

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of City of Billings, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution 21-10934, entitled: "RESOLUTION RELATING TO GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021; AUTHORIZING THE ISSUANCE AND CALLING FOR THE PUBLIC 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 meeting on March 22, 2021 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: Yakawich, Shaw, Ewalt, Neese, Joy, Choriki, Ronning, Purinton, Boyett, Brown and Mayor Cole; voted against the same: None; abstained from voting thereon: None; or were absent: None.

WITNESS my hand and seal officially this 22nd day of March, 2021.

(SEAL)




Denise R. Bohlman, City Clerk

RESOLUTION 21-10934

RESOLUTION RELATING TO GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021; AUTHORIZING THE ISSUANCE AND CALLING FOR THE PUBLIC SALE THEREOF

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

Section 1. Recitals. At an election duly called and held on November 8, 2011, the electors of the City authorized the sale and issuance of general obligation bonds in the principal amount of \$16,300,000. Pursuant to such authorization, this Council sold and issued general obligation bonds of the City denominated "General Obligation Bonds, Series 2012," in the original aggregate principal amount of \$15,460,000 (the "Series 2012 Bonds"), for the purpose of paying the costs of designing, constructing and equipping a new library building in replacement of the Parmly Billings Library and related improvements.

It is proposed that the Series 2012 Bonds with stated maturities on and after July 1, 2022 and outstanding in the aggregate principal amount of \$8,215,000 (the "Refunded Bonds") be refunded by bonds issued by the City.

Section 2. Authorization. For the purposes of reducing the interest cost on the Refunded Bonds and reducing the taxes necessary to pay the principal of and interest on the Refunded Bonds, it is hereby determined that it is in the best interests of the City and the owners of taxable property therein for the City to pursue the sale of general obligation refunding bonds in order to refund the Refunded Bonds.

Pursuant to Montana Code Annotated, Title 7, Chapter 7, Parts 42 and 43, as amended (the "Act"), this Council hereby authorizes the City to proceed with the issuance and sale of its General Obligation Refunding Bonds, Series 2021 (the "Series 2021 Bonds"), in order to refund the Refunded Bonds and to pay costs of issuance of the Series 2021 Bonds and costs of the refunding. Proceeds of the Series 2021 Bonds shall be deposited in an escrow account with U.S. Bank National Association, as escrow agent, in an amount sufficient to pay the redemption price of the Refunded Bonds on the redemption date.

The indebtedness to be evidenced by the Series 2021 Bonds, together with all other indebtedness of the City but excluding the indebtedness evidenced by the Refunded Bonds, will not exceed the City's statutory debt limit.

Section 3. Public Sale. The Series 2021 Bonds shall be offered and sold at a public competitive sale pursuant to the Terms and Conditions of Sale substantially in the form attached hereto as Exhibit A, which are incorporated by reference and made a part hereof. Bids for the purchase of the Series 2021 Bonds shall be received by the City pursuant to the instructions set forth in the Terms and Conditions of Sale until 10:00 a.m., M.T., on April 12, 2021, at which time bids will be opened and tabulated. The

tabulation of the bids will be presented to the Council at its regular meeting at 5:30 p.m., M.T., on April 12, 2021. The Council will consider the bids and, if a responsive and acceptable bid is received, award the sale of the Series 2021 Bonds. Award of sale will be made to the bidder with the lowest true interest cost. The City Clerk is authorized and directed to cause notices of the sale of the Series 2021 Bonds to be published, as required by Section 7-7-4251 of the Act, in the *Yellowstone County News* once each week for two successive weeks preceding the week which contains the date of sale. The notice of sale shall be published substantially in the form set forth on Exhibit B.

Section 4. Preliminary Official Statement. The City Finance Director and other officers of the City, in consultation with BakerTilly, are hereby authorized and directed to prepare on behalf of the City a Preliminary Official Statement with respect to the Series 2021 Bonds to be distributed to potential bidders. The Preliminary Official Statement shall contain the Terms and Conditions of Sale for the Series 2021 Bonds and such other information as shall be advisable and necessary to describe accurately the City, the terms and conditions of the Series 2021 Bonds and the security therefor. The City Finance Director is authorized on behalf of the Council to deem the Preliminary Official Statement "final" as of its date, in accordance with Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934.

