

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting Clerk of the Commission of the City of Helena, Montana (the "City"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "RESOLUTION RELATING TO \$5,600,000 GENERAL OBLIGATION REFUNDING BONDS (PARKS AND RECREATION PROJECTS), SERIES 2017; DETERMINING THE FORM AND DETAILS; AUTHORIZING THE EXECUTION AND DELIVERY; AND LEVYING TAXES FOR THE PAYMENT THEREOF" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Commission of the City at a regular meeting on January 23, 2017 and that the meeting was duly held by the City Commission and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following City Commission members voted in favor thereof: **Mayor Jim Smith and Commissioners Dan Ellison, Andres Haladay, Ed Noonan and Robert Farris-Olsen.**

voted against the same: **none.**

abstained from voting thereon: **none.**

or were absent: **none.**

WITNESS my hand and seal officially this **23rd** day of **January, 2017.**

Clerk of the Commission

(SEAL)

RESOLUTION NO. 20325

RESOLUTION RELATING TO \$5,600,000 GENERAL OBLIGATION REFUNDING BONDS (PARKS AND RECREATION PROJECTS), SERIES 2017; DETERMINING THE FORM AND DETAILS; AUTHORIZING THE EXECUTION AND DELIVERY; AND LEVYING TAXES FOR THE PAYMENT THEREOF

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

Section 1. Authorization and Sale; Recitals.

1.01. Statutory Authority for Bond Sale. A Montana city or town is authorized pursuant to Montana Code Annotated, Title 7, Chapter 16, Part 41, as amended (the “Cultural-Recreation Act”), to establish various cultural, social, and recreational facilities and to incur indebtedness upon the credit of the city or town for the purpose of (i) purchasing and improving lands for public parks and grounds, (ii) procuring by purchase, construction or otherwise, swimming pool facilities, athletic fields, skating rinks, playgrounds, museums, golf courses, site and building for a civic center, youth centers, or any combination of these facilities, and (iii) for furnishing, equipping, repairing, or rehabilitating swimming pool facilities, athletic fields, skating rinks, playgrounds, museums, golf courses, a civic center, or youth centers.

The total amount of indebtedness, including existing indebtedness previously issued by a city to finance projects under the Cultural-Recreation Act, to be incurred under the Cultural-Recreation Act may not at any time exceed 0.9% of the total assessed value of taxable property (determined as provided in Montana Code Annotated, Section 15-8-111, as amended) as ascertained by the City on the last assessment for state and county taxes prior to incurring of the indebtedness.

The electors of the City at a mail ballot election duly called, noticed and held on November 6, 2007, at which 8,655 of those registered to vote in the City cast ballots, by a vote of 5,920 in favor (68.39%) and 2,389 opposed (31.61%), authorized this City Commission to issue and sell its General Obligation Bonds (Parks and Recreation Projects), Series 2008 (the “Prior Bonds”), in the original principal amount of \$7,850,000, in order to finance (a) the design, construction, equipping, and improvements to Centennial Park consistent with the Centennial Park Master Plan, (b) the design, renovation, equipping, and improvements to the Memorial Park Pool and related aquatic facilities, (c) the design, renovation, equipping, and improvements to Kindrick-Legion Field and related facilities, and (d) paying the costs associated with the issuance and sale of the Prior Bonds (together, the “2008 Project”).

Pursuant to Montana Code Annotated, Title 7, Chapter 7, Parts 42-43, as amended (the “Municipal Finance Act”), the City is authorized to issue general obligation bonds to finance an undertaking that is duly approved by the electors of the City and to issue refunding general obligation bonds to refinance outstanding general obligation bonds of the City to achieve debt service savings.

Pursuant to the Municipal Finance Act, the City Commission proposes to issue and sell its General Obligation Refunding Bonds (Parks and Recreation Projects), Series 2017 (the “Bonds”), in the

original aggregate principal amount not to exceed \$5,600,000 for the purpose of: (i) refunding on an advance basis the outstanding Prior Bonds; and (ii) paying the costs associated with the issuance and sale of the Bonds.

