

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

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I, the undersigned, being the duly qualified and acting recording officer of the City-County of Butte-Silver Bow, Montana (the "City-County"), hereby certify that the attached resolution is a true copy of Council Resolution No. 16-33, entitled: "RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$8,080,000 PRINCIPAL AMOUNT OF TAX INCREMENT URBAN RENEWAL REVENUE BOND, SERIES 2016 (BUTTE UPTOWN URBAN RENEWAL DISTRICT) TO FINANCE THE PARKING GARAGE PROJECT; AND PRESCRIBING THE FORM AND TERMS THEREOF AND THE SECURITY THEREFOR" (the "Resolution"), on file in the original records of the City-County in my legal custody; that the Resolution introduced by the Council of Commissioners of the City-County at a regular meeting on July 20, 2016, and that the meeting was duly held by the Council of Commissioners 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

WITNESS my hand and seal officially this 20th day of July, 2016.

Clerk and Recorder

I further certify that the Resolution was duly approved and adopted on second reading by the Council of Commissioners of the City-County at a regular meeting on August 3, 2016, and that the meeting was duly held by the Council of Commissioners 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 Commissioners voted in favor thereof: _____
_____; voted against the same:
_____; abstained from voting thereon: _____;
or were absent: _____.

WITNESS my hand and seal officially this 3rd day of August, 2016.

Clerk and Recorder

TABLE OF CONTENTS

	<u>Page</u>
1	
2	
3	SECTION 1. DEFINITIONS, AUTHORIZATIONS AND FINDINGS1
4	1.01. Definitions.....1
5	1.02. Rules of Construction5
6	1.03. Recitals.....5
7	1.04. Prior City-County Actions5
8	1.05. Authorization and Sale of Series 2016 Bond.....6
9	1.06. Application of Series 2016 Bond Proceeds7
10	1.07. Estimate of Tax Increment.....7
11	1.08. Findings.....7
12	1.09. Determinations.....8
13	SECTION 2. THE BONDS8
14	2.01. General Title8
15	2.02. General Limitations; Issuable in Series8
16	2.03. Terms of a Particular Series8
17	2.04. Form and Denominations.....9
18	2.05. Execution and Delivery.....9
19	SECTION 3. THE SERIES 2016 BOND9
20	3.01. Title, Principal Amount, Interest Rate and Stated Maturities9
21	3.02. System of Registration.....10
22	3.03. Initial Registrar11
23	3.04. Redemption.....11
24	3.05. Execution and Delivery of Series 2016 Bond.....12
25	3.06. Form of Series 2016 Bond12
26	3.07. Application of Proceeds of Series 2016 Bond12
27	3.08. Transcript Certification.....13
28	SECTION 4. ADDITIONAL OBLIGATIONS13
29	4.01. General Provisions13
30	4.02. Additional Bonds to Pay Costs of Projects14
31	4.03. Additional Bonds for Refunding Purposes15
32	4.04. Subordinate Obligations.....16
33	SECTION 5. THE TAX INCREMENT ACCOUNTS16
34	5.01. Bond Proceeds and Tax Increment Pledged and Appropriated16
35	5.02. Tax Increment Receipts16
36	5.03. Construction Account17
37	5.04. Bond Account17

1	5.05. Reserve Account	18
2	5.06. Tax Increment Development Account.....	18
3	5.07. Investments	19
4	SECTION 6. TAX COVENANTS AND CERTIFICATIONS	20
5	6.01. Security for the Series 2016 Bond	20
6	6.02. General Covenant.....	20
7	6.03. Arbitrage Certification.....	20
8	6.04. Arbitrage Rebate	20
9	6.05. Information Reporting	21
10	SECTION 7. OTHER COVENANTS OF CITY-COUNTY	21
11	7.01. Punctual Payment.....	21
12	7.02. Accumulation of Claims of Interest.....	21
13	7.03. Against Encumbrances.....	21
14	7.04. Books and Accounts; Financial Statements.....	21
15	7.05. Further Assurances.....	22
16	7.06. Amendment of Ordinance.....	22
17	7.07. Adjustment of Base Taxable Value	22
18	7.08. Pledge of Replacement Revenues.....	22
19	7.09. Owners' Rights	22
20	SECTION 8. SUPPLEMENTAL RESOLUTIONS	23
21	8.01. General.....	23
22	8.02. Consent of Owners.....	23
23	8.03. Notice.....	23
24	8.04. Manner of Consent.....	24
25	SECTION 9. DEFEASANCE OR DISCHARGE	24
26	9.01. General.....	24
27	9.02. Maturity.....	24
28	9.03. Redemption.....	24
29	9.04. Escrow.....	24
30	SECTION 10. REPEALS AND EFFECTIVE DATE.....	24
31	10.01. Repeal	24
32	10.02. Effective Date	25
33	Exhibit A—Form of Series 2016 Bond	A-1
34		

1 COUNCIL RESOLUTION NO. 16-33

2 RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
3 \$8,080,000 PRINCIPAL AMOUNT OF TAX INCREMENT URBAN
4 RENEWAL REVENUE BOND, SERIES 2016 (BUTTE UPTOWN
5 URBAN RENEWAL DISTRICT) TO FINANCE THE PARKING
6 GARAGE PROJECT; AND PRESCRIBING THE FORM AND TERMS
7 THEREOF AND THE SECURITY THEREFOR

8 BE IT RESOLVED by the Council of Commissioners of the City-County of Butte-Silver
9 Bow, Montana (the "City-County"), as follows:

10 Section 1. Definitions, Authorizations and Findings.

11 1.01. Definitions. The terms defined in this Section 1.01 shall for all purposes of this
12 Resolution have the meanings herein specified, unless the context clearly otherwise requires:

13 Accountant shall mean a Person engaged in the practice of accounting as a certified
14 public accountant, whether or not employed by the City-County.

15 Act shall mean Montana Code Annotated, Title 7, Chapter 15, Parts 42 and 43, as
16 amended or supplemented.

17 Additional Bonds shall mean any Bonds issued pursuant to Sections 4.01 through 4.03.

18 Bond Account shall mean the account so designated in the Tax Increment Debt Service
19 Account.

20 Bond Counsel shall mean any firm of nationally recognized bond counsel experienced in
21 matters relating to tax-exempt financing, selected by the City-County.

22 Bond Register shall mean the register maintained for the purpose of registering the
23 ownership, transfer and exchange of the Bonds of any series.

24 Bonds shall mean the Series 2016 Bond and any Additional Bonds.

25 Business Day shall mean, with respect to the Bonds of any series, any day other than a
26 Saturday, Sunday or other day on which the Registrar for such series of Bonds is not open for
27 business.

28 City-County shall mean the City-County of Butte-Silver Bow, Montana, or its successors.

29 Code shall mean the Internal Revenue Code of 1986, as amended.

30 Construction Account shall mean the account so designated in the Tax Increment Capital
31 Project Account.

32 Council shall mean the Council of Commissioners of the City-County or any successor
33 governing body thereof.

1 Defeasance Obligations shall mean obligations for payment of the principal of and
2 interest on which the United States has pledged its full faith and credit and which are not subject
3 to redemption or prepayment other than at the option of the holder thereof.

4 District shall mean the Butte Uptown Urban Renewal District created and established
5 pursuant to the Act and the Ordinance, as such district may be enlarged or reduced in accordance
6 with the Act and this Resolution.

7 Fiscal Year shall mean the period commencing on the first day of July of any year and
8 ending on the last day of June of the next calendar year, or any other twelve-month period
9 authorized by law and specified by this Council as the City-County's Fiscal Year.

10 Independent shall mean, when used with respect to any specified Person, such a Person
11 who (i) is in fact independent; (ii) does not have any direct financial interest or any material
12 indirect financial interest in the City-County, other than the payment to be received under a
13 contract for services to be performed by such Person; and (iii) is not connected with the City-
14 County as an officer, employee, promoter, trustee, partner, director, underwriter or person
15 performing similar functions. Whenever it is herein provided that any Independent Person's
16 opinion or certificate shall be furnished, such Person shall be appointed by the City-County and
17 such opinion or certificate shall state that the signer has read this definition and that the signer is
18 Independent within the meaning hereof.

19 Interest Account shall mean the subaccount so designated in the Bond Account.

20 Interest Payment Date shall mean the Stated Maturity of an installment of interest on any
21 of the Bonds.

22 Ordinance shall mean Ordinance No. 13-16 adopted by the City-County on December 18,
23 2013, as such may be further amended or supplemented.

24 Original Purchaser shall mean, with respect to any series of Bonds, the Person who
25 purchases such series of Bonds from the City-County when first issued. The Original Purchaser
26 of the Series 2016 Bond is Glacier Bank.

27 Outstanding shall mean, with reference to Bonds, as of the date of determination, all
28 Bonds theretofore issued and delivered under this Resolution except:

29 (i) Bonds theretofore cancelled by the City-County or delivered to the City-
30 County cancelled or for cancellation;

31 (ii) Bonds and portions of Bonds for whose payment or redemption money or
32 Defeasance Obligations (as provided in Section 9.04) shall have been theretofore
33 deposited in trust for the Owners of such Bonds; provided, however, that if such Bonds
34 are to be redeemed, notice of such redemption shall have been duly given pursuant to this
35 Resolution or irrevocable instructions to call such Bonds for redemption at a stated
36 Redemption Date shall have been given by the City-County; and

1 (iii) Bonds in exchange for or in lieu of which other Bonds shall have been issued
2 and delivered pursuant to this Resolution;

3 provided, however, that in determining whether the Owners of the requisite principal amount of
4 Outstanding Bonds have given any request, demand, authorization, direction, notice, consent or
5 waiver hereunder, Bonds owned by the City-County shall be disregarded and deemed not to be
6 Outstanding.

7 Owner shall mean, with respect to any Bond, the Person in whose name such Bond is
8 registered in the Bond Register.

9 Parking Garage Project shall have the meaning set forth in Section 1.04.

10 Person shall mean any individual, corporation, partnership, joint venture, limited liability
11 company, limited liability partnership, association, joint stock company, trust, unincorporated
12 organization or government or any agency or political subdivision thereof.

13 Principal Account shall mean the subaccount so designated in the Bond Account.

14 Principal and Interest Requirements shall mean, with respect to any Bonds and for any
15 Fiscal Year or other specified period, the amount required to pay the principal of and interest on
16 such Bonds during such Fiscal Year or other period.

17 Principal Payment Date shall mean the Stated Maturity of any installment of principal or
18 any Sinking Fund Payment Date on any Bond.

19 Project shall mean the Parking Garage Project and any other urban renewal project
20 undertaken under the Act in or for the benefit of the District, the costs of which are to be paid, in
21 whole or in part, from the proceeds of Bonds.

