


CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Laurel, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution No. R20-06, entitled: "RESOLUTION APPROVING CERTAIN PUBLIC INFRASTRUCTURE IMPROVEMENTS IN THE LAUREL URBAN RENEWAL DISTRICT AS AN URBAN RENEWAL PROJECT; MAKING FINDINGS WITH RESPECT THERETO AND APPROVING THE ISSUANCE OF TAX INCREMENT URBAN RENEWAL BONDS TO PAY COSTS THEREOF; PRELIMINARILY AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE OF BONDS AND AUTHORIZING THE PROCESS FOR SELECTING A PURCHASER 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 Council of the City at a meeting on February 11, 2020, and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Council Members voted in favor thereof: Council Member Sparks, Council Member Herr, Council Member Wilke, Council Member Klose, Council Member Nelson, Council Member Stokes, and Council Member Eaton; voted against the same: _____; abstained from voting thereon: _____; or were absent: Council Member McGee _____.

WITNESS my hand officially this 11th day of February, 2020.



City Clerk-Treasurer

RESOLUTION NO. R20-06

RESOLUTION APPROVING CERTAIN PUBLIC
INFRASTRUCTURE IMPROVEMENTS IN THE LAUREL
URBAN RENEWAL DISTRICT AS AN URBAN RENEWAL
PROJECT; MAKING FINDINGS WITH RESPECT THERETO
AND APPROVING THE ISSUANCE OF TAX INCREMENT
URBAN RENEWAL BONDS TO PAY COSTS THEREOF;
PRELIMINARILY AUTHORIZING THE ISSUANCE AND
PRIVATE NEGOTIATED SALE OF BONDS AND
AUTHORIZING THE PROCESS FOR SELECTING A
PURCHASER THEREOF

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

Section 1. Recitals.

1.01. Under the provisions of Montana Code Annotated, Title 7, Chapter 15, Parts 42 and 43, as amended (the “Act”), the City is authorized to create urban renewal areas, prepare and adopt an urban renewal plan therefor and amendments thereto, undertake urban renewal projects therein, provide for the segregation and collection of tax increment with respect to property taxes collected in such areas, and apply tax increment revenues derived from projects undertaken within the urban renewal area to pay eligible costs.

1.02. Pursuant to the Act and Ordinance No. 007-11, adopted by the Council on November 20, 2007, as amended by Ordinance Nos. 008-09, 09-04 and 012-01, adopted by the Council on October 21, 2008, April 21, 2009 and March 6, 2012 (collectively, the “Ordinance”), the City has created the Laurel Urban Renewal District (the “District”) as an urban renewal district and has approved the Laurel Urban Renewal Plan (the “Plan”) as an urban renewal plan in accordance with the Act, which Plan provides for the segregation and collection of tax increment revenues with respect to the District.

1.03. As set forth in the Plan, tax increment financing is to be used to further the goals and objectives in the Plan, which include improving the pedestrian environment by adding well-designed streetscape and sidewalks and having state of the art, updated utilities and infrastructure.

1.04. On January 28, 2020, the Council adopted Resolution No. R20-03, calling a public hearing to approve the design, engineering and construction of various public infrastructure improvements within the District, generally consisting of reconstruction of Washington, Idaho and Ohio Avenues, East First and East Fourth Streets, generally bound by Wyoming and Alder Avenues, Main and East Fourth Streets, including sidewalks, curb and gutter, pedestrian ramps, driveway approaches and new asphalt pavement; replacement of existing water mains, including valves, fittings, fire hydrants and other appurtenances; replacement of existing sanitary sewer main; installation of a new storm drain system, including inlets, manholes and appurtenances; and related improvements (such public infrastructure improvements, collectively, the “Project”).

On February 11, 2020, a duly noticed public hearing was held on the approval of the Project and the use of tax increment revenues to pay or finance all or a portion of the costs of the Project. All persons appearing were given an opportunity to speak at the public hearing.

Section 2. Approval of the Project as an Urban Renewal Project. The Council hereby approves the Project as an urban renewal project under the Act. The Project is contemplated by and is within the scope of the Plan, and is eligible for tax increment financing under the Act.