1.02. Delegation to Pricing Committee.

The City Commission hereby delegates to the Mayor, City Manager and Administrative Services Director (collectively, the “Pricing Committee”) the authority to determine the final pricing of the Bonds and enter into the Bond Purchase Agreement with Piper Jaffray & Co. (the “Underwriter”). The City officials on the Pricing Committee shall execute the Bond Purchase Agreement with the Underwriter provided that (i) the true-interest-cost for the Bonds shall not exceed 3.0% and a minimum net present value savings of 3.5%, (ii) the final maturity date of the Bonds shall be no later than January 1, 2028, and (iii) the original aggregate principal amount of the Bonds shall not exceed \$5,600,000. The final decision of the Pricing Committee to execute and deliver the Bond Purchase Agreement on behalf of the City shall be controlling. The Pricing Committee, in its discretion on behalf of the City, may waive non-substantive informalities with respect to the proposal of the Underwriter to purchase the Bonds. The Pricing Committee is hereby authorized to determine the maturity dates, principal amounts of the stated maturities of the Bonds, optional and mandatory redemption provisions with respect to the Bonds, and such other terms of the Bonds as the Pricing Committee deems most appropriate and in the best interests of the City, provided that (i) the true interest cost of the Bonds is not in excess of 3.0% and a minimum net present value savings of 3.5%, (ii) the Bonds do not have a final maturity later than January 1, 2028, and (iii) the original aggregate principal amount of Bonds does not exceed \$5,600,000. The Pricing Committee is also authorized to apply for municipal bond insurance for the Bonds and enter into any agreements with a municipal bond insurer if it is determined that purchasing municipal bond insurance will provide for the lowest cost of funds with respect to the Bonds.

1.03. Debt Limitations. All acts, conditions and things required by the Constitution and laws of the State of Montana, including the Municipal Finance Act and the Cultural-Recreation Act, in order to make the Bonds valid and binding general obligations in accordance with their terms and in accordance with the terms of this resolution have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required. The indebtedness to be evidenced by the Bonds and all other indebtedness of the City does not exceed the limitation set forth in Section 7-7-4201 of the Municipal Finance Act.

1.04. Refunding Findings. It is hereby found and determined that based upon information presently available from the Underwriter, that the issuance of the Bonds will result in a reduction of debt service cost to the City on the Prior Bonds, such that the combined interest rate on the Bonds is more than one-half of one percent (0.5%) less than the combined interest rate on the Prior Bonds and the present value of such debt service or interest cost savings (the “Reduction”) is at least three percent (3.00%). The Reduction, after inclusion of all authorized expenses of refunding in the computation of the effective interest rate on the Bonds is adequate to authorize the issuance of the Bonds as provided by Title 7, Chapter 7, Section 4304 of the Municipal Finance Act.

Section 2. Bond Terms, Execution and Delivery.

2.01. Term of Bonds. (a) The Bonds shall be designated “General Obligation Refunding Bonds (Parks and Recreation Projects), Series 2017.” The Bonds are hereby authorized to be issued in the original aggregate principal amount designated by the Pricing Committee and shall be in minimum denominations of \$5,000 each or any integral multiple thereof. The Bonds shall mature on January 1 in the years 2018 through 2028. The Pricing Committee will determine if any Bonds may be subject to mandatory sinking fund redemption.

2.02. Registered Form, Interest Payment Dates. The Bonds shall be issuable only in fully registered form, and the ownership of the Bonds shall be transferred only upon the Bond register of the City hereinafter described. The interest on the Bonds shall be payable semi-annually on January 1 and July 1 in each year, commencing July 1, 2017. Interest on the Bonds shall be payable to the owners of record thereof as such appear on the Bond register as of the close of business on the fifteenth (15th) day of the month immediately preceding each January 1 and July 1, whether or not such day is a business day. Interest on, and upon presentation and surrender thereof, the principal of each Bond, and, upon presentation and surrender thereof, shall be payable by check or draft issued by the Registrar described herein.

2.03. Dated Date. Each Bond shall be originally dated as of their date of issuance, and upon authentication of any Bond the Bond Registrar, Transfer Agent and Paying Agent shall indicate thereon the date of such authentication.

2.04. Maturity Schedule. The Pricing Committee shall determine maturity dates of the Bonds.

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

The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal office a bond register in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender to the Registrar for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as the case may be, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment date.

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

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

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

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the City upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond lost, stolen or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, lost, stolen or destroyed Bond has already matured or such Bond has been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment.

