original principal amount of $661,000 and delivered on the Delivery Date to DNRC.

"Amended 2005 Loan" means the loan made to the Borrower by the DNRC pursuant to the Program in the maximum amount of the 2005 Committed Amount.

"Amended 2007 Loan" means the loan made to the Borrower by the DNRC pursuant to the Program in the maximum amount of the 2007 Committed Amount.

"Amended 2012 Loan" means the loan made to the Borrower by the DNRC pursuant to the Program in the maximum amount of the 2012 Committed Amount.

"Amended 2016B Loan" means the loan made to the Borrower by the DNRC pursuant to the Program in the maximum amount of the 2016B Committed Amount.

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

"Bond Counsel" means any Counsel nationally recognized as experienced in matters relating to the issuance by states or political subdivisions of tax-exempt obligations selected by the Borrower and acceptable to DNRC.

"Bonds" means the Amended Bonds, the Series 2016B Bond, and any additional bonds to be issued on a parity therewith pursuant to a Supplemental Resolution. "Bonds" does not include the Series 2016A Bonds.

"Borrower" or "City" means the City of Helena, Montana, or any permitted successor or assign.

"Business Day" means any day which is not a Saturday or Sunday, a legal holiday in the State or a day on which banks in the State are authorized or required by law to close.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

"Chief Financial Officer" means the Chief Financial Officer of the Borrower or any other person authorized or designated by the Borrower who is in charge of the financial operations of the Borrower.

"Closing" means the date of delivery of the Bonds to the DNRC.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral Documents" means any security agreement, guaranty or other document or agreement previously delivered or to be delivered to the DNRC securing the obligations of the Borrower under this Amended and Restated Resolution, a Supplemental Resolution and the Bonds. If no Collateral Documents secure such obligations, any reference to Collateral Documents in this Amended and Restated Resolution shall be without effect.

"Commission" means the City Commission of the Borrower.

"Committed Amount" means the amount of the Loan committed to be previously lent or to be lent by the DNRC to the Borrower pursuant to a Supplemental Resolution, as such amount may be reduced by providing written notice to DNRC.

"Compliance Certificate and Request" means the certificate and request substantially in the form attached to a Supplemental Indenture to be delivered by the DNRC to the Borrower following the final advance of principal of a Loan, to be completed, executed and delivered by the Borrower to the DNRC pursuant to a Supplemental Resolution.

"Construction Account" means the account maintained in the Water Service Fund pursuant to Article V of this Amended and Restated Resolution and established under the Prior Resolutions.

"Consultant" means a nationally recognized consultant or firm of consultants, or an independent engineer or firm of independent engineers, or an Accountant, which in any case is qualified and has skill and experience in the preparation of financial feasibility studies or projections for facilities similar to the System or the Project, selected by the Borrower and satisfactory to the DNRC.

"Counsel" means an attorney duly admitted to practice law before the highest court of any state and satisfactory to the DNRC.

"Debt" means, without duplication, in respect of the System, (1) indebtedness of the Borrower for borrowed money or for the deferred purchase price of property or services; (2) the obligation of the Borrower as lessee under leases which should be recorded as capital leases under generally accepted accounting principles; and (3) obligations of the Borrower under direct or indirect guarantees in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clause (1) or (2) above.

"Delivery Date" means the date of delivery of a series of Bonds issued under this Resolution, as amended by a Supplemental Resolution. The Date of Delivery of the Amended Bonds will be their date of delivery to the DNRC.

"DEQ" means the Department of Environmental Quality of the State of Montana, an agency of the State, or any successor to its powers, duties and obligations under the Act or the EPA Agreements.

"Determination Statement" means a Forgiveness Statement or a Noncompliance Statement.

"DNRC" means the Department of Natural Resources and Conservation of the State of Montana, an agency of the State, and any successor to its powers, duties and obligations under the State Act.

"DTC" shall mean The Depository Trust Company of New York, New York, its successors and assigns.

"Enabling Act" means Montana Code Annotated, Title 7, Chapter 7, Parts 44 and 45, as amended form time to time, which authorizes the Borrower to own and operate the System, to undertake the Project and to issue the Bonds to finance costs of the Project.

"EPA" means the Environmental Protection Agency, an agency of the United States of America, and any successor to its functions under the Safe Drinking Water Act.

"EPA Agreements" means all capitalization grant agreements and other written agreements between the DEQ, the DNRC and the EPA concerning the Program.

"EPA Capitalization Grant" means a grant of funds to the State by the EPA under Section 1452 of the Safe Drinking Water Act.

"Forgiveness Statement" means a written statement delivered to the Borrower by the DNRC in response to a Compliance Certificate and Request that the Borrower's obligation to repay the principal of a Bond is forgiven.

"Fund" means the Water Service Fund maintained pursuant to Article V of this Amended and Restated Resolution and established under the Prior Resolutions.

"Government Obligations" means direct obligations of, or obligations the principal of and the interest on which are fully and unconditionally guaranteed as to payment by, the United States of America.

"Governmental Unit" means governmental unit as such term is used in Section 145(a) of the Code.

"Indenture" means the Indenture of Trust, dated as of June 1, 1991, between the Board of Examiners of the State and the Trustee, as such may be supplemented or amended from time to time in accordance with the provisions thereof, pursuant to which, among other things, the State Bonds are to be or have been issued.

"Loan" means the Amended 2005 Loan, the Amended 2007 Loan, the Amended 2012 Loan, the 2016A Loan, and the 2016B Loan, as applicable, and any other loans made in the future to the Borrower by the DNRC pursuant to the Program under this Amended and Restated Resolution and a Supplemental Resolution.

"Loan Loss Reserve Surcharge" means, in respect of a Loan, upon the delivery of a Noncompliance Statement as provided by this Amended and Restated Resolution and a Supplemental Resolution, a surcharge equal to twenty-five hundredths of one percent (0.25%) per annum on the outstanding principal amount of the respective Loan from the date of each advance thereof, payable by the Borrower on a Payment Date.

"Loan Term" means that period of time commencing and ending as set forth in a Supplemental Resolution.

"Net Revenues" means the gross revenues of the System remaining after the payment of operating expenses of the System as more fully described in Section 5.2 of this Amended and Restated Resolution.

"Noncompliance Statement" means a written statement delivered to the Borrower by the DNRC that the Borrower's obligation to repay the principal of a Bond is not forgiven.

"Operating Account" means the account maintained in the Water Service Fund pursuant to Section 5.2 of this Amended and Restated Resolution and established under the Prior Resolutions.

"Operating Expenses" shall mean the same as defined in Section 5.2 of this Amended and Restated Resolution.

"Opinion of Bond Counsel" means a written opinion of Bond Counsel.

"Original Resolution" means, collectively, Resolution Nos. 10386, 10391, 11644, 11822, 19146, 19261, 19468, 19897, and Resolution No. 20319, adopted by the City Commission on March 30, 1992, April 13, 1992, June 18, 2001, October 7, 2002, July 26, 2004, the Previously Amended Resolutions, as amended by Resolution No. 19973, adopted by the City on November 19, 2012, and November 14, 2016, respectively, as amended and restated by this Amended and Restated Resolution.

"Outstanding Bonds" means the Bonds issued pursuant to a Prior Resolution, this Amended and Restated Resolution or Supplemental Resolution on which principal and interest are still due and payable.

"Participant" means any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

"Payment Date" means the date on which a payment of interest or principal is due for a series of Bonds, as determined pursuant to the Prior Resolutions, this Amended and Restated Resolution, and a Supplemental Resolution, as applicable. The Payment Dates for the Amended Bonds are each January 1 and July 1 during the term of the Amended Bonds.

"Person" means any Private Person or Public Entity.

"Previously Amended Resolutions" means Resolution Nos. 19261, 19468, and 19897 adopted by the City Commission on July 25, 2005, May 21, 2007, and February 13, 2012.

"Private Person" means an individual, corporation, partnership, association, joint venture, joint stock company or unincorporated organization, except a Public Entity.

"Program" means the Drinking Water State Revolving Fund Program established by the Act.

"Project" means an improvement, betterment, reconstruction or extension of the System.

"Public Entity" means a municipality, city, town, county, irrigation district, drainage district, county water and sewer district, a soil conservation district, political or administrative subdivision of State government or other public body established by State law or an Indian tribe that has a federally recognized governing body carrying out substantial governmental duties and powers over any area.

"Recycled Money" means payments and prepayments of principal of loans made under the Program, and any other amounts transferred to the Principal Subaccount in the Revenue Subaccount in the State Allocation Account (as such terms are defined in the Indenture).

"Representation Letter" means the Blanket Issuer Letter of Representations executed by the City to DTC pursuant to which the City agrees to comply with DTC's Operational Arrangements.

"Registrar" means, with respect to the Amended Bonds, the Chief Financial Officer, and with respect to the Series 2016 Bonds, the Chief Financial Officer, or any successor appointed pursuant to this Amended and Restated Resolution, and, with respect to any other series of Bonds, the Person or Persons designated by or pursuant to the Supplemental Resolution or any other future supplemental resolution to receive and disburse the principal of, premium, if any, and interest on the Bonds on behalf of the Borrower and to hold and maintain the Bond Register.

"Regulations" means the Treasury Department, Income Tax Regulations, as amended or any successor regulation thereto, promulgated under the Code or otherwise applicable to the Bonds.

"Replacement and Depreciation Account" means the Account required in the Water Service Fund pursuant to Section 5.4 of this Amended and Restated Resolution as established under the Prior Resolutions.

"Reserve" means the Bond Reserve required in the Revenue Bond Account of the Water Service Fund pursuant to Section 5.3 of this Amended and Restated Resolution as established under the Prior Resolutions.

"Reserve Requirement" means, as of the date of calculation, an amount equal to one-half the sum of the highest amount of principal and interest payable on all outstanding Bonds in any one future fiscal year (giving effect to mandatory sinking fund redemption, if any).

"Reserved Amounts" means any undisbursed Committed Amount which will or may be required to pay any remaining costs of a Project upon completion thereof as provided in a Supplemental Resolution.

"Revenue Bond Account" means the account created in the Water Service Fund pursuant to Section 5.3 of this Amended and Restated Resolution.

"Revolving Fund" shall have the meaning set forth in the recitals hereof.

"Safe Drinking Water Act" means Title XIV of the Public Health Service Act, commonly known as the Safe Drinking Water Act, 42 U.S.C. §§300f et seq., as amended, and all regulations, rules and interpretations issued by the EPA thereunder.

"Series 2016 Bonds" means, collectively, the Series 2016A Bond and the Amended Series 2016B Bond.

"Series 2016A Bond" means the Subordinate Lien Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Taxable Series 2016A, issued in the original principal amount of $500,000 and delivered to the DNRC. The principal amount of the Series 2016A Bond has been forgiven by the DNRC at the time of adoption of this Resolution.

"State" means the State of Montana.

"State Act" means Montana Code Annotated, Title 75, Chapter 5, Part 11, as amended from time to time.

"State Bonds" means the State's General Obligation Bonds (Drinking Water State Revolving Fund Program), issued or to be issued pursuant to the Indenture.

"Subordinate Obligations" mean the Series 2016A Bond and any other subordinate obligations issued under Section 6.4 of this Amended and Restated Resolution.

"Supplemental Resolution" means a supplemental resolution adopted by the Borrower in connection with the issuance of any Bonds or Additional Bonds under this Amended and Restated Resolution.

"Surplus Account" means the account created in the Water Service Fund pursuant to Section 5.5 of this Amended and Restated Resolution.

"Surplus Net Revenues" means that portion of the Net Revenues in excess of the current requirements of the Operating Account, the Debt Service Account and the Bond Reserve.

"System" means the existing water system of the Borrower and all extensions, improvements and betterments thereof hereafter constructed and acquired, including the Project.

"Trustee" means U.S. Bank National Association, in Seattle, Washington or any successor trustee under the Indenture.

"2005 Committed Amount" means the amount of the Amended 2005 Loan committed to be lent by the DNRC to the Borrower pursuant to Resolution No. 19261, as amended by Resolution No. 19973, as such amount may be reduced pursuant to the applicable Prior Resolutions.

"2007 Committed Amount" means the amount of the Amended 2007 Loan committed to be lent by the DNRC to the Borrower pursuant to Resolution No. 19468, as amended by Resolution No. 19973, as such amount may be reduced pursuant to the applicable Prior Resolutions.

"2012 Committed Amount" means the amount of the Amended 2012 Loan committed to be lent by the DNRC to the Borrower pursuant to Resolution No. 19897, as amended by Resolution No. 19973, as such amount may be reduced pursuant to the applicable Prior Resolutions.

"2016 Project" means the designing, engineering and construction of the facilities, improvements and activities the cost of which is being financed by or reimbursed to the Borrower I part with proceeds of the 2016 Loans, described in Appendix A hereto.

"2016A Committed Amount" means the amount of the 2016A Loan committed to be lent by the DNR to the Borrower pursuant to Resolution No. 20319, as such amount may be reduced or forgiven by the DNRC in accordance with the Prior Resolution authorizing the issuance of the Series 2016A Bond.

"2016B Committed Amount" means the amount of the 2016B Loan committed to be lent by the DNR to the Borrower pursuant to Resolution No. 20319, as such amount may be reduced pursuant to the applicable Prior Resolution

"2016A Loan" means the loan made to the Borrower by the DNRC pursuant to the Program in the maximum amount of the 2016A Committed Amount to provide funds to pay costs of the 2016 Project payable under the Program.

"Water Service Fund" means the fund by such name created by this Amended and Restated Resolution.

Section 1.2. Other Rules of Construction. For all purposes of this Amended and Restated Resolution, except where the context clearly indicates otherwise:

(a) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted government accounting standards.

(b) Terms in the singular include the plural and vice versa.

(c) All references to time shall refer to Helena, Montana time, unless otherwise provided herein.

(d) All references to mail shall refer to first-class mail postage prepaid.

(e) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(f) "Or" is not exclusive, but is intended to permit or encompass one, more or all of the alternatives conjoined.

ARTICLE II

AUTHORIZATION AND RECITALS

Section 2.1. Authorization. Under the provisions of the Enabling Act, the Borrower is authorized to issue and sell 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 the System or to refund its revenue bonds issued for such purpose; provided that the bonds and the interest thereon are to be payable solely out of the net income and revenues to be derived from rates, fees and charges for the services, facilities and commodities furnished by the undertaking, and are not to create any general obligation for the payment of which taxes may be levied except to pay for services provided by the undertaking to the City. The Borrower previously issued the Amended Bonds and sold such to the DNRC.

Section 2.2. The System. The Borrower, pursuant to the Enabling Act and other laws of the State, has established and presently owns and operates the System.

Section 2.3. The Project. After investigation of the facts and as authorized by the Enabling Act, this Commission has determined it to be necessary and desirable and in the best interests of the Borrower to acquire and construct the Project.

Section 2.4. Outstanding Bonds. Pursuant to the Enabling Act and this Amended and Restated Resolution, the Borrower has previously issued, and has outstanding, the Amended Bonds. The Amended Bonds are payable from Net Revenues of the System. The Series 2016A Bond has been forgiven. No other bonds or indebtedness are outstanding that are payable from or secured by revenues of the System.

Section 2.5. Net Revenues Available. The Borrower is authorized to charge just and equitable rates, charges and rentals for all services directly or indirectly furnished by the System, and to pledge and appropriate to the Bonds herein authorized the net revenues to be derived from the operation of the System, including improvements, betterments or extensions thereof hereafter constructed or acquired. The net revenues to be produced by such rates, charges and rentals during the term of the Bonds will be more than sufficient to pay the principal and interest when due on such Bonds, and to create and maintain reasonable reserves therefor and to provide an adequate allowance for replacement and depreciation, as herein prescribed.

Section 2.6. Compliance With Law. To the knowledge of the Borrower, it:

(i) is in compliance with all laws, ordinances, governmental rules and regulations and court or other governmental orders, judgments and decrees to which it is subject and which are material to the properties, operations and finances of the System or its status as a Public Entity and Governmental Unit; and

(ii) has obtained all licenses, permits, franchises or other governmental authorizations necessary to the ownership of the System and the operation thereof and agrees to obtain all such licenses, permits, franchises or other governmental authorizations as may be

required in the future for the System and the operation thereof, which failure to obtain might materially and adversely affect the ability of the Borrower to conduct the operation of the System as presently conducted or the condition (financial or otherwise) of the System or the Borrower's ability to perform its obligations under this Amended and Restated Resolution, the Bonds and the Collateral Documents.

Section 2.7. Right of Inspection and Notice of Change of Location. The DNRC, the DEQ and the EPA and their designated agents shall have the right at all reasonable times during normal business hours and upon reasonable notice to enter into and upon the property of the Borrower for the purpose of inspecting the System or any or all books and records of the Borrower relating to the System.

Section 2.8. Further Assurance. The Borrower shall execute and deliver to the DNRC all such documents and instruments and do all such other acts and things as may be necessary or required by the DNRC to enable the DNRC to exercise and enforce its rights under this Amended and Restated Resolution, any Supplemental Resolution, the Bonds and the Collateral Documents and to realize thereon, and record and file and re-record and refile all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or required by the DNRC to validate, preserve and protect the position of the DNRC under this Amended and Restated Resolution, any Supplemental Resolution, the Bonds and the Collateral Documents.

Section 2.9. Maintenance of Security; Recordation of Interest.