Section 5. Continuing Disclosure. In order to permit bidders for the Series 2021 Bonds and other participating underwriters in the primary offering of the Series 2021 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 "Rule"), the City will covenant and agree in the Bond Resolution for the benefit of the registered holders and beneficial owners from time to time of the outstanding Series 2021 Bonds, to provide annual reports of specified information and notice of the occurrence of certain events. The City is the only "obligated person" in respect of the Series 2021 Bonds within the meaning of the Rule for the purposes of disclosing information on an ongoing basis. A description of the undertaking will be set forth in the Official Statement. Failure of the City to enter into an undertaking substantially similar to that described in the Official Statement would relieve the successful bidder of its obligation to purchase the Series 2021 Bonds.

Section 6. Proceedings. The City Clerk is hereby authorized and directed to furnish a certified copy of all proceedings taken by the City with respect to the issuance of the Series 2021 Bonds to Dorsey & Whitney LLP, bond counsel to the City, and to the original purchaser(s) of the Series 2021 Bonds.

Section 7. Effective Date. This Resolution shall become effective upon passage.

PASSED by the City Council of City of Billings, Montana, this 22nd day of March, 2021.



CITY OF BILLINGS

By: William A. Cole
William A. Cole, Mayor

ATTEST:

By: Denise R. Bohlman
Denise R. Bohlman, City Clerk

EXHIBIT A

TERMS AND CONDITIONS OF SALE

\$8,350,000

General Obligation Refunding Bonds, Series 2021
City of Billings, Montana

The City Council (the "Council") of the City of Billings, Montana (the "City"), will receive bids for the purchase of General Obligation Refunding Bonds, Series 2021, in the aggregate principal amount of \$8,350,000 (the "Series 2021 Bonds"), subject to adjustment as described below. Bids will be received by sealed bid to Baker Tilly Municipal Advisors, LLC, the City's municipal advisor ("BakerTilly") or by electronic transmission through PARITY® pursuant to the instructions set forth herein until 10:00 a.m., M.T., on April 12, 2021, at which time bids will be opened and tabulated. The tabulation of bids will be presented to the Council at its regular meeting at 5:30 p.m., M.T., on April 12, 2021, remotely by videoconference, at which time the Council will consider the bids received and, if a responsive and acceptable bid is received, award sale of the Series 2021 Bonds to the bidder with the lowest true interest cost.

SUBMISSION OF BIDS

All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Series 2021 Bonds regardless of the manner in which the proposal is submitted.

BakerTilly will assume no liability for the inability of a bidder or its proposal to reach BakerTilly prior to the time of sale specified above, and neither the City nor BakerTilly shall be responsible for any failure, misdirection or error in the means of transmission selected by any bidder. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Series 2021 Bonds regardless of the manner in which the proposal is submitted.

Sealed Bidding. Completed, signed proposals may be submitted to BakerTilly by email to bondservice@bakertilly.com or by fax (651) 223-3046, and must be received prior to the time of sale specified above.

OR

Electronic Bidding. Proposals may also be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all proposals submitted to PARITY®. Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the Terms of Proposal. Neither the City, its agents, nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective

bidder, and neither the City, its agents, nor PARITY® shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The City is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Series 2021 Bonds, and PARITY® is not an agent of the City.

To the extent any instructions or directions set forth in PARITY® conflict with these Terms and Conditions of Sale, these Terms and Conditions of Sale shall control. Further information about PARITY®, including any fee charged, may be obtained from:

PARITY®
1359 Broadway, 2nd Floor
New York, New York 10018
Customer Support: (212) 849-5000

