

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 THE REFINANCING OF THE CITY'S OPERATIONS CENTER; AUTHORIZING THE ISSUANCE OF CERTIFICATES OF PARTICIPATION AND THE 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 December 10, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 10th day of December, 2012.

City Clerk

RESOLUTION NO. _____

RESOLUTION RELATING TO THE REFINANCING OF THE
CITY'S OPERATIONS CENTER; AUTHORIZING THE
ISSUANCE OF CERTIFICATES OF PARTICIPATION AND
THE 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. Pursuant to Resolution No. 03-179960 adopted on February 27, 2003, the City entered into a Lease Purchase Agreement with Koch Financial Corporation (the "Lease Purchase Agreement") in order to finance construction of the City's Public Services Facilities building (the "Operations Center") in the amount of \$6,600,000. Amounts owing under the Lease Purchase Agreement are payable over a 20-year term, with interest at a rate of 5.14% per annum. In May 2010, Koch Financial Corporation transferred its interest in the Lease Purchase Agreement to Banc of America Public Capital Corp.

1.02. It is proposed that the Lease Purchase Agreement be repaid with proceeds from the issuance and sale of Certificates of Participation, Series 2012 (the "Certificates of Participation"). The Certificates of Participation will represent an undivided interest in the lease payments due under a new appropriation lease purchase agreement to be entered into by the City. The Certificates of Participation are not general obligations of the City and are payable only from the lease payments under such new appropriation lease purchase agreement.

Section 2. Authorization.

2.01. For the purposes of reducing the interest cost under the Lease Purchase Agreement, it is hereby determined that it is in the best interests of the City to pursue the sale of the Certificates of Participation in order to refinance the Operations Center.

2.02. This Council hereby authorizes the City to proceed with the issuance and sale of the Certificates of Participation for the purpose of refinancing the Lease Purchase Agreement in an amount necessary to provide funds, with other available funds of the City, if any, to pay principal, interest and a 2% prepayment premium on the Lease Purchase Agreement, and pay costs of issuance of the Certificates of Participation, 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. This Council hereby determines that it is in the best interests of the City to sell the Certificates of Participation at a private negotiated sale to Piper Jaffray & Co., Denver, Colorado (the "Purchaser").

3.02. The Certificates of Participation shall be sold to the Purchaser on the terms and at a purchase price subject to the following limitations and conditions: (1) the purchase price of the Certificates of Participation shall not be less than 99.1% of the principal amount thereof, exclusive of original issue premium or discount; and (2) the amounts payable on the Certificates of Participation is such that the net present value of savings to be achieved by the refunding is not less than \$375,000, using the yield of the Certificates of Participation as the discount factor, calculated over the remaining term of the Lease Purchase Agreement.

3.03. 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 Certificates of Participation 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 purchase agreement (the "Purchase Agreement"), containing the agreement of the City to sell, and the agreement of the Purchaser to purchase, the Certificates of Participation 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 Agreement. The execution and delivery by appropriate officers of the City of the Purchase Agreement shall be conclusive as to the approval of such officers of the terms of the Certificates of Participation and the agreement of the City to sell the Certificates of Participation 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 Certificates of Participation. 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 Certificates of Participation. 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 Certificates of Participation 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 Certificates of Participation, 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 10th day of December, 2012.

Mayor

Attest: _____
City Clerk