22 Redemption Date when used with respect to any Bond to be redeemed shall mean the
23 date on which it is to be redeemed.

24 Redemption Price when used with respect to any Bond to be redeemed shall mean the
25 price at which it is to be redeemed.

26 Registrar shall mean the Person, if any, appointed by the City-County to act as bond
27 registrar, transfer agent and paying agent for a series of Bonds. With respect to the Series 2016
28 Bond, the Registrar shall be appointed as set forth in Section 3.03.

29 Regulations shall mean the Treasury Regulations promulgated under the Code.

30 Reserve Account shall mean the account so designated in the Tax Increment Debt Service
31 Account.

32 Reserve Requirement shall mean, as of the date of calculation, an amount equal to the
33 maximum Principal and Interest Requirements on Outstanding Bonds for the then current or any
34 future calendar year.

1 Resolution shall mean this Resolution as originally adopted or as it may from time to
2 time be amended or supplemented pursuant to the applicable provisions hereof.

3 Series 2016 Bond shall mean the City-County's \$8,080,000 principal amount of Tax
4 Increment Urban Renewal Revenue Bond, Series 2016 (Butte Uptown Urban Renewal District).

5 Sinking Fund Payment Date shall mean a date set forth in any applicable provision of this
6 Resolution or a Supplemental Resolution for the making of a mandatory principal payment for
7 the redemption of a Term Bond.

8 State shall mean the State of Montana.

9 Stated Maturity when used with respect to any Bond or any installment of interest thereon
10 shall mean the date specified in such Bond as the fixed date on which principal of such Bond or
11 such installment of interest is due and payable.

12 Subordinate Obligations shall mean any bonds, notes or obligations of the City-County
13 issued on a subordinate basis to the Bonds as to the Tax Increment pursuant to Section 4.04.

14 Supplemental Resolution shall mean any resolution supplemental to this Resolution
15 adopted pursuant to Section 8.

16 Tax Increment shall mean the amount received by the City-County pursuant to the Act
17 from the extension of levies of Taxes (expressed in mills) against the incremental taxable value
18 (as defined in the Act) of all Taxable Property, and shall include all payments in lieu of Taxes
19 attributable to the incremental taxable value and all payments received by the City-County
20 designated as replacement revenues for lost Tax Increment, as provided in Section 7.08.

21 Tax Increment Capital Project Account shall mean the account so designated in the Tax
22 Increment Accounts.

23 Tax Increment Debt Service Account shall mean the account so designated in the Tax
24 Increment Accounts.

25 Tax Increment Development Account shall mean the account so designated in the Tax
26 Increment Accounts.

27 Tax Increment Accounts shall mean the accounts established pursuant to Section 5.

28 Taxable Property means all real and personal property located in the District and subject
29 to Taxes, including land, improvements and equipment.

30 Taxes means all taxes levied on an ad valorem basis by any Taxing Body against the
31 Taxable Property (exclusive of the six mill levy for university purposes levied by the State), and
32 shall include all payments in lieu of taxes received by the City-County with respect to Taxable
33 Property.

1 Taxing Body means the City-County, any school district, the State, any other political
2 subdivision or other governmental unit which levies or hereafter levies, during any Fiscal Year
3 during which the tax increment provision of the District is effective under the Act, ad valorem
4 taxes against real or personal property in the District.

5 Term Bond shall mean any Bond for the payment of the principal of which mandatory
6 payments are required by this Resolution or Supplemental Resolution to be made at times and in
7 amounts sufficient to redeem all or a portion of such Bond prior to its Stated Maturity.

8 Urban Renewal Plan shall mean the Butte Uptown Urban Renewal Plan adopted by the
9 Council on December 18, 2013, as such may be further amended or supplemented.

10 1.02. Rules of Construction. Unless the context otherwise requires or except as
11 otherwise expressly provided:

12 (a) All references in this Resolution to designated sections and other
13 subdivisions are to the designated sections and other subdivisions of this Resolution as
14 originally adopted.

15 (b) The words “herein,” “hereof” and “hereunder” and other words of similar
16 import without reference to any particular section or subdivision refer to this Resolution
17 as a whole and not to any particular section or other subdivision unless the context clearly
18 indicates otherwise.

19 (c) The terms defined in this Resolution include the plural as well as the
20 singular.

21 (d) All accounting terms not otherwise defined herein have the meanings
22 assigned to them in accordance with generally accepted accounting principles applicable
23 to governmental entities.

24 (e) All computations provided herein shall be made in accordance with
25 generally accepted accounting principles applicable to governmental entities consistently
26 applied.

27 (f) “Or” is not intended to be exclusive, but is intended to contemplate or
28 encompass one or more or all of the terms or alternatives conjoined.

29 1.03. Recitals. Under the provisions of the Act, the City-County is authorized to create
30 urban renewal areas, prepare and adopt an urban renewal plan therefor and amendments thereto,
31 undertake urban renewal projects therein, provide for the segregation and collection of tax
32 increment with respect to property taxes collected in such areas, issue its bonds to pay the costs
33 of such projects and to refund bonds previously issued under the Act and pledge to the
34 repayment of the bonds the tax increment and other revenues derived from projects undertaken
35 within the urban renewal area.

36 1.04. Prior City-County Actions. This Council, pursuant to the Act and the Ordinance,
37 has created the District as an urban renewal district and has approved the Urban Renewal Plan as

1 an urban renewal plan in accordance with the provisions of the Act. The Urban Renewal Plan
2 provides for the segregation and collection of tax increment revenues with respect to the District.
3 Pursuant to the Urban Renewal Plan, the City-County has identified public parking as a
4 significant infrastructure deficiency in the District and has declared as an urban renewal project
5 for the District the construction of a new multi-story public parking structure (the "Parking
6 Garage Project"). As set forth in the Urban Renewal Plan, the City-County also declared that it
7 would undertake to issue tax increment revenue bonds in order to finance the Parking Garage
8 Project.

9 On April 8, 2014, the City-County entered into a Development Agreement with
10 NorthWestern Corporation d/b/a/ NorthWestern Energy ("NorthWestern") pursuant to which the
11 City-County agreed, among other things, to undertake the design and construction of a new
12 public parking garage in the District in order to support an increase in demand for public parking
13 as a result of NorthWestern's construction of a new headquarters office building.

14 Prior to the issuance of the Series 2016 Bond, the City-County will enter into a
15 Development Agreement with National Affordable Housing Network ("NAHN") pursuant to
16 which the City-County agreed, among other things, to purchase real property from NAHN (the
17 "NAHN Parcel") in exchange for certain payments and undertakings by the City-County. The
18 Parking Garage Project will be partially constructed on the NAHN Parcel. The Council ratifies
19 and confirms that the payments and undertakings by the City-County in connection with the
20 purchase of the NAHN Parcel reflect the fair value of the NAHN Parcel.

21 Prior to the issuance of the Series 2016 Bond, the City-County will enter into a
22 Development Agreement with Park West L.P. ("Park West") pursuant to which the City-County
23 agreed, among other things, to acquire an encroachment easement and a temporary construction
24 easement from Park West in exchange for certain payments and undertakings by the City-
25 County. The Parking Garage Project will be built into the encroachment easement and the Park
26 West parking lot will be used as a temporary construction staging area for the Parking Garage
27 Project. The Council ratifies and confirms that the payments and undertakings by the City-
28 County in connection with the acquisition of the easements reflect the fair value of the
29 easements.

30 1.05. Authorization and Sale of Series 2016 Bond. This Council hereby determines that
31 it would be in the best interests of the City-County to sell its Series 2016 Bond in a negotiated
32 sale to the Original Purchaser, as authorized by Section 7-15-4301(1)(a) of the Act and this
33 Resolution. Proceeds of the Series 2016 Bond shall be used to pay costs of the Parking Garage
34 Project (including acquisition of real property and easements), fund a deposit to the Reserve
35 Account and pay costs of issuance of the Series 2016 Bond, as set forth in Section 1.06. The
36 Original Purchaser has agreed to purchase the Series 2016 Bond at a purchase price of
37 \$8,080,000. The Chief Executive and the Clerk and Recorder are hereby authorized and directed
38 to approve, execute and deliver to the Purchaser a bond purchase agreement (the "Bond Purchase
39 Agreement"), containing the agreement of the City-County to sell, and the agreement of the
40 Purchaser to purchase, the Series 2016 Bond on the terms and conditions set forth in this
41 Resolution, and containing such other provisions as such officers shall deem necessary and
42 appropriate. In the event of the absence or disability of the Chief Executive, the Finance and
43 Budget Director shall make such approvals and execute and deliver the Bond Purchase

1 Agreement. In addition, the Chief Executive and Clerk and Recorder are hereby authorized and
2 directed to issue and deliver the Series 2016 Bond on behalf of the City-County.

3 1.06. Application of Series 2016 Bond Proceeds. Proceeds of the Series 2016 Bond will
4 be applied as follows:

Construction Costs*	\$7,402,717.50
Costs of Issuance	120,400.00
Deposit to Reserve Account	556,882.50
<hr/>	
Total Financed	\$8,080,000.00

5 Construction Costs include costs of the land acquisition and easements as set forth in the
6 Development Agreements described in Section 1.04 above. Construction Costs in excess of the
7 proceeds of the Series 2016 Bond will be paid from Tax Increment of the District.

8 1.07. Estimate of Tax Increment. The City-County estimates that tax increment from the
9 District will be at least \$962,000 each year based on tax increment of \$546,595 received by the
10 City-County in fiscal year 2016 and tax increment of \$1,196,797 (based on estimates from the
11 Department of Revenue) expected to be received by the City-County in fiscal year 2017. The
12 maximum Principal and Interest Requirements on the Series 2016 Bond is \$556,882.50. There
13 are no other obligations of the City-County payable from Tax Increment. Accordingly, the
14 estimated Tax Increment to be received each year by the City-County will be sufficient to pay
15 the maximum annual principal and interest payable on the Series 2016 Bond.

16 1.08. Findings. It is hereby found, determined and declared by this Council as
17 follows:(a) no persons will be displaced from their housing by the Parking Garage Project;

18 (b) the Urban Renewal Plan and the Parking Garage Project conform to the
19 growth policy of the City-County as a whole;

20 (c) the Urban Renewal Plan and the Parking Garage Project afford maximum
21 opportunity, consistent with the needs of the City-County as a whole, for the
22 rehabilitation or redevelopment in the District by private enterprise;

23 (d) the Parking Garage Project is in the best interests of the City-County;

24 (e) the Parking Garage Project is authorized under the Urban Renewal Plan
25 and constitutes an urban renewal project within the meaning of the Act;

26 (f) the estimated Tax Increment to be received by the City-County, as set
27 forth in Section 1.07, and pledged to the payment of the Series 2016 Bond will be
28 sufficient to pay the Principal and Interest Requirements thereon when due;

29 (g) it is in the best interests of the City-County to issue and sell the Series
30 2016 Bond to finance the costs of the Parking Garage Project as provided in this
31 Resolution; and

1 (h) the findings and determinations made by this Council in the Ordinance are
2 hereby ratified and confirmed.