THE SERIES 2021 BONDS

The Series 2021 Bonds shall be dated, as originally issued, as of their date of delivery, expected to be May 11, 2021, and shall bear interest payable semiannually on January 1 and July 1 of each year, commencing January 1, 2022, to the registered owners of the Series 2021 Bonds as such appear in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month, at a rate or rates designated by the successful bidder at public sale and approved by the Council. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2021 Bonds shall mature, subject to redemption as hereinafter provided, on July 1 in each of the following years and amounts (unless combined into one or more term bonds), subject to adjustment as described below:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2022	\$ 975,000	2028	\$ 740,000
2023	710,000	2029	745,000
2024	715,000	2030	755,000
2025	720,000	2031	765,000
2026	720,000	2032	775,000
2027	730,000		

The City reserves the right, after bids are opened and prior to award, to increase or decrease the amount of any maturity or maturities in multiples of \$5,000 in order to produce sufficient net proceeds and to meet the City's structuring goals. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per

\$1,000 of Series 2021 Bonds as that of the successful bid. Gross spread for this purpose is the differential between the price paid to the City for the Series 2021 Bonds and the prices at which the bid indicates the Series 2021 Bonds are initially offered to the investing public.

Bidders will have the option of combining the Series 2021 Bonds into one or more term bonds. If any Series 2021 Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption in the principal amount set forth in the foregoing schedule on each July 1, concluding no later than July 1, 2032, at a redemption price equal to the principal amount of such Series 2021 Bonds or portions thereof to be redeemed with interest accrued thereon and payable on January 1 and July 1 to the redemption date, in installments and in the same amounts and on the same dates as the Series 2021 Bonds would have matured if they were not included in a term bond.

The Series 2021 Bonds with stated maturities on or after July 1, 2030 will be subject to redemption on July 1, 2029, and any date thereafter, at the option of the City, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium. If less than all of the Series 2021 Bonds are to be redeemed, the Series 2021 Bonds to be redeemed shall be from such stated maturities and in such principal amounts as the City may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner as directed by the City).

The Series 2021 Bonds shall be in the denomination of \$5,000 each or any integral multiple thereof of single maturities. The Series 2021 Bonds will be issued as fully registered bonds only. The Series 2021 Bonds will be issued in book-entry only form.

BOOK ENTRY

The Series 2021 Bonds will be issued by means of a book entry system with no physical distribution of Series 2021 Bonds made to the public. The Series 2021 Bonds will be issued in fully registered form and will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository of the Series 2021 Bonds. Individual purchases of the Series 2021 Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity, through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Series 2021 Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners.

PURPOSE AND SECURITY

The proceeds of the Series 2021 Bonds will be used to (i) refund the City's General Obligation Bonds, Series 2012 with stated maturities in the years 2022 and thereafter; and (ii) pay costs associated with the sale of the Series 2021 Bonds and the refunding.

The Series 2021 Bonds are general obligations of the City, and the City's full faith and credit and taxing power are pledged to the payment of the principal and interest thereon. Bidders should consult a copy of the Official Statement for a discussion of the security for the Series 2021 Bonds and the form of opinion of bond counsel relating to the Series 2021 Bonds.

CONTINUING DISCLOSURE

In order to permit bidders for the Series 2021 Bonds and other participating underwriters in the primary offering of the Series 2021 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 "Rule"), the City will covenant and agree for the benefit of the registered holders and beneficial owners from time to time of the outstanding Series 2021 Bonds to provide annual reports of specified information and notice of the occurrence of certain events. The City is the only "obligated person" in respect of the Series 2021 Bonds within the meaning of the Rule for the purposes of disclosing information on an ongoing basis. A description of the undertaking will be set forth in the Official Statement. Failure of the City to enter into an undertaking substantially similar to that described in the Official Statement would relieve the successful bidder of its obligation to purchase the Series 2021 Bonds.

BIDDING PARAMETERS

Proposals shall be for not less than \$8,283,200 (99.2% of par), plus accrued interest, if any, on the total principal amount of the Series 2021 Bonds. No proposal can be withdrawn or amended after the time set for receiving proposals. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The interest rates on the Series 2021 Bonds must be at least one-half of 1% less than the interest rate on the Refunded Bonds; provided that the Series 2021 Bonds may bear interest in excess of the rate on the Refunded Bonds if there is a reduction of total debt service cost to the City. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater. Series 2021 Bonds of the same maturity shall bear a single rate from the date of the Series 2021 Bonds to the date of maturity. No conditional proposals will be accepted.