Section 3. Findings. The Council hereby finds with respect to the Project as follows:

- a. no persons will be displaced from their housing by the Project;
- b. the Plan and the Project conform to the Laurel Growth Plan or parts thereof for the City as a whole;
- c. the Plan and the Project will afford maximum opportunity, consistent with the needs of the City as a whole, for the rehabilitation or redevelopment of the District by private enterprise;
- d. there is expected to be a sound and adequate financial program for the financing of the Project; and
- e. the Project constitutes an urban renewal project within the meaning of the Act and the Plan.

Section 4. Authorization, Sale of Bonds.

4.01. The Bonds. Pursuant to the approval and findings in Sections 2 and 3 hereof, it is hereby determined that it is in the best interests of the City to offer for sale and issue its Tax Increment Urban Renewal Revenue Bonds (Laurel Urban Renewal District), Series 2020 (the “Bonds”), in the maximum aggregate principal amount of \$5,000,000, for the purpose of paying costs of the Project and, if necessary or desirable, funding a deposit to a debt service reserve account and paying costs associated with the sale and issuance of the Bonds.

4.02. Negotiated Sale. Pursuant to Montana Code Annotated, Section 7-15-4322, the City may sell the Bonds at a public or a private negotiated sale as the governing body shall determine. The Council determines it is in the best interest of the City to sell the Bonds at a private negotiated sale and desires to undertake a solicitation process described herein to select a suitable purchaser of the Bonds willing to purchase the Bonds at the lowest interest rate under the terms and conditions attached hereto as Exhibit A. The Mayor and City Clerk-Treasurer or their designees are authorized to select a purchaser for the Bonds and negotiate the sale of the Bonds and to select a purchaser of the Bonds pursuant and subject to Section 4.03.

4.03. Pricing and Terms. The Bonds are authorized to be sold to the purchaser of the Bonds (the “Purchaser”) that provides the City the most favorable interest rate and other terms and conditions, as determined in the sole discretion of the City. The Mayor and City Clerk-Treasurer are hereby authorized to provide or make available the terms and conditions relating to the sale of the Bonds substantially in the form similar to the attached Exhibit A, with such

revisions as are deemed appropriate, to banks and other financial institutions and solicit proposals to purchase the Bonds. The City may, in its sole discretion, accept a proposal to purchase the Bonds, negotiate further with any proposer, or reject any and all such proposals.

All costs of issuing the Bonds (including, without limitation, the fees and expenses of Bond Counsel) shall be paid by the City as part of the financing, from proceeds of the Bonds or other available sources.

4.04. Bond Purchase Agreement. The Mayor and City Clerk-Treasurer or their designees are hereby authorized and directed to approve the final principal amount of the Bonds, dated date, term, whether all principal of the Bonds is advanced at closing or in increments over time, payment dates and installment amounts, interest rates, and redemption provisions of the Bonds, subject to the limitations contained in the preceding paragraphs and the Act. Upon approving such terms, the Mayor and City Clerk-Treasurer are hereby authorized and directed to negotiate, approve, execute and deliver to the Purchaser a bond purchase agreement substantially in the form attached as Schedule 3 to the attached Exhibit A and which may be revised prior to execution (the "Bond Purchase Agreement"), containing the agreement of the City to sell, and the agreement of the Purchaser to purchase, the Bonds on the terms so approved, and containing such other provisions as the Mayor and City Clerk-Treasurer shall deem necessary and appropriate. In the event of the absence or inability of either the Mayor or the City Clerk-Treasurer, a member of this Council is authorized to execute the Bond Purchase Agreement. The execution and delivery of the Bond Purchase Agreement by two appropriate officers of the City shall be conclusive as to the approval of the terms of the Bonds and the agreement of the City to sell the Bonds on such terms in accordance with the provisions thereof.

The form of the Bonds and the final terms and conditions thereof shall be prescribed by a subsequent resolution to be adopted by this Council.