2.06. Optional Redemption. Bonds maturing on or after January 1, 2028 shall be subject to redemption prior to maturity on January 1, 2027 and any date thereafter, and shall each be subject to redemption at the option of the City, in whole or in part, and if in part from such stated maturities and in such principal amounts as the City may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair), at a price equal to the principal of and interest due on the Bonds to the redemption date, without premium. The date of redemption and the principal amount of the Bonds shall be fixed by the City Manager, who shall give notice thereof to the Registrar at least forty (40) days prior to the date of redemption. The Registrar shall cause notice of redemption to be published as required by law, and, at least thirty (30) days prior to the designated redemption date, shall cause notice of redemption to be mailed, by first class mail, or by other means required by the securities depository, to the registered owners of each Bond to be redeemed at their addresses as they appear on the bond register described in Section 2.05 hereof, but no defect in or failure to give such mailed notice shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. The notice of redemption shall specify the redemption date, redemption price, the numbers, interest rates and CUSIP numbers of the Bonds to be redeemed and the place at which the Bonds are to be surrendered for payment, which is the principal office of the Registrar. Official notice of redemption having been given as aforesaid, the Bonds or portions thereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions thereof shall cease to bear interest.

In addition to the notice prescribed by the preceding paragraph, the Registrar shall also give, or cause to be given, notice of the redemption of any Bond or Bonds or portions thereof at least thirty (30) days before the redemption date by certified mail or telecopy to the Purchaser and all registered securities depositories then in the business of holding substantial amounts of obligations of the character of the Bonds (such depository now being The Depository Trust Company, of New York, New York ("DTC"))

and one or more national information services that disseminate information regarding municipal bond redemptions; provided that any defect in or any failure to give any notice of redemption prescribed by this paragraph shall not affect the validity of the proceedings for the redemption of any Bond or portion thereof.

In the event that the Pricing Committee determines that it is most advantageous for the City to issue the Bonds without an optional redemption provision in order to provide for the lowest interest cost for the Bonds, then the Bonds may be issued with no optional redemption provision. Any determination of the Pricing Committee to issue the Bonds without an optional redemption shall be demonstrated on a certificate of the Pricing Committee.

2.07. Form. The Bonds shall be prepared in substantially the form set forth in EXHIBIT A hereto, which is hereby incorporated by reference and made a part hereof.

2.08. Execution and Delivery. The Bonds shall be forthwith prepared for execution under the direction of the City Manager, and shall be executed on behalf of the City by the signatures of the Mayor, the City Manager, and the Clerk of the Commission. The Bonds may be imprinted with the official seal of the City, provided that said signatures and the seal may be printed, engraved or lithographed facsimiles thereof. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery thereof, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. When the Bonds have been so executed by said City officers, they shall be registered by the City Manager in accordance with Section 7-7-4257 of the Municipal Finance Act. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless and until a certificate of authentication on such Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds have been fully executed and authenticated, they shall be delivered by the City Manager to the Underwriter upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Underwriter shall not be obligated to see to the application of the purchase price.

2.09. Securities Depository for the Bonds.

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

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

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

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

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

“Representation Letter” shall mean the Blanket Issuer Letter of Representations from the City to DTC.

(b) The Bonds shall be initially issued as separately authenticated fully registered Bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this Resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other Person which is not shown on the Bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this Resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No Person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of Bond certificates, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

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

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

Section 3. Escrow Agreement. The City Administrator and Administrative Services Director (or their proper designees) are hereby authorized to enter into an Escrow Agreement (the “Escrow Agreement”) with U.S. Bank National Association, or any other escrow agent that complies with the requirements of Montana law (the “Escrow Agent”), in order to establish an escrow account for the advance refunding of the outstanding Prior Bonds.

The Administrative Services Director is also authorized to subscribe for State and Local Government Securities issued by the United States Treasury (SLGS) or bid the funding of the escrow account established hereunder and under the Escrow Agreement with eligible United States Treasury Bonds and Notes.

Section 4. Security Provisions.