(i) The Borrower shall, at its expense, take all necessary action to maintain and preserve the lien and security interest of this Amended and Restated Resolution, any Supplemental Resolution, and the Collateral Documents so long as any amount is owing under this Amended and Restated Resolution, the applicable Supplemental Resolution, or the Bonds;

(ii) The Borrower shall forthwith, after the execution and delivery of the Bonds and thereafter from time to time, cause this Amended and Restated Resolution, any Supplemental Resolution, and any Collateral Documents granting a security interest in revenues or real or personal property and any financing statements or other notices or documents relating thereto to be filed, registered and recorded in such manner and in such places as may be required by law in order to perfect and protect fully the lien and security interest hereof and thereof and the security interest in them granted by this Amended and Restated Resolution or Supplemental Resolution and, from time to time, shall perform or cause to be performed any other act required by law, including executing or causing to be executed any and all required continuation statements and shall execute or cause to be executed any further instruments that may be requested by the DNRC for such perfection and protection; and

(iii) Except to the extent it is exempt therefrom, the Borrower shall pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of the documents described in subparagraph (ii), and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Bonds and the Collateral Documents and the documents described in subparagraph (ii).

Section 2.10. Financial Information. The Borrower agrees that for each fiscal year, commencing with the Fiscal Year ended June 30, 2020, it shall furnish to the DNRC and the DEQ promptly the following, including but not limited to, when adopted, the final budget for the System.

The City will cause proper and adequate books of record and account to be kept showing complete and correct entries of all receipts, disbursements and other transactions relating to the System,

the monthly gross revenues derived from its operation, and the segregation and application of the gross revenues in accordance with this Amended and Restated Resolution, in such reasonable detail as may be determined by the City in accordance with generally accepted governmental accounting practice and principles. It will cause such books to be maintained on the basis of the same Fiscal Year as that utilized by the City. The City shall, within 180 days after the close of each Fiscal Year, cause to be prepared and supply to the DNRC a financial report with respect to the System for such Fiscal Year. The report shall be prepared at the direction of the financial officer of the City in accordance with applicable generally accepted governmental accounting principles and, in addition to whatever matters may be thought proper by the financial officer to be included therein, shall include the following:

(A) A statement in detail of the income and expenditures of the System for the Fiscal Year;

(B) A balance sheet as of the end of the Fiscal Year;

(C) The number of premises connected to the System at the end of the Fiscal Year;

(D) The amount on hand in each account of the Water Service Fund at the end of the Fiscal Year;

(E) A list of the insurance policies and fidelity bonds (or MMIA risk coverage) in force at the end of the Fiscal Year, setting out as to each the amount thereof, the risks covered thereby, the name of the insurer or surety and the expiration date of the policy or bond; and

(F) A determination that the report shows full compliance by the City with the provisions of this Amended and Restated Resolution during the Fiscal Year covered thereby, maintenance of the required balance in the Reserve Bond Account, and receipt of Net Revenues during the Fiscal Year at least equal to 110% of the maximum amount of principal and interest payable on outstanding Bonds and, if applicable, any contemplated Additional Bonds, in any subsequent Fiscal Year, or, if the report should reveal that the Net Revenues have been insufficient for compliance with this Amended and Restated Resolution, or that the methods used in accounting for such Net Revenues were contrary to any provision of this Amended and Restated Resolution, the report shall include a full explanation thereof, together with recommendations for such change in rates or accounting practices or in the operation of the System as may be required.

The City shall also have prepared and supplied to the DNRC and the DEQ, within 180 days of the close of every other Fiscal Year, an audit report audited by an independent Accountant or an agency of the state in accordance with generally accepted governmental accounting principles and practice with respect to the financial statements and records of the System.

Section 2.11. Records. After reasonable notice from the EPA or the DNRC, the Borrower shall make available to the EPA or the DNRC such records as the EPA or the DNRC reasonably requires to review and determine compliance with the Safe Drinking Water Act, as provided in Section 75-5-1113(l)(d) of the State Act.

Section 2.12. Compliance with Safe Drinking Water Act. The Borrower has complied and shall comply with all conditions and requirements of the Safe Drinking Water Act pertaining to the Loans and the Project and shall maintain sufficient financial, managerial and technical capability to continue to effect such compliance.

Section 2.13. Compliance with DEQ Requirements. The Borrower shall comply with plan, specification and other requirements for public water systems established by the DEQ, as required by Section 75-5-1113(l)(g) of the Act.

ARTICLE III

BONDS

Section 3.1. Authorization of Bonds. The Borrower previously issued the Amended Bonds pursuant to the terms of the Prior Resolutions. The Amended Bonds are being amended and replaced to conform to the provisions of this Amended and Restated Resolution. The form of the Amended 2005 Bond is attached hereto as Appendix A; the form of the Amended 2007 Bond is attached hereto as Appendix B; the form of the Amended 2012 Bond is attached hereto as Appendix C; and the form of Amended 2016B Bond is attached hereto as Appendix D. The Borrower shall issue future Additional Bonds pursuant to separate Supplemental Resolutions for the purpose of providing funds for financing Projects and to pay certain costs associated with the issuance of such Additional Bonds. The Amended Bonds shall be in fully registered form and any Additional Bonds shall be issued in fully registered form. They shall be issued in authorized denominations to be set forth in the Supplemental Resolution, provided that no Bond shall be issued in any denomination larger than the aggregate principal amount maturing on the maturity date of such Bond. Pursuant to the recommendations of the Committee on Uniform Security Identification Procedures, CUSIP numbers may be printed on the Bonds if required by the original purchaser thereof.

The Amended Bonds shall mature on the date and in the years and principal amounts and shall bear interest at the rates per annum from their respective date to the their respective maturity dates, except if redeemed prior to their maturity date as set forth in each Amended Bond. Future Additional Bonds shall mature on the dates, in the years and principal amounts, and shall bear interest at the rates per annum from their respective dates to their respective maturity dates, except if redeemed prior thereto, as set forth in the Supplemental Resolution, but in no event shall any Bonds mature at times exceeding 40 years from their respective dates. Principal and interest payments shall be as set forth in a Supplemental Resolution and in each Amended Bond or Additional Bond.

Section 3.2. Redemption. The Amended Bonds are subject to redemption prior to maturity as provided in the Prior Resolutions authorizing their issuance and in the actual forms of the Amended Bonds. Any future Additional Bonds shall be subject to redemption prior to maturity as provided in a Supplemental Resolution authorizing their issuance.

Notice of Redemption. Notice of any redemption of the Bonds shall be given by U.S. Bank National Association (as successor to First Trust Company of Montana, Billings, Montana,) as paying agent (the "Paying Agent") or the Chief Financial Officer, or any successor as appointed pursuant to a Supplemental Resolution, as registrar ("Registrar") on behalf of the Borrower, upon being satisfactorily indemnified by the Borrower as to expenses, by mailing a copy of an official redemption notice by certified or registered first-class, postage prepaid mail, not more than forty-five (45) days nor fewer than thirty (30) days prior to the date fixed for redemption, to the purchaser of the Bonds and to the registered owners (the "Registered Owner" or "Bondowners") of the Bond or Bonds being so redeemed, determined as of the close of business on the day preceding the first mailing of such notice, at the address shown on the registration books of the Borrower maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar; provided, however, that failure to mail such notice, or any defect in the mailed notice or the mailing thereof in respect of any Bond, shall not affect the validity of the redemption of any Bond.

All official notices of redemption shall be dated and shall state (i) the redemption date, (ii) the redemption price, (iii) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, (iv) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, (v) if the notice of redemption is to be a conditional notice then such redemption notice shall state such fact, and (vi) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar.

Prior to any redemption date, the City shall deposit in due course with the Paying Agent, an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds 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 Bonds or portions of Bonds shall cease to bear interest. Bonds are redeemable in whole or, if in a denomination which is larger than an authorized denomination, in part (in any integral multiple of such authorized denomination). Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as provided in the Supplemental Resolution for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

Section 3.3. Payment of Principal and Interest. The principal of, premium, if any, and interest on Bonds shall be payable in lawful money of the United States of America to the Registered Owners of the applicable Bonds by the Paying Agent. The principal on, and premium, if any, shall be paid to the Registered Owner of the applicable Bond upon presentation and surrender thereof at maturity or upon prior redemption. Except as otherwise provided in a Supplemental Resolution, the interest shall be paid to the Registered Owner of a Bond, determined as of the close of business on the regular record date, which shall be the fifteenth (15th) day of the calendar month next preceding the Interest Payment Date, irrespective of any transfer of ownership of the Bond subsequent to the regular record date and prior to such Interest Payment Date, by check or draft mailed to such Registered Owner at the address on the registration books of the Borrower maintained by the Registrar. Any interest not paid when due and any interest accruing after maturity shall be paid to the Registered Owner of applicable Bond entitled to receive such interest, determined as of the close of business on the special record date, which shall be fixed by the Paying Agent for such purpose, irrespective of any transfer of ownership of the Bond subsequent to such special record date and prior to the date fixed by the Paying Agent for the payment of such interest, by check or draft mailed as aforesaid. Notice of the special record date and of the date fixed for the payment of such interest shall be given by sending a copy thereof by first-class, postage prepaid mail, at least ten (10) days prior to the special record date, to the Underwriter and to the Registered Owner of the Bond upon which interest will be paid, determined as of the close of business on the day preceding such mailing, at the address appearing on the registration books of the Borrower maintained by the Registrar.

The principal of, premium, if any, and interest on the Bonds shall be paid to the Registered Owner thereof as shown on the registration books maintained by the Registrar upon maturity thereof and upon presentation and surrender at the principal office of the Paying Agent.

Section 3.4. Execution and Authentication of Bonds. The Amended Bonds shall be executed by and on behalf of the Borrower by the Mayor and City Manager and attested to by the Clerk of the Commission. Future Additional Bonds shall be executed by and on behalf of the Borrower and delivered by the Borrower as set forth in a Supplemental Resolution, and authenticated by the manual or facsimile signature of a duly authorized officer(s) of the Borrower and the Registrar as authenticating agent for the Borrower as authorized under Montana law. In the event that future Additional Bonds are issued in temporary form, such temporary Bonds may be signed manually or by facsimile signature as set forth in a Supplemental Resolution and authorized by Montana law. No Additional Bond shall be valid or become obligatory for any purpose or be entitled to any security or benefit under a Supplemental Resolution unless and until the certificate of authentication on such Bond shall have been duly executed by the Registrar, and such executed certificate upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Amended and Restated Resolution and Supplemental Resolution. The certificate of authentication on any Bond shall be deemed to have been duly executed by the Registrar if signed by an authorized officer or signatory thereof, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds.

Section 3.5. Registration, Transfer and Exchange of Bonds. Unless otherwise provided for in a Supplemental Resolution, upon their execution and authentication and prior to their delivery, the Bonds shall be registered for the purpose of payment of principal, interest and premium, if any, with the Registrar upon the registration books of the Borrower maintained by the Registrar. The Bonds may be transferred by U.S. Bank National Association (as successor to First Trust Company of Montana, Billings, Montana,) or its successor, in its capacity as transfer agent (the "Transfer Agent") only upon the registration books of the Borrower maintained by the Registrar, at the request of the Registered Owner thereof or his or its duly authorized attorney-in-fact or legal representative. Upon the surrender for transfer of any Bond at the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney-in-fact duly authorized in writing (such instruments with guaranty of signature satisfactory to the Transfer Agent, containing written instructions as to details of transfer and the social security number or federal employer identification number of the transferee or transferees), the Registrar will authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of like aggregate principal amount, of the same maturity and bearing interest at the same per annum rate of the surrendered Bond or Bonds, each Bond bearing a number or numbers not previously assigned. The Transfer Agent shall accept a Bond for registration or transfer only if the Registered Owner is to be an individual, a corporation, a partnership, or a trust. Transfers and exchanges shall be made at the expense of the transferor, and the Transfer Agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may be imposed in connection with any transfer of Bonds. No registration or transfer of any Bond shall be effective until entered on the registration books of the Borrower maintained by the Registrar.

Notwithstanding the above, the Transfer Agent shall not be required to transfer ownership of any Bond during the fifteen (15) days prior to the first mailing of any notice of redemption or to transfer ownership of any Bond selected for redemption on or after the date of such mailing. When any 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 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 its refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized. Bonds may be exchanged at the Registrar for an equal aggregate principal amount of Bonds of the same maturity of other authorized denominations.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the Borrower, evidencing the same debt as the Bonds surrendered, shall be secured by this Amended and Restated Resolution or Supplemental Resolution, and shall be entitled to all of the security and benefits hereof to

the same extent as the Bonds surrendered. The Borrower may deem and treat the person in whose name any Bond is last registered upon the books of the Borrower maintained by the Registrar as the absolute owner thereof for the purpose of receiving payment of the principal of, premium, if any, and interest on, such Bond and for all other purposes, and all such payments so made to such person or upon his order shall be valid and effective to satisfy and discharge the liability of the Borrower upon such Bond to the extent of the sum or sums so paid, and the Borrower shall not be affected by any notice to the contrary.

Section 3.6. Mutilated, Lost, Destroyed or Taken Bonds. If any outstanding Bond shall become mutilated, lost, apparently destroyed, or wrongfully taken, it may be reissued in the form and tenor of the mutilated, lost, destroyed or wrongfully taken Bond upon the Registered Owner's furnishing, to the satisfaction of the Paying Agent and the Registrar: (a) proof of ownership, (b) proof of mutilation, loss, destruction or wrongful taking, (c) a surety bond in the amount of the securities in question, and (d) payment of the cost of preparing and issuing the new security, or upon other conditions agreed to by the Registrar and the Borrower. Nothing contained in the provisions of this paragraph prohibits the Borrower from reissuing, upon such terms and conditions as the Commission may determine, and provided that such terms and conditions are not otherwise contrary to the provisions of this Amended and Restated Resolution or the requirements of law, any outstanding Bond which shall not have become mutilated, lost, apparently destroyed, or wrongfully taken.

Section 3.7. Form of Bonds. The Bonds shall be in substantially the form set forth in a Supplemental Resolution, with such appropriate variations, omissions and insertions as are permitted or required by this Amended and Restated Resolution and such Supplemental Resolution; PROVIDED, HOWEVER, the Bonds may be issued in temporary form similar to the following form pending the printing and delivery of final definitive bonds.

Section 3.8. Repayment of Amended Bonds. The City shall repay the Amended Bonds as follows:

(a) In connection with the repayment of the Amended 2005 Loan, the City shall make repayments as set forth in Section 5.1 of Supplemental Resolution No. 19261, adopted by the City on July 25, 2005;

(b) In connection with the repayment of the Amended 2007 Loan, the City shall make repayments as set forth in Section 5.1 of Supplemental Resolution No. 19468, adopted by the City on May 21, 2007;

(c) In connection with the repayment of the Amended 2012 Loan, the City shall make repayments as set forth in Section 5.1 of Supplemental Resolution No. 19897, adopted by the City on February 13, 2012; and

(d) In connection with the repayment of the Amended 2016B Loan, the City shall make repayments as set forth in Section 5.1 of Supplemental Resolution No. 20319, adopted by the City on November 14, 2016.

ARTICLE IV

DELIVERY OF BONDS; APPLICATION OF PROCEEDS

Section 4.1. Delivery. Future Additional Bonds, when executed, authenticated and registered as provided in a Supplemental Resolution, a Supplemental Indenture, and by law, shall be delivered by the Borrower to the purchaser of the Additional Bonds upon receiving full payment therefor. The

proceeds derived from said sale shall be used for the purposes stated in a Supplemental Indenture and for no other purposes, provided, however, that any portion of the proceeds may be temporarily invested pending such use, with such temporary investment to be made consistent with the covenant hereinafter made and in a Supplemental Indenture concerning arbitrage bonds. Neither the purchaser of the Bonds nor the Registered Owner of any Bond shall be in any way responsible for the application of the proceeds of the Bonds by the Borrower or any of its officers. The delivery of the Amended Bonds to the DNRC shall not require the payment of any funds, just the presentation and cancellation of the prior Bonds that are being amended and replaced or evidence sufficient to the Borrower's officials that such prior Bonds have been lost or destroyed or are not able to be presented the DNRC to the Borrower.

Section 4.2. Deposit of Proceeds. Upon the issuance, sale and delivery of any bonds, the Borrower shall make deposits as set forth in a Supplemental Resolution

ARTICLE V

WATER SERVICE FUND

Section 5.1. Bond Proceeds and Revenues Pledged and Appropriated. A special Water Service Fund (the "Water Service Fund") was created by the Prior Resolutions and is hereby maintained as a separate and special bookkeeping account on the official books of the Borrower until all Bonds issued and interest and redemption premiums due thereon have been fully paid, or the Borrower's obligations with respect to such Bonds has been discharged as provided in this Amended and Restated Resolution, the Prior Resolutions and any Supplemental Resolutions. All proceeds of Bonds issued hereunder and all other funds presently on hand derived from the operation of the System are irrevocably pledged and appropriated to the Water Service Fund. In addition, there is hereby irrevocably pledged and appropriated to the Water Service Fund all gross revenues and receipts from rates, fees, charges, and rentals imposed for connections with and for the availability, benefit and use of the System as now constituted and of all replacements and improvements thereof and additions thereto, and from penalties and interest thereon, and from any sales of property acquired for the System and all income received from the investment of all moneys on deposit in the accounts of the Water Service Fund, but not any special assessments or taxes levied for construction of any part of the System. The Water Service Fund is divided and shall continue to be subdivided into separate accounts as designated and described in Sections 5.2 through 5.3 hereof, to segregate income and expenses received, paid and accrued for the respective purposes described in those sections. The gross revenues received in this Water Service Fund shall be apportioned monthly to the Revenue Bond Account.