ADOPTED by the City Council of the City of Laurel, Montana, this 11th day of February, 2020.


Mayor

Attest:

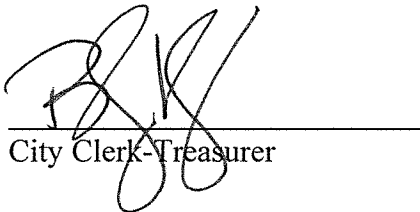

City Clerk-Treasurer

EXHIBIT A

**Tax Increment Urban Renewal Revenue Bonds
(Laurel Urban Renewal District), Series 2020
City of Laurel, Montana**

BASIC TERM SHEET

[]

[Bank]

[Address]

Dear _____:

This letter sets forth the general terms and conditions relating to Tax Increment Urban Renewal Revenue Bonds (Laurel Urban Renewal District), Series 2020 (the “Bonds”) of the City of Laurel, Montana (the “City”).

The purpose of this letter is to summarize the basic terms and conditions regarding the proposed purchase and sale of the Bonds so that you can submit a proposal to the City regarding the interest rate at which you propose to purchase the Bonds and other relevant terms.

1. Summary of Terms and Conditions:

Issuer of Bonds:	City of Laurel, Montana
Estimated Principal Amount:	Up to [\$5,000,000]
Closing Date:	On or about [], 2020, on a date to be selected by the City
Par Purchase:	The purchase price of the Bonds will be 100% of the principal amount thereof.
Semiannual Installments:	For purposes of your proposal, principal and interest will be paid semiannually on January 1 and July 1, commencing [July 1, 2020 and ending January 1, 2045], absent prepayment or redemption. [Note that if the Bonds are issued as draw-down bonds at the election of the City in accordance with Paragraph 6 below, the initial installment payment date may be after July 1, 2020.]
Amortization Bonds:	The Bonds will bear interest at a single, uniform interest rate throughout the term of the Bonds and semiannual principal and interest installments (the sum of principal and interest) will be equal or substantially equal on each payment date. [As described in Paragraph 6 below, the Bonds, at the election of the City, may be issued as draw-down bonds, which could affect the preceding sentence, but not your proposal.]

Interest Rates:	Fixed interest rate throughout the term of the Bonds assuming the full principal amount of the Bonds is advanced on the Closing Date. As described in Paragraph 6 below, in addition to the interest rate submitted as part of your proposal, the City will, at its election, negotiate with the successful proposer an interest rate or rates on the basis of advances being made to the City periodically over all or a portion of the estimated period of construction of the financed project.
Term of Bonds:	Approximately 25 years (approximately 50 semi-annual payment installments), absent prepayment or redemption.
[No Debt Service Reserve:	The Bonds are not secured by a debt service reserve.]
Redemption:	The Bonds are subject to redemption and prepayment without premium or penalty in whole or in part at the option of the City on 30 days' prior written notice.
No Bank Fees:	There shall be no fee of any kind (other than interest) charged by the bank or other financial institution in connection with the Bonds.
Bank Qualification:	The Bonds will be designated by the City as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
Deadline for Submitting Proposals:	[] at 5:00 p.m. See Paragraph 12 below for details regarding content of proposal submissions and where to submit proposals.
Additional Terms and Conditions:	As set forth below in this letter.

2. **Purpose and Security:** The Bonds will be issued for the purpose of financing the cost of construction of certain infrastructure improvements to be undertaken within the Laurel Urban Renewal District (the "District"). The Bonds are payable solely from and secured by a first lien upon and pledge of the Tax Increment to be received from the District in accordance with the Act. See Schedule 1 for related definitions.
3. **Date and Type:** The Bonds will be dated, as originally issued, on the date of issuance and delivery thereof by the City, and will be issued in registered form as to both principal and interest.
4. **Maturities and Form:** The Bonds are expected to be sold as amortization bonds, meaning, upon amortization of principal and interest, they will bear a fixed rate of interest with equal or substantially equal installments of principal and interest on each semiannual payment date. Principal and interest shall be paid on each January 1 and July 1, commencing [July 1, 2020 (provided that if the Bonds are issued as draw-down Bonds under Paragraph 6 below, the initial installment payment date may be after July 1, 2020) through and including January 1, 2045], absent prepayment.