4.01. Escrow Account; Use of Proceeds. There is hereby created a special account to be designated as the “2008 Escrow Account” (the “Escrow Account”), will be maintained as a separate account with the Escrow Agent for the Escrow Account under the terms of the Escrow Agreement. The City will deposit from proceeds of the Bonds and any funds currently on hand in the Debt Service Account attributable to the Prior Bonds, in amounts to be determined by the Pricing Committee, into the Escrow Account with the Escrow Agent for the defeasance of the Prior Bonds. Amounts on deposit in the Escrow Account will be used to fund the escrow for the redemption and prepayment of the Prior Bonds on an advance refunding transaction. The Escrow Account shall retain all investment earnings thereon. The Escrow Account will be invested in federal securities maturing or callable at the option of the holder on such dates and bearing interest at such rates as will be required to provide sufficient funds, together with any cash or other funds retained in the Escrow Account to pay (i) principal and interest on the Prior Bonds to and including July 1, 2018 (the “Redemption Date”), and (ii) the principal amount of the January 1, 2019 through January 1, 2028 maturities of the Prior Bonds on the Redemption Date. The Escrow Account will be irrevocably appropriated to the payment of the principal of and interest on the Prior Bonds until the proceeds of the Bonds therein are applied to prepayment of the Prior Bonds. The money in the Escrow Account will be used solely for the purposes herein set forth and for no other purpose, except that any surplus in the Escrow Account may be remitted to the City, all in accordance with the Escrow Agreement. In the event that the Escrow Agent notifies the City that there is any deficiency in the Escrow Account, then the City shall promptly deposit funds necessary to cure such deficiency, but solely from amounts available from the Debt Service Account.

4.02. Debt Service Account. So long as any of the Bonds are outstanding and any principal thereof or interest thereon unpaid, the Administrative Services Director shall maintain a separate and special 2017 Debt Service Account (the “Debt Service Account”) to be used for no purpose other than the payment of the principal of and interest on the Bonds. The City irrevocably appropriates to the Debt Service Account: (a) all funds to be credited and paid thereto in accordance with the provisions of Section 4.01, (b) any taxes levied in accordance with this resolution, (c) all income derived from the investment of amounts on hand in the Debt Service Account, and (d) such other money as shall be received and appropriated to the Debt Service Account from time to time.

Section 5. Tax Levies.

5.01. Pledge of Tax Levy. The full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged to the payment of the Bonds and interest due thereon, and the City shall cause taxes to be levied annually on all taxable property in the City sufficient to pay the interest on the Bonds when it becomes due and to pay and discharge the principal at maturity of each and all of the Bonds as they respectively become due.

5.02. General Obligation Pledge. If amounts on deposit in the Debt Service Account are not sufficient to pay principal and interest on the Bonds, as the same become due, the full faith and credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Bonds payable therefrom, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, including the general fund of the City, and such other funds may be reimbursed with or without interest from the Debt Service Account when a sufficient balance is available therein.

5.03. Cancellation of Prior Tax Levies. Upon the issuance of the Bonds and the establishment of the Escrow Account, the tax levy with respect to the Prior Bonds shall be cancelled by the City.

Section 6. Arbitrage and Certification of Proceedings.

6.01. Certification. The Mayor, City Manager, and Clerk of the Commission, being among the officers of the City charged with the responsibility for issuing the Bonds, are authorized and directed to execute and deliver to the Underwriter a certification in accordance with the provisions of Section 148 of the Code and the Treasury Regulations, Section 1.148-2(b), stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable Treasury Regulations. The certification shall further state that to the best of the knowledge and belief of the certifying officers no other facts, estimates or circumstances exist which would materially change this expectation.

6.02. General Tax Exempt Covenant. The City covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action that would cause the interest on the Bonds to become subject to taxation under the provisions of the Code and the Treasury Regulations applicable thereunder, and covenants and agrees that it will take or cause its officers, employees or agents to take any action within its or their powers to prevent the interest on the Bonds from becoming includable in gross income for purposes of federal income taxation under the Code and applicable Treasury Regulations.

6.03. Arbitrage Rebate. The City will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds, and the rebate of excess investment earnings to the United States.

Section 7. Defeasance.

7.01. General. When the liability of the City on all Bonds issued under and secured by this Resolution and all interest thereon has been discharged as provided in this section, all pledges, covenants and other rights granted by this Resolution to the Holders of such Bonds shall cease.

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

7.03. Redemption. The City may also discharge its liability with reference to any prepayable Bonds which are called for redemption on any date in accordance with their terms, by depositing with the Registrar on or before that date an amount equal to the principal, interest and redemption premium, if any,

which are then due thereon, provided that notice of such redemption has been duly given as provided in this Resolution.

