

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 \$66,000,000 SEWER SYSTEM REVENUE BONDS, SERIES 2017; 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 January 9, 2017, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 9th day of January, 2017.

(SEAL)

City Clerk

RESOLUTION NO. _____

RESOLUTION RELATING TO UP TO \$66,000,000 SEWER
SYSTEM REVENUE BONDS, SERIES 2017; 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 13, Part 43, the City is authorized to establish, operate and maintain a municipal sewer system. Under the provisions of Montana Code Annotated, Title 7, Chapter 7, Part 44, 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 sewer system; 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 sewer system within the boundaries of the City (the “System”). By Resolution No. 16-10595, adopted by the Council on December 12, 2016 (the “Initial Resolution”), the City determined to proceed with the solicitation of bids for the construction and installation of certain sanitary sewer system improvements consisting of upgrades to the City’s wastewater treatment plant and facilities (the “Project”). In addition, by the Initial Resolution, the City determined that it is necessary and desirable and in the best interests of the City to issue its sewer system revenue bonds (the “Series 2017 Bonds”) in a private negotiated sale to Piper Jaffray & Co. and D.A. Davidson & Co. (the “Underwriters”), the proceeds of which shall be used to finance the Project.

Section 2. Authorization. Pursuant to the Act, the Council hereby authorizes the City to proceed to sell and issue the Series 2017 Bonds to the Underwriters, as determined by the officers of the City identified pursuant to Section 3 and within the limitations therein established.

Section 3. Terms of Negotiated Sale.

3.01. The Series 2017 Bonds shall be sold to the Underwriters on the terms and at a purchase price subject to the following limitations and conditions:

(1) the maximum aggregate principal amount of the Series 2017 Bonds, exclusive of original issue discount or premium, shall not exceed \$66,000,000;

(2) the maximum true interest cost on the Series 2017 Bonds shall not exceed 4.25%;

(3) the purchase price of the Series 2017 Bonds shall not be less than 99% of the principal amount thereof, exclusive of original issue premium or discount; and

(4) the final stated maturity of the Series 2017 Bonds shall not be later than 25 years from their date of issue.

All costs of issuing the Series 2017 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 2017 Bonds) shall be paid by the City.

3.02. The City Administrator and the City Finance Director, in consultation with Springsted Incorporated, the City's municipal advisor, are hereby authorized and directed to approve the principal amount, maturity dates, interest rates and redemption provisions of the Series 2017 Bonds and compensation to the Underwriters, 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 Underwriters a bond purchase agreement (the "Bond Purchase Agreement"), containing the agreement of the City to sell, and the agreement of the Underwriters to purchase, the Series 2017 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 2017 Bonds and the agreement of the City to sell the Series 2017 Bonds on such terms in accordance with the provisions thereof.

Section 4. Continuing Disclosure. To permit the Underwriters and other participating underwriters in the primary offering of the Series 2017 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 2017 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 9th day of January, 2017.

Mayor

Attest: _____
City Clerk