GOOD FAITH DEPOSIT

To have its proposal considered for award, the successful bidder is required to submit a good faith deposit via wire transfer to the City in the amount of \$167,000 (the "Deposit") no later than 1:00 p.m. M.T. on April 12, 2021. The successful bidder shall be solely responsible for the timely delivery of its Deposit, and neither the City nor

BakerTilly have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the City may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

A Deposit will be considered timely delivered to the City upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from BakerTilly following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the successful bidder will be retained by the City and no interest will accrue to the successful bidder. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the successful bidder fails to comply with the accepted proposal, the Deposit will be retained by the City.

AWARD

The Series 2021 Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost basis calculated on the proposal prior to any adjustment made by the City. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. The City will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Series 2021 Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the City determines to have failed to comply with the terms herein.

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT

The City will select a bank, financial institution or trust company to act as bond registrar, transfer agent and paying agent (the "Registrar") in connection with the Series 2021 Bonds. The bond register will be kept, transfers of ownership will be effected and principal of and interest on the Series 2021 Bonds will be paid by the Registrar. The City will pay the charges of the Registrar for such services. The City reserves the right to remove the Registrar and to appoint a successor.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Series 2021 Bonds will be designated by the City as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and financial institutions described in Section 265(b)(5) of the Code may treat the Series 2021 Bonds for purposes of Sections 265(b)(2) and 291(e)(1)(B) of the Code as if they were acquired on August 7, 1986.

LEGAL OPINION

An opinion as to the validity of the Series 2021 Bonds and the exclusion from gross income for federal and Montana income tax purposes of the interest on the Series 2021 Bonds will be furnished by Dorsey & Whitney LLP, of Missoula, Montana, as Bond Counsel. The legal opinion will be delivered at the time of closing. The legal opinion will state that the Series 2021 Bonds are valid and binding special, limited obligations of the City enforceable in accordance with their terms, except to the extent to which enforceability thereof may be limited by the exercise of judicial discretion or by state or federal laws relating to bankruptcy, reorganization, moratorium or creditors' rights.

DELIVERY

On or about May 11, 2021, the City will deliver to the Registrar the printed Series 2021 Bonds for completion, authentication and delivery to The Depository Trust Company ("DTC"), which will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. The successful bidder will not receive physical certificates representing its interest in the Series 2021 Bonds. Payment for the Series 2021 Bonds must be received by the City in immediately available funds at its designated depository on the day of closing.

ESTABLISHMENT OF ISSUE PRICE AT TIME OF AWARD

In order to establish the issue price of the Series 2021 Bonds for federal income tax purposes, the City requires bidders to agree to the following, and by submitting a bid, each bidder agrees to the following.

If a bid is submitted by a potential underwriter for the Series 2021 Bonds, the bidder confirms that (i) the underwriters for the Series 2021 Bonds have offered or reasonably expect to offer the Series 2021 Bonds to the public on or before the date of the award at the offering price (the "initial offering price") for each maturity as set forth in the bid and (ii) the bidder, if it is the winning bidder, shall require any agreement among underwriters, selling group agreement, third-party distribution agreement or other agreement relating to the initial sale of the Series 2021 Bonds to the public to which it is a party to include provisions requiring compliance by all parties to such agreements with the provisions contained herein. For purposes hereof, Series 2021 Bonds with a separate CUSIP number constitute a separate "maturity," and "the public" does not include underwriters of the Series 2021 Bonds (including members of a selling group or retail distribution group) or persons related to underwriters of the Series 2021 Bonds.

If, however, a bid is submitted for the bidder's own account in a capacity other than as an underwriter of the Series 2021 Bonds, and the bidder has no current intention to sell, reoffer, or otherwise dispose of the Series 2021 Bonds, the bidder shall notify the City to that effect at the time it submits its bid and shall provide a certificate to that effect in place of the certificate otherwise required below.

If the winning bidder intends to act as an underwriter of the Series 2021 Bonds, the City shall advise the winning bidder at or prior to the time of award whether (i) the competitive sale rule or (ii) the "hold-the-offering price" rule applies.

