

1 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 \$11,750,000 STORM SEWER REVENUE BONDS, SERIES 2015; AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE 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 regular meeting on February 23, 2015, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 23rd day of February, 2015.

City Clerk

RESOLUTION NO. _____

RESOLUTION RELATING TO UP TO \$11,750,000 STORM
SEWER REVENUE BONDS, SERIES 2015; AUTHORIZING
THE ISSUANCE AND PRIVATE NEGOTIATED SALE
THEREOF

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

Section 1. Recitals. 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 as further described on Exhibit A hereto (the “Project”). 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 \$11,750,000 to fund the Project.

Section 2. Authorization. Pursuant to the Act, this Council hereby authorizes the City to proceed with the issuance and sale of its Storm Sewer Revenue Bonds, Series 2015 (the “Series 2015 Bonds”), for the purpose of providing funds to pay all or a portion of the costs of the Project, to fund a deposit to a debt service reserve account for the Series 2015 Bonds and to pay costs of issuance of the Series 2015 Bonds, as determined by the officers of the City identified pursuant to Section 3 and within the limitations therein established.

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 2015 Bonds through a private negotiated sale to Piper Jaffray & Co., Denver, Colorado and D.A. Davidson, Great Falls, Montana (the “Purchasers”).

3.02. The Series 2015 Bonds shall be sold to the Purchasers on the terms and at a purchase price subject to the following limitations and conditions: (1) the maximum aggregate principal amount of the Series 2015 Bonds, exclusive of original issue discount or premium, shall not exceed \$11,750,000; (2) the maximum true interest cost on the Series 2015 Bonds shall not exceed 4.25%; (3) the purchase price of the Series 2015 Bonds shall not be less than 99.00% of the principal amount thereof, exclusive of original issue premium or discount; and (4) the final stated maturity of the Series 2015 Bonds shall not be later than July 1, 2040. All costs of issuing the Series 2015 Bonds (including, without limitation, the fees and expenses of bond counsel, the

fees of the paying agent and registrar, the preliminary and final Official Statement costs, and the costs of printing the Series 2015 Bonds) shall be paid by the City.

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 Bonds and compensation to the Purchasers, 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 Purchasers a bond purchase agreement (the "Bond Purchase Agreement"), containing the agreement of the City to sell, and the agreement of the Purchasers to purchase, the Series 2015 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 2015 Bonds and the agreement of the City to sell the Bonds on such terms in accordance with the provisions thereof.

Section 4. Official Statement. The City Finance Director, in consultation with Springsted Incorporated, the Purchasers and Dorsey & Whitney LLP, the City's bond counsel, are authorized to prepare on behalf of the City an Official Statement, to be distributed by the Purchasers to prospective purchasers of the Series 2015 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 2015 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 Purchasers and other participating underwriters in the primary offering of the Series 2015 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 2015 Bonds, to provide annual reports of specified information and notice of the occurrence of certain events.

PASSED AND APPROVED by the City Council of the City of Billings, Montana, this 23rd day of February, 2015.

Mayor

Attest: _____
City Clerk

EXHIBIT A

The East End Industrial Area Storm Drain Project will install roughly 3,555 feet 72-inch reinforced concrete pipe (RCP) starting at the intersection of 4th Avenue North and North 23rd Street, down 4th Avenue North to its intersection with North 15th Street. At 2nd Avenue North and North 15th Street, the 72-inch RCP will be upsized to a 10-foot by 4-foot box culvert. The 10-foot by 4-foot box culvert will run down North 15th Street and under the MRL Tracks and Minnesota Avenue, approximately 944-feet, where it will discharge into the North Branch of the Yegen Drain.