Section 5.2. Operating Account. There was created by the Prior Resolutions and is hereby maintained an Operating Account (the "Operating Account") as a separate and special bookkeeping account on the official books of the Borrower within the Water Service Fund. All revenues received in the Water Service Fund will be deposited in the Operating Account, subject to the provisions of this Article V regarding the deposit of proceeds of Bonds issued for the benefit of the System. All amounts in the Operating Account may be used for all expenses of the fund other than those paid out of the accounts shown in Section 5.3, including but not limited to operating expenses, replacement and depreciation expenses and capital reserves. There shall be set aside and credited to the Operating Account, as a first charge on the gross revenues, such amount as may be required over and above the balance then held in the account to pay the reasonable and necessary operating expenses of the System which are then due and payable and payable in the forseeable future or based upon the operating history of the System. The term "Operating Expenses" shall mean the current expenses, paid or accrued, of operation, maintenance and current repair of the System and its facilities, as calculated in accordance with sound accounting practice, and shall include, without limitation, administrative expenses of the Borrower relating solely to the System, premiums for insurance (or risk coverage provided by the MMIA) on the properties thereof, labor

and the cost of materials and supplies used for current operation and for maintenance, and charges for the accumulation of appropriate reserves for current expenses which are not recurrent monthly but may reasonably be expected to be incurred in accordance with sound accounting practices. Such expenses shall not include any allowance for interest expense or depreciation, renewals or replacements of capital assets of the System and shall not include any portion of the salaries or wages paid to any officer or employee of the Borrower, except such portion as shall represent reasonable compensation for the performance of duties necessary to the operation of the System. Moneys in the Operating Account shall be used solely for the payment of current Operating Expenses of the System, as hereafter defined. The net revenues of the System, as referred to in this Bond Resolution (the "Net Revenues"), are hereby defined to include the entire amount of such gross revenues remaining after crediting to the Operating Account the amount required hereby.

Section 5.3. Revenue Bond Account. There was created by the Prior Resolutions and is hereby maintained a Revenue Bond Account (the "Revenue Bond Account") as a separate and special bookkeeping account on the official books of the Borrower within the Water Service Fund. The Borrower shall deposit to the Revenue Bond Account money sufficient to pay any interest accrued thereon to the date of their delivery. Monthly there shall be set aside and credited to the Revenue Bond Account out of the Net Revenues an amount equal to not less than the sum of one-sixth of the interest due within the next six months plus one-sixth of the principal amount to become due within the next six months with respect to the Bonds and all outstanding bonds payable from the Revenue Bond Account (or such other increments of principal and interest as required by a Supplemental Resolution authorizing issuance of Additional Bonds); provided that the Borrower shall be entitled to reduce a monthly credit by the amount of any surplus previously credited and then on hand in the Revenue Bond Account. In addition, to establish and maintain a reserve balance (the "Bond Reserve") in the Bond Revenue Account (which may be maintained as separate subaccounts if the Borrower so desires) for each series of Amended Bonds that is equal to the applicable Reserve Requirement for such Amended Bonds as required under the Prior Resolutions and for future Additional Bonds as required under the applicable Supplemental Resolution. The Borrower shall credit to the account/subaccount for each series of Amended Bonds on their date of issuance money previously held in the Revenue Bond Account for such Amended Bonds. There shall be apportioned from the Net Revenues remaining after said apportionment, the Borrower shall credit to the account such additional Net Revenues or Bond proceeds as may be required to maintain the Bond Reserve in an amount not to exceed the maximum amount of principal and interest due on the Bonds in any future fiscal year as may then be required; provided, that the Borrower may at any time substitute a Credit Facility (as hereinafter defined) for all or any portion of the Bond Reserve exceeding an amount equal to the maximum amount of principal and interest due on the Bonds in any future fiscal year; provided, however, that at all times the Borrower shall maintain the Bond Reserve in an amount as will not cause the Borrower to violate the provisions of Article VIII hereof. Money from time to time held in the Revenue Bond Account shall be disbursed only to meet payments of principal of, premium, if any, and interest on the Bonds payable therefrom as such payments become due, and the Bond Reserve shall be used only to pay maturing principal, premium, if any, and interest when other moneys within the Revenue Bond Account are insufficient therefor; provided that on any date when all outstanding Bonds are due or prepayable by their terms, if the amount then on hand in the Revenue Bond Account, including the amount in the Bond Reserve allocable to a series of Bonds, is sufficient with other money available for the purpose to pay such series of Bonds and the interest accrued thereon in full, it may be used for that purpose; and provided, further, that so long as the amount of the Bond Reserve is not less than the amount herein required to be maintained, the Borrower may credit earnings on investment of the Bond Reserve to the Replacement and Depreciation Account set forth below. If any payment of principal, premium, if any, or interest becomes due when moneys in the Revenue Bond Account are temporarily insufficient therefor, such payment shall be advanced out of any Net Revenues theretofore segregated and then on hand in the Replacement and Depreciation Account or the Surplus Account.

Prior to the application of any money in the Bond Reserve (or a subaccount therein) to pay principal of, premium, if any, or interest on Bonds, the Registrar shall draw on, if there is any, Credit Facility for such series of Bonds to the full extent thereof, and shall deposit the proceeds thereof in the Revenue Bond Account for application to such series of Bonds. In the event the amounts so drawn or realized, together with other moneys in an applicable portion of the Bond Reserve or otherwise available therefor, are insufficient to pay such principal and interest in full, an amount of cash not exceeding one half of the maximum amount of principal and interest due on the Bonds in any future fiscal year shall be applied exclusively to the payment of principal and interest then or thereafter due on the Bonds and the balance of the Bond Reserve shall be applied to the payment of principal, premium, if any, and interest then due on all bonds other than the Bonds. For purposes of this Section, a "Credit Facility" shall mean an insurance policy, surety bond or letter of credit which (i) is issued by an insurance company or financial institution having a rating at the time of the issuance thereof in one of the three highest ratings categories (without regard to numerical or other modifiers) assigned by Moody's Investor Service and Standard & Poor's Global Ratings, or the successor to either of them, (ii) provides for a draw or other demand for payment submitted by the Registrar in the event of a deficiency in the Revenue Bond Account, and (iii) is otherwise in form and substance satisfactory to the Borrower and the original purchaser of such series of Bonds.

Section 5.4. Replacement and Depreciation Account. There was created by the Prior Resolutions and is hereby maintained a Replacement and Depreciation Account (the "Replacement and Depreciation Account") as a separate and special bookkeeping account on the official books of the Borrower within the Water Service Fund. There shall next be set aside and credited to the Replacement and Depreciation Account such portion of the Net Revenues of the System, in excess of the current requirements of the Operating Account and the Revenue Bond Account, including the Bond Reserve therein (which portion of the Net Revenues is referred to herein as "Surplus Net Revenues") as the Commission shall determine to be required for the accumulation of a reasonable allowance for depreciation of the System and for replacement or renewal of worn out, obsolete or damaged properties and equipment thereof. Moneys in this account shall be used only for the purposes above stated or, if so directed by the Commission, to redeem Bonds which are prepayable according to their terms, to pay principal or interest when due thereon as required in Section 5.3 hereof, or to pay the cost of improvements of the System; provided that in the event construction and installation of additional improvements or additions to the System are financed other than from Bonds payable from the Revenue Bond Account, Net Revenues from time to time received may be segregated and paid into one or more separate and additional accounts for the repayment of such indebtedness and interest thereon, in advance of payments required to be made into the Replacement and Depreciation Account.

Section 5.5. Surplus Account. There was created by the Prior Resolutions and is hereby maintained a Surplus Account (the "Surplus Account") as a separate and special bookkeeping account on the official books of the Borrower within the Water Service Fund. Any amount of the Net Revenues from time to time remaining after the above required applications thereof shall be credited to the Surplus Account, and the moneys from time to time in that account, when not required to restore a current deficiency in the Revenue Bond Account as provided in Section 5.3 hereof, may be used for any of the following purposes and not otherwise:

(a) To redeem and prepay Bonds payable from the Net Revenues when and as such Bonds become payable according to their terms; or

(b) To purchase Bonds on the open market, whether or not the Bonds or other such Bonds may then be prepayable according to their terms; or

(c) To be held as a reserve for redemption and prepayment of Bonds payable from the Net Revenues which are not then but will later be prepayable according to their terms; or

(d) To pay for repairs of or for the construction and installation of improvements or additions to the System; or

(e) For use for any other purpose authorized by State law.

Section 5.6. Construction Account. There was created by the Prior Resolutions and is hereby maintained a Construction Account (the "Construction Account") as a separate and special bookkeeping account on the official books of the Borrower within the Water Service Fund. The Construction Account shall apply to future Additional Bonds as set forth in a Supplemental Resolution. The Construction Account shall be used only to pay as incurred and allowed costs which under accepted accounting practice are capital costs of a Project and of such future reconstructions, improvements, betterments or extensions of the System as may be authorized in accordance with law, including but not limited to payments due for work and materials performed and delivered under construction contracts, architectural, engineering, inspection, supervision, fiscal and legal expenses, the cost of lands and easements, reimbursement of any advances made from other City funds, and all other expenses incurred in connection with the acquisition, construction and financing of any such undertaking. To the Construction Account shall be credited as received all proceeds of Additional Bonds issued pursuant to this Amended and Restated Resolution pursuant to a Supplemental Resolution (except proceeds of refunding Bonds appropriated to the payment of outstanding Bonds and amounts required to be credited to the Revenue Bond Account), all other funds appropriated by the Borrower for the System and any other funds appropriated by the Borrower to the Construction Account for improvements to the System, and all income received from the investment of the Construction Account. Upon completion of a capital improvement or program of capital improvements for the System, the balance remaining in the Construction Account shall be credited to the reserve balance in the Revenue Bond Account to the extent required to establish the required balance therein and, to the extent not so required, to the Replacement and Depreciation Account.

Section 5.7. Deposit and Investment of Funds. The Chief Financial Officer shall cause all moneys pertaining to the Water Service Fund to be deposited as received with one or more depository banks duly qualified in accordance with the provisions of Montana Code Annotated, Section 7-6-201, in a deposit account or accounts. The balance in such accounts, except such portion thereof as shall be guaranteed by federal deposit insurance, shall at all times be secured to its full amount by bonds or securities of the types set forth in said Section 7-6-201. Any of such moneys not necessary for immediate use may be deposited with such depository banks in savings or time deposits. No moneys shall at any time be withdrawn from such deposit accounts except for the purposes of the Water Service Fund as defined and authorized in this Amended and Restated Resolution; except that moneys from time to time on hand in the Water Service Fund may at any time, in the discretion of the Commission, be invested in securities which are direct, general obligations, or obligations the prompt payment of the principal of and the interest on which is fully and unconditionally guaranteed by, the United States of America, bank repurchase agreements with respect to such obligations, certificates of deposits of national banks having a combined capital surplus of at least $1,000,000 or in the Montana short-term investment program administered by the Board of Investments, which investments mature and bear interest at the times and in the amounts estimated to be required to provide cash when needed for the purposes of the respective accounts; provided that the Bond Reserve in the Revenue Bond Account and the Replacement and Depreciation Account and the Surplus Account may be invested in said securities maturing not later than five years from the date of the investment; and provided, further, that moneys pertaining to the Surplus Account of the Water Service Fund may, in the discretion of the Commission, be invested in any securities which are direct, general obligations of the Borrower. Income received from the deposit or

investment of moneys in said accounts shall be credited to the account from whose moneys the deposit was made or the investment was purchased, and handled and accounted for in the same manner as other moneys in that account. All investments of funds shall be made subject to the covenants and provisions of Article VIII hereof.

ARTICLE VI

PRIORITIES AND ADDITIONAL BONDS

Section 6.1. Priority of Bond Payments. Each and all of the Bonds herein authorized shall be equally and ratably secured without preference or priority of any one Bond over any other by reason of serial number or otherwise; provided that if at any time the Net Revenues on hand in the Water Service Fund are insufficient to pay principal and interest then due on all such Bonds, any and all moneys then on hand shall be first used to pay the interest accrued on all outstanding Bonds, and the balance shall be applied toward payment of the maturing principal of such Bonds to be paid first, and pro rata in payment of Bonds maturing on the same date.

Section 6.2. Refunding Revenue Bonds. The Borrower reserves the right and privilege of refunding any or all of the Bonds herein authorized and referred to, but only subject to the following terms and conditions:

(a) Any matured Bonds may be refunded if moneys available for the payment thereof at maturity, within the limitation prescribed in Section 6.1 hereof, should at any time be insufficient to make such payment in full.

(b) Any Bonds may be refunded prior to maturity as and when they become prepayable according to their terms.

(c) Provision may be made for the payment and refunding of any unmatured Bonds by the deposit with a duly qualified depository bank, as escrow agent, of cash sufficient, or of securities of the kinds authorized by law, the payments of interest on and principal of which are sufficient, to pay the principal amount of such Bonds with interest to maturity or to any prior date or dates on which such Bonds are subject to redemption and provision for the redemption thereof has been irrevocably provided for, and any premium required for such redemption.

(d) Any refunding revenue bonds issued for the above purposes may be made payable from the Net Revenues on a parity as to interest with all then outstanding Bonds, provided that no Bondowner shall be required to accept a refunding revenue bond in exchange for any Bond owned by him.

Section 6.3. Other Additional Parity Bonds. In addition to the issuance of the Amended Bonds, the Borrower reserves the right to issue Additional Bonds payable from the Revenue Bond Account of the Water Service Fund, on a parity as to both principal and interest with the Bonds, if the Net Revenues of the System for the last complete fiscal year preceding the date of issuance of such Additional Bonds have equaled at least 110% of the maximum amount of principal and interest payable from said 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. For the purpose of the foregoing computation, the Net Revenues for the fiscal year preceding the issuance of the Additional Bonds shall be those shown by the financial reports caused to be prepared by the Borrower pursuant to Amended and Restated Resolution, except that if the rates and charges for services provided by the System or finally authorized to go into effect within 60 days after the issuance of the additional Bonds

have been changed since the beginning of such preceding fiscal year, then the rates and charges in effect at the time of issuance of the additional Bonds shall be applied to the quantities of service actually rendered and made available during such preceding fiscal year to ascertain the gross revenues, from which there shall be deducted to determine the Net Revenues, the actual operation and maintenance cost plus any additional annual costs of operation and maintenance the Consultant estimates will be incurred because of the improvement or extension of the System to be constructed from the proceeds of the additional Bonds proposed to be issued. For the purpose of the foregoing computation, the Net Revenues for the fiscal year preceding the issuance of Additional Bonds shall be those shown by the financial reports caused to be prepared by the Borrower pursuant to Section 7.6, except that if the rates and charges for services provided by the System have been changed since the beginning of such preceding fiscal year, then the rates and charges in effect at the time of issuance of the Additional Bonds shall be applied to the quantities of service actually rendered and made available during such preceding fiscal year to ascertain the gross revenues, from which there shall be deducted to determine the Net Revenues, the actual operation and maintenance cost plus any additional annual costs of operation and maintenance which the Consultant estimates will be incurred because of the improvement or extension of the System to be constructed from the proceeds of the Additional Bonds proposed to be issued. In no event shall any Additional Bonds be issued and made payable from the Revenue Bond Account if the Borrower is then in default in any payment of principal of or interest on any outstanding Bonds payable therefrom, or if there then exists any deficiency in the balances required by this Amended and Restated Resolution to be maintained in any of the accounts of Fund which will not be restored upon the issuance of the Additional Bonds. Upon the issuance of a series of Additional Bonds, the Borrower shall cause the Bond Reserve in the Revenue Bond Account to be increased, subject to the provisions of Section 5.3, from the proceeds of the Additional Bonds or from Surplus Net Revenues to an amount equal to not less than one half of the maximum amount of principal and interest to become due on outstanding Bonds and the Additional Bonds in any future fiscal year during the term of the outstanding Bonds or so much thereof as will not cause the Borrower to violate the provisions of Article VIII hereof.

Section 6.4. Subordinate Bonds. Nothing in this Amended and Restated Resolution shall preclude the Borrower from issuing Additional Bonds which are expressly made a charge on only the Surplus Net Revenues of the System, as defined in Section 5.3 of this Amended and Restated Resolution, subordinate to the pledge of Net Revenues to the Revenue Bond Account.

ARTICLE VII

COVENANTS

Section 7.1. General. The Borrower covenants and agrees with the purchasers and the owners from time to time of all Bonds issued under and secured by the provisions of this Amended and Restated Resolution that the recitals contained in Section 2 are correct; and that until all such Bonds are fully discharged as provided in this Amended and Restated Resolution, it will continue to hold, maintain and operate the System as a public utility and convenience, free from all liens thereon or on the income therefrom other than the liens herein granted or provided for, and will maintain, expend and account for its Fund and the several accounts therein as provided in Article V; and will not incur a further lien or charge on the income or revenues of the System except upon the conditions and in the manner prescribed in Article V, and will perform and cause all other officers and employees of the Borrower to perform and enforce each and all of the additional covenants and agreements set forth in this Article VII.

Section 7.2. Competing Service. The Borrower will not establish or authorize the establishment of any other system for the public supply of service or services in competition with any or all of the services supplied by the facilities of the System.

Section 7.3. Maintenance of Security; Recordation of Interest.

(i) While the Amended Bonds are outstanding, the Borrower shall, at its expense, take all necessary action to maintain and preserve the lien and security interest of this Amended and Restated Resolution and the Collateral Documents so long as any amount is owing under this Amended and Restated Resolution;

(ii) While the Amended Bonds are outstanding, the Borrower shall forthwith, after the execution and delivery of the Amended Bonds and thereafter from time to time, cause this Amended and Restated Resolution and any Collateral Documents granting a security interest in revenues or real or personal property and any financing statements or other notices or documents relating thereto to be filed, registered and recorded in such manner and in such places as may be required by law in order to perfect and protect fully the lien and security interest hereof and thereof and the security interest in them granted by this Amended and Restated Resolution and, from time to time, shall perform or cause to be performed any other act required by law, including executing or causing to be executed any and all required continuation statements and shall execute or cause to be executed any further instruments that may be requested by the DNRC for such perfection and protection; and

(iii) Except to the extent it is exempt therefrom, while the Amended Bonds are outstanding, the Borrower shall pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgement of the documents described in subparagraph (ii), and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Bonds and the Collateral Documents and the documents described in subparagraph (ii).