7.04. Escrow. The City may also at any time discharge its liability in its entirety with reference to any Bonds subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are general obligations of the United States or securities of United States agencies which are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to provide funds sufficient to pay all principal, interest and redemption premiums, if any, to become due on such Bonds at their Stated Maturities or, if such Bonds are prepayable and notice of redemption thereof has been given or irrevocably provided for, to such earlier redemption date.

Section 8. Continuing Disclosure.

8.01. City Compliance with Provisions of Continuing Disclosure Undertaking. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking (described below). Notwithstanding any other provision of this resolution, failure of the City to comply with the Continuing Disclosure Undertaking is not to be considered an event of default with respect to the Bonds; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this section.

8.02. Execution of Continuing Disclosure Undertaking. “Continuing Disclosure Undertaking” means that certain Disclosure Undertaking executed by the Mayor and the City Manager and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Section 9. Qualified Tax-Exempt Obligations. In order to qualify the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the City makes the following factual statements and representations:

- (a) the Bonds are not “private activity bonds” as defined in Section 141 of the Code;
- (b) the City designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;
- (c) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) which will be issued by the City (and all subordinate entities of the City) during calendar year 2017 will not exceed \$10,000,000; and
- (d) not more than \$10,000,000 of obligations issued by the City during calendar year 2017 have been designated for purposes of Section 265(b)(3) of the Code.

Section 10. Miscellaneous.

10.01. Official Statement. The Mayor, the City Manager, and Administrative Services Director are hereby authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

10.02. Other Certificates. The Mayor, the Clerk of the Commission, and the City Manager , or any other members of the City Commission or officers of the City authorized to execute such documents on behalf of the City are hereby authorized and directed to furnish to the Underwriter or any other party at the closing such certificates as are required as a condition of sale. In the event that the Mayor, the Clerk of the Commission or the City Manager is unable or unwilling to execute and delivery any of the documents, instruments, or certificates mentioned in this resolution, any other Commission member, officer or employee of the City authorized to sign such documents under the terms of the City Charter is hereby authorized to execute and deliver such document, instrument or certificate. Unless litigation has been commenced and is pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing the Mayor, the Clerk of the Commission, and the City Manager shall also execute and deliver to the Underwriter a suitable certificate as to absence of material litigation, and the City Manager shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

10.03. Transcript. The officers of the City are authorized and directed to prepare and furnish to the Underwriter, and to Barnes & Thornburg LLP, as bond counsel to the City, certified copies of proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds, and such instruments, including any heretofore furnished, will be deemed representations of the City as to the facts stated therein.

PASSED AND ADOPTED by the City Commission of the City of Helena, Montana, this 23rd day of January, 2017.

Its: Mayor

Attest:

Its: Clerk of the Commission

(SEAL)

EXHIBIT A

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

**GENERAL OBLIGATION REFUNDING BONDS
(PARKS AND RECREATION PROJECTS)
SERIES 2017**

No. R- _____ \$ _____

<u>Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
____%	January 1, 20__	February ____, 2017	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Helena, Lewis and Clark County, State of Montana (the “City”), acknowledges itself to be indebted and for value received hereby promises to pay to the registered owner named above, or registered assigns, the principal amount specified above on the maturity date specified above or, if this Bond is prepayable as stated herein, on any date prior thereto on which this Bond shall have been duly called for redemption, and to pay interest on said principal amount to the registered owner hereof from the date of original issue noted above, or from such later date to which interest has been paid or duly provided for until this Bond is paid or, if this Bond is prepayable, until it has been duly called for redemption, at the rate specified above. Principal of this Bond is payable upon presentation and surrender hereof to U.S. Bank National Association, as Bond Registrar, Transfer Agent and Paying Agent, at its operations center in Salt Lake City, Utah, or its successor designated under the Resolution described herein (the “Registrar”). Interest on this Bond is payable semiannually on each January 1 and July 1, commencing on July 1, 2017, by check or draft mailed by the Registrar to the person in whose name this Bond is registered as of the close of business on the 15th day (whether or not a Business Day) of the immediately preceding month, at his address as it appears on the bond register maintained by the Registrar. “Business Day” means any day other than a Saturday, Sunday or legal holiday of the State of Montana.

The principal of and interest on this Bond are payable in lawful money of the United States of America. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith, credit and taxing powers of the City have been and are hereby irrevocably pledged.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), or in the name of any other nominee of DTC or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of DTC or other securities depository as agreed to by the City.

