

08/11/2011

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 \$1,260,000 SPECIAL IMPROVEMENT DISTRICT NO. 1392 BONDS AND BOND ANTICIPATION NOTES; AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE THEREOF AND DESCRIBING THE SECURITY THEREFOR" (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 August 22, 2011, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 22nd day of August, 2011.

City Clerk

RESOLUTION NO. _____

RESOLUTION RELATING TO UP TO \$1,260,000 SPECIAL IMPROVEMENT DISTRICT NO. 1392 BONDS AND BOND ANTICIPATION NOTES; AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE THEREOF AND THE SECURITY THEREFOR

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

Section 1. Recitals and Statutory Authorization.

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”), a special improvement district, designated as Special Improvement District No. 1392 (“District”), for the purpose of financing costs of making improvements to the Yellowstone Family Park, formerly known as Byron Nelson Park, located in the Yellowstone Country Club, including, but not limited to, landscaping, trees, shrubs, turf grass, native vegetation, trails, sidewalk, irrigation system, playground and equipment, which is 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 a deposit to the City’s Special Improvement District Revolving Fund (the “Revolving Fund”).

1.02. Proposed Bond Issuance. The City proposes to issue special improvement district bonds drawn against the District in the maximum estimated principal amount of \$1,260,000 to pay 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 in the District, which property will be specially benefited by the Improvements. Assessments will be levied against the property in the District in an amount not less than the principal amount of the Bonds to be issued.

The costs of the Improvements and Incidental Costs anticipated to be paid from the Bonds are currently estimated as follows:

Construction	\$953,252.06
Administration Costs	103,991.13
City Finance Fee	31,500.00
Engineering Fee	44,100.00
Revolving Fund Deposit	63,000.00
Underwriter’s Discount	25,200.00
Bank Fees	1,000.00
Costs of Issuance	37,800.00
Rounding	156.81
Total	<u>\$1,260,000.00</u>

1.03. Bond Anticipation Notes. In anticipation of the issuance of the Bonds, and in order to provide interim financing for the construction of the Improvements, the City proposes to issue up to \$1,058,250 in aggregate principal amount of Special Improvement District No. 1392 Bond Anticipation Notes, Series 2011 (the “Notes”), to be repaid at or prior to maturity with proceeds of the Bonds.

1.04. Negotiated Sale. Pursuant to House Bill 538, the City may sell the Bonds and the Notes at a public or a private negotiated sale as the governing body shall determine. The City is further authorized by House Bill 538 to sell the Bonds and the Notes at a price not less than 97% of the principal amount thereof, but including interest thereon to the date of delivery, if this Council determines that such sale is in the best interests of the District and the City.

Section 2. Sale and Terms.

2.01. Principal Amount. Pursuant to the authority described in Section 1, this Council hereby determines that it is in the best interests of the City and the District to issue and sell the Bonds in the maximum principal amount of \$1,260,000.

In anticipation of the issuance of the Bonds, and in order to provide interim financing for the construction of the Improvements, this Council hereby determines that it is in the best interests of the City and the District to issue and sell Notes in the maximum principal amount of \$1,058,250, to be repaid at or prior to maturity with proceeds of the Bonds.

2.02. Revolving Fund. The Bonds shall be secured by the City’s Revolving Fund.

2.03. Selection of Purchaser and Negotiation of Sale. Pursuant to House Bill 538 and Montana Code Annotated, Section 7-12-4204, as amended by House Bill 538, this Council also hereby determines that it is in the best interests of the City to sell the Bonds and Notes at a private negotiated sale at a price not less than 97% of the principal amount thereof. The City Finance Director is authorized to select one or more purchasers (the “Purchasers”) for the Bonds and the Notes and to negotiate the sale thereof, subject to section 2.03.

2.04. Pricing and Terms. The Bonds shall be sold to one or more Purchasers 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 \$1,260,000; (2) the interest rate on the Bonds shall not exceed 6.50% per annum; (3) the term of the Bonds shall not extend beyond July 1, [2023]; (4) the Bonds shall be payable from special assessments to be levied against property in the District; and (5) the Bonds shall be callable from the prepayment of special assessments.

The Notes shall be sold to one or more Purchasers on the terms and at a purchase price subject to the following limitations and conditions: (1) the aggregate principal amount of the Notes shall not exceed \$1,058,250; (2) the interest rate on the Notes shall not exceed 6.50% per annum; (3) the term of the Notes shall not extend beyond July 1, [2013]; (4) the Notes shall be payable from special assessments to be levied against property in the District; (5) the Notes shall be callable at any time at the option of the City; and (6) the Revolving Fund is not pledged to the repayment of the Notes.

All costs of issuing the Bonds and the Notes (including, without limitation, the fees and expenses of bond counsel, 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 and the Notes, if any) shall be paid by the City as part of the financing from proceeds of the Bonds, the Notes or other available sources.

2.05. Purchase Agreement. The City Administrator and City Finance Director in consultation with Springsted Incorporated, the City's Financial Advisor, are hereby authorized and directed to approve the final principal amount of the Bonds and the Notes, dated date, the amount of the serial maturities, interest rates, and redemption provisions thereof, subject to the limitations contained in the preceding paragraphs and the Act. Upon approving such terms, the City Administrator and City Finance Director are hereby authorized and directed to approve, execute and deliver to the Purchasers one or more purchase agreements (the "Purchase Agreements"), containing the agreement of the City to sell, and the agreement of the Purchaser to purchase, the Bonds or the Notes, as the case may be, 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 Purchase Agreements. The execution and delivery by appropriate officers of the City of the Purchase Agreements shall be conclusive as to the approval of such officers of the terms of the Bonds and the Notes, as applicable, and the agreement of the City to sell the Bonds and the Notes, respectively, on such terms in accordance with the provisions thereof.

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

Section 3. Official Statement. The City Finance Director, in consultation with Springsted Incorporated 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 Bonds and the Notes, if necessary for the sale thereof. 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 or the Notes, as applicable. 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. PASSED AND APPROVED by the City Council of the City of Billings, Montana, this 22nd day of August, 2011.

Mayor

Attest: _____
City Clerk