3 1.09. Determinations. All acts, conditions and things required by the Constitution and
4 laws of the State, including the Act, in order to pledge the Tax Increment to the payment of the
5 Series 2016 Bond, to make the Series 2016 Bond valid and binding special, limited obligations
6 of the City-County in accordance with their terms and in accordance with the terms of this
7 Resolution have been done, do exist, have happened and have been performed in regular and due
8 form, time and manner as so required.

9 Section 2. The Bonds.

10 2.01. General Title. The general title of the Bonds of all series shall be "Tax Increment
11 Urban Renewal Revenue Bonds (Butte Uptown Urban Renewal District)," with appropriate
12 additions for refunding Bonds or Subordinate Obligations and to distinguish Bonds of each series
13 from Bonds of other series.

14 2.02. General Limitations; Issuable in Series. Bonds may be issued in series as from
15 time to time authorized by the City-County. The aggregate principal amount of Bonds that may
16 be authenticated and delivered and Outstanding under this Resolution is not limited, except as
17 provided in Section 4 and except as may be limited by law.

18 The Bonds are special, limited obligations of the City. The Bonds are not general
19 obligations of the City-County and neither the general credit nor the taxing power of the City-
20 County or the State is pledged to the payment of the Bonds or the interest thereon. Principal of,
21 premium, if any, and interest on the Bonds (except to the extent expressly payable out of
22 proceeds of the Bonds) are payable solely from the Tax Increment or other sources which may be
23 pledged to the payment of any series of Bonds. The State shall in no event be liable for the
24 payment of the principal of, premium, if any, or interest on the Bonds or the performance of any
25 pledge of any kind whatsoever that may be undertaken by the City-County with respect thereto.
26 None of this Resolution, the Bonds or any of the agreements or obligations of the City-County
27 contained herein or therein shall be construed to constitute an indebtedness of the State within
28 the meaning of any constitutional or statutory provisions whatsoever.

29 If any Stated Maturity, Redemption Date or Sinking Fund Payment Date shall be on a day
30 which is not a Business Day, then payment of principal of, premium, if any, or interest due on
31 such day may be made on the next succeeding Business Day, with the same force and effect as if
32 made on such Stated Maturity, Redemption Date or Sinking Fund Payment Date (whether or not
33 such next succeeding Business Day occurs in a succeeding month), and no interest shall accrue
34 for the intervening period.

35 2.03. Terms of a Particular Series. Each series of Bonds (other than the Series 2016
36 Bond, as to which specific provision is made in Section 3) shall be created by a Supplemental
37 Resolution and pursuant to Section 4. The City-County may, at the time of the creation of any
38 series of Bonds or at any time thereafter make, and the Bonds of that series may also contain,
39 provision for a sinking, amortization, improvement or other analogous fund. All Bonds of the
40 same series shall be substantially identical except as to denomination and the differences

1 specified herein or in a Supplemental Resolution between interest rates, Stated Maturities and
2 redemption provisions.

3 2.04. Form and Denominations. The form of the Bonds (other than the Series 2016
4 Bond, as to which specific provision is made in Section 3) shall be established by the
5 Supplemental Resolution creating such series. The Bonds of any series shall be issuable as fully
6 registered Bonds, in such denominations as shall be provided in the Supplemental Resolution
7 creating such series (other than the Series 2016 Bond, as to which specific provision is made in
8 Section 3). In the absence of any such provision with respect to the Bonds of any particular
9 series, the Bonds shall be in denominations of \$5,000 or any integral multiple thereof, of single
10 Stated Maturities.

11 2.05. Execution and Delivery. Each Bond shall be executed on behalf of the City-
12 County by the officials of the City-County specified in a Supplemental Resolution (other than the
13 Series 2016 Bond, as to which specific provision is made in Section 3). The signature of any
14 official may be facsimile, if permitted by applicable law. Bonds bearing the manual or facsimile
15 signatures of individuals who were at any time the proper officials of the City-County shall bind
16 the City-County, notwithstanding that such individuals or any of them have ceased to hold such
17 offices prior to the delivery of such Bonds or did not hold such offices at the date of such Bonds.

18 At any time and from time to time, the City-County may deliver Bonds executed by the
19 proper officers of the City-County to the Registrar for authentication, and the Registrar shall
20 authenticate and deliver such Bonds as specified in a Supplemental Resolution (other than the
21 Series 2016 Bond, as to which specific provision is made in Section 3).

22 Section 3. The Series 2016 Bond.

23 3.01. Title, Principal Amount, Interest Rate and Stated Maturities. The Series 2016
24 Bond to be issued hereunder shall be designated “Tax Increment Urban Renewal Revenue Bond,
25 Series 2016 (Butte Uptown Urban Renewal District)” and shall be issued in the principal amount
26 of \$8,080,000. The Series 2016 Bond shall mature, subject to redemption as hereinafter
27 provided, by July 1, 2039. The Series 2016 Bond shall bear interest on the Outstanding principal
28 amount from the date of original issue, or from such later date to which interest has been paid or
29 duly provided for, until paid or discharged at the rate of 4.15% per annum. Principal of the
30 Series 2016 Bond shall be payable each July 1, commencing July 1, 2017, and interest on the
31 Series 2016 Bond shall be payable each January 1 and July 1, commencing January 1, 2017, in
32 each case, in the amounts reflected in the Debt Service Schedule to be attached as Schedule 1 to
33 the Series 2016 Bond.

34 Principal of the Series 2016 Bond shall be payable by check or draft of the Registrar
35 mailed to the Owner as such appears in the Bond Register; *provided* that the final installment of
36 principal (whether at maturity or earlier redemption) shall be payable only upon presentation and
37 surrender of the Series 2016 Bond to the City-County. The Registrar shall note in the Bond
38 Register each principal payment on the Series 2016 Bond. Interest on the Series 2016 Bond shall
39 be payable by check or draft of the Registrar mailed to the Owner as such appears in the Bond
40 Register as of the close of business on the 15th day (whether or not a Business Day) of the month
41 immediately preceding each payment date.

1 The Series 2016 Bond shall be issuable only in fully registered form and the ownership of
2 the Series 2016 Bond shall be transferred (in whole and not in part) only upon the Bond Register.
3 The Series 2016 Bond shall be dated its date of issuance. Upon delivery of the Series 2016 Bond
4 to the Original Purchaser thereof or upon the delivery of Series 2016 Bond upon a transfer or
5 exchange, the Registrar shall date the Series 2016 Bond so delivered as of the date of its
6 authentication.

7 3.02. System of Registration. The City-County shall appoint, and shall maintain, a
8 Registrar for the Series 2016 Bond. This Section 3.02 shall establish a system of registration for
9 the Series 2016 Bond. The effect of registration and the rights and duties of the City-County and
10 the Registrar with respect thereto shall be as follows:

11 (a) Bond Register. The Registrar shall keep at its principal office a Bond
12 Register in which the Registrar shall provide for the registration of ownership of Series
13 2016 Bond and the registration of transfers and exchanges thereof.

14 (b) Transfer. The Series 2016 Bond may be transferred in whole and not in
15 part. Upon surrender to the Registrar of the Series 2016 Bond duly endorsed by the
16 Owner or accompanied by a written instrument of transfer, in form satisfactory to the
17 Registrar, duly executed by the Owner thereof or by an attorney duly authorized by the
18 Owner in writing, the Registrar shall authenticate and deliver, in the name of the
19 designated transferee or transferees, a new Series 2016 Bond of the same series and a like
20 aggregate principal amount, interest rate and maturity. The Registrar may, however,
21 close the books for registration of transfer of the Series 2016 Bond or portion thereof
22 selected or called for redemption.

23 (c) Exchange. Whenever the Series 2016 Bond is surrendered by the Owner
24 for exchange, the Registrar shall authenticate and deliver a new Series 2016 Bond of the
25 same series and a like aggregate principal amount, interest rate and maturity.

26 (d) Cancellation. The Series 2016 Bond surrendered upon any transfer or
27 exchange shall be promptly cancelled by the Registrar and thereafter disposed of as
28 directed by the City.

29 (e) Improper or Unauthorized Transfer. When the Series 2016 Bond is
30 presented to the Registrar for transfer, the Registrar may refuse to transfer the same until
31 it is satisfied that the endorsement on such Series 2016 Bond or separate instrument of
32 transfer is valid and genuine and the transfer is legally authorized. The Registrar shall
33 incur no liability for the refusal, in good faith, to make transfers which it, in its judgment,
34 deems improper or unauthorized.

35 (f) Persons Deemed Owner. The City-County and the Registrar may treat the
36 Person in whose name the Series 2016 Bond is at any time registered in the Bond
37 Register as the absolute owner of such Series 2016 Bond, whether such Series 2016 Bond
38 shall be overdue or not, for the purpose of receiving payment of, or on account of, the
39 principal of, premium, if any, and interest on such Series 2016 Bond and for all other
40 purposes, and all such payments so made to any such Owner or upon the Owner's order

1 shall be valid and effectual to satisfy and discharge the liability of the City-County upon
2 such Series 2016 Bond to the extent of the sum or sums so paid.

3 (g) Taxes, Fees and Charges. For every transfer or exchange of a Series 2016
4 Bond (except upon a partial redemption of a Series 2016 Bond pursuant to Section 3.04),
5 the Registrar may impose a charge upon the Owner sufficient to reimburse the Registrar
6 for any tax, fee or other governmental charge required to be paid with respect to such
7 transfer or exchange.

8 (h) Mutilated, Lost, Stolen or Destroyed Series 2016 Bond. In case the Series
9 2016 Bond shall become mutilated or be lost, stolen or destroyed, the Registrar shall
10 deliver a new Series 2016 Bond of the same series and like principal amount, interest rate
11 and maturity in exchange and substitution for and upon cancellation of any such
12 mutilated Series 2016 Bond or in lieu of and in substitution for any such Series 2016
13 Bond lost, stolen or destroyed, upon the payment of the reasonable expenses and charges
14 of the Registrar in connection therewith; and, in the case of a Series 2016 Bond lost,
15 stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such
16 Series 2016 Bond was lost, stolen or destroyed, and of the ownership thereof, and upon
17 furnishing to the Registrar of an appropriate bond or indemnity in form, substance and
18 amount satisfactory to it, in which both the City-County and the Registrar shall be named
19 as obligees. A Series 2016 Bond so surrendered to the Registrar shall be cancelled by it
20 and evidence of such cancellation shall be given to the City. If the mutilated, lost, stolen
21 or destroyed Series 2016 Bond has already matured or such Series 2016 Bond has been
22 called for redemption in accordance with its terms, it shall not be necessary to issue a
23 new Series 2016 Bond prior to payment.

