

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Billings, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution No. _____, entitled: "RESOLUTION RELATING TO UP TO \$4,750,000 STORM SEWER REVENUE BONDS, SERIES 2013; AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE THEREOF; AND REDEMPTION OF OUTSTANDING STORM SEWER GROSS REVENUE REFUNDING BONDS, SERIES 2003" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a regular meeting on June 10, 2013, and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

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

WITNESS my hand officially this 10th day of June, 2013.

City Clerk

RESOLUTION NO. _____

RESOLUTION RELATING TO UP TO \$4,750,000 STORM
SEWER REVENUE BONDS, SERIES 2013; AUTHORIZING
THE ISSUANCE AND PRIVATE NEGOTIATED SALE
THEREOF; AND REDEMPTION OF OUTSTANDING STORM
SEWER GROSS REVENUE REFUNDING BONDS, SERIES
2003

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

Section 1. Recitals.

1.01. Under the provisions of Montana Code Annotated, Title 7, Chapter 7, Parts 44 and 45, as amended (the “Act”), the City is authorized to issue and sell its revenue bonds payable during a term not exceeding forty years from their date of issue, to provide funds for the reconstruction, improvement, betterment and extension of a storm sewer system and to refund its revenue bonds issued for such purpose; provided that the bonds and the interest thereon are to be payable solely out of the net income and revenues to be derived from rates, fees and charges for the services, facilities and commodities furnished by the undertaking, and are not to create any obligation for the payment of which taxes may be levied except to pay for services provided by such system to the City. The City has established a storm sewer system within the boundaries of the City (the “System”). The City proposes to undertake certain storm drain improvements at the Shiloh Conservation Area, including earth work and site grading, installation of water control structures, hardscaping and landscaping, and wetland planting (the “Projects”). The City has determined that it is necessary and desirable and in the best interests of the City to issue its storm sewer revenue bonds in an aggregate principal amount not to exceed \$4,750,000 to fund the Projects.

1.02. Pursuant to the Act and Resolution No. 03-17997, adopted on June 23, 2003 (the “2003 Resolution”), the City issued and sold its Storm Sewer Gross Revenue Bonds, Series 2003 (the “Series 2003 Bonds”), which are currently outstanding in the aggregate principal amount of \$385,000. In the 2003 Resolution, the City reserved the right to refund the outstanding Series 2003 Bonds on July 1, 2012 or any date thereafter at a redemption price equal to the principal amount of Series 2003 Bonds to be redeemed plus interest accrued to the redemption date, without premium. It is proposed that the Series 2003 Bonds maturing on July 1, 2014 be paid, redeemed and defeased on July 1, 2013 with funds the City has on hand in the Debt Service Reserve Account established under the 2003 Resolution.

Section 2. Authorization.

2.01. Pursuant to the Act, this Council hereby authorizes the City to proceed with the issuance and sale of its Storm Sewer Revenue Bonds, Series 2013 (the “Series 2013 Bonds”), for the purpose of providing funds to pay all or a portion of the costs of the Projects, to fund a deposit to a debt service reserve account for the Series 2013 Bonds and to pay costs of issuance

of the Series 2013 Bonds, as determined by the officers of the City identified pursuant to Section 3 and within the limitations therein established.

2.02. Pursuant to the Act and the 2003 Resolution, this Council hereby authorizes and ratifies the redemption on July 1, 2013 of the Series 2003 Bonds maturing on July 1, 2014. The City Finance Director is hereby authorized and directed to take all necessary and appropriate action in connection with such redemption. Any and all actions previously taken by the City Finance Director in connection with such redemption, including without limitation the execution and delivery of a notice of redemption, are hereby ratified and confirmed in all respects.

Section 3. Negotiated Sale and Terms.

3.01. Pursuant to Sections 7-7-4421, 7-7-4433 and 17-5-107, Montana Code Annotated, this Council hereby determines that it is in the best interests of the City to sell the Series 2013 Bonds at a private negotiated sale to Piper Jaffray & Co., Denver, Colorado (the "Purchaser").

3.02. The Series 2013 Bonds shall be sold to the Purchaser on the terms and at a purchase price subject to the following limitations and conditions: (1) the aggregate principal amount of the Series 2013 Bonds shall not exceed \$4,750,000; (2) the maximum true interest cost on the Series 2013 Bonds shall not exceed 4.25% per annum; (3) the purchase price of the Series 2013 Bonds shall not be less than 98.95% of the principal amount thereof, exclusive of original issue premium or discount; and (4) the term of the Series 2013 Bonds shall not exceed 21 years.

3.03. The City Administrator and the City Finance Director in consultation with Springsted Incorporated, the City's Financial Advisor, are hereby authorized and directed to approve the principal amount, maturity dates, interest rates and redemption provisions of the Series 2013 Bonds and compensation to the Purchaser, subject to the limitations contained in this Section 3. Upon approving such terms, the City Administrator and the City Finance Director are hereby authorized and directed to approve, execute and deliver to the Purchaser a bond purchase agreement (the "Bond Purchase Agreement"), containing the agreement of the City to sell, and the agreement of the Purchaser to purchase, the Series 2013 Bonds on the terms so approved, and containing such other provisions as such officers shall deem necessary and appropriate. In the event of the absence or disability of the City Administrator and City Finance Director, the Mayor or Deputy City Administrator shall make such approvals and execute and deliver the Bond Purchase Agreement. The execution and delivery by appropriate officers of the City of the Bond Purchase Agreement shall be conclusive as to the approval of such officers of the terms of the Series 2013 Bonds and the agreement of the City to sell the Series 2013 Bonds on such terms in accordance with the provisions thereof.

Section 4. Official Statement. The City Finance Director, in consultation with Springsted Incorporated, the Purchaser and Dorsey & Whitney LLP, the City's bond counsel, is authorized to prepare on behalf of the City an Official Statement, to be distributed by the Purchaser to prospective purchasers of the Series 2013 Bonds. The Official Statement shall contain such information as shall be advisable and necessary to describe accurately the City and the security for, and the terms and conditions of, the Series 2013 Bonds. The City Administrator and City Finance Director are authorized on behalf of the Council to deem the Preliminary

Official Statement near “final” as of its date, in accordance with Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934.

Section 5. Continuing Disclosure. To permit the Purchaser and other participating underwriters in the primary offering of the Series 2013 Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, the City will covenant and agree, for the benefit of the registered holders and beneficial owners from time to time of the outstanding Series 2013 Bonds, to provide annual reports of specified information and notice of the occurrence of certain events. A description of the undertaking shall be set forth in the Preliminary Official Statement.

PASSED AND APPROVED by the City Council of the City of Billings, Montana, this 10th day of June, 2013.

Mayor

Attest: _____
City Clerk