If the City advises the successful bidder that the requirements for a competitive sale have been satisfied and that the competitive sale rule applies, the successful bidder will be required to deliver to the City at or prior to closing a certification, substantially in the form of Annex A attached hereto, as to the reasonably expected initial offering price as of the award date.

If the City advises the successful bidder that the requirements for a competitive sale have not been satisfied and that the hold-the-offering price rule applies, the successful bidder shall (1) upon the request of the City confirm that the underwriters of the Series 2021 Bonds did not offer or sell any maturity of the Series 2021 Bonds to any person at a price higher than the initial offering price of that maturity during the period starting on the award date and ending on the earlier of (a) the close of the fifth business day after the sale date or (b) the date on which the underwriters of the Series 2021 Bonds have sold at least 10% of that maturity to the public at or below the initial offering price; and (2) at or prior to closing, deliver to the City a certification substantially in the form of Annex B attached hereto, together with a copy of the pricing wire.

Any action to be taken or documentation to be received by the City pursuant hereto may be taken or received on behalf of the City by BakerTilly.

Bidders should prepare their bids on the assumption that the Series 2021 Bonds will be subject to the "hold-the-offering-price" rule. Any bid submitted pursuant to the Notice of Sale shall be considered a firm offer for the purchase of the Series 2021 Bonds, and bids submitted will not be subject to cancellation or withdrawal.

BOND INSURANCE AT PURCHASER'S OPTION

The City has not applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Series 2021 Bonds. If the Series 2021 Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's proposal. The City specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest true interest cost to the City. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the City) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Series 2021 Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Series 2021 Bonds.

COSTS; CUSIP NUMBERS

The City will pay the fees and charges of its municipal advisor, bond counsel, and Registrar, along with costs of printing the Official Statement. If the Series 2021 Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Series 2021 Bonds, but neither the failure to print such numbers on any Series 2021 Bond nor any error with respect thereto will constitute cause for failure or refusal by the successful bidder to accept delivery of the Series 2021 Bonds. BakerTilly will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the successful bidder.

RATING

The City has applied for a rating from Moody's Investors Service on the Series 2021 Bonds. If the City obtains such rating, rating agency fees for obtaining the rating will be the responsibility of the City.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2021 Bonds, and said Preliminary Official Statement has been deemed final by the City as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For an electronic copy of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to BakerTilly, by telephone (651) 223-3000, or by email bondservice@bakertilly.com. The Preliminary Official Statement will also be made available at <https://go.bakertilly.com/bond-sales-calendar>.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Series 2021 Bonds, together with any other information required by law. By awarding the Series 2021 Bonds to the successful bidder, the City agrees that, no more than seven business days after the date of such award, it shall provide to the successful bidder an electronic copy of the Final Official Statement. The City designates the successful bidder as its agent for purposes of distributing the Final Official Statement to each syndicate member, if applicable. The successful bidder agrees that if its proposal is accepted by the City, (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated: March 22, 2021.

BY ORDER OF THE CITY COUNCIL

City Clerk
City of Billings, Montana

ANNEX A

**ISSUE PRICE CERTIFICATE – COMPETITIVE SALES WITH AT LEAST THREE
BIDS FROM ESTABLISHED UNDERWRITERS**

\$[]
General Obligation Refunding Bonds, Series 2021
City of Billings, Montana

The undersigned, on behalf of [NAME OF UNDERWRITER] ("[SHORT NAME OF UNDERWRITER]"), hereby certifies as set forth below with respect to the sale of the obligations named above (the "Series 2021 Bonds").

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Series 2021 Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Series 2021 Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Series 2021 Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Series 2021 Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Series 2021 Bonds.

2. ***Defined Terms.*** For purposes of this Issue Price Certificate:

(a) *Issuer* means City of Billings, Montana.

(b) *Maturity* means Series 2021 Bonds with the same credit and payment terms. Any Series 2021 Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Member of the Distribution Group* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2021 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2021 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2021 Bonds to the Public).

(d) *Public* means any person (i.e., an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a "related party" to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was [____], 2021.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2021 Bonds, and by Dorsey & Whitney LLP in connection with rendering its opinion that the interest on the Series 2021 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2021 Bonds.