24 3.03. Initial Registrar. The City-County hereby appoints the Finance and Budget
25 Director as the initial Registrar for the Series 2016 Bond. The City-County reserves the right to
26 appoint a successor Registrar upon 30 days' notice, in which event the predecessor Registrar
27 shall deliver all cash and Series 2016 Bond, if any, in its possession as Registrar to the successor
28 Registrar and shall deliver the Bond Register to the successor Registrar.

29 3.04. Redemption.

30 (a) Optional Redemption of Series 2016 Bond. The Series 2016 Bond is not
31 subject to redemption prior to the fifth anniversary of the date of issue and delivery of the
32 Series 2016 Bond. On an after the fifth anniversary of the date of issue and delivery of
33 the Series 2016 Bond, the Series 2016 Bond shall be subject to redemption at the option
34 of the City-County, at any time and from time to time, in whole or in part, and if in part
35 then in inverse order of principal installments, at a price equal to the principal amount
36 thereof to be redeemed plus interest accrued to the Redemption Date, without premium.

37 (b) Notice of Redemption. The Redemption Date and the principal amount of
38 the Series 2016 Bond to be redeemed shall be fixed by the Finance and Budget Director
39 who shall give notice thereof to the Registrar (if other than the Finance and Budget
40 Director) at least 35 days prior to the Redemption Date or such lesser period as the
41 Registrar accepts. The Registrar, at least 30 days prior to the designated Redemption

1 Date, shall cause notice of redemption to be mailed, by first class mail to the Owner of
2 each Series 2016 Bond to be redeemed at its address as it appears on the Bond Register,
3 but no defect in or failure to give such mailed notice shall affect the validity of
4 proceedings for the redemption of the Series 2016 Bond not affected by such defect or
5 failure. The notice of redemption shall specify the Redemption Date, Redemption Price,
6 interest rate and the place at which the Series 2016 Bond is to be surrendered for
7 payment, which is the principal office of the Registrar. Official notice of redemption
8 having been given as aforesaid, the Series 2016 Bond or portion thereof so to be
9 redeemed shall, on the Redemption Date, become due and payable at the Redemption
10 Price therein specified and from and after such date (unless the City-County shall default
11 in the payment of the Redemption Price) such Series 2016 Bond or portion thereof shall
12 cease to bear interest.

13 **3.05. Execution and Delivery of Series 2016 Bond.** The Series 2016 Bond shall be
14 forthwith prepared for execution under the direction of the Clerk and Recorder and shall be
15 executed on behalf of the City-County by the signatures of the Chief Executive and Clerk and
16 Recorder, provided that said signatures may be printed, engraved or lithographed facsimiles
17 thereof. The seal of the City-County need not be imprinted on or affixed to the Series 2016
18 Bond. In case any officer whose signature or a facsimile of whose signature shall appear on the
19 Series 2016 Bond shall cease to be such officer before the delivery thereof, such signature or
20 facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer
21 had remained in office until delivery. Notwithstanding such execution, no Series 2016 Bond
22 shall be valid or obligatory for any purpose or be entitled to any security or benefit under this
23 Resolution unless and until a certificate of authentication on such Series 2016 Bond has been
24 duly executed by the manual signature of an authorized representative of the Registrar.
25 Certificates of authentication on different Series 2016 Bond need not be signed by the same
26 representative. The executed certificate of authentication on each Series 2016 Bond shall be
27 conclusive evidence that it has been authenticated and delivered under this Resolution. When
28 the Series 2016 Bond has been fully executed and authenticated, they shall be delivered by the
29 Registrar to the Original Purchaser upon payment of the purchase price in accordance with the
30 contract of sale heretofore made and executed, and the Original Purchaser shall not be obligated
31 to see to the application of the purchase price.

32 **3.06. Form of Series 2016 Bond.** The Series 2016 Bond shall be in substantially the
33 form set forth in Exhibit A hereto (which is hereby incorporated herein and made a part hereof),
34 with such appropriate variations, omissions and insertions as are permitted or required by the
35 Resolution.

36 **3.07. Application of Proceeds of Series 2016 Bond.** Simultaneously with the delivery
37 of the Series 2016 Bond, the Finance and Budget Director shall cause the proceeds of the Series
38 2016 Bond to be deposited as follows:

- 39 (i) Deposit \$556,882.50 in the Reserve Account in order to cause the balance
40 therein to equal the Reserve Requirement giving effect to the issuance of the Series 2016
41 Bond; and

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(ii) Deposit \$7,523,117.50 in the Construction Account to be used to pay costs of the Parking Garage Project and costs of issuance of the Series 2016 Bond.

3.08. Transcript Certification. The officers of the City-County are directed to furnish to the Original Purchaser of the Series 2016 Bond and to Bond Counsel certified copies of all proceedings and information in their official records relevant to the authorization, sale and issuance of the Series 2016 Bond, and such certificates and affidavits as to other matters appearing in their official records or otherwise known to them as may be reasonably required to evidence the validity and security of the Series 2016 Bond, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations and recitals of the City-County as to the correctness of all facts stated therein and the completion of all proceedings stated therein to have been taken.

Section 4. Additional Obligations.

4.01. General Provisions. In addition to the Series 2016 Bond, whose issuance and delivery is provided for in Section 3, Additional Bonds may at any time and from time to time be issued, sold and delivered by the City-County but only upon compliance with the conditions of Sections 4.02 or 4.03, and upon filing with the Clerk and Recorder the following:

(a) A Supplemental Resolution authorizing the issuance of such series of Additional Bonds and the sale thereof to the Original Purchaser(s) named therein for the purchase price set forth therein.

(b) A certificate executed by the Finance and Budget Director stating that upon the issuance of such series of Additional Bonds, no default hereunder has occurred and is continuing which would not be cured upon the issuance of such series of Additional Bonds and application of the proceeds thereof.

(c) An opinion of Bond Counsel (who may rely on factual representations of the City-County and which opinion may be qualified by customary qualifications and exceptions) stating that:

(i) all conditions precedent provided for in this Resolution relating to the issuance and delivery of such series of Additional Bonds have been complied with, including any conditions precedent specified in this Section 4.01; and

(ii) the series of Additional Bonds when issued and delivered by the City-County will be valid and binding special, limited obligations of the City-County in accordance with their terms and entitled to the benefits of and secured by this Resolution.

Additional Bonds shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate, if any, permitted by law, shall have Stated Maturities, and may be subject to redemption at such times and prices and on such terms and conditions, all as may be provided by the Supplemental Resolution authorizing their issuance. All Additional Bonds issued pursuant to

1 Sections 4.02 and 4.03 shall be payable and secured ratably and equally and on a parity with the
2 Series 2016 Bond and any Additional Bonds theretofore issued, entitled to the same benefits and
3 security of this Resolution.

4 **4.02. Additional Bonds to Pay Costs of Projects.** Additional Bonds may be issued
5 under this Section 4.02, at one time or from time to time, subject to the conditions provided in
6 Section 4.01 and this Section 4.02, for the purpose of providing funds, with any other funds
7 available and committed therefor, for paying the cost of one or more Projects and any expenses
8 in connection with such financing.

9 Before any Additional Bonds shall be issued under this Section 4.02, the City-County
10 shall adopt a Supplemental Resolution authorizing the issuance of such series of Additional
11 Bonds and fixing the amount and the details thereof, and describing in brief and general terms
12 the Projects to be acquired, constructed, altered or improved and estimating the costs thereof.

13 In addition, prior to the execution and delivery of any series of Additional Bonds under
14 this Section 4.02, there shall be filed with the Clerk and Recorder:

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16 (i) A certificate executed by the Finance and Budget Director stating: (A) the
17 estimated cost of the Projects being financed thereby, including an allowance for
18 contingencies and all fees, expenses and financing costs, (B) the amount, if any, which
19 will be required to be deposited in the Reserve Account in connection with the issuance
20 of the Additional Bonds then proposed to be issued, (C) the amount, if any, which will be
21 required to be credited to the Bond Account to pay interest on Additional Bonds then
22 proposed to be issued, (D) the amount of Tax Increment received by the City-County in
23 the last completed Fiscal Year, (E) the amount of the maximum Principal and Interest
24 Requirements on the Outstanding Bonds and the Additional Bonds then proposed to be
25 issued for any future Fiscal Year during the term of all Bonds, and (F) that the principal
26 amount of the Additional Bonds then proposed to be issued is sufficient to provide for the
27 payment of all estimated costs of Projects to be financed thereby and credits to the Bond
28 Account and the Reserve Account as set forth above; and

29 (ii) a certificate executed by the Finance and Budget Director stating that:

30 (A) the Tax Increment received by the City-County in the last
31 completed Fiscal Year was equal to at least 125% of the maximum Principal and
32 Interest Requirements for any future fiscal year (during the term of all Bonds)
33 with respect to Outstanding Bonds and the Additional Bonds then proposed to be
34 issued; and

35 (B) the Tax Increment received by the City-County in the last
36 completed Fiscal Year was, and the Tax Increment estimated to be received in the
37 next succeeding three Fiscal Year is estimated to be, equal to at least 125% of the
38 maximum Principal and Interest Requirements for any future calendar year
39 (during the term of all Bonds) with respect to Outstanding Bonds and the
40 Additional Bonds then proposed to be issued.

1 For purposes of Section 4.02(ii)(A), the Tax Increment received by the City-
2 County in the last completed Fiscal Year may be adjusted by adding any increase in Tax
3 Increment which would have resulted from applying the aggregate tax rates of the Taxing
4 Bodies effective for the last completed Fiscal Year to the value, as determined by
5 certification of the County Assessor, of any projects which have been completed in the
6 District before the date of issuance of the Additional Bonds then proposed to be issued
7 and the taxable values of which as so completed are not included in the actual taxable
8 value (as defined in the Act) of the District. For purposes of Section 4.02(ii)(B), the Tax
9 Increment to be received in any future Fiscal Year shall assume that: (1) 90% of the
10 Taxes levied in the District will be collected in any future Fiscal Year; (2) no Taxes
11 delinquent in a prior Fiscal Year will be collected in any subsequent Fiscal Year; and (3)
12 there will be no increase in the Tax Increment to be received in any future Fiscal Year
13 resulting from projected inflation in property values or projected increases in Taxes. In
14 addition, the Council shall approve and confirm the findings and estimates set forth in the
15 above-described certificates in the Supplemental Resolution authorizing the issuance of
16 such Additional Bonds.