5. **Interest Payment Dates, Rate:** Interest will be payable each January 1 and July 1, commencing [July 1, 2020 (provided that if the Bonds are issued as draw-down Bonds under Paragraph 6 below, the initial installment payment date may be after July 1, 2020)], to the registered owners of the Bonds as such appear in the bond register as of the close of business on the 20th day (whether or not a business day) of the immediately preceding month. All Bonds for purposes of the proposal would be expected to bear interest from date of original issue until paid at a single, uniform rate.
6. **Draw-Down Bonds at Election of City:** The City, at its election, may determine that the Bonds are to be issued as draw-down bonds. The successful proposer based on the interest rate submitted on the Bonds on the basis of all proceeds of Bonds being advanced on the Closing Date shall, prior to entering into the Bond Purchase Agreement, negotiate with the City any effect on the interest rate or rates on the Bonds assuming the principal amount of the Bonds is advanced in amounts over time during construction of the financed Project. *If those negotiations fail to result in terms that are acceptable to the City, the City, in its sole and absolute discretion, may reject the proposal of the initial successful proposer and proceed to negotiate the terms of draw-down bonds with other proposers or others.* The City expects to notify the successful proposer approximately 10 days before the Closing Date whether the Bonds will be issued as bonds as to which the full principal amount is advanced on the Closing Date or whether the Bonds are issued as draw-down bonds.]
7. **No Book Entry:** The Bonds will be issued in certificated form and delivered to the successful purchaser at closing.
8. **Bond Registrar, Transfer Agent and Paying Agent:** The City Clerk-Treasurer will act as bond registrar, transfer agent and paying agent (the “Registrar”) in connection with the Bonds, provided that the City may subsequently appoint and pay a fee to another qualified Registrar. The bond register will be kept, transfers of ownership will be effected and principal of and interest on the Bonds will be paid by the Registrar. The City reserves the right to remove any Registrar and to appoint a successor.
9. **Delivery:** The City will deliver to the Registrar the Bonds ready for completion and authentication. The Bonds will be registered in the name of the original purchaser thereof. On the day of closing and delivery of the Bonds and following payment of the purchase price thereof, the City will furnish to the purchaser a copy of the Bond Resolution, the opinion of Bond Counsel hereinafter described, a tax certificate in respect of the Bonds and a certificate stating that no litigation questioning the validity of the Bonds is then pending or, to the knowledge of the applicable officers of the City, threatened. The purchaser shall submit to the City Clerk-Treasurer not later than the day of closing a certificate, in form satisfactory to Bond Counsel, as to the intention of the purchaser to purchase the Bonds with intent to hold and various certifications as to its financial sophistication and net worth. Such certificate shall be in the form of the attached hereto as Schedule 2.
10. **Qualified Tax-Exempt Obligations:** The Bonds will be designated by the City as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

11. **Legal Opinion:** An opinion as to the validity of the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax and State of Montana individual income tax purposes will be furnished by Dorsey & Whitney LLP, of Missoula, Montana, as Bond Counsel, subject to customary limitations. The legal opinion will state that the Bonds are valid and binding special, limited obligations of the City enforceable in accordance with their terms, except to the extent to which enforceability thereof may be limited by customary matters, such as the exercise of judicial discretion or by state or federal laws relating to bankruptcy, reorganization, moratorium or creditors' rights.

12. **Submission of Proposal:**

(A) You are encouraged to submit a proposal to purchase the Bonds. Any proposal must be for the purchase of all of the Bonds. Proposers may participate the loan to other qualified financial institutions at their discretion; however, the financial institution submitting the winning proposal will be the only contact and will speak for the other participating financial institutions.