Section 7.4. Records. After reasonable notice from the EPA or the DNRC, while the Amended Bonds are outstanding, the Borrower shall make available to the EPA or the DNRC such records as the EPA or the DNRC reasonably requires to review and determine compliance with the Safe Drinking Water Act, as provided in Section 75-5-1113(l)(d) of the State Act.

Section 7.5. Compliance with Safe Drinking Water Act. While the Amended Bonds are outstanding, the Borrower will comply and continue to comply with all conditions and requirements of the Safe Drinking Water Act pertaining to the Amended Loans and the Projects relating to the Amended Loans and shall maintain sufficient financial, managerial and technical capability to continue to effect such compliance.

Section 7.6. Compliance with DEQ Requirements. While the Amended Bonds are outstanding, the Borrower shall comply with plan, specification and other requirements for public water systems established by the DEQ, as required by Section 75-5-1113(l)(g) of the Act.

Section 7.7. Property Insurance. The Borrower will cause all buildings, properties, fixtures and equipment constituting a part of the System to be kept insured with a reputable insurance carrier or carriers or self-insurance as authorized by State law, qualified under the laws of the State of Montana, in such amounts as are ordinarily carried, and against loss or damage by fire, explosion, and such other hazards and risks as are ordinarily insured against, by public utilities owning and operating properties of a similar character and size; provided that if at any time the Borrower is unable to obtain insurance, it will obtain insurance in such amounts, and with such deductible provisions, as are customary in the State in the case of entities of the same size and type as the Borrower and similarly situated and shall carry and maintain, or cause to be carried and maintained, and pay or cause to be paid timely the premiums for all

such insurance. The proceeds of all such insurance shall be available for the repair, replacement or reconstruction of damaged or destroyed property, and until paid out in making good such loss or damage, are pledged as security for the outstanding Bonds issued hereunder. All insurance proceeds received in excess of the amount required for restoration of the loss or damage compensated thereby shall be and become part of the revenues appropriated to the Water Service Fund. If for any reason insurance proceeds are insufficient for the repair, replacement and reconstruction of the insured property, the Borrower shall supply the deficiency from revenues on hand in the Replacement and Depreciation Account and Surplus Account.

While the Amended Bonds are outstanding, all such insurance policies shall name the DNRC as an additional insured to the extent permitted under the policy or program of insurance or risk coverage of the Borrower. Each policy must provide that it cannot be cancelled by the insurer without giving the Borrower and the DNRC 30 days' prior written notice. The Borrower shall give the DNRC prompt notice of each insurance policy it obtains or maintains to comply with this section and of each renewal, replacement, change in coverage or deductible under or amount of or cancellation of each such insurance policy and the amount and coverage and deductibles and carrier of each new or replacement policy. Such notice shall specifically note any adverse change as being an adverse change. To the extent that the Borrower has risk coverage from the Montana Municipal Interlocal Authority ("MMIA") and includes the System on the Borrower's schedule of property to be coverage by MMIA, then such risk coverage shall be deemed to be acceptable insurance for the DNRC for purposes of this section and Section 7.8 if the MMIA offers such risk coverage.

Section 7.8. Liability Insurance and Surety Bonds. The Borrower will carry insurance against liability of the Borrower and its employees for damage to persons and property resulting from the operation of the System in such amounts as the Borrower determines from time to time to be necessary or advisable by reason of the character and extent of such operation. It will also cause all persons handling money and other assets of the Water Service Fund to be adequately bonded for the faithful performance of their duties and to account for and pay over such money to the Borrower. All amounts received under such insurance and bonds shall be applied to the payment of the loss or damage covered thereby. The premiums for all insurance and bonds required by this Section and Section 7.3 constitute part of the Operating Expenses of the System, but no insurance liabilities of the Borrower in excess of amounts received under such insurance and bonds shall constitute a lien or charge on revenues or any other assets herein or otherwise pledged to the Water Service Fund.

Section 7.9. Disposition of Property. The Borrower will not mortgage, lease, sell or otherwise dispose of any real or personal properties of the System, unless:

(a) Prior to or simultaneous with such mortgage, lease, sale or other disposition, all of the Bonds issued hereunder and then outstanding shall be discharged as provided in Article X; or

(b) The properties to be mortgaged, leased, sold or otherwise disposed of are unserviceable, inadequate, obsolete or no longer required for use in connection with the System; and

(i) The mortgage, lease, sale or other disposition will not prevent the Borrower from complying with the provisions of this Amended and Restated Resolution; and

(ii) all proceeds of the mortgage, lease, sale or other disposition of such properties are deposited into the Water Service Fund.

Section 7.10. Books and Records. The Borrower will cause proper and adequate books of record and account to be kept showing complete and correct entries of all receipts, disbursements and other transactions relating to the System, the monthly gross revenues derived from its operation, and the segregation and application of the Gross Revenues in accordance with this Amended and Restated Resolution, in such reasonable detail as may be determined by the Borrower in accordance with generally accepted accounting practice and principles. It will cause such books to be maintained on the basis of the same fiscal year as that utilized by the Borrower. The Borrower shall, within 180 days after the close of each fiscal year, cause to be prepared a financial report with respect to the System for such fiscal year. The report shall be prepared at the direction of the Chief Financial Officer in accordance with applicable, generally accepted accounting principles and, in addition to whatever matters may be thought proper by the Chief Financial Officer to be included therein, shall include the following:

(a) A statement in detail of the income and expenditures of the System for the fiscal year;

(b) A balance sheet as of the end of the fiscal year;

(c) The number of premises connected to the System at the end of the fiscal year;

(d) The amount on hand in each account of the Water Service Fund at the end of the fiscal year;

(e) A list of the insurance policies and fidelity bonds (or risk coverage provided by MMIA) in force at the end of the fiscal year, setting out as to each the amount thereof, the risks covered thereby, the name of the insurer or surety and the expiration date of the policy or bond; and

(f) A determination that the report shows full compliance by the Borrower with accounting principles generally accepted in the United States (US GAAP) and State law, if applicable. The report shall include a full explanation thereof, together with recommendations for such change in rates or accounting practices or in the operation of the System as may be required by law or the accounting principles that apply to the City.

The Borrower shall also have prepared and supplied to the original purchaser or purchasers or Bonds issued hereunder and the Registrar, within 120 days of the close of each fiscal year, an audit report prepared by an independent certified public accountant or an agency of the state in accordance with generally accepted accounting principles and practice with respect to the financial statements and records of the System. The audit report shall include an analysis of the Borrower's compliance with the provisions of this Amended and Restated Resolution.

Section 7.11. Cost of Insurance and Accounting. The insurance and fidelity bond premiums and the cost of the bookkeeping and audits herein provided for and of the billings and collection of the water rates, charges and rentals shall be payable from the Operating Account.

Section 7.12. Handling of Funds. The employees of the Borrower, under the direction and control of the Chief Financial Officer, shall keep books of account, issue statements and collect bills for the rates, charges and rental for the services and facilities provided by the System and for other money currently receivable on account thereof and shall, to the extent required by Section 7.10, provide for the discontinuance of service in case of nonpayment for services or noncompliance with regulations, or take appropriate measures to collect amounts overdue. All money collected with respect to the System shall be deposited daily with the Chief Financial Officer. The Chief Financial Officer shall be bonded at all times

with a surety company authorized to do business in the State of Montana, in the amount of at least $5,000, to assure the faithful carrying out of such duties. Any failure on the part of the Chief Financial Officer to comply and to enforce compliance on the part of all officers and employees concerned with the provisions of this Amended and Restated Resolution, and with the Borrower's other regulations respecting the System, shall constitute malfeasance for which the Chief Financial Officer and the surety on his bond shall be personally liable. In the event of default on the part of the Borrower in the payment of principal of or interest on any Bond promptly as each falls due, or in the keeping of any covenants herein contained, and if such default shall continue for a period of sixty days, the City Commission will appoint a special superintendent for the System, with the power and responsibility to operate the System for the Borrower, and to recommend to the Commission such revisions of the rates and charges and operating policies as may be necessary to comply with this Amended and Restated Resolution, and to assure that the Net Revenues will be sufficient to pay all principal of and interest on Bonds issued hereunder, and he shall in all things so operate the System as to comply fully with all the requirements and provisions of this Amended and Restated Resolution. The right of the Registered Owners of the Bonds to require employment of such a superintendent shall not be exclusive, and in the event of default as herein outlined, such Registered Owner or Owners shall have the right to proceed at law or in equity, in any form of action which shall to them seem appropriate.

Section 7.13. Rules and Regulations. The rules and regulations for operation of the System and the use of water service from the System shall be as provided in the existing resolutions and ordinances of the Borrower, and any resolutions and ordinances subsequently adopted amendatory thereof or supplemental thereto.

Section 7.14. Billing. The charges for water services shall be billed at least monthly, and if the bill is not paid within 30 days of the date of billing, or if the customer fails to comply with all rules and regulations established for the System within 30 days after notice of violation thereof (which notice shall be given promptly upon discovery of any such violation), the City shall take all lawful measures available to collect the past due amounts, including, but without limitation, discontinuing water service to the premises involved until payment of all past-due bills for water service and compliance with all such rules and regulations, appropriate legal action, requiring reasonable payment and collection plans, and other reasonable and fiscally responsible measures. The Borrower shall take appropriate legal action to collect the unpaid charges, including, to the extent now or hereafter authorized by law, making the charge a lien against the real property served by the water connection for which the charge remains unpaid and causing charges with respect to such properties to be collected in the same manner as taxes levied against property within the Borrower.

Notwithstanding anything contained within this Section 7.10, the Borrower shall do all things necessary to comply with the covenants and provisions of Section 7.12 hereof.

Section 7.15. Remedies. The Registered Owners of not less than 25% in principal amount of the outstanding Bonds issued and secured under the provisions of this Amended and Restated Resolution shall have the right, either at law or in equity, through suit, action or other proceedings, to protect and enforce the rights of all Registered Owners of such Bonds and to compel the performance of any and all of the covenants required herein to be performed by the Borrower, and its officers and employees, including but not limited to the fixing and maintaining of rates, fees, and charges and the collection and proper segregation of gross revenues and the application and use thereof. The Registered Owners of a majority in principal amount of such outstanding Bonds shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Bondowners or the exercise of any power conferred on them and the right to waive a default on the performance of any such covenant, and its consequences, except a default in the payment of the principal of or interest on any Bond when due. Nothing herein, however, shall impair the absolute and unconditional right of the Registered Owner of

each such Bond to receive payment of the principal of, premium, if any, and interest on such Bond as such principal, premium and interest respectively become due, and to institute suit for any such payment. Any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the Borrower with power to charge and collect rates, fees and charges sufficient to provide for the payment of any Bonds or obligations outstanding against the System, and to apply the gross revenues in conformity with this Amended and Restated Resolution and the laws of the State of Montana.

Section 7.16. Rate Covenant. While any Bonds payable from the Revenue Bond Account are outstanding and unpaid, the rates, charges and rentals for all services and facilities furnished and made available by the System to the Borrower and its inhabitants, and to all customers within or without the boundaries of the Borrower, shall be reasonable and just, taking into consideration the cost and value of the System and the cost of maintaining and operating them, and the amounts necessary for the payment of all Bonds and the interest accruing thereon, and the proper and necessary allowances for the depreciation of the System, and no free service shall be provided to any person or corporation. It is covenanted and agreed that the rates, charges and rentals to be charged to all recipients of water services shall be maintained and shall be revised, subject to any required approval by the Public Service Commission of the State of Montana, whenever and as often as may be necessary, according to schedules such that the revenues for each fiscal year will be at least sufficient to pay the current expenses of operation and maintenance as herein defined, to maintain the Operating Reserve herein established, and to produce Net Revenues during each fiscal year commencing with the fiscal ending June 30, 2020, not less than 110% of the maximum amount of principal and interest payable from the Revenue Bond Account in any future fiscal year during the remaining terms of the outstanding Bonds.

If at the close of any fiscal year the Net Revenues actually received during such year have been less than required hereby, the Borrower will forthwith prepare a schedule of altered rates, charges and rentals which are just and equitable and sufficient to produce Net Revenues and surplus net water revenues in such amount, and will do all things necessary to the end that such schedule will be placed in operation at the earliest possible date.

The establishment of the above ratio of Net Revenues available for the Revenue Bond Account has been deemed necessary in order to sell the Bonds upon terms most advantageous to the Borrower. The excess of the Net Revenues over the annual principal and interest and reserve requirements of the Bonds may be used as authorized in Article V of this Amended and Restated Resolution. The Bonds may be prepaid according to their terms, and in the estimation of the Commission, any excess prior such date(s) of Net Revenues over principal and interest payments actually due and the Bond Reserve required to be maintained therefor, will be needed to pay or to provide reserves for payment of replacements, renewals and improvement costs, in order to provide adequate service for the present population and the increase thereof reasonably to be expected; and after that date, any excess not required for such purposes in the judgment of the Commission may be used to prepay Bonds and thereby reduce the interest cost thereon to the Borrower and to the persons served by the System.

Section 7.17. Project Accounts. The Borrower shall maintain Project accounts in accordance with generally accepted government accounting standards.

Section 7.18. Indemnification of DNRC and DEQ. While the Amended Bonds are outstanding, the Borrower shall, to the extent permitted by law, indemnify and save harmless the DNRC and the DEQ and their officers, employees and agents (each an "Indemnified Party" or, collectively, the "Indemnified Parties") against and from any and all claims, damages, demands, expenses, liabilities and losses of every kind asserted by or on behalf of any Person arising out of the acts or omissions of the Borrower or its employees, officers, agents, contractors, subcontractors, or consultants in connection with or with regard or in any way relating to the condition, use, possession, conduct, management, planning,

design, acquisition, construction, installation or financing of a Project financed with proceeds of the Amended Bonds. The Borrower shall, to the extent permitted by law, also indemnify and save harmless the Indemnified Parties against and from all costs, reasonable attorneys' fees, expenses and liabilities incurred in any action or proceeding brought by reason of any such claim or demand. If any proceeding is brought against an Indemnified Party by reason of such claim or demand, the Borrower shall, upon notice from an Indemnified Party, defend such proceeding on behalf of the Indemnified Party.

Section 7.19. Covenants Relating to the Tax-Exempt Status of the State Bonds.

(a) The Borrower covenants and agrees that it will not use or permit to be used any of the proceeds of any tax-exempt Bonds (including the Amended Bonds) or any other funds of the Borrower in respect of the Project or the Bonds, directly or indirectly, in a manner that would cause, or take any other action that would cause, any tax-exempt State Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code or would otherwise cause the interest on any tax-exempt State Bonds to be included in gross income for purposes of federal income taxation.

(b) The Borrower agrees that it will not enter into, or allow any "related person" (as defined in Section 147(a)(2) of the Code) to enter into, any arrangement, formal or informal, for the purchase of the State Bonds or any other obligations of the DNRC in an amount related to the amount of the Loans or the portion of the Loans derived directly or indirectly from proceeds of the State Bonds or that would otherwise cause any tax-exempt State Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code.

(c) The Borrower shall not use or permit the use of a Project directly or indirectly in any trade or business carried on by any Person who is not a Governmental Unit. For the purpose of this subparagraph, use as a member of the general public (within the meaning of the Regulations) shall not be taken into account and any activity carried on by a Person other than a natural person shall be treated as a trade or business.

(d) Any portion of a Project being refinanced or the cost of which is being reimbursed was acquired by and is now and shall, during the term of the Loans, be owned by the Borrower and not by any other Person. Any portion of a Project being financed shall be acquired by and shall, during the term of the Loan, be owned by the Borrower and not by any other Person. Notwithstanding the previous two sentences, the Borrower may transfer a Project or a portion thereof to another Governmental Unit which is also a Public Entity if such transfer is otherwise permitted under this Amended and Restated Resolution and if such organization agrees with the DNRC to comply with Section 2.11, Section 2.12 and this Section 7.14 of this Amended and Restated Resolution and if the DNRC receives an Opinion of Bond Counsel that such transfer will not violate the State Act or the Safe Drinking Water Act or adversely affect the exclusion of interest on any tax-exempt State Bonds from gross income or purposes of federal income taxation. In addition, except as otherwise provided in this Amended and Restated Resolution or in any Collateral Documents, the Borrower may sell or otherwise dispose of any portion of a Project which has become obsolete or outmoded or is being replaced or for other reasons is not needed by the Borrower or beneficial to the general public or necessary to carry out the purposes of the Safe Drinking Water Act.

(e) At the Closing of a Loan that is purchased by the DNRC, the DNRC will, if necessary to obtain the Opinion of Bond Counsel described in Section 7.05(a) of the Indenture, deliver to the Borrower instructions concerning compliance by the Borrower with the arbitrage rebate requirements of Section 148 of the Code (the "Arbitrage Rebate Instructions"). The

Borrower shall comply with the Arbitrage Rebate Instructions, if any, delivered to it by the DNRC at Closing, as such Instructions may be amended or replaced by the DNRC from time to time. The Arbitrage Rebate Instructions may be amended or replaced by new Arbitrage Rebate Instructions delivered by the DNRC and accompanied by an Opinion of Bond Counsel to the effect that the use of said amended or new Arbitrage Rebate Instructions will not adversely affect the excludability of interest on any tax-exempt State Bonds or any Additional State Bonds (except State Bonds the interest on which the State did not intend to be excluded from gross income for federal income tax purposes) from gross income of the recipients thereof for federal income tax purposes.