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18 4.03. Additional Bonds for Refunding Purposes. Additional Bonds may be issued
19 under this Section 4.03, at one time or from time to time, subject to the conditions provided in
20 Section 4.01 and this Section 4.03, for the purpose of providing funds, with any other funds
21 available and committed therefor, for paying at, or redeeming prior to, their Stated Maturities
22 any Outstanding Bonds, including the payment of any redemption premium thereon and interest
23 which will accrue thereon to any Redemption Date or the Stated Maturities thereof, and any
24 expenses in connection with such financing. Additional Bonds issued under this Section 4.03
25 shall be designated with the addition of the term “refunding”.

26 Before any Additional Bonds shall be issued under this Section 4.03, the City-County
27 shall adopt a Supplemental Resolution authorizing the issuance of such series of Additional
28 Bonds and fixing the amount and the details thereof, and authorizing the redemption of the
29 Outstanding Bonds to be refunded.

30 In addition, prior to the execution and delivery of any series of Additional Bonds under
31 this Section 4.03, there shall be filed with the Clerk and Recorder:

32 (i) such documents as shall be required to show that provisions have been
33 duly made in accordance with this Resolution for the redemption of all of the Outstanding
34 Bonds to be refunded; and

35 (ii) a report of an Independent Accountant to the effect that (a) the proceeds
36 (excluding accrued interest but including any premium) of the Additional Bonds then
37 proposed to be issued plus any moneys to be withdrawn from the Bond Account for such
38 purpose, together with any other funds deposited for such purpose, will be not less than
39 an amount sufficient to pay the Redemption Price on the Outstanding Bonds to be
40 refunded, or (b) from such proceeds there shall be deposited in trust, Defeasance
41 Obligations which do not permit the redemption thereof at the option of the issuer, the
42 principal of and the interest on which when due and payable (or redeemable at the option
43 of the holder thereof) will provide, together with any other moneys which shall have been

1 deposited in trust irrevocably for such purpose, but without reinvestment, sufficient
2 moneys to pay such principal, redemption premium and interest.

3 If Additional Bonds are issued to refund Subordinate Obligations, the conditions for the
4 issuance of Additional Bonds pursuant to Section 4.02 shall be satisfied in lieu of this Section
5 4.03.

6 **4.04. Subordinate Obligations.** Except as provided in Sections 4.01, 4.02 and 4.03, no
7 bonds, notes or other evidence of indebtedness of the City-County will be issued under or
8 secured by the provisions of this Resolution, and no bonds, notes or other evidence of
9 indebtedness will be made payable from the Bond Account or the Reserve Account, unless the
10 pledge and appropriation of Tax Increment for the payment and security of such bonds, notes or
11 other evidence of indebtedness is expressly subordinated to the pledge and appropriation made
12 for the benefit and security of the Bonds (including the Series 2016 Bond). In the event of the
13 issuance of any such Subordinate Obligations, the principal, premium, if any, and interest
14 thereon will be made payable from one or more additional accounts created within the Tax
15 Increment Accounts for that purpose, and the balance of funds at any time on hand in any such
16 accounts shall be available and shall be transferred whenever needed to meet the current
17 requirements of the Bond Account and the Reserve Account set forth in Sections 5.04 and 5.05.

18 **Section 5. The Tax Increment Accounts.**

19 **5.01. Bond Proceeds and Tax Increment Pledged and Appropriated.** The City-County
20 hereby establishes on its books and records three accounts designated as the Tax Increment
21 Capital Project Account, the Tax Increment Debt Service Account and the Tax Increment
22 Development Account (collectively, the "Tax Increment Accounts"), as described in this Section
23 5. The Tax Increment Accounts shall be maintained as separate and special bookkeeping
24 accounts on the official books and records of the City-County until all Bonds have been fully
25 paid, or the City-County's obligation with reference to all Bonds has been discharged as
26 provided in this Resolution.

27 All proceeds of Bonds and all other funds hereafter received or appropriated for purposes
28 of Projects are appropriated to the Tax Increment Accounts except amounts otherwise designated
29 in a Supplemental Resolution or received from Additional Bonds issued to refund Outstanding
30 Bonds pursuant to Section 4.03. All Tax Increment is irrevocably pledged and appropriated and
31 shall be credited as received to the Tax Increment Debt Service Account. Bonds shall be secured
32 by and payable from, equally and ratably with all other Bonds, Tax Increment and all other
33 moneys from time to time in the Tax Increment Accounts, on a first lien basis, in the manner and
34 to the extent provided in Section 5. The City-County shall not issue any obligation or security
35 superior to or on a parity with the Bonds, payable or secured, in whole or in part, from or by the
36 Tax Increment until all of the Bonds have been paid or discharged as provided herein.

37 **5.02. Tax Increment Receipts.** All Tax Increment received by the City-County and
38 credited to the Tax Increment Debt Service Account, as required in Section 5.01, shall be
39 credited as received as follows: (a) first, to the Interest Account, until the balance on hand is at
40 least equal to all interest on Bonds due and payable therefrom within the next twelve full
41 calendar months; (b) second, to the Principal Account, until the balance on hand is at least equal

1 to all principal of and premium, if any, on Bonds due and payable therefrom within the next
2 twelve full calendar months; (c) third, to the Reserve Account, until the balance on hand is equal
3 to the Reserve Requirement; and (d) fourth, after all credits required by the preceding clauses, to
4 the Tax Increment Development Account.

5 **5.03. Construction Account.** For each Project there shall be a separate Construction
6 Account within the Tax Increment Capital Project Account, to be used only to pay allowed costs
7 as incurred, which under accepted accounting principles are costs of the particular Project,
8 including but not limited to payments due for work and materials performed and delivered under
9 construction contracts, architectural, engineering, inspection, supervision, fiscal and legal
10 expenses, the cost of lands and easements, interest accruing on Bonds during the period of
11 construction of a Project financed thereby and for a period of time thereafter authorized by the
12 Act and deemed necessary by this Council, if and to the extent that amounts in the Interest
13 Account are not sufficient for payment of such interest, reimbursement of any loans or advances
14 made from other City-County funds, and all other expenses incurred in connection with the
15 acquisition, construction and financing of the Project. To the Construction Account shall be
16 credited as received all proceeds of Bonds issued to finance such Project, except amounts
17 otherwise designated in Section 3.07 or in a Supplemental Resolution or received from Bonds
18 issued to refund Outstanding Bonds pursuant to Section 4.03, and all other funds appropriated by
19 the City-County for the Project, and all income received from the investment of the Construction
20 Account. Upon completion of any Project and payment of the cost thereof, the City-County shall
21 transfer any money then remaining in the Construction Account for that Project to the Bond
22 Account and used to pay or redeem Bonds or portions thereof as provided in Section 3.04.

23 **5.04. Bond Account.** The Bond Account is hereby established as a special account
24 within the Tax Increment Debt Service Account. There are hereby established within the Bond
25 Account two separate subaccounts, designated as the Interest Account and the Principal Account.

26 (a) **Interest Account.** There shall be credited to the Interest Account the
27 following amounts: (i) any amount specified in any Supplemental Resolution to be
28 credited to the Interest Account; and (ii) from the Tax Increment as received by the City-
29 County, the amount specified in clause (a) of Section 5.02.

30 On or before each Interest Payment Date for Outstanding Bonds, the City-County
31 shall withdraw from the Interest Account an amount sufficient to pay the interest due on
32 the Bonds on such Interest Payment Date, and shall use such amount to pay, or make
33 provision with the Registrar for the payment of, interest on the Bonds on such Interest
34 Payment Date.

35 If on any Interest Payment Date the balance in the Interest Account is not
36 sufficient to pay the total amount of interest due on Bonds on such Interest Payment Date,
37 the City-County shall transfer any money then on hand in the Tax Increment
38 Development Account, the Reserve Account or the Principal Account to such account, in
39 the order listed and in an amount equal to such deficiency.

40 All income derived from the investment of amounts in the Interest Account shall
41 be credited as received to the Interest Account.

1 (b) Principal Account. There shall be credited to the Principal Account the
2 following amounts: (i) any amount specified in a Supplemental Resolution to be credited
3 to the Principal Account; and (ii) from the Tax Increment as received by the City-County,
4 the amount specified in clause (b) of Section 5.02.

5 Amounts on hand in the Principal Account shall be used on any Interest Payment
6 Date to make up a deficiency in the Interest Account, if and to the extent required by this
7 Section 5.04.

8 On or before each Principal Payment Date for Outstanding Bonds, the City-
9 County shall withdraw from the Principal Account an amount sufficient to pay the
10 principal due on the Bonds on such Principal Payment Date, and shall use such amount to
11 pay, or make provision with the Registrar for the payment of, principal of the Bonds on
12 such Principal Payment Date.

13 If on any Principal Payment Date the balance in the Principal Account is not
14 sufficient to pay the total amount of principal due on the Bonds on such Principal
15 Payment Date, the City-County shall transfer any money then on hand in the Tax
16 Increment Development Account or the Reserve Account to such account, in the order
17 listed and in an amount equal to such deficiency.

18 All income derived from the investment of amounts in the Principal Account shall
19 be credited as received to the Principal Account.

20 5.05. Reserve Account. The Reserve Account is hereby established as a special account
21 within the Tax Increment Debt Service Account. There shall be credited to the Reserve Account
22 the following amounts: (i) \$556,882.50 from proceeds of the Series 2016 Bond, as provided in
23 Section 3.07; (ii) any amount specified in any Supplemental Resolution to be credited to the
24 Reserve Account; (iii) from the Tax Increment as received by the City-County, the amount
25 specified in clause (c) of Section 5.02; and (iv) any other amounts appropriated from time to time
26 to the Reserve Account. Amounts on hand in the Reserve Account shall be used only to pay
27 when due principal of, premium, if any, and interest on Outstanding Bonds when the balance on
28 hand in the Bond Account is insufficient therefor; provided that on any date when the balance
29 then on hand in the Bond Account allocable to a series of Bonds is sufficient with other money
30 available to pay or discharge all Outstanding Bonds of that series and the interest accrued
31 thereon in full, and the balance thereafter on hand in the Reserve Account will be at least equal
32 to the Reserve Requirement for all Outstanding Bonds not to be discharged, such balance may be
33 used for that purpose. All income derived from the investment of amounts in the Reserve
34 Account shall be credited as received to the Reserve Account until such time as the balance in
35 the Reserve Account is equal to the Reserve Requirement, and thereafter all such investment
36 income as received shall be transferred to the Principal Account.

