

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 \$16,300,000 GENERAL OBLIGATION LIBRARY BONDS, SERIES 2012; AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE THEREOF AND 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 May 14, 2012, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 14th day of May, 2012.

City Clerk

RESOLUTION NO. _____

RESOLUTION RELATING TO UP TO \$16,300,000 GENERAL
OBLIGATION LIBRARY BONDS, SERIES 2012;
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. The electors of the City at an election duly called, noticed and held on November 8, 2011, at which 31,406 of the 49,526 registered electors voted (63.41% of the registered electors voted), by a vote of 17,181 in favor and 13,023 opposed (56.88% of the votes cast were in favor), authorized this Council to issue and sell \$16,300,000 principal amount of general obligation bonds of the City for the purpose of paying the costs of designing, constructing and equipping a new library building in replacement of the Billings Parnly Library and related improvements (the "Project") and costs associated with the sale and issuance of the bonds. The City has determined that it is necessary and desirable and in the best interests of the City to issue general obligation bonds in an aggregate principal amount not to exceed \$16,300,000 (the "Series 2012 Bonds") to fund the Project. The indebtedness to be evidenced by the Bonds and all other indebtedness of the City does not exceed the limitation set forth in Section 7-7-4201, Montana Code Annotated.

Section 2. Sale and Terms.

2.01. Selection of Purchasers and Negotiation of Sale. Pursuant to Sections 7-7-4254 and 17-5-107, Montana Code Annotated, this Council hereby determines that it is in the best interests of the City to sell the Bonds 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, to D.A. Davidson & Co., of Great Falls, Montana and Piper Jaffray & Co., Denver, Colorado (together, the "Purchasers").

2.03. Pricing and Terms. The Bonds shall be sold to the 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 \$16,300,000; (2) the maximum true interest cost on the Bonds shall not exceed 4.25% per annum; (3) the purchase price of the bonds shall not be less than 99.2% of the principal amount thereof, exclusive of original issue premium or discount; (4) the term of the Bonds shall not exceed 20 years commencing on July 1 of the fiscal year in which the City first levies taxes to pay principal of and interest on the Bonds; and (5) the Bonds shall be subject to redemption no later than one-half of their term and any day thereafter, at the option of the City, in whole or in part.

The City Administrator and the City Finance Director are authorized to reduce the principal amount of the Bonds if donations for construction of the Project are received prior to the sale.

2.04. Bond Purchase Agreement. The City Administrator and the City Finance Director in consultation with Springsted Incorporated, the City’s Financial Advisor, are hereby authorized and directed to approve the principal amount, maturity dates, interest rates and redemption provisions of the Bonds and compensation to the Purchasers, subject to the limitations contained in this Article 2. Upon approving such terms, the City Administrator and the City Finance Director are hereby authorized and directed to approve, execute and deliver to the Purchasers a bond purchase agreement (the “Bond Purchase Agreement”), containing the agreement of the City to sell, and the agreement of the Purchasers to purchase, the 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 Administrator and City Finance Director, the Mayor or Deputy 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 Bonds and the agreement of the City to sell the Bonds on such terms in accordance with the provisions thereof.

Section 3. Official Statement. The City Finance Director, in consultation with Springsted Incorporated, the Purchasers 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 Purchasers to prospective purchasers 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 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 14th day of May, 2012.

Mayor

Attest: _____
City Clerk