

CERTIFICATE AS TO RESOLUTION AND 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 \$1,515,000 POOLED SPECIAL IMPROVEMENT DISTRICT BONDS (SPECIAL IMPROVEMENT DISTRICT NOS. 1401, 1403, AND 1404); AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE THEREOF AND AUTHORIZING THE PLEDGE OF THE REVOLVING FUND TO THE SECURITY 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 12, 2018, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 12th day of February, 2018.

City Clerk

RESOLUTION NO. _____

**RESOLUTION RELATING TO UP TO \$1,515,000 POOLED
SPECIAL IMPROVEMENT DISTRICT BONDS (SPECIAL
IMPROVEMENT DISTRICT NOS. 1401, 1403, AND 1404);
AUTHORIZING THE ISSUANCE AND PRIVATE
NEGOTIATED SALE THEREOF AND AUTHORIZING
THE PLEDGE OF THE REVOLVING FUND TO THE
SECURITY THEREOF**

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

Section 1. Recitals.

1.01. Prior Acts. This Council has duly and validly created and established in the City under Montana Code Annotated, Title 7, Chapter 12, Parts 41 and 42, as amended (the “Act”), special improvement districts, designated as Special Improvement District No. 1401 (“District No. 1401”), Special Improvement District No. 1403 (“District No. 1403”), and Special Improvement District No. 1404 (“District No. 1404” and, collectively with District No. 1401 and District No. 1403, the “Districts”), for the purpose of financing costs of certain public improvements of special benefit to the properties within the Districts (the “Improvements”) and paying costs incidental thereto (the “Incidental Costs”), including costs associated with the sale and the security of special improvement district bonds of the City drawn on the Districts, the creation of the Districts and the funding of deposits to the City’s Special Improvement District Revolving Fund (the “Revolving Fund”).

1.02. Proposed Bond Issue. The City proposes to issue special improvement district bonds of the City drawn against the Districts in the maximum estimated principal amount of \$1,515,000 to pay a portion of the costs of the Improvements and Incidental Costs (the “Bonds”). The Bonds are to be payable primarily from special assessments to be levied against property within the Districts, which property will be specially benefited by the Improvements. Assessments will be levied against the property within the Districts in an amount not less than the principal amount of the Bonds to be issued.

The costs of the Improvements and Incidental Costs are currently estimated as follows:

	<u>District No. 1401</u>	<u>District No. 1403</u>	<u>District No. 1404</u>
Construction	\$251,337.41	\$800,661.28	\$896,800.00
Design and CA	33,181.82	145,137.00	—
Engineering Project	9,593.90	28,023.14	20,000.00
Contingency	25,137.74	80,066.13	—
Total Project Costs	<u>\$319,290.87</u>	<u>\$1,025,864.41</u>	<u>\$916,800.00</u>
Less City Contribution	—	(80,549.48)	—
Less Property Owner	(78,665.87)	(740,831.50)	—
Engineering Expense	—	8,400.00	—
Project Costs to be Assessed	<u>\$240,625.00</u>	<u>\$212,883.43</u>	<u>\$916,800.00</u>

City Financing Expense	150.00	150.00	150.00
Revolving Fund Deposit	13,750.00	12,000.00	50,000.00
Costs of Issuance Issuance	8,250.00	9,116.57	12,000.00
Bond Discount (2%)	12,225.00	5,850.00	21,050.00
Total	<u>\$275,000.00</u>	<u>\$240,000.00</u>	<u>\$1,000,000.00</u>

1.03. Pooling. The City is authorized pursuant to Montana Code Annotated, Section 7-12-4193, to issue and sell special improvement district bonds of more than one district in a single offering on a pooled basis upon a determination that such pooling is in the best interests of the Projects and the City and will facilitate the sale of the bonds under more advantageous terms or with lower interest rates.

Section 2. Sale and Term of Bonds.

2.01. Principal Amount. Pursuant to Sections 7-12-4204 and 17-5-107, Montana Code Annotated, this Council hereby determines that it is in the best interests of the Projects and the City to sell the Bonds in a single offering on a pooled basis, at a private negotiated sale at a price not less than 97% of the principal amount thereof, including interest thereon to the date of delivery. The Interim City Finance Director is authorized to select a purchaser (the “Purchaser”) for the Bonds and to negotiate the sale thereof, subject to Section 2.02.

<u>District</u>	<u>Principal Amount</u>
District No. 1401	\$ 275,000
District No. 1403	\$ 240,000
District No. 1404	\$1,000,000

2.02. Pricing and Terms. The 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 Bonds shall not exceed \$1,515,000; (2) the interest on the Bonds shall not exceed 5.50%; (3) the purchase price of the Bonds shall not be less than 100% of the principal amount thereof; (4) the term of the Bonds shall not exceed 15 years; (5) the Bonds shall be payable from special assessments to be levied against property in the District; and (6) the Bonds shall be callable from the prepayment of special assessments.

All costs of issuing the Bonds (including, without limitation, the fees and expenses of Dorsey & Whitney LLP, the City’s Bond Counsel, fees of Springsted Incorporated (the City’s financial advisor), the fees of the Paying Agent and Registrar and the costs of printing the Preliminary Official Statement, the Official Statement and the Bonds, if any) shall be paid by the City as part of the financing from proceeds of the Bonds or other available sources.

2.03. Bond Purchase Agreement. The City Administrator and Interim City Finance Director, in consultation with Springsted Incorporated, are hereby authorized and directed to approve the final principal amount of the Bonds, dated date, the amount of the serial maturities, interest rates and redemption provisions of the Bonds, subject to the limitations contained in Section 2.02 and the Act. Upon approving such terms, the City Administrator and Interim 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 Bonds on the terms so approved, and containing such other provisions as such persons shall deem necessary and appropriate. In the event of the absence or disability of the City Administrator and Interim City Finance Director, the Mayor or Chair of this Council make such approvals and execute and deliver the Bond Purchase Agreement. The execution and delivery by such persons of the Bond Purchase Agreement shall be conclusive as to the approval of such persons 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.

Section 3. Pledge of Revolving Fund. In the Resolutions of Intention To Create the Districts, adopted on August 22, 2016, October 23, 2017, and January 22, 2018, respectively, this Council found it to be in the public interest, and in the best interest of the City and the Projects, to secure payment of principal of and interest on the Bonds by the Revolving Fund and authorized the City to enter into the undertakings and agreements authorized in the Act in respect of the Bonds, based on the factors required to be considered under Section 7-12-4225(4) of the Act. Those findings and determinations were ratified and confirmed in the resolutions creating the Districts adopted by this Council on September 12, 2016, November 13, 2017 and February 12, 2018, respectively, and are hereby ratified and confirmed. It is hereby covenanted and recited that the City has the power under the Act to pledge the Revolving Fund to payment of the principal of and interest on the Bonds.

Section 4. Preliminary Official Statement. The Interim City Finance Director, together with Springsted Incorporated and Dorsey & Whitney LLP, are authorized to prepare on behalf of the City an Official Statement to be distributed by the Purchaser to prospective purchasers of the Bonds, if necessary for the sale of the 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 Bonds. The City Administrator and the Interim 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.

PASSED AND APPROVED by the City Council of the City of Billings, Montana, this 12th day of February, 2018.

William A. Cole, Mayor

Attest: _____
Denise R. Bohlman, City Clerk