

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 a Resolution No. _____ entitled: "RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1385 REFUNDING BONDS, SERIES 2013; AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE THEREOF AND THE PLEDGE OF THE REVOLVING FUND TO 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 April 22, 2013, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 and seal officially this 22nd day of April, 2013.

(SEAL)

City Clerk

RESOLUTION NO. _____

RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT
NO. 1385 REFUNDING BONDS, SERIES 2013; AUTHORIZING THE
ISSUANCE AND PRIVATE NEGOTIATED SALE THEREOF AND
THE PLEDGE OF THE REVOLVING FUND TO 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 and Statutory Authorization.

1.01. Outstanding Bonds. The City, pursuant to Montana Code Annotated, Title 7, Chapter 12, Parts 41 and 42, as amended (the “Act”), has issued its Special Improvement District No. 1385 Bonds, dated, as originally issued, as of October 1, 2008, in the original aggregate principal amount of \$5,360,000 (the “Series 2008 Bonds”), drawn against the funds of, and to finance the costs of certain local improvements (the “Improvements”) in or for the benefit of, Special Improvement District No. 1385 of the City (the “District”). All of the Improvements have been completed and all proceeds of the Series 2008 Bonds and investment income thereon have been applied to costs of the Improvements or to the partial redemption of the Series 2008 Bonds, except for certain proceeds of the Series 2008 Bonds on deposit in the Special Improvement District Revolving Fund of the City (the “Revolving Fund”). The Series 2008 Bonds are presently outstanding in the aggregate principal amount of \$4,945,000 (the “Outstanding Bonds”).

1.02. Authorization. Section 7-12-4194 of the Act authorizes the issuance of special improvement district bonds under the Act to provide money needed to pay principal of and interest on outstanding bonds if the rate of interest on the refunding bonds is at least one-half of one percent (0.50%) a year less than the rate of interest on the bonds to be refunded.

1.03. Passage of Resolution of Intention. This Council, on April 8, 2013, adopted Resolution No. 13-19257 (the “Resolution of Intention”), pursuant to which this Council declared its intention to issue its Special Improvement District No. 1385 Refunding Bonds, Series 2013 (the “Refunding Bonds”), in the aggregate principal amount of \$6,000,000 in order to provide funds to refund the outstanding Series 2008 Bonds in advance of their stated maturities.

1.04. Notice and Public Hearing; Protests. Pursuant to Section 7-12-4194 of the Act, because the Refunding Bonds will be issued in a principal amount greater than the principal amount of the outstanding Series 2008 Bonds, a public hearing was required to establish the desirability of issuing the Refunding Bonds. Notice of such public hearing was duly published and mailed and on the date hereof, this Council conducted the public hearing. No protests were filed with the City Clerk by the owners of property in the District subject to assessment in connection with the refunding.

Section 2. Findings. Pursuant to Section 7-12-4194 of the Act, this Council hereby confirms its earlier findings that it is in the best interests of the City and the owners of property in the District for the City to sell the Refunding Bonds in order to provide funds to be used to refund the outstanding Series 2008 Bonds in advance of their stated maturities. The Refunding Bonds will be issued to achieve debt service savings for the District, estimated on a net present value basis (using the yield of the Refunding Bonds as the discount factor) calculated over the remaining term of the outstanding Series 2008 Bonds, to be at least 8.0%. 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 Series 2008 Bonds.

Section 3. Sale of Refunding Bonds. Pursuant to Section 7-12-4194(3)(a) of the Act, this Council hereby confirms its earlier determination that it is in the best interests of the City to sell the Refunding Bonds at a private negotiated sale to D.A. Davidson, of Great Falls, Montana (the "Purchaser"), in consultation with Springsted Incorporated, financial consultant to the City in respect of the Refunding Bonds. The Refunding Bonds shall be sold to the Purchaser on terms and at a purchase price within the limitations set forth in the Resolution of Intention. All costs of issuing the Refunding Bonds (including, without limitation, the fees and expenses of bond counsel, Springsted Incorporated and the Paying Agent and Registrar, and the costs of printing the Preliminary Official Statement, the Official Statement and the Refunding Bonds, if any) shall be paid by the City as part of the financing from proceeds of the Refunding Bonds or other available sources.

Section 4. 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, maturity dates, interest rates and redemption provisions of the Refunding Bonds and compensation to the Purchasers, subject to the limitations contained in the Resolution of Intention 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 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 Refunding Bonds on such terms in accordance with the provisions thereof.

Section 4. Pledge of Revolving Fund. In the resolution of intention to create the District, this Council found that it was in the public interest, and in the best interest of the City and the District, to secure payment of the principal of and interest on the Series 2008 Bonds by the Revolving Fund, on the basis of factors required to be considered under Section 7-12-4225 of the Act. It is hereby found, determined and declared that it is in the public interest and in the best interest of the City and the District, to secure payment of the principal of and interest on the Refunding Bonds by the Revolving Fund, and the findings made in the resolution of intention in respect of the pledge of the Revolving Fund for the District are hereby ratified and confirmed; no

material adverse condition relevant to the pledge of the Revolving Fund in the District having occurred since the Series 2008 Bonds were issued.

Section 5. Official Statement. The City Finance Director and City Administrator with Springsted Incorporated 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, if necessary for the sale of the Refunding Bonds. The Official Statement shall contain such information as shall be advisable and necessary to describe accurately the City, 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 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 22nd day of April, 2013.

Mayor

Attest: _____
City Clerk

(SEAL)