(B) At a minimum, you must submit an amortization schedule for the Bonds that clearly shows the single, uniform interest rate in respect of the Bonds and the substantially level dollar amounts of the semiannual installments of principal and interest due on [July 1, 2020 through and including January 1, 2045]. You must also specify the total dollar interest cost over the term of the Bonds. For purposes of the amortization schedule, please use [_____, 2020] as the date on which interest will commence on all principal advanced, recognizing the City, in its discretion, may elect to close on a date other than [_____, 2020]. For purposes of submitting the amortization schedule, you must assume the entire principal amount of the Bonds will be advanced on the Closing Date.

(C) [As provided under Paragraph 6 above, the initial successful proposer based primarily on the interest rate set forth in the amortization schedule submitted under the foregoing subparagraph (B) will, at the City's election, negotiate with the City terms that govern the Bonds issued as draw-down bonds. If those negotiations fail to result in terms that are acceptable to the City, the City may reject the proposal of the initial successful proposer and proceed to negotiate the terms of draw-down bonds with other proposers or others.]

(D) Proposals must be delivered to the City Clerk-Treasurer, 115 West 1st Street, P.O. Box 10, Laurel, Montana 59044, so that the proposal is received by no later than 5:00 p.m. MT on [_____] , 2020, in order to be considered. You are instructed to mark the outside of the envelope containing the proposal with the words "Proposal for Purchase of Tax Increment Bonds."

(E) The City reserves the right to reject any and all proposals, to accept any proposal, or to negotiate further in respect of any proposal or proposals. The interest rate provided by the proposers will be the primary basis for determining whether to proceed with a proposal.

[The successful proposer must, in addition to the terms governing the Bonds with all the principal advanced on the Closing Date, negotiate with the City terms of the Bonds as draw-down bonds, and, provided that there is mutual agreement regarding terms of the Bonds if issued as draw-down bonds, must enter into a bond purchase agreement on or before 5:00 p.m. MT on [_____], 2020, substantially in the form of the attached hereto as Schedule 3.]

Very truly yours,

CITY OF LAUREL, MONTANA

By _____
Title: _____

SCHEDULE 1

Definitions

The Bonds are payable solely from and secured by a first lien upon and pledge of the Tax Increment.

“**Act**” means Montana Code Annotated, Title 7, Chapter 15, Parts 42 and 43, as amended or supplemented.

“**Actual Taxable Value**” means the taxable value of the Taxable Property as shown on or calculated from the assessment roll last equalized before the date of reference.

“**Base Taxable Value**” means the Actual Taxable Value of the Taxable Property within the original boundaries of the District as of January 1, 2007, as such value is adjusted as part of the “base taxable value” of the District from time to time in accordance with the Act.

“**City**” means the City of Laurel, Montana.

“**District**” means the Laurel Urban Renewal District, created and established pursuant to the Act and the Ordinance, as such area may be enlarged or reduced in accordance with the Act.

“**Fiscal Year**” means, in respect of the City, its fiscal year, which currently begins on July 1 and ends on June 30 of the next succeeding calendar year; provided that, for purposes of calculating debt service on the Bonds or any additional bonds, the July 1 payment will be part of the previous Fiscal Year ending on the June 30 immediately preceding the July 1 payment date.

“**Incremental Taxable Value**” means the amount, if any, by which the Actual Taxable Value of all Taxable Property, as of the date of reference, exceeds the Base Taxable Value.

“**State**” means the State of Montana.

“**Tax Increment**” means the amount received by the City pursuant to the Act from the extension of levies of Taxes against the Incremental Taxable Value of the Taxable Property and shall include all payments in lieu of Taxes or beneficial use taxes attributable to the Incremental Taxable Value and all payments received by the City designated as replacement revenues for lost Tax Increment.

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

“**Taxes**” means all taxes levied on an ad valorem basis by any Taxing Jurisdiction against the Taxable Property (exclusive of the six mill levy for university purposes levied by the State), and shall include all payments in lieu of taxes received by the City with respect to Taxable Property.

“**Taxing Jurisdiction**” means the State, the City, any school district, local government, municipal corporation, political subdivision or other government entity that levies, during any Fiscal Year during which the tax increment provision of the District is effective under the Act, ad valorem taxes against real or personal property in the District.