[UNDERWRITER]

By: _____

Name: _____

Dated: [____], 2021

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)

ANNEX B

**ISSUE PRICE CERTIFICATE – COMPETITIVE SALES WITH FEWER THAN
THREE BIDS FROM ESTABLISHED UNDERWRITERS - HTOP**

\$[_____]

General Obligation Refunding Bonds, Series 2021
City of Billings, Montana

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([SHORT NAME OF UNDERWRITER])[the "Representative"][, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the "Underwriting Group"),] hereby certifies as set forth below with respect to the sale of the obligations named above (the "Series 2021 Bonds").

1. **Initial Offering Price of the Series 2021 Bonds.** [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Series 2021 Bonds to the Public for purchase at the specified initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire for the Series 2021 Bonds is attached to this certificate as Schedule B.

2. **First Price at which Sold to the Public.** On the Sale Date, at least 10% of each Maturity [listed in Schedule C] was first sold to the Public at the respective Initial Offering Price [or price specified [therein][in Schedule C], if different].

3. **Hold the Offering Price Rule.** [SHORT NAME OF UNDERWRITER][Each member of the Underwriting Group] has agreed in writing that, (i) for each Maturity less than 10% of which was first sold to the Public at a single price as of the Sale Date, it would neither offer nor sell any of the Series 2021 Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "Hold-the-Offering-Price Rule"), and (ii) any agreement among underwriters, selling group agreement, or retail distribution agreement contains the agreement of each underwriter, dealer, or broker-dealer who is a party to such agreement to comply with the Hold-the-Offering-Price Rule. Based on the [Representative][SHORT NAME OF UNDERWRITER]'s own knowledge and, in the case of sales by other Members of the Distribution Group, representations obtained from the other Members of the Distribution Group, no Member of the Distribution Group has offered or sold any such Maturity at a price that is higher than the respective Initial Offering Price during the respective Holding Period.

4. **Defined Terms.** For purposes of this Issue Price Certificate:

(a) **Holding Period** means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([_____, 2021), or (ii) the date on which Members of the Distribution Group have sold at least 10% of such Maturity to the Public at one or more prices, none of which is higher than the Initial Offering Price for such Maturity.

(b) *Issuer* means City of Billings, Montana.

(c) *Maturity* means Series 2021 Bonds with the same credit and payment terms. Any Series 2021 Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(d) *Member of the Distribution Group* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2021 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2021 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2021 Bonds to the Public).

(e) *Public* means any person (i.e., an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a "related party" to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was [____], 2021.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDEWRITING FIRM][the Representative's] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2021 Bonds, and by Dorsey & Whitney LLP in connection with rendering its opinion that the interest on the Series 2021 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2021 Bonds.

[UNDERWRITER][REPRESENTATIVE]

By: _____

Name: _____

Dated: [____], 2021

SCHEDULE A
INITIAL OFFERING PRICES OF THE BONDS
(Attached)

SCHEDULE B
PRICING WIRE
(Attached)

SCHEDULE C
SALES OF AT LEAST 10% OF MATURITY TO THE PUBLIC ON THE SALE DATE
AT THE INITIAL OFFERING PRICE
(Attached)

EXHIBIT B

NOTICE OF BOND SALE

\$8,350,000

General Obligation Refunding Bonds, Series 2021
City of Billings, Montana

NOTICE IS HEREBY GIVEN by the City Council (the "Council") of the City of Billings, Montana (the "City"), that the City will receive bids for the purchase of General Obligation Refunding Bonds, Series 2021, in the aggregate principal amount of \$8,350,000 (the "Series 2021 Bonds") by sealed bid to Baker Tilly Municipal Advisors, LLC, the City's municipal advisor ("BakerTilly") or by electronic transmission through PARITY®, pursuant to the instructions set forth in the Terms and Conditions of Sale, in each case until 10:00 a.m., M.T., on April 12, 2021, at which time bids will be opened and tabulated. The tabulation of bids will be presented to the Council at its regular meeting at 5:30 p.m., M.T., on April 12, 2021, remotely by videoconference, at which time the Council will consider the bids received and, if a responsive and acceptable bid is received, award sale of the Series 2021 Bonds to the bidder with the lowest true interest cost.

