

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 SPECIAL IMPROVEMENT DISTRICT NO. 1405 BONDS; 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 July 9, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 9th day of July, 2018.

(SEAL)

\_\_\_\_\_  
City Clerk

RESOLUTION NO. \_\_\_\_\_

RESOLUTION RELATING TO UP SPECIAL IMPROVEMENT  
DISTRICT NO. 1405 BONDS; 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; Prior City Actions.

1.01. 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"), a special improvement district, designated as Special Improvement District No. 1405 (the "District"), for the purpose of financing costs of certain public improvements of special benefit to the properties within the District (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 District, the creation and administration of the District and the funding of deposits to the City's Special Improvement District Revolving Fund (the "Revolving Fund"). The Improvements consist of the construction and installation of streetlights within the District.

1.02. The City proposes to issue special improvement district bonds of the City drawn against the District in the maximum estimated principal amount of \$1,250,000 to pay a portion of the costs of the Improvements and Incidental Costs (the "Series 2018 Bonds"). The Series 2018 Bonds are to be payable primarily from special assessments to be levied against property within the District, which property will be specially benefited by the Improvements. Assessments will be levied against the property within the District in an amount not less than the principal amount of the Series 2018 Bonds to be issued.

Section 2. Negotiated Sale and Terms.

2.01. This Council hereby determines that it would be in the best interests of the City to sell the Series 2018 Bonds through a private negotiated sale to D.A. Davidson & Co., Great Falls, Montana (the "Purchaser").

2.02. The Series 2018 Bonds shall be sold to the Purchaser on terms and at a purchase price within the following limitations and conditions: (1) the maximum aggregate principal amount of the Series 2018 Bonds, exclusive of original issue discount or premium, shall not exceed \$1,250,000; (2) the maximum true interest cost on the Series 2018 Bonds shall not exceed 5.50%; (3) the purchase price of the Series 2018 Bonds shall not be less than 98.9% of the principal amount thereof, exclusive of original issue premium or discount; and (4) the final stated maturity of the Series 2018 Bonds shall not be later than 15 years from their date of issue. All costs of issuing the Series 2018 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 2018 Bonds) shall be paid by the City.

The form of the Series 2018 Bonds and the final terms and conditions thereof shall be prescribed by a subsequent resolution to be adopted by this Council.

2.03. The City Finance Director, in consultation with Springsted Incorporated, the City's Municipal Advisor, is hereby authorized and directed to approve the principal amount, maturity dates, interest rates and redemption provisions of the Series 2018 Bonds and compensation to the Purchaser, subject to the limitations contained in this Section 2. Upon approving such terms, the City Finance Director is 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 2018 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 Finance Director, the Mayor, the City Administrator or the Assistant 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 2018 Bonds and the agreement of the City to sell the Series 2018 Bonds on such terms in accordance with the provisions thereof.

Section 3. Pledge of Revolving Fund. In Resolution No. 18-10700, the resolution of intention to create the District, adopted on February 26, 2018, this Council found it to be in the public interest, and in the best interest of the District and the City, to secure payment of principal of and interest on the Series 2018 Bonds by the Revolving Fund and authorized the City to enter into the undertakings and agreements authorized in the Act in respect of the Series 2018 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 Resolution No. 18-10714, the resolution creating the District adopted by this Council on March 26, 2018, 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 Series 2018 Bonds.

Section 4. Official Statement. The City Finance Director, in consultation with Springsted Incorporated, the Purchaser 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 Purchaser to prospective purchasers of the Series 2018 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 2018 Bonds. The City Finance Director is 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 2018 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 2018 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 July, 2018.

\_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_  
City Clerk