37 5.06. Tax Increment Development Account. There shall be credited to the Tax
38 Increment Development Account any and all Tax Increment remaining after the required credits
39 to the Bond Account and the Reserve Account and any investment income and other moneys in
40 any of the accounts within the Tax Increment Accounts in excess of the requirements of said
41 accounts and which the City-County determines in its discretion to transfer to the Tax Increment

1 Development Account. Money from time to time on hand in the Tax Increment Development
2 Account shall be transferred to the Bond Account and the Reserve Account as provided by
3 Sections 5.04 and 5.05 and may be used for any of the following purposes and not otherwise:

4 (a) to be transferred to the Construction Account to pay costs authorized to be
5 paid therefrom;

6 (b) to pay costs incurred in connection with projects within the District as
7 authorized by the Act and approved by the Council;

8 (c) to pay administrative costs of the City-County and the District and costs
9 incurred in connection with urban renewal projects (as defined in the Act) within the
10 District as authorized by the Act (including any loans or advances therefor made from
11 other City-County funds);

12 (d) to pay, redeem, discharge or otherwise secure Subordinate Obligations in
13 accordance with the provisions of this Resolution or any Supplemental Resolution;

14 (e) to purchase Bonds on the open market;

15 (f) to redeem or discharge Bonds prior to their Stated Maturities in
16 accordance with this Resolution or any Supplemental Resolution;

17 (g) to make payments of arbitrage rebate to the United States of America
18 pursuant to Section 148(f) of the Code in respect of any series of Bonds; and

19 (h) to pay other Taxing Bodies a portion of the annual Tax Increment received
20 by the City-County, pursuant to an agreement with respect thereto as authorized by the
21 Act; provided, however, no such agreement shall require or permit the City-County to
22 remit to any other Taxing Bodies any portion of the annual Tax Increment received in a
23 Fiscal Year and on deposit in the Tax Increment Development Account unless (1) the
24 balance in the Reserve Account as of the date of the remittance is not less than the
25 Reserve Requirement; and (2) there is no default under the provisions of this Resolution
26 as evidenced by a certificate of the Finance and Budget Director and filed with the Clerk
27 and Recorder as of the date of remittance.

28 5.07. Investments. The Finance and Budget Director shall cause all moneys from time
29 to time in the Tax Increment Accounts to be deposited as received with one or more depository
30 banks duly qualified in accordance with the provisions of Montana Code Annotated, Section 7-6-
31 201, as amended, and shall cause the balances in such accounts, except any part thereof covered
32 by federal deposit insurance, to be secured by the pledge of bonds or securities of the kinds
33 required by law, and no money shall at any time be withdrawn from such deposit accounts
34 except for the purposes of the Tax Increment Accounts as defined and authorized by this
35 Resolution. The funds to the credit of the several accounts within the Tax Increment Accounts
36 may be commingled in one or more deposit accounts. The balance on hand in any of the
37 accounts of the Tax Increment Accounts may at any time be invested and reinvested in Qualified
38 Investments as provided below, maturing and bearing interest payable at the times and in the
39 amounts estimated to be required to provide cash when needed for the purposes of the respective

1 accounts. Income from the investment of the moneys in the various accounts shall be credited
2 thereto. Subject to the provisions of law now or hereafter controlling investment of such funds,
3 money on hand in any of the accounts of the Tax Increment Accounts may be invested in any of
4 the following Qualified Investments, but no others:

5 (a) direct obligations of or obligations guaranteed by the United States of
6 America;

7 (b) bank time deposits or certificates of deposit secured by obligations and
8 securities described in clause (a) above; and

9 (c) the short-term investment pool administered by the Board of Investments
10 of the State or any successor investment pool created pursuant to Montana law.

11 **Section 6. Tax Covenants and Certifications.**

12 6.01. **Security for the Series 2016 Bond.** The Parking Garage Project is and will be
13 owned and operated by the City. The City-County shall not enter into any lease, use or other
14 agreement or arrangement with any non-governmental Person relating to the use of the Parking
15 Garage Project or security for the payment of the Series 2016 Bond which might cause the Series
16 2016 Bond to be considered a “private activity bond” or “private loan bond” within the meaning
17 of Section 141 of the Code. No “impermissible agreement” as defined in Regulations, Section
18 1.141-4(e)(4)(ii), has been or will be entered into by the City-County in respect of the Tax
19 Increment or otherwise to secure the Series 2016 Bond.

20 6.02. **General Covenant.** The City-County covenants and agrees with the Owner from
21 time to time of the Series 2016 Bond that it will not take or permit to be taken by any of its
22 officers, employees or agents any action which would cause the interest on the Series 2016 Bond
23 to become includable in gross income for federal income tax purposes under the Code and
24 applicable Regulations, and covenants to take any and all actions within its powers to ensure that
25 the interest on the Series 2016 Bond will not become includable in gross income for federal
26 income tax purposes under the Code and the Regulations.

27 6.03. **Arbitrage Certification.** The Chief Executive, Finance and Budget Director and
28 Clerk and Recorder, being the officers of the City-County charged with the responsibility for
29 issuing the Series 2016 Bond pursuant to this Resolution, are authorized and directed to execute
30 and deliver to the Original Purchaser a certificate in accordance with the provisions of Section
31 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts,
32 estimates and circumstances in existence on the date of issue and delivery of the Series 2016
33 Bond, it is reasonably expected that the proceeds of the Series 2016 Bond will not be used in a
34 manner that would cause the Series 2016 Bond to be an “arbitrage bonds” within the meaning of
35 Section 148 of the Code and the Regulations.

36 6.04. **Arbitrage Rebate.** The City-County acknowledges that the Series 2016 Bond is
37 subject to the rebate requirements of Section 148(f) of the Code. The City-County covenants and
38 agrees to retain such records, make such determinations, file such reports and documents and pay
39 such amounts at such times as are required under said Section 148(f) and applicable Regulations
40 to preserve the exclusion of interest on the Series 2016 Bond from gross income for federal

1 income tax purposes, unless the Series 2016 Bond qualifies for the exception from the rebate
2 requirement under Section 148(f)(4)(B) of the Code and no “gross proceeds” of the Series 2016
3 Bond (other than amounts constituting a “bona fide debt service fund”) arise during or after the
4 expenditure of the sale proceeds thereof. In furtherance of the foregoing, the Finance and
5 Budget Director is hereby authorized and directed to execute a Rebate Certificate, substantially
6 in the form to be prepared by Bond Counsel and the City-County hereby covenants and agrees to
7 observe and perform the covenants and agreements contained therein, unless amended or
8 terminated in accordance with the provisions thereof.

9 6.05. Information Reporting. The City-County shall file with the Secretary of the
10 Treasury, not later than November 15, 2016 a statement concerning the Series 2016 Bond
11 containing the information required by Section 149(e) of the Code.

12 Section 7. Other Covenants of City-County.

13 7.01. Punctual Payment. Subject to Section 2.02, the City-County will duly and
14 punctually pay or cause to be paid the principal of, premium, if any, and interest on the Bonds in
15 accordance with the terms of this Resolution and any applicable Supplemental Resolution and of
16 the Bonds, and it will faithfully observe and perform all of the conditions, covenants and
17 requirements of this Resolution and all Supplemental Resolutions and of the Bonds. Nothing
18 herein contained shall prevent the City-County from making advances of its own moneys
19 however derived to any of the uses or purposes referred to herein, nor shall be deemed or
20 constitute a pledge or appropriation of funds or assets of the City-County other than those
21 expressly pledged or appropriated hereby. The City-County further covenants that it will
22 promptly deposit or cause to be deposited all Tax Increment it receives into the Tax Increment
23 Debt Service Account, as set forth in Section 5.02.

24 7.02. Accumulation of Claims of Interest. In order to prevent any accumulation of
25 claims for interest after maturity, the City-County will not, directly or indirectly, extend or
26 consent to the extension of the time for the payment of any claim for interest on any of the Bonds
27 and will not, directly or indirectly, be a party to or approve any such arrangements by purchasing
28 or funding said claims for interest or in any other manner. In case any such claim for interest
29 shall be extended or funded, whether or not with the consent of the City-County, such interest so
30 extended or funded shall not be entitled, in case of default hereunder, to the benefits of this
31 Resolution, except subject to the prior payment in full of the principal of all of the Bonds then
32 outstanding and of all claims for interest which shall not have been so extended or funded.

33 7.03. Against Encumbrances. The City-County will not issue any obligation or security
34 superior to or on a parity with Bonds, payable or secured, in whole or in part, from or by the Tax
35 Increment until all of the Bonds have been paid or discharged as provided herein.

36 7.04. Books and Accounts; Financial Statements. The City-County will keep, or cause
37 to be kept, proper books of record and accounts, separate from all other records and accounts of
38 the City-County, in which complete and correct entries shall be made of all transactions relating
39 to the Tax Increment and the Tax Increment Debt Service Account and the Tax Increment
40 Development Account. Such books of record and accounts shall be at all times during business

1 hours subject to the inspection of the Owners of not less than ten percent (10%) of the principal
2 amount of Outstanding Bonds, or their representatives authorized in writing.

3 7.05. Further Assurances. The City-County will adopt, make, execute and deliver any
4 and all such further resolutions, instruments and assurances as may be reasonably necessary or
5 proper to carry out the intention or to facilitate the performance of this Resolution, and for the
6 better assuring and confirming unto the Owners of the rights and benefits provided in this
7 Resolution.

8 7.06. Amendment of Ordinance. Except to authorize additional Projects, the City-
9 County will not amend or modify the Ordinance or reduce the size of the District if an effect
10 thereof will be to materially and adversely affect the security of the Outstanding Bonds.

11 7.07. Adjustment of Base Taxable Value. The City-County shall not adjust the base
12 taxable value (as defined in the Act) of the District pursuant to Section 7-15-4287 of the Act so
13 long as any Bonds are Outstanding.

14 7.08. Pledge of Replacement Revenues. In the event the Constitution or laws of the
15 State are amended to abolish or substantially reduce or eliminate real or personal property
16 taxation and State law then or thereafter provides to the City-County an alternate or supplemental
17 source or sources of revenue specifically to replace or supplement reduced or eliminated Tax
18 Increment, then the City-County pledges, and covenants to appropriate annually, subject to the
19 limitations of then applicable law, to the Bond Account from such alternate or supplemental
20 revenues an amount that will, with money on hand in the Bond Account or available and to be
21 transferred to the Bond Account during such Fiscal Year, be sufficient to pay the principal of,
22 premium, if any, and interest on the Outstanding Bonds payable in that Fiscal Year.