(f) The Borrower agrees that during the term of the Loans it will not contract with or permit any Private Person to manage the Project or any portion thereof except according to a written management contract and upon delivery to the DNRC of an Opinion of Bond Counsel to the effect that the execution and delivery of such management contract will not violate the State Act or the Safe Drinking Water Act or adversely affect the exclusion of interest on State Bonds from gross income or purposes of federal income taxation.

(g) The Borrower may not lease any portion of the System financed with tax0exempt Bonds (while such tax-exempt Bonds are outstanding) thereof to any Person other than a Nonexempt Person which agrees in writing with the Borrower and the State not to cause any default to occur under this Amended and Restated Resolution; provided the Borrower may lease all or any portion of the Project to a Nonexempt Person pursuant to a lease which in the Opinion of Bond Counsel delivered to the DNRC will not cause the interest on the State Bonds to be included in gross income for purposes of federal income taxation.

(h) The Borrower shall not change the use or nature of the Project if (i) such change will violate the Safe Drinking Water Act, or (ii) so long as the State Bonds are outstanding unless, in the Opinion of Bond Counsel delivered to the DNRC, such change will not adversely affect the exclusion of interest on any outstanding State Bonds for federal income tax purposes.

Section 7.20. Maintenance of Existence, Merger, Consolidation, Etc.; Disposition of Assets. The Borrower shall maintain its corporate existence, except that it may consolidate with or merge into another Governmental Unit or permit one or more Governmental Units to consolidate with or merge into it or may transfer all or substantially all of its assets to another Governmental Unit and then dissolve if the surviving, resulting or transferee entity (if other than the Borrower) (i) is a Public Entity and (ii) assumes in writing all of the obligations of the Borrower under this Amended and Restated Resolution, any Supplemental Resolution, the Bonds and the Collateral Documents, and (a) such action does not result in any default in the performance or observance of any of the terms, covenants or agreements of the Borrower under this Amended and Restated Resolution, any Supplemental Resolution, the Bonds and the Collateral Documents, (b) such action does not violate the State Act or the Safe Drinking Water Act and does not adversely affect the exclusion of interest on the Bonds or the State Bonds from gross income for federal income tax purposes, and (c) the Borrower delivers to the DNRC on the date of such action an Opinion of Bond Counsel that such action complies with this Section 7.15 and will not adversely affect the exclusion of interest on any outstanding tax-exempt Bonds for federal income tax purposes.

Other than pursuant to the preceding paragraph, the Borrower shall not transfer the System or any portion thereof to any other Person, except for property which is obsolete, outmoded, worn out, is being replaced or otherwise is not needed for the operation of the System, unless the provisions of (a) and (b) of the preceding paragraph are satisfied and the Borrower delivers to the DNRC an Opinion of Bond Counsel to that effect and, in addition, the DNRC consents to such transfer.

ARTICLE VIII

INVESTMENTS; ARBITRAGE CERTIFICATION AND COVENANTS

All investment of moneys on deposit in the Revenue Bond Account and an Escrow Account, if any, shall be made only in obligations, securities or instruments which are legal investments under Montana law for the funds of the Borrower. The Borrower covenants that it will not use or permit the use of the proceeds of the Bonds or any other funds of the Borrower from whatever source derived, directly or indirectly, to acquire any securities or obligations, and shall not take or permit to be taken any other action or actions, which would cause any of the tax-exempt Bonds to be "arbitrage bonds" within the meaning of Sections 103 and 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or would otherwise cause the interest on the tax-exempt Bonds to be includible in gross income for federal income tax purposes.

The Borrower covenants and agrees that it shall at all times do and perform all acts and things permitted by law which are necessary and desirable in order to assure that interest paid by the Borrower on the tax-exempt Bonds shall, for the purposes of federal income taxation, be excludable from the gross income under the Code or any other valid provision of law, and the Borrower will make specific covenants in connection therewith.

The Borrower further covenants that it shall comply with all arbitrage rebate provisions of the Code in the event that the Borrower shall become, or causes itself to become, subject to such rebate provisions. The Mayor, the Clerk of the Commission, the City Manager and the Chief Financial Officer, being the officers of the Borrower charged with the responsibility for issuing the tax-exempt Bonds pursuant to this Amended and Restated Resolution, are authorized and directed to execute and deliver to the Underwriter a Use of Proceeds Certificate pursuant to the Code stating, in effect, their reasonable expectations with respect to the matters set forth in this section.

In particular, but without limitation, the Borrower further represents, warrants and covenants to comply with the following restrictions of the Code, unless it receives an opinion of nationally recognized bond counsel stating that such compliance is not necessary:

(a) Gross proceeds of any tax-exempt Bonds will not be used in a manner which will cause the tax-exempt Bonds to be considered "private activity bonds" within the meaning of the Code other than private activity bonds that constitute "qualified 501(c)(3) bonds" with the meaning of the Code.

(b) Any tax-exempt Bonds are not and shall not become directly or indirectly "federally guaranteed."

(c) No portion of the proceeds of any tax-exempt Bonds will be loaned directly or indirectly to any nongovernmental person.

(d) The Borrower shall timely file Internal Revenue Form 8038 which shall contain the information required to be filed pursuant to Section 149(e) of the Code.

ARTICLE IX

AMENDMENTS

Section 9.1. Amendments Without Bondowner Consent. The Borrower reserves the right to amend this Amended and Restated Resolution from time to time and at any time, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained herein, or of making such provisions with regard to matters or questions arising hereunder as the Commission may deem necessary or desirable and not inconsistent with this Amended and Restated Resolution, and which shall not adversely affect the interest of the Registered Owners of Bonds issued hereunder, or for the purpose of adding to the covenants and agreements herein contained, or to the gross revenues herein pledged, other covenants and agreements thereafter appropriated to the Water Service Fund, for the purpose of surrendering any right or power herein reserved to or conferred upon the Borrower or for the purpose of authorizing the issuance of Additional Bonds in the manner and subject to the terms and conditions prescribed in Article 6. Any such amendment may be adopted by resolution, without the consent of the Registered Owners of any of the Bonds issued hereunder.

Section 9.2. Amendments With Bondowner Consent.

(a) With the consent of Registered Owners of Bonds issued hereunder as provided in Section 9.3, the Borrower may from time to time and at any time amend this Amended and Restated Resolution by adding any provisions hereto or changing in any manner or eliminating any of the provisions hereof, or of any amending resolution or resolution.

(b) Provided, however, that no amendment shall be adopted at any time without the consent of the Registered Owners of seventy-five percent (75%) of the Bonds issued hereunder which are then outstanding, if it would extend the maturities of any such Bonds, would reduce the rate or extend the time of payment of interest thereon, would reduce the amount or extend the time of payment of the principal or redemption premium thereof, would give to any Bond or Bonds any privileges over any other Bond or Bonds, would authorize the creation of a pledge of said revenues prior to or on a parity with the Bonds (except as is authorized by Article 6 hereof), or would reduce the percentage in principal amount of such Bonds required to authorize or consent to any such amendment.

Section 9.3. Notice and Consent. Any amendment adopted pursuant to Section 9.2 shall be made by resolution, mailed by first-class mail, postage prepaid, to the Registered Owners affected thereby at their addresses appearing in the Bond registration books of the Borrower maintained by the Registrar and to the original purchasers or purchasers of each series of Bonds then outstanding and affected thereby. An amendment under Section 9.2(a) shall become effective only upon the filing of written consents with the Chief Financial Officer, signed by the Registered Owners of not less than a majority in principal amount of the Bonds adversely affected by such amendment. An amendment under Section 9.2(b) shall become effective upon the filing of written consents with the Chief Financial Officer signed by the requisite percentage of the Registered Owners. Any written consent to an amendment may be embodied in and evidenced by one or any number of concurrent written instruments of substantially similar tenor signed by Bondowners in person or by agent duly appointed in writing, and shall become effective when delivered to the Chief Financial Officer. Any consent by the Registered Owner of any Bond shall bind him and every future Registered Owner of the same Bond with respect to any amendment adopted by the Borrower pursuant to such consent; provided that any Bondowner may revoke his consent with reference to any Bond by written notice received by the Chief Financial Officer before the amendment has become effective. In the event that unrevoked consents of the Registered Owners of the required amount of Bonds have not been received by the Chief Financial Officer within one year after the

publication of any amendment, the amendment and all consents theretofore received shall be of no further force and effect.

Section 9.4. Consent, Etc. of Bondowners. Any consent, request, direction, approval, objection or other instrument required by this Amended and Restated Resolution to be signed and executed by Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Amended and Restated Resolution, and shall be conclusive in favor of the Borrower or the Registrar with regard to any action taken by it under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who bylaw has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution, or by such other manner as the Borrower deems sufficient.

(b) The fact of the holding by any person of Bonds, and the amounts and numbers of such Bonds, and the date of the holding of the same shall be proved by the Registrar.

ARTICLE X

DEFEASANCE

Section 10.1. General. When all of the principal of, the interest on and any premium due in connection with the redemption of the Bonds have been duly paid, all obligations hereunder shall thereby be discharged and the Bonds shall no longer be deemed to be outstanding.

Section 10.2. Payment. There shall be deemed to be such due payment when the Borrower has, subject to the provisions of law now or hereafter authorizing and regulating such action, placed in escrow or in trust, with a trust bank located within or without the State of Montana, Federal Securities in an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount may wholly or in part be invested) to pay all principal of, interest on and any premium due on the Bonds at maturity or upon any redemption date or dates as of which the Borrower shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of Bonds for payment then. Federal Securities shall become due prior to the respective times at which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the Borrower and such bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the owner thereof to assure such availability as so needed to meet such schedule.

ARTICLE XI

RIGHTS AND IMMUNITIES

Except as herein otherwise expressly provided, nothing herein expressed or implied is intended or shall be construed to confer upon or to give any person, other than the Borrower and the Registered Owners from time to time of the Bonds, any right, remedy or claim under or by reason hereof or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein

contained by and on behalf of the Borrower shall be for the sole and exclusive benefit of the Borrower and the Registered Owners of the Bonds.

No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or otherwise upon this Amended and Restated Resolution, or any other instrument pertaining hereto, against any individual member of the Commission or any officer or other agent of the Borrower, past, present or future, either directly or indirectly through the Borrower, or otherwise, whether by virtue of any constitution, statute, or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the Bonds and as a part of the consideration of their issuance specifically waived and released.

ARTICLE XII

AUTHORIZED ACTS

The officers of the Borrower (or duly authorized "acting officers") are hereby authorized and directed to enter into such agreements and take all action necessary or appropriate to effect the provisions of this Amended and Restated Resolution without further action of this Commission, and comply with the requirements of law, including, without limiting the generality of the foregoing:

(a) The printing of the Amended Bonds herein authorized; and

(b) The execution of any documents and certificates as may be reasonably required by DNRC, as holder of the Amended Bonds, and Bond Counsel; and

(c) The payment of the interest on the Bonds as the same shall become due and the principal of and any premium on the Bonds at maturity or upon prior redemption, without further warrant or order; and

(d) The preparation and distribution of certified copies of all proceedings and records of the Borrower relating to the Amended Bonds and to the organization, financial condition and affairs of the Borrower, and such affidavits and other information as may be required to show the facts relating to the legality and marketability of the Amended 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 constitute representations of the Borrower as to the truth of the facts purported to be shown thereby.

ARTICLE XIII

RATIFICATION OF ACTIONS; LIMITATIONS MET; APPLICABILITY; REPEALS; RECORDATION AND EFFECTIVE DATE

Section 13.1. Ratification. All actions heretofore taken by the Borrower and by the officers thereof not inconsistent with this Amended and Restated Resolution with respect to authorizing and financing the Project, including the authorization, issuance and delivery of the Amended Bonds are hereby ratified, approved and confirmed.

Section 13.2. Statutory Limitations Met. The Commission hereby determines that the provisions and limitations of the Act, and any other applicable law imposed on the issuance of the Bonds, have been met. The Commission also hereby finds and determines that, based on the information

available to the Commission on the date of this Amended and Restated Resolution, the estimated Net Revenues of the System are anticipated to be sufficient to meet the debt service requirements of the Amended Bonds over their term.

Section 13.3. Repealer of Measures. All ordinances, resolutions, acts, orders, proceedings, or parts thereof, of the Borrower and the Commission that are in any way inconsistent with the terms and provisions of this Amended and Restated Resolution are hereby repealed, amended and rescinded to the full extent necessary to give full force and effect to the provisions of this Amended and Restated Resolution, except that this repealer shall not be construed so as to revive any ordinances, resolutions, acts, orders, proceedings, or parts thereof repealed.

Section 13.4. Resolution Irrepealable. This Amended and Restated Resolution is, and shall constitute, a legislative measure of the Borrower, and after the Bonds are issued, sold, and outstanding, this Amended and Restated Resolution shall constitute a contract between the Borrower and the Registered Owners of the Bonds, and shall be and remain irrepealable until the Bonds, all principal and interest, shall have been fully paid satisfied and discharged.

Section 13.5. Severability. If any paragraph, clause or provision of this Amended and Restated Resolution is judicially adjudged invalid or unenforceable, such judgment shall not affect, impair or invalidate the remaining paragraphs, clauses or provisions hereof, the intention being that the various paragraphs, clauses or provisions hereof are severable.

Section 13.6. Recording and Authentication; Effective Date. This Amended and Restated Resolution, immediately upon its passage, shall be recorded in the Borrower Book of Resolutions kept for that purpose, and authenticated by the signatures of the Mayor and the Clerk of the Commission. This Amended and Restated Resolution shall be in full force and effect from and after its final passage and approval.

PASSED AND ADOPTED by the Commission of the City of Helena, Montana, this 12th day of August, 2019.

_____
Its: Mayor

(SEAL)

Attest:

_____
Its: Clerk of the Commission

APPENDIX A

FORM OF AMENDED SERIES 2005 BOND

UNITED STATES OF AMERICA
STATE OF MONTANA
LEWIS AND CLARK COUNTY

CITY OF HELENA

AMENDED WATER SYSTEM REVENUE BOND
(DNRC DRINKING WATER REVOLVING LOAN PROGRAM)
SERIES 2005

Dated _____, 2019 Aggregate Interest Rate: 2.25%

R-3 $2,072,000

FOR VALUE RECEIVED, THE CITY OF HELENA, 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 Department of Natural Resources and Conservation of the State of Montana (the "DNRC"), or its registered assigns, solely from the Revenue Bond Account of its Water System Fund, the principal sum equal to the sum of the amounts entered on Schedule A hereto under "Total Amount Advanced," with interest on each such amount from the date above at the rate of one and one-quarter percent (1.25%) per annum, in semiannual Loan Repayments on the unpaid balance until paid. In addition, the City shall pay an Administrative Expense Surcharge and a Loan Loss Reserve Surcharge on the outstanding principal amount of this Series 2005 Bond at the rates of seventy-five hundredths of one percent (0.75%) per annum and a Loan Loss Reserve Surcharge equal to one-quarter of one percent (0.25%) per annum, respectively, per annum. Interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be payable in semiannual installments payable on each January 1 and July 1 (each a "Loan Repayment Date") commencing January 1, 2013. Principal shall be payable on the dates set forth in Schedule B hereto. Each installment shall be in the amount set forth opposite its due date in Schedule B hereto under "Total Loan Payment." The portion of each such payment consisting of principal, the portion consisting of interest and the portion consisting of Administrative Expense Surcharge and the portion consisting of Loan Loss Reserve Surcharge shall be as set forth in Schedule B hereto. Upon each disbursement of Loan amounts to the City pursuant to the Amended and Restated Resolution described below, the DNRC shall enter (or cause to be entered) the amount advanced on Schedule A under "Advances" and the total amount advanced under the Amended and Restated Resolution (as hereinafter defined), including such disbursement, under "Total Amount Advanced." The DNRC shall prepare Schedule B and revised Schedules B, or cause Schedule B and revised Schedules B to be prepared, as provided in Section 3.8 of the Amended and Restated Resolution. Schedule B shall be calculated and recalculated on a level debt service basis assuming an interest rate of two and twenty-five hundredths percent (2.25%) per annum. Past-due payments of principal and interest, Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall bear interest at the rate of ten percent (10.00%) per annum, until paid. Interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be calculated on the basis of a 360-day year comprising 12 months of 30 days each. All payments under this Series 2005 Bond shall be made to the registered holder of this Series 2005 Bond, at its address as it appears on the Bond register, in lawful money of the United States of America. All capitalized terms used in this Series 2005 Bond and not defined herein shall have the meanings granted to them in the Amended and Restated Resolution (as defined below).

This is a single Water System Revenue Bond (DNRC Drinking Water Revolving Loan Program), Series 2005 (the "Series 2005 Bond"), in the maximum principal amount not to exceed $3,100,000, issued pursuant to the Amended and Restated Resolution to finance (i) the cost of the construction of a water pump station and clear well improvements to the System (as defined in the Amended and Restated Resolution), (ii) a deposit to the Bond Reserve, and (iii) to pay the costs of issuance of the Series 2005 Bond. The Series 2005 Bond is issued pursuant to and in full conformity with the Constitution and laws of the State of Montana thereunto enabling, including Montana Code Annotated, Title 7, Chapter 7, Part 44 and 45, as amended, and ordinances and resolutions duly adopted by the City Commission of the City, including the Amended and Restated Resolution No. _____ (the "Amended and Restated Resolution"), adopted by the City on August 12, 2019, which amended and restated Resolution No. 10386 of the City adopted on March 30, 1992, as amended and supplemented by Resolution Nos. 10391, 11644, 11822, 19146, 19261, 19468, 19697, 19897, and 19973, adopted by the City Commission on April 13, 1992, June 18, 2001, October 7, 2002, July 26, 2004, July 25, 2005, May 21, 2007, October 5, 2009, February 13, 2012, and November 19, 2012. This Series 2005 Bond is issuable only as a single, fully registered bond. The Series 2005 Bond is issued on a parity and is equally and ratably secured by the Net Revenues with the Outstanding Bonds (as defined in the Amended and Restated Resolution).