SCHEDULE 2

**Tax Increment Urban Renewal Revenue Bonds
(Laurel Urban Renewal District), Series 2020
City of Laurel, Montana**

CERTIFICATE OF PURCHASER

I, the undersigned, being a duly qualified and acting representative of _____, the original purchaser (the "Purchaser") of the \$[_____] Tax Increment Urban Renewal Revenue Bonds (Laurel Urban Renewal District), Series 2020 (the "Bonds"), issued by the City of Laurel, Montana (the "City"), dated, as originally issued, as of [____], 2020, hereby acknowledge receipt of the Bonds, fully executed and authenticated, in the aggregate principal amount of \$[____], payable on the dates, bearing interest at the rate and otherwise conforming with the provisions of Resolution No. _____, adopted by the City Commissioners of the City on or about [____], 2020 (the "Bond Resolution"), and on behalf of the Purchaser certify that:

1. The Purchaser is a bank duly organized, validly existing and in good standing under the laws of the state of Montana and has full power and authority to purchase the Bonds and make the loan evidenced thereby.
2. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits represented by the purchase of the Bonds and the making of the loan evidenced thereby.
3. The Purchaser has authority to purchase the Bonds and to execute the Bonds Purchase Agreement and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds.
4. The Purchaser understands that an official statement, prospectus, offering circular, or other offering statement has not been provided with respect to the Bonds. The Purchaser has made its own inquiry and analysis with respect to the City, the Bonds and the security therefor, and other material factors affecting the security for and payment of the Bonds. The Purchaser received and has reviewed a copy of the Bond Resolution.
5. The Purchaser acknowledges that it has reviewed information, including financial statements and other financial information, regarding the City and the District and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the District, the Bonds and the security therefor, so that it has been able to make an informed decision to purchase the Bonds and to make the loan evidenced thereby and acknowledges that it has not relied on the City with respect to any information with respect to the advisability of purchasing the Bonds or the security for the Bonds.

6. The Purchaser understands that the Bonds: (i) are not registered under the Securities Act of 1933, as amended, and are not registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (ii) are not listed on any stock or other securities exchange, and (iii) have not been rated by any credit rating agency.

7. The Purchaser is not acting as an Underwriter with respect to the Bonds. The Purchaser has no present intention to sell, reoffer, or otherwise dispose of the Bonds (or any portion of the Bonds or any interest in the Bonds). The Purchaser has not contracted with any person pursuant to a written agreement to have such person participate in an initial sale of the Bonds to the Public, and the Purchaser has not agreed with the City pursuant to a written agreement to sell the Bonds to persons other than the Purchaser or a related party to the Purchaser. For purposes of this paragraph:

(a) Public means any person (i.e., an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party. Persons generally are “related parties” for purposes of this certificate if they have more than 50 percent common ownership or control, directly or indirectly.

(b) Underwriter means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public.

8. As described under paragraph 7, above, the Bonds are being acquired by the Purchaser for its own account and not with a present view toward resale or distribution; provided, however, that the Purchaser reserves the right to sell, transfer or redistribute the Bonds, but agrees that any such sale, transfer or distribution by the Purchaser shall be to (i) an affiliate of the Purchaser; (ii) a trust or other custodial arrangement established by the Purchaser or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers or accredited investors; or (iii) a person or entity that the Purchaser reasonably believes is qualified to purchase the Bonds or that makes representations substantially similar to the representations the Purchaser makes in this certificate. The Purchaser currently intends to hold the Bonds to evidence the loan it has made to the City for the term of the Bonds.

9. (i) The Bonds will be evidenced by a physical certificate delivered to the Purchaser by the City, (ii) the Bonds will not have a CUSIP number, (iii) the Bonds are not, and will not be, rated by an independent rating agency, (iv) the Purchaser shall not transfer the Bonds except in accordance with Paragraph 8 above, (v) the principal amount of the Bonds purchased by the Purchaser, and the principal amount of the loan evidenced thereby, is \$[_____], (vi) payments on the Bonds shall be made directly by the City to the Purchaser, (vii) payments under the Bonds conform to the loan amortization schedule provided by the Purchaser to the City, (viii) the Bonds and the loan evidenced thereby bear interest from the date of amortization of principal and interest at a fixed rate throughout the term of the Bonds, (ix) the Purchaser intends to record

the Bonds as a loan on its books and records, and (x) the Bonds are a special, limited debt of the City.