23 7.09. Owners' Rights. No Owner of any Bond issued and secured under the provisions
24 of this Resolution shall have the right to institute any proceeding, judicial or otherwise, for the
25 enforcement of the covenants herein contained, without the written concurrence of the Owners of
26 not less than 25% in aggregate principal amount of all Outstanding Bonds; but the Owners of
27 such aggregate principal amount of Outstanding Bonds may, either at law or in equity, by suit,
28 action or other proceedings, protect and enforce the rights of all Owners of Bonds and compel
29 the performance of any and all of the covenants required herein to be performed by the City-
30 County and its officers and employees. The Owner of a majority in aggregate principal amount
31 of all Outstanding Bonds shall have the right to direct the time, method and place of conducting
32 any proceedings for any remedy available to the Owners or the exercise of any power conferred
33 on them, and the right to waive a default in the performance of any such covenant, and its
34 consequences, except a default in the payment of the principal of or interest on any Bond when
35 due. Nothing herein shall impair the absolute and unconditional right of the Owner of each Bond
36 to receive payment of the principal of and interest on any Bond as such principal and interest
37 respectively become due, and to institute suit for the enforcement of any such payment. In the
38 event of default in any such payment, any court having jurisdiction of the action may appoint a
39 receiver to administer the Tax Increment Accounts and to collect and segregate and apply the
40 Tax Increment and other revenues pledged thereto as provided by this Resolution or any
41 Supplemental Resolution and the Act.

1 Section 8. Supplemental Resolutions.

2 8.01. General. Notwithstanding Section 8.02, the City-County reserves the right to
3 adopt Supplemental Resolutions to this Resolution from time to time and at any time, for the
4 purpose of curing any ambiguity or of curing, correcting or supplementing any defective
5 provision contained herein, or of making such provisions with regard to matters or questions
6 arising hereunder as the City-County may deem necessary or desirable and not inconsistent with
7 this Resolution, and which shall not adversely affect the interests of the Owners of Bonds issued
8 hereunder, or for the purpose of adding to the covenants and agreements herein contained, or to
9 the Tax Increment herein pledged, other covenants and agreements thereafter to be observed and
10 additional revenues or income thereafter appropriated to the Tax Increment Accounts, or for the
11 purpose of surrendering any right or power herein reserved to or conferred upon the City-
12 County, or for the purpose of authorizing the creation and issuance of a series of Additional
13 Bonds, as provided in and subject to the conditions and requirements of Section 4. Any such
14 Supplemental Resolution may be adopted without the consent of the Owner of any of the Bonds
15 issued hereunder.

16 8.02. Consent of Owners. With the consent of the Owners of a majority in principal
17 amount of Outstanding Bonds affected thereby as provided in Section 8.04, the City-County may
18 from time to time and at any time adopt a Supplemental Resolution for the purpose of amending
19 this Resolution by adding any provisions hereto or changing in any manner or eliminating any of
20 the provisions hereof or of any Supplemental Resolution, except that no Supplemental
21 Resolution shall be adopted at any time without the consent of the Owners of all Outstanding
22 Bonds affected thereby, if it would extend the time of payment of interest thereon, would reduce
23 the amount of the principal thereof or premium thereon, would give to any Bond or Bonds any
24 privilege over any other Bond or Bonds (except for the privilege accorded Bonds over
25 Subordinate Obligations), would reduce the sources of Tax Increment or other revenues or
26 income appropriated to the Tax Increment Accounts, or would reduce the percentage in principal
27 amount of such Bonds required to authorize or consent to any such Supplemental Resolution.

28 8.03. Notice. Notice of a Supplemental Resolution to be adopted pursuant to
29 Section 8.02 shall be mailed by first-class mail, postage prepaid, to the Owners of all
30 Outstanding Bonds at their addresses appearing in the Bond Register and shall become effective
31 only upon the filing of written consents with the Clerk and Recorder, signed by the Owners of
32 the requisite principal amount of Outstanding Bonds affected thereby. Any written consent to
33 the Supplemental Resolution may be embodied in and evidenced by one or any number of
34 concurrent written instruments of substantially similar tenor signed by Owners thereof in person
35 or by agent duly appointed in writing, and shall become effective when delivered to the Clerk
36 and Recorder. Any consent by the Owner of any Bond shall bind that Owner and every future
37 Owner of the same Bond with respect to any Supplemental Resolution adopted by the City-
38 County pursuant to such consent; provided that any Owner may revoke his consent with
39 reference to any Bond by written notice received by the Clerk and Recorder before the
40 Supplemental Resolution has become effective. In the event that unrevoked consents of the
41 Owners of the requisite principal amount of Bonds have not been received by the Clerk and
42 Recorder within one year after the publication of notice of the Supplemental Resolution, the
43 Supplemental Resolution and all consents theretofore received shall be of no further force and
44 effect.

1 8.04. Manner of Consent. Proof of the execution of any consent, or of a writing
2 appointing any agent to execute the same, shall be sufficient for any purpose of this Resolution
3 and shall be conclusive in favor of the City-County if made in the manner provided in this
4 Section 8.04. The fact and date of the execution by any Person of any such consent may be
5 proved by the affidavit of a witness of such execution or by the certification of any notary public
6 or other officer authorized by law to take acknowledgment of deeds, certifying that the Person
7 signing it acknowledged to him the execution thereof. The fact and date of execution of any
8 such consent may also be proved in any other manner which the City-County may deem
9 sufficient; but the City-County may nevertheless, in its discretion, require further proof in cases
10 where it deems further proof desirable. The ownership of any Bonds shall be proved by the
11 Bond Register.

12 Section 9. Defeasance or Discharge.

13 9.01. General. When the liability of the City-County on all Bonds issued under and
14 secured by this Resolution and all interest thereon has been discharged as provided in this
15 Section 9, all pledges, covenants and other rights granted by this Resolution to the Owners of
16 such Bonds shall cease.

17 9.02. Maturity. The City-County may discharge its liability with reference to all Bonds
18 and interest thereon which are due on any date by depositing with the Registrar on or before the
19 date a sum sufficient for the payment thereof in full; or if any Bond or interest thereon shall not
20 be paid when due, the City-County may nevertheless discharge its liability with reference thereto
21 by depositing with the Registrar a sum sufficient for the payment thereof in full with interest
22 accrued to the date of such deposit.

23 9.03. Redemption. The City-County may also discharge its liability with reference to
24 any Bonds which are called for redemption on any date in accordance with their terms, by
25 depositing with the Registrar on or before that date an amount equal to the principal, redemption
26 premium, if any, and interest which are then due thereon; provided that notice of such
27 redemption has been given or irrevocably provided for as provided in this Resolution.

28 9.04. Escrow. The City-County may also at any time discharge its liability in its
29 entirety with reference to any Bond subject to the provisions of law now or hereafter authorizing
30 and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as
31 an escrow agent for this purpose, cash or Defeasance Obligations which are authorized by law to
32 be so deposited, bearing interest payable at such times and at such rates and maturing on such
33 dates as shall be required, without reinvestment, to provide funds sufficient to pay all principal,
34 redemption premiums, if any, and interest to become due on such Bond at its Stated Maturity or,
35 if such Bond is prepayable and notice of redemption thereof has been given or irrevocably
36 provided for as provided in this Resolution, to such earlier Redemption Date.

37 Section 10. Repeals and Effective Date.

38 10.01. Repeal. All provisions of other resolutions and other actions and proceedings of
39 the City-County and this Council that are in any way inconsistent with the terms and provisions

1 of this Resolution are repealed, amended and rescinded to the full extent necessary to give full
2 force and effect to the provisions of this Resolution.

3 10.02. Effective Date. This Resolution shall take effect immediately upon its passage
4 and adoption by this Council.

5

1 PASSED this 3rd day of August, 2016.

2

3

4

5

6

7

CINDI SHAW
CHAIR OF THE COUNCIL OF
COMMISSIONERS

8

9

10

11

12

13

APPROVED this 3rd day of August, 2016.

14

ATTEST:

15

SALLY J. HOLLIS

16

CLERK & RECORDER

17

18

19

20

21

APPROVED AS TO FORM:

22

23

24

EILEEN JOYCE

25

COUNTY ATTORNEY

26

27

28

DAVID WALKER

29

CHAIRMAN, JUDICIARY COMMITTEE

1 EXHIBIT A

2
3
4 UNITED STATES OF AMERICA
5 STATE OF MONTANA

6
7 CITY-COUNTY OF BUTTE-SILVER BOW

8 TAX INCREMENT URBAN RENEWAL REVENUE BOND, SERIES 2016
9 (BUTTE UPTOWN URBAN RENEWAL DISTRICT)

10 No. R- _____

<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Date of Original Issue</u>
4.15%	July 1, 2039	[_____]

11 REGISTERED HOLDER: [_____]
12 Tax Identification No. [_____]
13

14 PRINCIPAL AMOUNT: [_____] DOLLARS

15 FOR VALUE RECEIVED, THE CITY-COUNTY OF BUTTE-SILVER BOW,
16 MONTANA (the "City-County"), a duly organized municipal corporation, acknowledges itself
17 to be specially indebted and hereby promises to pay to the registered holder specified above or
18 registered assigns, solely from the Tax Increment received by the City-County from Taxable
19 Property in the District which has been pledged and appropriated for the payment hereof as
20 stated below, the principal amount specified above. Principal of this Series 2016 Bond shall be
21 payable each July 1, commencing July 1, 2017, and interest on this Series 2016 Bond shall be
22 payable each January 1 and July 1, commencing January 1, 2017, in each case, in the amounts
23 reflected in the Debt Service Schedule attached as Schedule 1 to this Series 2016 Bond. This
24 Series 2016 Bond bears interest on the Outstanding principal amount from the date of original
25 issue specified above, or from such later date to which interest has been paid or duly provided
26 for, until paid or discharged at the rate per annum specified above. Interest on this Series 2016
27 Bond shall be calculated on the basis of a year of 360 days composed of twelve 30-day months.
28 Principal of this Series 2016 Bond shall be payable by check or draft of the Registrar mailed to
29 the Owner as such appears in the Bond Register; *provided* that the final installment of principal
30 (whether at maturity or earlier redemption) shall be payable only upon presentation and
31 surrender of this Series 2016 Bond to the City-County. The Registrar shall note in the Bond
32 Register each principal payment on this Series 2016 Bond. Interest on this Series 2016 Bond
33 shall be payable by check or draft of the Registrar mailed to the Owner as such appears in the
34 Bond Register as of the close of business on the 15th day (whether or not a Business Day) of the
35 month immediately preceding each payment date.