Reference is made to the Amended and Restated Resolution for a more complete statement of (i) the terms and conditions upon which this Series 2005 Bond has been issued, (ii) the Net Revenues pledged and appropriated for the payment and security of this Series 2005 Bond, (iii) the conditions upon which Additional Bonds may be issued under the Amended and Restated Resolution and made payable from such Net Revenues on a parity with the Outstanding Bonds, and any other bonds issued on a parity therewith under the terms and conditions of the Amended and Restated Resolution (collectively, the "Bonds") or otherwise, (iv) the conditions upon which the Amended and Restated Resolution may be amended, (v) the rights, duties and obligations of the City, and (vi) the rights of the owner of the Series 2005 Bond.

The City may prepay the principal of the Series 2005 Bond only if (i) it obtains the prior written consent of the DNRC thereto, and (ii) no Loan Repayment or Administrative Expense Surcharge or Loan Loss Reserve Surcharge is then delinquent. Any prepayment of this Series 2005 Bond permitted by the DNRC must be accompanied by payment of accrued interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge to the date of prepayment on the amount of principal of this Series 2005 Bond prepaid on such date. If the Series 2005 Bond is prepaid in part, such prepayments of this Series 2005 Bond shall be applied to principal payments in inverse order of maturity.

This Series 2005 Bond, including interest and any premium for the redemption hereof, is payable solely from the Net Revenues pledged for the payment hereof and does not constitute a debt of the City within the meaning of any constitutional, statutory or charter limitation or provision. This Series 2005 Bond is not a general obligation of the City and is not payable from any property taxes levied by the City.

The City may deem and treat the person in whose name this Series 2005 Bond is registered as the absolute owner hereof, whether this Series 2005 Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and the City shall not be affected by any notice to the contrary.

This Series 2005 Bond was designed by the City as a "qualified tax-exempt obligation" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended in the resolutions authorizing its original issuance and the amendment of this Series 2005 Bond on December 5, 2012 and August 12, 2019 did not increase the principal amount outstanding or increase its weighted average maturity.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that the City has (i) duly authorized and will forthwith undertake the 2005 Project, (ii) fixed and established and will collect

reasonable rates and charges for the services and facilities afforded by the System, including all additions thereto and replacements and improvements thereof, and (iii) created a special Water System Fund into which the gross revenues of the System will be paid, and a separate and special Revenue Bond Account in the Water System Fund, into which will be paid each month, Net Revenues then on hand, an amount equal to not less than the sum of one-sixth of the interest due on the next Payment Date and one-sixth of the principal due on the next Payment Date with respect to all Outstanding Bonds payable from the Revenue Bond Account, and the Reserve Account of the Revenue Bond Account into which shall be paid additional Net Revenues sufficient to establish and maintain the Reserve Requirement therein with respect to all Outstanding Bonds in the current or any future Fiscal Year (giving effect to any mandatory sinking fund redemption). The Revenue Bond Account will be used only to pay the principal of, premium, if any, and interest on the Bonds issued pursuant to the authority herein recited. The rates and charges for the System will from time to time be made and kept sufficient to provide Net Revenues in each Fiscal Year at least equal to 110% of the maximum amount of principal and interest payable on Bonds from the Revenue Bond Account in any subsequent Fiscal Year. Additional Bonds and Refunding Bonds may be issued and made payable from the Revenue Bond Account on a parity with the Outstanding Bonds and any Additional Bonds, upon certain conditions set forth in the Amended and Restated Resolution, but no obligation will be otherwise incurred and made payable from the Net Revenues, unless the lien thereof is expressly made subordinate and junior by the City to the lien of the Outstanding Bonds and other Additional Bonds on such Net Revenues. All provisions for the security of this Series 2005 Bond set forth in the Amended and Restated Resolution will be punctually and faithfully performed as therein stipulated by the City and all acts, conditions and things required by the Constitution and laws of the State of Montana and the home rule charter 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 2005 Bond a valid and binding special, limited obligation of the City according to its terms have been done, do exist, have happened and have been performed as so required; and that this Series 2005 Bond and the premium, if any, and interest hereon are payable solely from the Net Revenues pledged and appropriated to the Revenue Bond Account. This Series 2005 Bond does not constitute a debt of the City within the meaning of any constitutional, statutory or charter limitation or provision and the issuance of this Series 2005 Bond does not cause either the general or the special indebtedness of the City to exceed any constitutional, statutory or charter limitation. This Series 2005 Bond is not a general obligation of the City and the taxing power of the City is not pledged to the payment of this Series 2005 Bond.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the City of Helena, Montana, by its governing body, has caused this Bond to be executed by the signatures of its Mayor, City Manager and countersigned by the signature of the Clerk of the Commission, and has caused the official seal of the City to be affixed hereto, and has caused this Bond to be dated as of the _____ day of _____, 2019.

CITY OF HELENA, MONTANA

_____
Its: Mayor

_____
Its: City Manager

ATTEST:

_____
Its: Clerk of the Commission
(SEAL)

REGISTRATION AND TRANSFER

This Bond shall be fully registered as to both principal and interest. No transfer of this Bond shall be valid unless and until (1) the registered holder of the Bond, or his duly authorized attorney or legal representative, executes the form of assignment appearing on this Bond, and (2) the Chief Financial Officer as bond registrar (the "Registrar"), has duly noted the transfer on the Bond and recorded the transfer on the Registrar's registration books. The City shall be entitled to deem and treat the person in whose name this Bond is registered as absolute owner thereof for all purposes, notwithstanding any notice to the contrary. Payments on account of the Bond shall be made only to the order of the registered holder thereof, and all such payments shall be valid and effectual to satisfy and discharge the City's liability upon the Bond to the extent of the sum or sums so paid.

REGISTER

The ownership of the unpaid Principal Balance of this Bond and the interest accruing thereon is registered on the books of the City of Helena, Montana in the name of the registered holder appearing on the first page hereof and named immediately below or as last noted below:

Date of Registration	Name and Address of Registered Holder	Chief Financial Officer
_____, 2019	Department of Natural Resources and Conservation 1625 Eleventh Avenue Helena. MT 59620	

THE FOLLOWING ENTRIES ARE TO BE MADE ONLY BY THE BOND REGISTRAR UPON REGISTRATION OF EACH TRANSFER

The Chief Financial Officer of the City of Helena, Montana, acting as Bond Registrar, has transferred, on the books of the City, on the date last noted below, ownership of the principal amount of and the accrued interest on this Bond to the new registered holder noted next to such date, except for amounts of principal and interest theretofore paid.

Date of Transfer	Name of New Registered Holder	Signature of Bond Registrar

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ _____ the within Bond and does hereby irrevocably constitute and appoint ___ _____ attorney to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____ _____

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

SCHEDULE A

SCHEDULE OF AMOUNTS ADVANCED

N/A

SCHEDULE B

WRF-06076R **Final Schedule**

STATE OF MONTANA
GENERAL OBLIGATION BONDS
DRINKING WATER
(REVOLVING FUND PROGRAM)

BORROWER:	Helena		
PROJECT NAME:		FINAL LOAN PAYMENT:	7/1/2025
LOAN COMMITMENT:	$2,072,000	# OF LOAN PAYMENTS:	26
LOAN AMOUNT:	2,072,000	PROJECT NUMBER:	
INTEREST RATE:	2.25%	DATE OF FUNDING:	12/5/2012

PAYMENT DUE	LOAN LOSS RESERVE	ADM EXPENSE SURCHARGE	INTEREST PAYMENT	PRINCIPAL PAYMENT	O/S LOAN BALANCE	TOTAL AMOUNT OF PAYMENT	
1/1/2013	374.11	1,122.33	1,870.56	69,000.00	2,003,000.00	$72,367.00	$ 72,367.00
7/1/2013	2,503.75	7,511.25	12,518.75	70,000.00	1,933,000.00	$92,533.75	
1/1/2014	2,416.25	7,248.75	12,081.25	71,000.00	1,862,000.00	$92,746.25	$ 185,280.00
7/1/2014	2,327.50	6,982.50	11,637.50	71,000.00	1,791,000.00	$91,947.50	
1/1/2015	2,238.75	6,716.25	11,193.75	72,000.00	1,719,000.00	$92,148.75	$ 184,096.25
7/1/2015	2,148.75	6,446.25	10,743.75	73,000.00	1,646,000.00	$92,338.75	
1/1/2016	2,057.50	6,172.50	10,287.50	74,000.00	1,572,000.00	$92,517.50	$ 184,856.25
7/1/2016	1,965.00	5,895.00	9,825.00	75,000.00	1,497,000.00	$92,685.00	
1/1/2017	1,871.25	5,613.75	9,356.25	76,000.00	1,421,000.00	$92,841.25	$ 185,526.25
7/1/2017	1,776.25	5,328.75	8,881.25	76,000.00	1,345,000.00	$91,986.25	
1/1/2018	1,681.25	5,043.75	8,406.25	77,000.00	1,268,000.00	$92,131.25	$ 184,117.50
7/1/2018	1,585.00	4,755.00	7,925.00	78,000.00	1,190,000.00	$92,265.00	
1/1/2019	1,487.50	4,462.50	7,437.50	79,000.00	1,111,000.00	$92,387.50	$ 184,652.50
7/1/2019	1,388.75	4,166.25	6,943.75	80,000.00	1,031,000.00	$92,498.75	
1/1/2020	1,288.75	3,866.25	6,443.75	81,000.00	950,000.00	$92,598.75	$ 185,097.50
7/1/2020	1,187.50	3,562.50	5,937.50	82,000.00	868,000.00	$92,687.50	
1/1/2021	1,085.00	3,255.00	5,425.00	83,000.00	785,000.00	$92,765.00	$ 185,452.50
7/1/2021	981.25	2,943.75	4,906.25	84,000.00	701,000.00	$92,831.25	
1/1/2022	876.25	2,628.75	4,381.25	84,000.00	617,000.00	$91,886.25	$ 184,717.50
7/1/2022	771.25	2,313.75	3,856.25	85,000.00	532,000.00	$91,941.25	
1/1/2023	665.00	1,995.00	3,325.00	86,000.00	446,000.00	$91,985.00	$ 183,926.25
7/1/2023	557.50	1,672.50	2,787.50	87,000.00	359,000.00	$92,017.50	
1/1/2024	448.75	1,346.25	2,243.75	88,000.00	271,000.00	$92,038.75	$ 184,056.25
7/1/2024	338.75	1,016.25	1,693.75	89,000.00	182,000.00	$92,048.75	
1/1/2025	227.50	682.50	1,137.50	90,000.00	92,000.00	$92,047.50	$ 184,096.25
7/1/2025	115.00	345.00	575.00	92,000.00	0.00	$93,035.00	$93,035.00
	34,364.11	103,092.33	171,820.56	2,072,000.00		2,381,277.00	
						2,381,277.00	

APPENDIX B

FORM OF AMENDED SERIES 2007 BOND
UNITED STATES OF AMERICA
STATE OF MONTANA
LEWIS AND CLARK COUNTY

CITY OF HELENA

AMENDED WATER SYSTEM REVENUE BOND
(DNRC DRINKING WATER REVOLVING LOAN PROGRAM)
SERIES 2007

Dated _____, 2019 Aggregate Interest Rate: 2.25%

R-3 $2,242,000

FOR VALUE RECEIVED, THE CITY OF HELENA, 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 Department of Natural Resources and Conservation of the State of Montana (the "DNRC"), or its registered assigns, solely from the Revenue Bond Account of its Water System Fund, the principal sum equal to the sum of the amounts entered on Schedule A hereto under "Total Amount Advanced," with interest on each such amount from the date above at the rate of one and one-quarter percent (1.25%) per annum, in semiannual Loan Repayments on the unpaid balance until paid. In addition, the City shall pay an Administrative Expense Surcharge and a Loan Loss Reserve Surcharge on the outstanding principal amount of this Series 2007 Bond at the rates of seventy-five hundredths of one percent (0.75%) per annum and a Loan Loss Reserve Surcharge equal to one-quarter of one percent (0.25%) per annum, respectively, per annum. Interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be payable in semiannual installments payable on each January 1 and July 1 (each a "Loan Repayment Date") commencing January 1, 2013. Principal shall be payable on the dates set forth in Schedule B hereto. Each installment shall be in the amount set forth opposite its due date in Schedule B hereto under "Total Loan Payment." The portion of each such payment consisting of principal, the portion consisting of interest and the portion consisting of Administrative Expense Surcharge and the portion consisting of Loan Loss Reserve Surcharge shall be as set forth in Schedule B hereto. Upon each disbursement of Loan amounts to the City pursuant to the Amended and Restated Resolution described below, the DNRC shall enter (or cause to be entered) the amount advanced on Schedule A under "Advances" and the total amount advanced under the Amended and Restated Resolution (as hereinafter defined), including such disbursement, under "Total Amount Advanced." The DNRC shall prepare Schedule B and revised Schedules B, or cause Schedule B and revised Schedules B to be prepared, as provided in Section 3.8 of the Amended and Restated Resolution. Schedule B shall be calculated and recalculated on a level debt service basis assuming an interest rate of two and twenty-five hundredths percent (2.25%) per annum. Past-due payments of principal and interest, Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall bear interest at the rate of ten percent (10.00%) per annum, until paid. Interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be calculated on the basis of a 360-day year comprising 12 months of 30 days each. All payments under this Series 2007 Bond shall be made to the registered holder of this Series 2007 Bond, at its address as it appears on the Bond register, in lawful money of the United States of America. All capitalized terms used in this Series 2007 Bond and not defined herein shall have the meanings granted to them in the Amended and Restated Resolution (as defined below).

This is a single Water System Revenue Bond (DNRC Drinking Water Revolving Loan Program), Series 2007 (the "Series 2007 Bond"), in the maximum principal amount not to exceed $2,750,000, issued pursuant to the Amended and Restated Resolution to finance (i) the cost of the construction of a water pump station and clear well improvements to the System (as defined in the Amended and Restated Resolution), (ii) a deposit to the Bond Reserve, and (iii) to pay the costs of issuance of the Series 2007 Bond. The Series 2007 Bond is issued pursuant to and in full conformity with the Constitution and laws of the State of Montana thereunto enabling, including Montana Code Annotated, Title 7, Chapter 7, Part 44 and 45, as amended, and ordinances and resolutions duly adopted by the City Commission of the City, including the Amended and Restated Resolution No. _____ (the "Amended and Restated Resolution") adopted by the City on August 12, 2019, which amended and restated Resolution No. 10386 of the City adopted on March 30, 1992, as amended and supplemented by Resolution Nos. 10391, 11644, 11822, 19146, 19261, 19468, 19697, 19897, and 19974, adopted by the City Commission on April 13, 1992, June 18, 2001, October 7, 2002, July 26, 2004, July 25, 2005, May 21, 2007, October 5, 2009, February 13, 2012, and November 19, 2012. This Series 2007 Bond is issuable only as a single, fully registered bond. The Series 2007 Bond is issued on a parity and is equally and ratably secured by the Net Revenues with the Outstanding Bonds (as defined in the Amended and Restated Resolution).

Reference is made to the Amended and Restated Resolution for a more complete statement of (i) the terms and conditions upon which this Series 2007 Bond has been issued, (ii) the Net Revenues pledged and appropriated for the payment and security of this Series 2007 Bond, (iii) the conditions upon which Additional Bonds may be issued under the Amended and Restated Resolution and made payable from such Net Revenues on a parity with the Outstanding Bonds, and any other bonds issued on a parity therewith under the terms and conditions of the Amended and Restated Resolution (collectively, the "Bonds") or otherwise, (iv) the conditions upon which the Amended and Restated Resolution may be amended, (v) the rights, duties and obligations of the City, and (vi) the rights of the owner of the Series 2007 Bond.

The City may prepay the principal of the Series 2007 Bond only if (i) it obtains the prior written consent of the DNRC thereto, and (ii) no Loan Repayment or Administrative Expense Surcharge or Loan Loss Reserve Surcharge is then delinquent. Any prepayment of this Series 2007 Bond permitted by the DNRC must be accompanied by payment of accrued interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge to the date of prepayment on the amount of principal of this Series 2007 Bond prepaid on such date. If the Series 2007 Bond is prepaid in part, such prepayments of this Series 2007 Bond shall be applied to principal payments in inverse order of maturity.

This Series 2007 Bond, including interest and any premium for the redemption hereof, is payable solely from the Net Revenues pledged for the payment hereof and does not constitute a debt of the City within the meaning of any constitutional, statutory or charter limitation or provision. This Series 2007 Bond is not a general obligation of the City and is not payable from any property taxes levied by the City.

The City may deem and treat the person in whose name this Series 2007 Bond is registered as the absolute owner hereof, whether this Series 2007 Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and the City shall not be affected by any notice to the contrary.

