

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 \$213,000 SPECIAL IMPROVEMENT DISTRICT NO. 1393 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, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 9th day of July, 2012.

City Clerk

RESOLUTION NO. _____

RESOLUTION RELATING TO UP TO \$213,000 SPECIAL
IMPROVEMENT DISTRICT NO. 1393 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 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. 1393 (“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 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 \$213,000 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. Costs of the Improvements in excess of the principal amount of the Bonds are expected to be paid from funds the City has on hand and available therefor and from the prepayment of special assessments.

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

Construction	\$ 303,053.79
Contingency	30,305.38
Design and CA	62,126.02
Total Project Costs	<u>\$ 395,485.16</u>
City Contribution	<u>\$(218,033.28)</u>
Project Costs to be Applied to SID	\$ 177,451.88
Finance Fee	5,325.00
Engineering Fee	7,455.00
Revolving Fund Deposit	10,650.00
Bond Discount	4,260.00

Issuance Costs	6,390.00
Bank Fees	1,000.00
Rounding	468.12
Total	<u>\$213,000.00</u>

Section 2. Sale and Term of Bonds.

2.01. Principal Amount. Pursuant to Sections 7-7-4204 and 17-5-107, Montana Code Annotated, this Council hereby determines that it is in the best interests of the District and 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. The City Finance Director is authorized to select one or more purchasers (the “Purchasers”) for the Bonds and to negotiate the sale thereof, subject to section 2.02.

2.02. Pricing and Terms. The Bonds shall be sold to the Purchasers, in consultation with Springsted Incorporated, the City’s financial advisor, 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 \$213,000; (2) the interest on the Bonds shall not exceed 5.0%; (3) the purchase price of the Bonds shall not be less than 100% of the principal amount thereof; (4) the term of the Bonds shall not exceed 15 years; (5) the Bonds shall be payable from special assessments to be levied against property in the District; and (6) the Bonds shall be callable from the prepayment of special assessments.

All costs of issuing the Bonds (including, without limitation, the fees and expenses of bond counsel, the City’s Financial Advisor and the Paying Agent and Registrar, and the costs of printing the Preliminary Official Statement, the Official Statement and the Bonds, if any) shall be paid by the City as part of the financing from proceeds of the Bonds or other available sources.

2.03. Bond Purchase Agreement. The City Administrator and City Finance Director, in consultation with Springsted Incorporated, are hereby authorized and directed to approve the final principal amount of the Bonds, dated date, the amount of the serial maturities, interest rates and redemption provisions of the Bonds, subject to the limitations contained in Section 2.02 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 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 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.

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

Section 3. Pledge of Revolving Fund. In the Resolution of Intention To Create the District, adopted on April 23, 2012, this Council found it to be in the public interest, and in the best interest of the City and the District, to secure payment of principal of and interest on the Bonds by the Revolving Fund and authorized the City to enter into the undertakings and agreements authorized in the Act in respect of the 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 the resolutions creating the District adopted by this Council on May 29, 2012, 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 Bonds.

Section 4. Preliminary Official Statement. The City Finance Director, together with Springsted 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, if necessary for the sale 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 the 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 9th day of July, 2012.

Mayor

Attest: _____
City Clerk