36 This Series 2016 Bond is a duly authorized issue of the City-County designated as "Tax
37 Increment Urban Renewal Revenue Bond, Series 2016 (Butte Uptown Urban Renewal District)"
38 (the "Series 2016 Bond") issued and to be issued under Resolution No. 16-33, adopted by the

1 City-County Council on August 3, 2016 (as amended or supplemented in accordance with the
2 provisions thereof, the "Resolution"), to which Resolution (copies of which are on file with the
3 City-County) reference is hereby made for a description of the nature and extent of the security,
4 the respective rights thereunder of the registered owner of this Series 2016 Bond and the City-
5 County and the terms upon which this Series 2016 Bond is issued and delivered. Capitalized
6 terms used herein but not otherwise defined shall have the respective meanings given such terms
7 in the Resolution. This Series 2016 Bond is issued by the City-County for the purpose of
8 financing a portion of the cost of urban renewal projects within the City-County of Butte Uptown
9 Urban Renewal District (the "District"), thereby assisting activities in the public interest and for
10 the public welfare of the City-County. This Series 2016 Bond is payable and secured ratably and
11 equally and on a parity with any Additional Bonds hereafter issued pursuant to the Resolution.

12 This Series 2016 Bond is issued pursuant to and in full compliance with the Constitution
13 and laws of the State of Montana, particularly Montana Code Annotated, Title 7, Chapter 15,
14 Parts 42 and 43, as amended (the "Act"), and pursuant to the Resolution. This Series 2016 Bond
15 is payable solely from Tax Increment received by the City-County and resulting from the
16 extension of ad valorem taxes levied by certain Taxing Bodies against the incremental taxable
17 value of Taxable Property within the District pursuant to the Act, except that under certain
18 conditions as described in the Resolution, this Series 2016 Bond may be payable from
19 replacement revenues, if any, provided in the event of the abolition or substantial elimination of
20 property taxation in Montana.

21 This Series 2016 Bond is not a general obligation of the City-County and the City-
22 County's general credit and taxing powers are not pledged to the payment of this Series 2016
23 Bond or the interest hereon. This Series 2016 Bond shall not constitute an indebtedness of the
24 City-County within the meaning of any constitutional or statutory limitations.

25 This Series 2016 Bond is not subject to redemption prior to [] *[insert date of*
26 *the fifth anniversary of the date of issue and delivery of this Series 2016 Bond]*. On an after
27 [] *[insert date of the fifth anniversary of the date of issue and delivery of this Series*
28 *2016 Bond]*, this Series 2016 Bond shall be subject to redemption at the option of the City-
29 County, at any time and from time to time, in whole or in part, and if in part then in inverse order
30 of principal installments, at a price equal to the principal amount thereof to be redeemed plus
31 interest accrued to the Redemption Date, without premium.

32 The Redemption Date and the principal amount of this Series 2016 Bond to be redeemed
33 shall be fixed by the Finance and Budget Director who shall give notice thereof to the Registrar
34 at least 35 days prior to the Redemption Date or such lesser period as the Registrar accepts. The
35 Registrar, at least 30 days prior to the designated Redemption Date, shall cause notice of
36 redemption to be mailed, by first class mail to the registered owner of this Series 2016 Bond at
37 its address as it appears on the Bond Register. The notice of redemption shall specify the
38 Redemption Date, Redemption Price, interest rate and the place at which this Series 2016 Bond
39 is to be surrendered for payment, which is the principal office of the Registrar. Official notice of
40 redemption having been given as aforesaid, this Series 2016 Bond or portions hereof so to be
41 redeemed shall, on the Redemption Date, become due and payable at the Redemption Price
42 therein specified and from and after such date (unless the City-County shall default in the

1 payment of the Redemption Price) this Series 2016 Bond or portions hereof shall cease to bear
2 interest.

3 The registered owner of this Series 2016 Bond shall have no right to enforce the
4 provisions of the Resolution, or to institute action to enforce the covenants therein or take any
5 action with respect to a default under the Resolution or to institute, appear in or defend any suit
6 or other procedure with respect thereto except as provided in the Resolution.

7 This Series 2016 Bond is a negotiable investment security as provided in the Montana
8 Uniform Commercial Code. As provided in the Resolution and subject to certain limitations set
9 forth therein, this Series 2016 Bond is transferable in whole and not in part upon the books of
10 the City-County at the principal office of the Registrar, by the registered owner hereof in person
11 or by his attorney duly authorized in writing, upon surrender hereof together with a written
12 instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his
13 attorney; and may also be surrendered in exchange for another Series 2016 Bond of a like
14 aggregate principal amount, interest rate and maturity. Upon such transfer or exchange, the City-
15 County will cause a new Series 2016 Bond to be issued in the name of the transferee or
16 registered owner, of the same aggregate principal amount, bearing interest at the same rate and
17 maturing on the same date, subject to reimbursement for any tax, fee or governmental charge
18 required to be paid with respect to such transfer or exchange.

19 The City-County and the Registrar may deem and treat the Person in whose name this
20 Series 2016 Bond is registered as the absolute owner hereof, whether this Series 2016 Bond is
21 overdue or not, for the purpose of receiving payment and for all other purposes, and neither the
22 City-County nor the Registrar shall be affected by any notice to the contrary.

23 IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things
24 required by the Constitution and laws of the State of Montana and ordinances and resolutions of
25 the City-County to be done, to exist, to happen and to be performed in order to make this Series
26 2016 Bond a valid and binding special, limited obligation of the City-County in accordance with
27 its terms have been done, do exist, have happened and have been performed as so required; that
28 this Series 2016 Bond has been issued by the City-County in connection with an urban renewal
29 project (as defined in the Act); that the City-County, in and by the Resolution, has validly made
30 and entered into covenants and agreements with and for the benefit of the registered owners from
31 time to time of all Bonds issued thereunder, including covenants that it will pledge, appropriate
32 and credit the Tax Increment to the Tax Increment Debt Service Account of the City-County;
33 that Additional Bonds may be issued and made payable from the Tax Increment Debt Service
34 Account on a parity with this Series 2016 Bond upon certain conditions set forth in the
35 Resolution, but no obligation will be otherwise incurred and made payable from Tax Increment,
36 unless the lien thereof shall be expressly made subordinate to the lien of this Series 2016 Bond
37 on the Tax Increment; that all provisions for the security of the registered owners of the Bonds as
38 set forth in the Resolution will be punctually and faithfully performed as therein stipulated; and
39 that the issuance of this Series 2016 Bond does not cause the obligations of the City-County to
40 exceed any constitutional or statutory limitation of indebtedness.

41 This Series 2016 Bond shall not be valid or become obligatory for any purpose or be
42 entitled to any security or benefit under the Resolution until the Certificate of Authentication

1 hereon shall have been executed by the Registrar by the manual signature of an authorized
2 representative.

3

4

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

3 TEN COM -- as tenants UTMA.....Custodian.....
4 in common (Cust) (Minor)

5 TEN ENT -- as tenants
6 by the entireties

7 JT TEN -- as joint tenants under Uniform Gifts to
8 with right of Minor Act.....
9 survivorship and (State)
10 not as tenants in
11 common
12

13 _____
14 Additional abbreviations may also be used.

15 ASSIGNMENT

16 FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____
17 _____ the within Bond and all rights thereunder, and hereby
18 irrevocably constitutes and appoints _____ attorney to transfer the within
19 Bond on the books kept for registration thereof, with full power of substitution in the premises.

20 Dated: _____

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE:

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

SIGNATURE GUARANTEED

Signature(s) must be guaranteed by an "eligible
guarantor institution" meeting the requirements of the
Registrar, which requirements include membership or
participation in STAMP or such other "signature
guaranty program" as may be determined by the
Registrar in addition to or in substitution for STAMP, all
in accordance with the Securities Exchange Act of 1934,
as amended.

1

SCHEDULE 1

2

DEBT SERVICE SCHEDULE

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2017			\$ 124,813.56	\$ 124,813.56	
07/01/2017	\$ 190,000	4.150%	167,660.00	357,660.00	\$ 482,473.56
01/01/2018			163,717.50	163,717.50	
07/01/2018	225,000	4.150%	163,717.50	388,717.50	552,435.00
01/01/2019			159,048.75	159,048.75	
07/01/2019	235,000	4.150%	159,048.75	394,048.75	553,097.50
01/01/2020			154,172.50	154,172.50	
07/01/2020	245,000	4.150%	154,172.50	399,172.50	553,345.00
01/01/2021			149,088.75	149,088.75	
07/01/2021	255,000	4.150%	149,088.75	404,088.75	553,177.50
01/01/2022			143,797.50	143,797.50	
07/01/2022	265,000	4.150%	143,797.50	408,797.50	552,595.00
01/01/2023			138,298.75	138,298.75	
07/01/2023	280,000	4.150%	138,298.75	418,298.75	556,597.50
01/01/2024			132,488.75	132,488.75	
07/01/2024	290,000	4.150%	132,488.75	422,488.75	554,977.50
01/01/2025			126,471.25	126,471.25	
07/01/2025	300,000	4.150%	126,471.25	426,471.25	552,942.50
01/01/2026			120,246.25	120,246.25	
07/01/2026	315,000	4.150%	120,246.25	435,246.25	555,492.50
01/01/2027			113,710.00	113,710.00	
07/01/2027	325,000	4.150%	113,710.00	438,710.00	552,420.00
01/01/2028			106,966.25	106,966.25	
07/01/2028	340,000	4.150%	106,966.25	446,966.25	553,932.50
01/01/2029			99,911.25	99,911.25	
07/01/2029	355,000	4.150%	99,911.25	454,911.25	554,822.50
01/01/2030			92,545.00	92,545.00	
07/01/2030	370,000	4.150%	92,545.00	462,545.00	555,090.00
01/01/2031			84,867.50	84,867.50	
07/01/2031	385,000	4.150%	84,867.50	469,867.50	554,735.00
01/01/2032			76,878.75	76,878.75	
07/01/2032	400,000	4.150%	76,878.75	476,878.75	553,757.50
01/01/2033			68,578.75	68,578.75	
07/01/2033	415,000	4.150%	68,578.75	483,578.75	552,157.50
01/01/2034			59,967.50	59,967.50	
07/01/2034	435,000	4.150%	59,967.50	494,967.50	554,935.00
01/01/2035			50,941.25	50,941.25	
07/01/2035	455,000	4.150%	50,941.25	505,941.25	556,882.50
01/01/2036			41,500.00	41,500.00	
07/01/2036	470,000	4.150%	41,500.00	511,500.00	553,000.00
01/01/2037			31,747.50	31,747.50	
07/01/2037	490,000	4.150%	31,747.50	521,747.50	553,495.00
01/01/2038			21,580.00	21,580.00	
07/01/2038	510,000	4.150%	21,580.00	531,580.00	553,160.00
01/01/2039			10,997.50	10,997.50	
07/01/2039	530,000	4.150%	10,997.50	540,997.50	551,995.00
	\$ 8,080,000		\$ 4,587,516.06	\$ 12,667,516.06	\$ 12,667,516.06