This Series 2007 Bond was designed by the City as a "qualified tax-exempt obligation" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended in the resolution authorizing its original issuance and the amendment of this Series 2007 Bond on December 5, 2012 and August 12, 2019 did not increase the principal amount outstanding or increase its weighted average maturity.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that the City has (i) duly authorized and will forthwith undertake the 2007 Project, (ii) fixed and established and will collect

reasonable rates and charges for the services and facilities afforded by the System, including all additions thereto and replacements and improvements thereof, and (iii) created a special Water System Fund into which the gross revenues of the System will be paid, and a separate and special Revenue Bond

Account in the Water System Fund, into which will be paid each month, Net Revenues then on hand, an amount equal to not less than the sum of one-sixth of the interest due on the next Payment Date and one-sixth of the principal due on the next Payment Date with respect to all Outstanding Bonds payable from the Revenue Bond Account, and the Reserve Account of the Revenue Bond Account into which shall be paid additional Net Revenues sufficient to establish and maintain the Reserve Requirement therein with respect to all Outstanding Bonds in the current or any future Fiscal Year (giving effect to any mandatory sinking fund redemption). The Revenue Bond Account will be used only to pay the principal of, premium, if any, and interest on the Bonds issued pursuant to the authority herein recited. The rates and charges for the System will from time to time be made and kept sufficient to provide Net Revenues in each Fiscal Year at least equal to 110% of the maximum amount of principal and interest payable on Bonds from the Revenue Bond Account in any subsequent Fiscal Year. Additional Bonds and Refunding Bonds may be issued and made payable from the Revenue Bond Account on a parity with the Outstanding Bonds and any Additional Bonds, upon certain conditions set forth in the Amended and Restated Resolution, but no obligation will be otherwise incurred and made payable from the Net Revenues, unless the lien thereof is expressly made subordinate and junior by the City to the lien of the Outstanding Bonds and other Additional Bonds on such Net Revenues. All provisions for the security of this Series 2007 Bond set forth in the Amended and Restated Resolution will be punctually and faithfully performed as therein stipulated by the City and all acts, conditions and things required by the Constitution and laws of the State of Montana and the home rule charter 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 2007 Bond a valid and binding special, limited obligation of the City according to its terms have been done, do exist, have happened and have been performed as so required; and that this Series 2007 Bond and the premium, if any, and interest hereon are payable solely from the Net Revenues pledged and appropriated to the Revenue Bond Account. This Series 2007 Bond does not constitute a debt of the City within the meaning of any constitutional, statutory or charter limitation or provision and the issuance of this Series 2007 Bond does not cause either the general or the special indebtedness of the City to exceed any constitutional, statutory or charter limitation. This Series 2007 Bond is not a general obligation of the City and the taxing power of the City is not pledged to the payment of this Series 2007 Bond.

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IN WITNESS WHEREOF, the City of Helena, Montana, by its governing body, has caused this Bond to be executed by the signatures of its Mayor, City Manager and countersigned by the signature of the Clerk of the Commission, and has caused the official seal of the City to be affixed hereto, and has caused this Bond to be dated as of the _____ day of _____, 2019.

CITY OF HELENA, MONTANA

_____
Mayor

_____
City Manager

ATTEST:

_____
Its: Clerk of the Commission
(SEAL)

REGISTRATION AND TRANSFER

This Bond shall be fully registered as to both principal and interest. No transfer of this Bond shall be valid unless and until (1) the registered holder of the Bond, or his duly authorized attorney or legal representative, executes the form of assignment appearing on this Bond, and (2) the Chief Financial Officer as bond registrar (the "Registrar"), has duly noted the transfer on the Bond and recorded the transfer on the Registrar's registration books. The City shall be entitled to deem and treat the person in whose name this Bond is registered as absolute owner thereof for all purposes, notwithstanding any notice to the contrary. Payments on account of the Bond shall be made only to the order of the registered holder thereof, and all such payments shall be valid and effectual to satisfy and discharge the City's liability upon the Bond to the extent of the sum or sums so paid.

REGISTER

The ownership of the unpaid Principal Balance of this Bond and the interest accruing thereon is registered on the books of the City of Helena, Montana in the name of the registered holder appearing on the first page hereof and named immediately below or as last noted below:

Date of Registration	Name and Address of Registered Holder	Chief Financial Officer
_____, 2019	Department of Natural Resources and Conservation 1625 Eleventh Avenue Helena. MT 59620	

THE FOLLOWING ENTRIES ARE TO BE MADE ONLY BY THE BOND REGISTRAR UPON REGISTRATION OF EACH TRANSFER

The Chief Financial Officer of the City of Helena, Montana, acting as Bond Registrar, has transferred, on the books of the City, on the date last noted below, ownership of the principal amount of and the accrued interest on this Bond to the new registered holder noted next to such date, except for amounts of principal and interest theretofore paid.

Date of Transfer	Name of New Registered Holder	Signature of Bond Registrar

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ _____ the within Bond and does hereby irrevocably constitute and appoint ___ _____ attorney to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____ _____

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

SCHEDULE A

SCHEDULE OF AMOUNTS ADVANCED

N/A

SCHEDULE B

BORROWER: Helena

PROJECT NAME:		FINAL LOAN PAYMENT:	7/1/2032
LOAN COMMITMENT:	$2,242,000	# OF LOAN PAYMENTS:	30
LOAN AMOUNT:	2,242,000	PROJECT NUMBER:	
INTEREST RATE:	2.25%	DATE OF FUNDING:	12/5/2012

	PAYMENT DUE	LOAN LOSS RESERVE	ADM EXPENSE SURCHARGE	INTEREST PAYMENT	PRINCIPAL PAYMENT	O/S LOAN BALANCE	TOTAL AMOUNT OF PAYMENT	
1	1/1/2013	404.81	1,214.42	2,024.03	83,000.00	2,159,000.00	$86,643.25	86,643.25
2	7/1/2013	2,698.75	8,096.25	13,493.75	84,000.00	2,075,000.00	$108,288.75	
3	1/1/2014	2,593.75	7,781.25	12,968.75	85,000.00	1,990,000.00	$108,343.75	216,632.50
4	7/1/2014	2,487.50	7,462.50	12,437.50	85,000.00	1,905,000.00	$107,387.50	
5	1/1/2015	2,381.25	7,143.75	11,906.25	86,000.00	1,819,000.00	$107,431.25	214,818.75
6	7/1/2015	2,273.75	6,821.25	11,368.75	87,000.00	1,732,000.00	$107,463.75	
7	1/1/2016	2,165.00	6,495.00	10,825.00	88,000.00	1,644,000.00	$107,485.00	214,948.75
8	7/1/2016	2,055.00	6,165.00	10,275.00	88,000.00	1,556,000.00	$106,495.00	
9	1/1/2017	1,945.00	5,835.00	9,725.00	89,000.00	1,467,000.00	$106,505.00	213,000.00
10	7/1/2017	1,833.75	5,501.25	9,168.75	90,000.00	1,377,000.00	$106,503.75	
11	1/1/2018	1,721.25	5,163.75	8,606.25	91,000.00	1,286,000.00	$106,491.25	212,995.00
12	7/1/2018	1,607.50	4,822.50	8,037.50	92,000.00	1,194,000.00	$106,467.50	
13	1/1/2019	1,492.50	4,477.50	7,462.50	92,000.00	1,102,000.00	$105,432.50	211,900.00
14	7/1/2019	1,377.50	4,132.50	6,887.50	93,000.00	1,009,000.00	$105,397.50	
15	1/1/2020	1,261.25	3,783.75	6,306.25	94,000.00	915,000.00	$105,351.25	210,748.75
16	7/1/2020	1,143.75	3,431.25	5,718.75	95,000.00	820,000.00	$105,293.75	
17	1/1/2021	1,025.00	3,075.00	5,125.00	99,000.00	721,000.00	$108,225.00	213,518.75
18	7/1/2021	901.25	2,703.75	4,506.25	99,000.00	622,000.00	$107,111.25	
19	1/1/2022	777.50	2,332.50	3,887.50	100,000.00	522,000.00	$106,997.50	214,108.75
20	7/1/2022	652.50	1,957.50	3,262.50	101,000.00	421,000.00	$106,872.50	
21	1/1/2023	526.25	1,578.75	2,631.25	103,000.00	318,000.00	$107,736.25	214,608.75
22	7/1/2023	397.50	1,192.50	1,987.50	105,000.00	213,000.00	$108,577.50	
23	1/1/2024	266.25	798.75	1,331.25	106,000.00	107,000.00	$108,396.25	216,973.75
24	7/1/2024	133.75	401.25	668.75	107,000.00	0.00	$108,203.75	
		34,122.31	102,366.92	170,611.53	2,242,000.00		2,549,100.75	2,549,100.75
							2,549,100.75	

APPENDIX C

FORM OF THE AMENDED SERIES 2012 BOND

UNITED STATES OF AMERICA
STATE OF MONTANA
LEWIS AND CLARK COUNTY

CITY OF HELENA

AMENDED WATER SYSTEM REVENUE BOND
(DNRC DRINKING WATER REVOLVING LOAN PROGRAM)
SERIES 2012

Dated _____, 2019 Aggregate Interest Rate: 2.25%

R-3 $1,325,000

FOR VALUE RECEIVED, THE CITY OF HELENA, 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 Department of Natural Resources and Conservation of the State of Montana (the "DNRC"), or its registered assigns, solely from the Revenue Bond Account of its Water System Fund, the principal sum equal to the sum of the amounts entered on Schedule A hereto under "Total Amount Advanced," with interest on each such amount from the date above and as such amount is advanced hereunder at the rate of one and one-quarter percent (1.25%) per annum, in semiannual Loan Repayments on the unpaid balance until paid. In addition, the City shall pay an Administrative Expense Surcharge and a Loan Loss Reserve Surcharge on the outstanding principal amount of this Series 2012 Bond at the rates of seventy-five hundredths of one percent (0.75%) per annum and a Loan Loss Reserve Surcharge equal to one-quarter of one percent (0.25%) per annum, respectively, per annum. Interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be payable in semiannual installments payable on each January 1 and July 1 (each a "Loan Repayment Date") commencing January 1, 2013. Principal shall be payable on the dates set forth in Schedule B hereto. Each installment shall be in the amount set forth opposite its due date in Schedule B hereto under "Total Loan Payment." The portion of each such payment consisting of principal, the portion consisting of interest and the portion consisting of Administrative Expense Surcharge and the portion consisting of Loan Loss Reserve Surcharge shall be as set forth in Schedule B hereto. Upon each disbursement of Loan amounts to the City pursuant to the Amended and Restated Resolution described below, the DNRC shall enter (or cause to be entered) the amount advanced on Schedule A under "Advances" and the total amount advanced under the Amended and Restated Resolution (as hereinafter defined), including such disbursement, under "Total Amount Advanced." The DNRC shall prepare Schedule B and revised Schedules B, or cause Schedule B and revised Schedules B to be prepared, as provided in Section 3.8 of the Amended and Restated Resolution. Schedule B shall be calculated and recalculated on a level debt service basis assuming an interest rate of three and three-quarters percent (2.25%) per annum. Past-due payments of principal and interest, Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall bear interest at the rate of ten percent (10.00%) per annum, until paid. Interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be calculated on the basis of a 360-day year comprising 12 months of 30 days each. All payments under this Series 2012 Bond shall be made to the registered holder of this Series 2012 Bond, at its address as it appears on the Bond register, in lawful money of the United States of America. All capitalized terms used in this Series 2012 Bond and not defined herein shall have the meanings granted to them in the Amended and Restated Resolution (as defined below).

This is a single Water System Revenue Bond (DNRC Drinking Water Revolving Loan Program), Series 2012 (the "Series 2012 Bond"), in the maximum principal amount not to exceed $1,325,000, issued pursuant to the Amended and Restated Resolution to finance (i) the cost of the construction of a back wash and recycle system, (ii) pretreatment improvements (headworks, flocculation and sedimentation building, (iii) deposit to the Bond Reserve, and (iv) to pay the costs of issuance of the Series 2012 Bond. The Series 2012 Bond is issued pursuant to and in full conformity with the Constitution and laws of the State of Montana thereunto enabling, including Montana Code Annotated, Title 7, Chapter 7, Part 44 and 45, as amended, and ordinances and resolutions duly adopted by the City Commission of the City, including the Amended and Restated Resolution No. _____ (the "Amended and Restated Resolution"), adopted by the City on August 12, 2019, which amended and restated Resolution No. 10386 of the City adopted on March 30, 1992, as amended and supplemented by Resolution Nos. 10391, 11644, 11822, 19146, 19261, 19468, 19697, 19897, and 19975, adopted by the City Commission on April 13, 1992, June 18, 2001, October 7, 2002, July 26, 2004, July 25, 2005, May 21, 2007, October 5, 2009, February 13, 2012, and November 19, 2012. This Series 2012 Bond is issuable only as a single, fully registered bond. The Series 2012 Bond is issued on a parity and is equally and ratably secured by the Net Revenues with the Outstanding Bonds (as defined in the Amended and Restated Resolution).

Reference is made to the Amended and Restated Resolution for a more complete statement of (i) the terms and conditions upon which this Series 2012 Bond has been issued, (ii) the Net Revenues pledged and appropriated for the payment and security of this Series 2012 Bond, (iii) the conditions upon which Additional Bonds may be issued under the Amended and Restated Resolution and made payable from such Net Revenues on a parity with the Outstanding Bonds, and any other bonds issued on a parity therewith under the terms and conditions of the Amended and Restated Resolution (collectively, the "Bonds") or otherwise, (iv) the conditions upon which the Amended and Restated Resolution may be amended, (v) the rights, duties and obligations of the City, and (vi) the rights of the owner of the Series 2012 Bond.

The City may prepay the principal of the Series 2012 Bond only if (i) it obtains the prior written consent of the DNRC thereto, and (ii) no Loan Repayment or Administrative Expense Surcharge or Loan Loss Reserve Surcharge is then delinquent. Any prepayment of this Series 2012 Bond permitted by the DNRC must be accompanied by payment of accrued interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge to the date of prepayment on the amount of principal of this Series 2012 Bond prepaid on such date. If the Series 2012 Bond is prepaid in part, such prepayments of this Series 2012 Bond shall be applied to principal payments in inverse order of maturity.

This Series 2012 Bond, including interest and any premium for the redemption hereof, is payable solely from the Net Revenues pledged for the payment hereof and does not constitute a debt of the City within the meaning of any constitutional, statutory or charter limitation or provision. This Series 2012 Bond is not a general obligation of the City and is not payable from any property taxes levied by the City.

The City may deem and treat the person in whose name this Series 2012 Bond is registered as the absolute owner hereof, whether this Series 2012 Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and the City shall not be affected by any notice to the contrary.

This Series 2012 Bond was designed by the City as a "qualified tax-exempt obligation" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended in the resolution authorizing its original issuance and the amendment of this Series 2012 Bond on December 5, 2012 and August 12, 2019 did not increase the principal amount outstanding or increase its weighted average maturity.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that the City has (i) duly authorized and will forthwith undertake the 2012 Projects, (ii) fixed and established and will collect

reasonable rates and charges for the services and facilities afforded by the System, including all additions thereto and replacements and improvements thereof, and (iii) created a special Water System Fund into which the gross revenues of the System will be paid, and a separate and special Revenue Bond Account in the Water System Fund, into which will be paid each month, Net Revenues then on hand, an amount equal to not less than the sum of one-sixth of the interest due on the next Payment Date and one-sixth of the principal due on the next Payment Date with respect to all Outstanding Bonds payable from the Revenue Bond Account, and the Reserve Account of the Revenue Bond Account into which shall be paid additional Net Revenues sufficient to establish and maintain the Reserve Requirement therein with respect to all Outstanding Bonds in the current or any future Fiscal Year (giving effect to any mandatory sinking fund redemption). The Revenue Bond Account will be used only to pay the principal of, premium, if any, and interest on the Bonds issued pursuant to the authority herein recited. The rates and charges for the System will from time to time be made and kept sufficient to provide Net Revenues in each Fiscal Year at least equal to 110% of the maximum amount of principal and interest payable on Bonds from the Revenue Bond Account in any subsequent Fiscal Year. Additional Bonds and Refunding Bonds may be issued and made payable from the Revenue Bond Account on a parity with the Outstanding Bonds and any Additional Bonds, upon certain conditions set forth in the Amended and Restated Resolution, but no obligation will be otherwise incurred and made payable from the Net Revenues, unless the lien thereof is expressly made subordinate and junior by the City to the lien of the Outstanding Bonds and other Additional Bonds on such Net Revenues. All provisions for the security of this Series 2012 Bond set forth in the Amended and Restated Resolution will be punctually and faithfully performed as therein stipulated by the City and all acts, conditions and things required by the Constitution and laws of the State of Montana and the home rule charter 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 2012 Bond a valid and binding special, limited obligation of the City according to its terms have been done, do exist, have happened and have been performed as so required; and that this Series 2012 Bond and the premium, if any, and interest hereon are payable solely from the Net Revenues pledged and appropriated to the Revenue Bond Account. This Series 2012 Bond does not constitute a debt of the City within the meaning of any constitutional, statutory or charter limitation or provision and the issuance of this Series 2012 Bond does not cause either the general or the special indebtedness of the City to exceed any constitutional, statutory or charter limitation. This Series 2012 Bond is not a general obligation of the City and the taxing power of the City is not pledged to the payment of this Series 2012 Bond.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the City of Helena, Montana, by its governing body, has caused this Series 2012 Bond to be executed by the signatures of its Mayor, City Manager and countersigned by the signature of the Clerk of the Commission, and has caused the official seal of the City to be affixed hereto, and has caused this Series 2012 Bond to be dated as of the _____ day of _____, 2019.

