

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 \$4,250,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012A AND UP TO \$1,250,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012B; AUTHORIZING 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 regular meeting on October 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 October, 2012.

City Clerk

RESOLUTION NO. _____

RESOLUTION RELATING TO UP TO \$4,250,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012A AND UP TO \$1,250,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012B; AUTHORIZING 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.

1.01. At an election duly called and held on November 4, 2003, the electors of the City authorized the issuance and sale of general obligation bonds in the principal amount of \$5,200,000. Pursuant to such authorization, this Council issued and sold general obligation bonds of the City denominated “General Obligation Bonds, Series 2004A,” in the original aggregate principal amount of \$5,200,000 (the “Series 2004A Bonds”), for the purpose of paying for a portion of the costs of the improvements to certain major arterials on Alkali Creek Road from the Airport Road Intersection to Senators Boulevard Intersection; on Arlene Corridor from Poly Drive to Broadwater Avenue which results in a north to south connection from Highway 3 to I-90; and on South Billings Boulevard from Laurel Road to King Avenue East Intersection.

1.02. At an election duly called and held on November 7, 2006, the electors of the City authorized the issuance and sale of general obligation bonds in the principal amount of \$12,500,000. Pursuant to such authorization, this Council issued and sold general obligation bonds of the City denominated “General Obligation Bonds, Series 2007B,” in the original aggregate principal amount of \$1,800,000 (the “Series 2007B Bonds”), for the purpose of paying the costs of designing, constructing and equipping a new professional baseball stadium and related improvements in athletic park.

1.03. It is proposed that there be paid, redeemed and defeased by issuing refunding bonds in one or more series, all or a portion (depending on market conditions) of the Series 2004A Bonds with stated maturities on and after July 1, 2013 and outstanding in the aggregate principal amount of \$3,505,000 (the “Series 2004A Refunded Bonds”), and all or a portion (depending on market conditions) the Series 2007B Bonds with stated maturities on and after July 1, 2013 and outstanding in the aggregate principal amount of \$990,000 (the “Series 2007B Refunded Bonds”). The Series 2004A Refunded Bonds and the Series 2007B Refunded Bonds are collectively referred to herein as the “Refunded Bonds”.

Section 2. Authorization.

2.01. 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 all of the Refunded Bonds.

2.02. Pursuant to Montana Code Annotated, Sections 7-7-4301 and 7-7-4316, this Council hereby authorizes the City to proceed with the issuance and sale of its (a) General Obligation Refunding Bonds, Series 2012A (the “Series 2012A Refunding Bonds”) for the purpose of refunding the Series 2004A Refunded Bonds and (b) General Obligation Refunding Bonds, Series 2012B (the “Series 2012B Refunding Bonds”) for the purpose of refunding the Series 2007B Bonds, each in an aggregate principal amount necessary to provide funds, with other available funds of the City, if any, to pay interest on and principal of the Series 2004A Refunded Bonds and the Series 2007B Refunded Bonds, respectively, and pay costs of issuance of the Refunding Bonds, as determined by the officers of the City identified pursuant to Section 3 and within the limitations therein established so as to maximize debt service savings.

Section 3. Negotiated Sale and Terms.

3.01. Pursuant to Sections 7-7-4302, 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 Refunding Bonds at a private negotiated sale to Piper Jaffray & Co., Denver, Colorado (together, the “Purchaser”).

3.02. The Series 2012A Refunding Bonds shall be sold to the Purchaser on the terms and at a purchase price subject to the following limitations and conditions: (1) the aggregate principal amount of the Series 2012A Refunding Bonds shall not exceed \$4,250,000; (2) the maximum true interest cost on the Series 2012A Refunding shall not exceed 2.50% per annum; (3) the average annual interest rate on the Series 2012A Refunding Bonds shall be at least one-half of one percent (0.50%) less than the average annual interest rate on each Series 2004A Refunded Bond; and (4) the purchase price of the Series 2012A Refunding Bonds shall not shall not be less than 99% of the principal amount thereof, exclusive of original issue premium or discount.

3.03. The Series 2012B Refunding Bonds shall be sold to the Purchaser on the terms and at a purchase price subject to the following limitations and conditions: (1) the aggregate principal amount of the Series 2012B Refunding Bonds shall not exceed \$1,250,000; (2) the maximum true interest cost on the Series 2012B Refunding shall not exceed 1.50% per annum; (3) the average annual interest rate on the Series 2012B Refunding Bonds shall be at least one-half of one percent (0.50%) less than the average annual interest rate on each Series 2007B Refunded Bond; and (4) the purchase price of the Series 2012B Refunding Bonds shall not shall not be less than 99% of the principal amount thereof, exclusive of original issue premium or discount.

3.04. 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 Purchaser, subject to the limitations contained in this Section 3. Upon approving such terms, the City Administrator and the 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 Refunding 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 Refunding Bonds and the agreement of the City to sell the Bonds on such terms in accordance with the provisions thereof.

Section 4. Official Statement. The City Finance Director, in consultation with Springsted Incorporated, the Purchaser 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 Refunding 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 Refunding 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.

Section 5. Continuing Disclosure. To permit the Purchaser and other participating underwriters in the primary offering of the Refunding 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 City will covenant and agree, for the benefit of the registered holders and beneficial owners from time to time of the outstanding Refunding Bonds, to provide annual reports of specified information and notice of the occurrence of certain events. A description of the undertaking is set forth in the Preliminary Official Statement.

PASSED AND APPROVED by the City Council of the City of Billings, Montana, this 9th day of October, 2012.

Mayor

Attest: _____
City Clerk