10. The Purchaser acknowledges and agrees that: (i) the transactions contemplated by the Bonds documents are arm's length, commercial transactions between the Purchaser and the City and that the Purchaser is acting solely as a principal and not acting as a municipal advisor, financial advisor or fiduciary to the City; (ii) the Purchaser has not performed advisory or fiduciary services to the City with respect to the transactions contemplated by the Bond documents and the discussions, undertakings and procedures leading thereto (irrespective of whether the Purchaser has provided other services or is currently providing other services to the City on other matters); (iii) the Purchaser has financial and other interests that differ from those of the City; and (iv) the Purchaser has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

IN WITNESS WHEREOF, I have hereunto set my hand as Purchaser as of this _____
day of _____, 2020.

[_____]

By: _____
Printed Name: _____
Title: _____

SCHEDULE 3

BOND PURCHASE AGREEMENT

[_____, 2020]

City of Laurel
115 West 1st Street
Laurel, MT 59044

[Bank Name and address]

Tax Increment Urban Renewal Revenue Bonds
(Laurel Urban Renewal District), Series 2020
City of Laurel, Montana

Ladies and Gentlemen:

The undersigned, [_____], as purchaser (the "Purchaser"), hereby offers to enter into this Bond Purchase Agreement (this "Agreement") with the City of Laurel, Montana (the "City"), for the sale by the City and purchase by the Purchaser of the above-referenced bonds (the "Bonds"). This offer is made subject to the written acceptance hereof by the City and delivery of such acceptance to the Purchaser (in the form of one or more executed counterparts hereof) at or prior to 5:00 P.M., Laurel, Montana time, on [_____], 2020. Upon such acceptance, this Agreement will be in full force and effect in accordance with its terms and will be binding upon the City and the Purchaser.

The Bonds are being issued pursuant to a resolution (the "Bond Resolution") to be adopted by the City on or about [_____], 2020, authorizing and fixing the terms and conditions of the Bonds. Capitalized terms not otherwise defined herein shall have the meanings given them in the Bond Resolution.

1. Upon the terms and conditions and based on the representations, warranties and covenants hereinafter set forth, the Purchaser hereby agrees to purchase from the City and the City hereby agrees to sell to the Purchaser, all (but not less than all) of the Bonds upon the terms set forth in the Bond Resolution, including the following terms:

Principal Amount:	\$_[_____]
Closing Date:	On or about [_____], 2020 [date selected by City]
Term:	Approximately 25-year term (approximately 50 semi-annual payments), absent prepayment or redemption. Final installment payment date of [January 1, 2045]
Amortization Schedule:	[Substantially as attached hereto as <u>Exhibit A</u>]
Interest Rate:	_____%, fixed for the entire term.
Bank Qualification:	The Bonds will be designated by the City as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
No Fees:	No fees charged by Purchaser.
Redemption Terms:	The Bonds are subject to redemption and prepayment without premium or penalty in whole or in part at the option of the City on 30 days’ prior written notice.

2. The Bonds will be special, limited obligations of the City, payable solely from and secured by Tax Increment received from the Laurel Urban Renewal District, as described in the Bond Resolution.

3. This Agreement will be governed by and construed in accordance with the laws of the State of Montana.

4. This Agreement may be executed in multiple counterparts, each of which will be deemed an original but all of which together will constitute but one and the same instrument. This Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by e-mail with a pdf copy or other replicating image attached, and any printed or copied version of any signature pages so delivered shall have the same force and effect as an originally signed version of such signature page.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

CITY OF LAUREL, MONTANA

By _____
Mayor

By _____
City Clerk-Treasurer

[BANK]

By _____
Name: _____
Title: _____