CITY OF HELENA, MONTANA

_____
Mayor

_____
City Manager

ATTEST:

_____
Its: Clerk of the Commission

(SEAL)

REGISTRATION AND TRANSFER

This Series 2012 Bond shall be fully registered as to both principal and interest. No transfer of this Series 2012 Bond shall be valid unless and until (1) the registered holder of this Series 2012 Bond, or his or her duly authorized attorney or legal representative, executes the form of assignment appearing on this Series 2012 Bond, and (2) the Chief Financial Officer of the City, acting as bond registrar (the "Registrar"), has duly noted the transfer on this Series 2012 Bond and recorded the transfer on the Registrar's registration books. The City shall be entitled to deem and treat the person in whose name this Series 2012 Bond is registered as absolute owner thereof for all purposes, notwithstanding any notice to the contrary. Payments on account of this Series 2012 Bond shall be made only to the order of the registered holder thereof, and all such payments shall be valid and effectual to satisfy and discharge the City's liability upon this Series 2012 Bond to the extent of the sum or sums so paid.

REGISTER

The ownership of the unpaid Principal Balance of this Series 2012 Bond and the interest accruing thereon is registered on the books of the City the name of the registered holder appearing on the first page hereof and named immediately below or as last noted below:

Date of Registration	Name and Address of Registered Holder	Chief Financial Officer
_____, 2019	Department of Natural Resources and Conservation 1625 Eleventh Avenue Helena. MT 59620	

THE FOLLOWING ENTRIES ARE TO BE MADE ONLY BY THE BOND REGISTRAR UPON REGISTRATION OF EACH TRANSFER

The Chief Financial Officer of the City, acting as Registrar, has transferred, on the books of the City, on the date last noted below, ownership of the principal amount of and the accrued interest on this Series 2012 Bond to the new registered holder noted next to such date, except for amounts of principal and interest theretofore paid.

Date of Transfer	Name of New Registered Holder	Signature of Bond Registrar

FORM OF ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____

_____ the within Bond and does hereby irrevocably constitute and appoint _____

_____ attorney to transfer the Bond on the books kept for the registration thereof, with

full power of substitution in the premises.

Dated: _____ _____

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

SCHEDULE A

SCHEDULE OF AMOUNTS ADVANCED

Date	Advances	Total Amount Advanced	Notation Made By
03/01/12	$100,538	$100,538	
05/10/12	364,927	465,465	
07/31/12	507,803	973,268	

SCHEDULE B

ADMINISTRATIVE EXPENSE SURCHARGE AND LOAN LOSS RESERVE SURCHARGE

APPENDIX D

FORM OF THE AMENDED SERIES 2016B BOND

UNITED STATES OF AMERICA
STATE OF MONTANA
COUNTY OF LEWIS AND CLARK
CITY OF HELENA

CITY OF HELENA
WATER SYSTEM REVENUE BOND
(DNRC DRINKING WATER STATE REVOLVING LOAN PROGRAM),
SERIES 2016B

No. R-2 $661,000

FOR VALUE RECEIVED, the City of Helena, Montana (the "Borrower"), a duly organized and existing municipal corporation in Lewis and Clark County, Montana, acknowledges itself to be specially indebted and hereby promises to pay to the Department of Natural Resources and Conservation of the State of Montana (the "DNRC"), or its registered assigns, solely from the Revenue Bond Account of its Water System Fund, the principal sum equal to the sum of the amounts entered on Schedule A attached hereto under "Total Amount Advanced," with interest on each such amount from the date such amount is advanced hereunder at the rate of two percent (2.00%) per annum on the unpaid balance until paid. In addition, the Borrower shall pay an Administrative Expense Surcharge and a Loan Loss Reserve Surcharge on the outstanding principal amount of this Series 2016B Bond, each at the rate of twenty-five hundredths of one percent (0.25%) per annum. Interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be payable in semiannual installments payable on each January 1 and July 1 (each a "Loan Repayment Date") commencing on January 1, 2017 and concluding on July 1, 2036. Principal shall be payable on the dates set forth in Schedule B hereto. Each installment shall be in the amount set forth opposite its due date in Schedule B attached hereto under "Total Loan Payment." The portion of each such payment consisting of principal, the portion consisting of interest, the portion consisting of Administrative Expense Surcharge, and the portion consisting of Loan Loss Reserve Surcharge shall be as set forth in Schedule B hereto. Upon each disbursement of Loan amounts to the Borrower pursuant to the Amended and Restated Resolution described below, the DNRC shall enter (or cause to be entered) the amount advanced on Schedule A under "Advances" and the total amount advanced under the Amended and Restated Resolution (as hereinafter defined), including such disbursement, under "Total Amount Advanced." The DNRC shall prepare Schedule B and any revised Schedule B, or cause Schedule B and any revised Schedule B to be prepared, as provided in Section 3.8 of the Amended and Restated Resolution. Schedule B shall be calculated and recalculated on a level debt service basis assuming an interest rate of 2.50% per annum. Past- due payments of principal and interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall bear interest at the rate of ten percent (10.00%) per annum, until paid. Interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be calculated on the basis of a 360-day year comprising 12 months of 30 days each. All payments under this Series 2016B Bond shall be made to the registered holder of this Series 2016B Bond, at its address as it appears on the Bond register, in lawful money of the United States of America.

This Series 2016B Bond is one of an issue of Water System Revenue Bonds of the Borrower authorized to be issued in one or more series from time to time, and constitutes a series in the maximum

authorized principal amount of $661,000 (the "Series 2016B Bond"). The Series 2016B Bond is issued to finance a portion of costs of the construction of certain improvements to the Water System of the Borrower (the "System") and to pay costs of issuance of the Series 2016 Bonds. The Series 2016B Bond is issued pursuant to and in full conformity with the Constitution and laws of the State of Montana thereunto enabling, including Montana Code Annotated, Title 7, Chapter 7, Part 44, as amended, and ordinances and resolutions duly adopted by the governing body of the Borrower, including the Amended and Restated Resolution No. _____, adopted by the City on August 12, 2019 (the "Amended and Restated Resolution"), which amended and restated Resolution No. 10386, adopted by the City on March 30, 1992, as amended and supplemented by Resolution No. 20319, adopted on November 14, 2016. Terms used with initial capital letters but not defined herein have the meanings given to them in the Amended and Restated Resolution. The Series 2016B Bond is issuable only as a single, fully registered bond. The Series 2016B Bond is issued on a parity with the Borrower's outstanding Amended Bonds (as defined in the Amended and Restated Resolution). Simultaneously herewith, the Borrower is issuing its $500,000 Subordinate Lien Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Taxable Series 2016A (the "Series 2016A Bond"). The 2016B First Advance has been advanced at Closing. Following the 2016B First Advance, the total amount of each advance will be split equally between the Series 2016A Bond and the Series 2016B Bond, until the entire amount of the Series 2016A Bond is advanced; provided that the initial advance shall include the 2016B First Advance. After the Series 2016A Bond is advanced in full, all advances will be from only the Series 2016B Bond.

Reference is made to the Amended and Restated Resolution for a more complete statement of the terms and conditions upon which the Series 2016B Bond has been issued, the Net Revenues of the System pledged and appropriated for the payment and security thereof, the conditions upon which additional Bonds may be issued under the Amended and Restated Resolution and made payable from such Net Revenues on a parity with the Amended Bonds, this Series 2016B Bond, and any other parity Bond (collectively, the "Bonds") or otherwise, the conditions upon which the Amended and Restated Resolution may be amended, the rights, duties and obligations of the Borrower, and the rights of the owners of the Series 2016B Bond.

The Borrower may prepay the principal of the Series 2016B Bond only if (i) a Determination Statement has been delivered, (ii) it obtains the prior written consent of the DNRC thereto, and (iii) no Loan Repayment or Administrative Expense Surcharge or Loan Loss Reserve Surcharge is then delinquent. Any prepayment permitted by the DNRC must be accompanied by payment of accrued interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge to the date of prepayment on the amount of principal prepaid. If the Series 2016B Bond is prepaid in part, such prepayments shall be applied to principal payments in inverse order of maturity.

The Series 2016B Bond, including interest and any premium, are payable solely from the Net Revenues pledged for the payment hereof and do not constitute a debt of the Borrower within the meaning of any constitutional or statutory limitation or provision.

The Borrower may deem and treat the person in whose name this Series 2016B Bond is registered as the absolute owner hereof, whether this Series 2016B Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and the Borrower shall not be affected by any notice to the contrary. The Series 2016B Bond may be transferred as hereinafter provided.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that the Borrower has duly authorized and will forthwith construct and complete the improvements to the System 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 Water System Fund into which the gross revenues of the System will be paid, and a separate and special Revenue Bond Account in that Water System Fund, into which will be paid each month, from and as a first and prior lien on the Net Revenues then on hand, an amount equal to not less than the sum of one- sixth of principal and the interest to become due within the next six months with respect to all Bonds payable semi-annually from the Revenue Bond Account; that the Borrower has created a Reserve Account in the Water System Fund into which shall be paid additional Net Revenues, after required credits to the Revenue Bond Account, sufficient to establish and maintain a reserve therein equal to, as of the date of calculation, the Reserve Requirement; that the Revenue Bond Account will be used only to pay the principal of, premium, if any, and interest on the Amended Bonds, the Series 2016B Bond and any other additional Bonds issued pursuant to the Amended and Restated 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 income and revenues adequate to pay promptly the reasonable and current expenses of operating and maintaining the System and to produce in each fiscal year Net Revenues in excess of such current expenses, equal to at least 110% of the maximum amount of principal and interest payable from the Revenue Bond Account in any subsequent fiscal year; that additional Bonds and refunding Bonds may be issued and made payable from the Revenue Bond Account on a parity with the Amended Bonds, the Series 2016B Bond and other Additional Bonds upon certain conditions set forth in the Amended and Restated 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 Amended Bonds, the Series 2016B Bond and Additional Bonds that are parity Bonds on such Net Revenues and such obligations are payable only from Surplus Net Revenues (as is the case with the Series 2016A Bond); that all provisions for the security of the holder of this Series 2016B Bond set forth in the Amended and Restated 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 Borrower to be done, to exist, to happen and to be performed in order to make this Series 2016B Bond a valid and binding special obligation of the Borrower according to its terms have been done, do exist, have happened and have been performed as so required; and that this Series 2016B Bond and the premium, if any, and 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 Borrower within the meaning of any constitutional or statutory limitation or provision and the issuance of the Series 2016B Bond does not cause either the general or the special indebtedness of the Borrower to exceed any constitutional or statutory limitation.

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IN WITNESS WHEREOF, the City of Helena, Lewis and Clark County, Montana, by its City Commission, has caused this Series 2016B Bond to be executed on its behalf by the facsimile or manual signatures of the Mayor and City Manager and has caused this Series 2016B Bond to be dated as of the date set forth below.

Dated: _____, 2019

CITY OF HELENA, MONTANA

_____
Mayor

_____
City Manager

ATTEST:

_____
Clerk of the Commission

REGISTRATION AND TRANSFER

The Series 2016B Bond shall be fully registered as to both principal and interest. No transfer of the Bond shall be valid unless and until (1) the registered holder of the Series 2016B Bond, or his duly authorized attorney or legal representative, executes the form of assignment appearing on the Series 2016B Bond, and (2) the Chief Financial Officer as bond registrar (the "Registrar"), has duly noted the transfer on the Bond and recorded the transfer on the Registrar's registration books. The Borrower shall be entitled to deem and treat the person in whose name the Series 2016B Bond is registered as absolute owner thereof for all purposes, notwithstanding any notice to the contrary. Payments on account of the Series 2016B Bond shall be made only to the order of the registered holder thereof, and all such payments shall be valid and effectual to satisfy and discharge the Borrower's liability upon the Bond to the extent of the sum or sums so paid.

REGISTER

The ownership of the outstanding principal balance of the Series 2016B Bond and the interest accruing thereon is registered on the books of City of Helena, Montana in the name of the registered holder appearing on the first page hereof or as last noted below:

Date of Registration	Name and Address of Registered Holder	Chief Financial Officer
_____, 2019	Department of Natural Resources and Conservation 1625 Eleventh Avenue Helena. MT 59620	

THE FOLLOWING ENTRIES ARE TO BE MADE ONLY BY THE BOND REGISTRAR UPON REGISTRATION OF EACH TRANSFER

The Clerk of the Commission of the City of Helena, Montana, acting as Bond Registrar, has transferred, on the books of the Borrower, on the date last noted below, ownership of the principal amount of and the accrued interest on the Series 2016B Bond to the new registered holder noted next to such date, except for amounts of principal and interest theretofore paid.

Date of Transfer	Name of New Registered Holder	Signature of Bond Registrar

FORM OF ASSIGNMENT

For value received, the Series 2016B Bond is hereby transferred, and assigned by the undersigned holder, without recourse, to _____ on this _____ day of _____, _____.

By: _____
(Authorized Signature)

For: _____
(Holder)

Res #_____

SCHEDULE A

SCHEDULE OF AMOUNTS ADVANCED

Date	Advances	Total Amount Advanced	Notation Made By

SCHEDULE B

GENERAL OBLIGATION BONDS

DRINKING WATER

(REVOLVING FUND PROGRAM)

BORROWER:	Helena		
PROJECT NAME:		FINAL LOAN PAYMENT:	7/1/2036
LOAN COMMITMENT:	$661,000	# OF LOAN PAYMENTS:	40
LOAN AMOUNT:	661,000	PROJECT NUMBER:	
INTEREST RATE:	2.50%	DATE OF FUNDING:	11/29/2016

	PAYMENT DUE	LOAN LOSS RESERVE	ADM EXPENSE SURCHARGE	INTEREST PAYMENT	PRINCIPAL PAYMENT	O/S LOAN BALANCE	TOTAL AMOUNT OF PAYMENT
1	1/1/2017	146.89	146.89	1,175.11	13,000.00	648,000.00	$14,468.89
2	7/1/2017	810.00	810.00	6,480.00	13,000.00	635,000.00	$21,100.00
3	1/1/2018	793.75	793.75	6,350.00	13,000.00	622,000.00	$20,937.50
4	7/1/2018	777.50	777.50	6,220.00	13,000.00	609,000.00	$20,775.00
5	1/1/2019	761.25	761.25	6,090.00	13,000.00	596,000.00	$20,612.50
6	7/1/2019	745.00	745.00	5,960.00	14,000.00	582,000.00	$21,450.00
7	1/1/2020	727.50	727.50	5,820.00	14,000.00	568,000.00	$21,275.00
8	7/1/2020	710.00	710.00	5,680.00	14,000.00	554,000.00	$21,100.00
9	1/1/2021	692.50	692.50	5,540.00	14,000.00	540,000.00	$20,925.00
10	7/1/2021	675.00	675.00	5,400.00	14,000.00	526,000.00	$20,750.00
11	1/1/2022	657.50	657.50	5,260.00	15,000.00	511,000.00	$21,575.00
12	7/1/2022	638.75	638.75	5,110.00	15,000.00	496,000.00	$21,387.50
13	1/1/2023	620.00	620.00	4,960.00	15,000.00	481,000.00	$21,200.00
14	7/1/2023	601.25	601.25	4,810.00	15,000.00	466,000.00	$21,012.50
15	1/1/2024	582.50	582.50	4,660.00	15,000.00	451,000.00	$20,825.00
16	7/1/2024	563.75	563.75	4,510.00	15,000.00	436,000.00	$20,637.50
17	1/1/2025	545.00	545.00	4,360.00	16,000.00	420,000.00	$21,450.00
18	7/1/2025	525.00	525.00	4,200.00	16,000.00	404,000.00	$21,250.00
19	1/1/2026	505.00	505.00	4,040.00	16,000.00	388,000.00	$21,050.00
20	7/1/2026	485.00	485.00	3,880.00	16,000.00	372,000.00	$20,850.00
21	1/1/2027	465.00	465.00	3,720.00	16,000.00	356,000.00	$20,650.00
22	7/1/2027	445.00	445.00	3,560.00	17,000.00	339,000.00	$21,450.00
23	1/1/2028	423.75	423.75	3,390.00	17,000.00	322,000.00	$21,237.50

	PAYMENT DUE	LOAN LOSS RESERVE	ADM EXPENSE SURCHARGE	INTEREST PAYMENT	PRINCIPAL PAYMENT	O/S LOAN BALANCE	TOTAL AMOUNT OF PAYMENT
24	7/1/2028	402.50	402.50	3,220.00	17,000.00	305,000.00	$21,025.00
25	1/1/2029	381.25	381.25	3,050.00	17,000.00	288,000.00	$20,812.50
26	7/1/2029	360.00	360.00	2,880.00	18,000.00	270,000.00	$21,600.00
27	1/1/2030	337.50	337.50	2,700.00	18,000.00	252,000.00	$21,375.00
28	7/1/2030	315.00	315.00	2,520.00	18,000.00	234,000.00	$21,150.00
29	1/1/2031	292.50	292.50	2,340.00	18,000.00	216,000.00	$20,925.00
30	7/1/2031	270.00	270.00	2,160.00	18,000.00	198,000.00	$20,700.00
31	1/1/2032	247.50	247.50	1,980.00	19,000.00	179,000.00	$21,475.00
32	7/1/2032	223.75	223.75	1,790.00	19,000.00	160,000.00	$21,237.50
33	1/1/2033	200.00	200.00	1,600.00	19,000.00	141,000.00	$21,000.00
34	7/1/2033	176.25	176.25	1,410.00	19,000.00	122,000.00	$20,762.50
35	1/1/2034	152.50	152.50	1,220.00	20,000.00	102,000.00	$21,525.00
36	7/1/2034	127.50	127.50	1,020.00	20,000.00	82,000.00	$21,275.00
37	1/1/2035	102.50	102.50	820.00	20,000.00	62,000.00	$21,025.00
38	7/1/2035	77.50	77.50	620.00	20,000.00	42,000.00	$20,775.00
39	1/1/2036	52.50	52.50	420.00	21,000.00	21,000.00	$21,525.00
40	7/1/2036	26.25	26.25	210.00	21,000.00	0.00	$21,262.50
		17,641.89	17,641.89	141,135.11	661,000.00		837,418.89

DMNORTH #6772156 v5