

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 SPECIAL IMPROVEMENT DISTRICT NO. 1360 REFUNDING BONDS, SERIES 2011; AMENDING THE PARAMETERS FOR 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 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 SPECIAL IMPROVEMENT  
DISTRICT NO. 1360 REFUNDING BONDS, SERIES 2011;  
REVISING THE PARAMETERS FOR 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, Authorizations and Prior Actions.

1.01. Pursuant to Resolution No. 11-19088 (the “Parameters Resolution”), this Council determined it to be in the best interests of the City and the owners of property in the District for the City to sell its Special Improvement District No. 1360 Refunding Bonds, Series 2011” (the “Bonds”), in the maximum aggregate principal amount of \$2,620,000 at a private negotiated sale to Piper Jaffray & Co., of Helena, Montana and Denver, Colorado (the “Purchaser”), in consultation with Springsted Incorporated, financial consultant to the City in respect of the Bonds (“Springsted”), subject to the terms and limitations set forth in the Parameters Resolution. The Bonds are to be issued in order to provide funds to refund the Outstanding Bonds.

1.02. As a result of a change in circumstances due to the inability to obtain an investment grade rating for the Bonds and based on the recommendations of Springsted, the City Finance Director recommends that the Council amend and restate the terms and limitations set forth in the Parameters Resolution for the sale of the Bonds.

Section 2. Amendments. Sections 2 and 3 of the Parameters Resolution are hereby amended and restated in their entirety as follows:

“Section 2. Findings. Pursuant to Montana Code Annotated, Section 7-12-4194, this Council hereby determines that it is in the best interests of the City and the owners of property in the District for the City to sell its special improvement district refunding bonds in order to provide funds to be used to refund the Outstanding Bonds in advance of their stated maturities. Such bonds shall be denominated “Special Improvement District No. 1360 Refunding Bonds, Series 2011” (the “Bonds”), and shall be issued in the maximum aggregate principal amount of \$2,620,000. The Bonds will be issued to achieve debt service savings for the District, estimated on a net present value basis (using the yield of the Bonds as the discount factor) calculated over the term of the Outstanding Bonds, to be \$150,000. The savings will benefit the District and the owners of property therein by reducing the total cost of the improvements financed from the proceeds of the Outstanding Bonds.

Section 3. Sale of Bonds. Subject to the public hearing called for herein and pursuant to Section 7-12-4194(3)(a) of the Act, this Council hereby determines that it is in the best interests of the City to sell the Bonds at a private negotiated sale to Piper Jaffray & Co., of Helena, Montana and Denver, Colorado (the “Purchaser”), in consultation with Springsted Incorporated, financial consultant to the City in respect of

the Bonds. The Bonds shall be sold to the Purchaser on terms and at a purchase price within the following limitations: (1) the principal amount of the Bonds, exclusive of original issue premium or discount, shall not exceed \$2,620,000; (2) the purchase price of the Bonds shall not be less than 98.5% of the original principal amount of the Bonds, exclusive of original issue discount or premium, and the compensation to be paid to the Purchaser, realizable from underwriter's discount or net original issue premium, shall not exceed 1.5% of the original principal amount of the Bonds; (3) the interest rates on the Bonds are such that the net present value of the of the debt service savings to be achieved by the refunding is not less than 5.9% of the principal amount of the Outstanding Bonds using the yield of the Bonds as the discount factor, calculated over the term of the Outstanding Bonds; and (4) the final stated maturity of the Bonds shall not be later than the final stated maturity of the Outstanding Bonds.

The minimum purchase price for the Bonds will enable the Purchaser to sell the Bonds more efficiently based on actual market conditions without adjusting the interest rates thereon to provide compensation for its purchase of the Bonds. This procedure will facilitate the sale of the Bonds at the lowest interest rates, which is in the best interests of the District and the City.”

PASSED AND APPROVED by the City Council of the City of Billings, Montana, this 22nd day of August, 2011.

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Mayor

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

(SEAL)