The proceeds of the Series 2021 Bonds will be used to (i) refund the City's General Obligation Bonds, Series 2012 with stated maturities in the years 2022 and thereafter; and (ii) pay costs associated with the sale of the Series 2021 Bonds and the refunding.

The Series 2021 Bonds shall be dated, as originally issued, as of their date of delivery, expected to be May 11, 2021, and shall bear interest payable semiannually on January 1 and July 1 of each year, commencing January 1, 2022, to the registered owners of the Series 2021 Bonds as such appear in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month, at a rate or rates designated by the successful bidder at public sale and approved by the Council. Each interest rate must be expressed in an integral multiple of 1/8 or 1/100 of 1%. The interest rates on the Series 2021 Bonds must be at least one-half of 1% less than the interest rate on the Refunded Bonds; provided that the Series 2021 Bonds may bear interest in excess of the rate on the Refunded Bonds if there is a reduction of total debt service cost to the City. The initial price to the public as stated in the bid proposal for each maturity must be at least 98.0% of the aggregate principal amount of the Series 2021 Bonds of such maturity. All Series 2021 Bonds of the same stated maturity must bear interest from date of original issue until paid at a single, uniform rate. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2021 Bonds shall mature, subject to redemption as hereinafter provided, on July 1 in each of the following years and amounts (unless combined into one or more term bonds), subject to adjustment as described below:



<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2022	\$ 975,000	2028	\$ 740,000
2023	710,000	2029	745,000
2024	715,000	2030	755,000
2025	720,000	2031	765,000
2026	720,000	2032	775,000
2027	730,000		

The City reserves the right, after bids are opened and prior to award, to increase or decrease the amount of any maturity or maturities in multiples of \$5,000 in order to produce sufficient net proceeds and to meet the City's structuring goals. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Series 2021 Bonds as that of the successful bid. Gross spread for this purpose is the differential between the price paid to the City for the Series 2021 Bonds and the prices at which the bid indicates the Series 2021 Bonds are initially offered to the investing public.

Bidders will have the option of combining the Series 2021 Bonds into one or more term bonds. If any Series 2021 Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption in the principal amount set forth in the foregoing schedule on each July 1, concluding no later than July 1, 2032, at a redemption price equal to the principal amount of such Series 2021 Bonds or portions thereof to be redeemed with interest accrued thereon and payable on January 1 and July 1 to the redemption date, in installments and in the same amounts and on the same dates as the Series 2021 Bonds would have matured if they were not included in a term bond.

The Series 2021 Bonds with stated maturities on or after July 1, 2030 will be subject to redemption on July 1, 2029, and any date thereafter, at the option of the City, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium.

The Series 2021 Bonds shall be in the denomination of \$5,000 each or any integral multiple thereof of single maturities. The Series 2021 Bonds will be issued as fully registered bonds only. The Series 2021 Bonds will be issued in book-entry only form.

To have its proposal considered for award, the successful bidder is required to submit a good faith deposit via wire transfer to the City in the amount of \$167,000 (the "Deposit"), as described in the Terms and Conditions of Sale. In the event the

successful bidder fails to comply with the accepted proposal, the Deposit will be retained by the City.

The City will designate the Series 2021 Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The City reserves the right to reject any and all bids and to sell the Series 2021 Bonds at a private or other sale.

Copies of the Terms and Conditions of Sale, the Preliminary Official Statement, Official Bid forms and additional information may be obtained through BakerTilly, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101. Prospective bidders should consult the Terms and Conditions of Sale and the Preliminary Official Statement for a detailed description of the Series 2021 Bonds, the security therefor, and the form of legal opinion proposed to be rendered by Dorsey & Whitney LLP, of Missoula, Montana, as bond counsel.

Dated: March 22, 2021.

BY ORDER OF THE CITY COUNCIL

City Clerk
City of Billings, Montana

Publish: April 2, 2021
April 9, 2021