This Bond is one of an issue in the total principal amount of \$_____ (the “Bonds”), all of like date of original issue and tenor except as to serial number, denomination, maturity date, interest rate, and redemption privilege, for the purpose of: (i) refunding on an advance basis the City’s General Obligation Bonds (Parks and Recreation Projects), Series 2008 (the “Prior Bonds”), in the original principal amount of \$7,850,000, in order to finance (a) the design, construction, equipping, and improvements to Centennial Park consistent with the Centennial Park Master Plan, (b) the design, renovation, equipping, and improvements to the Memorial Park Pool and related aquatic facilities, (c) the design, renovation, equipping, and improvements to Kindrick-Legion Field and related facilities, and (d) paying the costs associated with the issuance and sale of the Prior Bonds; and (ii) paying the costs associated with the issuance and sale of the Bonds, all pursuant to resolutions duly adopted by the City Commission, including a resolution adopted on January 23, 2017 (the “Resolution”), and in full conformity with the Constitution and laws of the State of Montana thereunto enabling. The Bonds are issuable only as fully registered Bonds of single maturities, in denominations of \$5,000 or any integral multiple thereof.

Bonds of this issue maturing in the years 2018 through 202_ are payable on their respective stated maturity dates and sinking fund payment dates without option of prior payment, but Bonds having stated maturity dates in the year 2028 are subject to redemption at the option of the City, in whole or in part, and if in part from such stated maturities and in such principal amounts as the City may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair), on January 1, 2027 and any day thereafter, at a price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date.

[The Bonds having a stated maturities of January 1, _____ shall be subject to mandatory sinking fund redemption and, if not previously purchased by the City in the open market or optionally redeemed, shall be redeemed on January 1 (each a “Sinking Fund Payment Date”) in the years and principal amounts set forth in the Resolution, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the Sinking Fund Payment Date.]

The date of redemption and the principal amount of the Bonds shall be fixed by the City Manager, who shall give notice thereof to the Registrar at least forty (40) days prior to the date of redemption. The Registrar shall cause notice of redemption to be published as required by law, and, at least thirty (30) days prior to the designated redemption date, shall cause notice of redemption to be mailed, by first class mail, or by other means required by the securities depository, to the registered owners of each Bond to be redeemed at their addresses as they appear on the bond register. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City in the principal office of the Registrar, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his attorney, and may also be surrendered in exchange for Bonds of other authorized denominations. Upon any such transfer or exchange, the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment

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

The City has designated the issue of Bonds of which this Bond forms a part as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”).

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Montana to be done, to exist, to happen and to be performed precedent to and in the issuance of this Bond, in order to make it a valid and binding general obligation of the City according to its terms, have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required; that the City Commission will annually levy an ad valorem tax on all of the taxable property in the City sufficient to pay the interest hereon when it falls due and also to pay and discharge the principal of this Bond at maturity; that this Bond, together with all other indebtedness of the City outstanding on the date of original issue hereof and on the date of the delivery of the Bonds of this issue to the original purchaser thereof, does not exceed any constitutional or statutory limitation of indebtedness; and that the opinion attached hereto is a true copy of the legal opinion given by Bond Counsel with reference to the Bonds, dated the date of original issuance and delivery of the Bonds.

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

IN WITNESS WHEREOF, the City of Helena, Lewis and Clark County, State of Montana, by its City Commission, has caused this Bond to be executed by the facsimile signatures of the Mayor and the City Manager and by a facsimile of the official seal of the City.

(Facsimile Signature) _____
Mayor

(Facsimile Signature) _____
City Manager

Countersigned:

(Facsimile Signature) _____
Clerk of the Commission

(SEAL)

Date of Authentication: February ____, 2017

CERTIFICATE OF AUTHENTICATION

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

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

ABBREVIATIONS

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

TEN COM -- as tenants
in common

UTMA.....Custodian
(Cust) (Minor)

TEN ENT -- as tenants
by the entireties

under Uniform Transfers
to Minors Act
(State)

JT TEN - as joint tenants
with right of
survivorship and not
as tenants in common

Additional abbreviations may also be used.

ASSIGNMENT

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

Dated:

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the 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 Bond Registrar, which requirements include membership or participation in STAMP or such other “signature guaranty program” as may be determined by the Bond Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.