

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 entitled: "RESOLUTION RELATING TO \$168,000 POOLED SPECIAL IMPROVEMENT DISTRICT BONDS (SPECIAL IMPROVEMENT DISTRICT NOS. 1375 and 1377); AUTHORIZING THE ISSUANCE AND CALLING FOR THE PUBLIC 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 meeting on August 13, 2007, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: Ronquillo, Gaghen, Stevens, Veis, Ruegamer, Ulledalen, Boyer, Jones; voted against the same: \_\_\_\_\_; abstained from voting thereon: \_\_\_\_\_; or were absent: Clark, Brewster.

WITNESS my hand and seal officially this 13th day of August, 2007.

(SEAL)



Cari Martin  
Cari Martin City Clerk

RESOLUTION NO. 07-18583

RESOLUTION RELATING TO \$168,000 POOLED SPECIAL IMPROVEMENT DISTRICT BONDS (SPECIAL IMPROVEMENT DISTRICT NOS. 1375 and 1377); AUTHORIZING THE ISSUANCE AND CALLING FOR THE PUBLIC SALE THEREOF

BE IT RESOLVED by the City Council (the "Council") of the City of Billings, Montana (the "City"), as follows:

Section 1. Recitals.

(a) 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"), special improvement districts, designated as Special Improvement District No. 1375 ("District No. 1375"), and Special Improvement District No. 1377 ("District No. 1377") (collectively, the "Districts"), for the purpose of financing a portion of the costs of certain public improvements of special benefit to the properties within the Districts (the "Improvements") and paying costs incidental thereto, including costs associated with the sale and the security of special improvement district bonds of the City drawn on the Districts (the "Bonds"), the creation and administration of the Districts, and the funding of a deposit to the City's Special Improvement District Revolving Fund (the "Revolving Fund"). The total estimated costs of the Improvements, including such incidental costs, to be financed by the Districts is \$168,000. The costs of the Improvements are to be paid from the proceeds of the Bonds, which are to be payable primarily from special assessments to be levied against property in the Districts, which property will be specially benefited by the Improvements in an amount not less than \$168,000.

(b) It is necessary that Bonds be issued and sold in an aggregate principal amount of \$168,000 to finance a portion of the costs of the Improvements within each of the Districts, including incidental costs, described in Subsection (a). The costs of the Improvements are currently estimated and financed as follows:

	<u>District No. 1375</u>	<u>District No. 1377</u>
Construction	\$340,924.82	\$121,682.14
Administration Costs	64,920.08	26,552.61
City Finance Fee	2,750.00	1,450.00
Engineering Fee	3,850.00	2,030.00
Revolving Fund Deposit	5,500.00	2,900.00
Underwriter's Discount	2,200.00	1,160.00
Bank Fees	1,000.00	1,000.00
Costs of Issuance	3,331.55	1,675.05
	<u>Subtotal</u>	<u>\$158,449.80</u>
	\$424,476.45	\$158,449.80
Less City Contributions	(314,476.45)	(100,449.80)
	<u>Total</u>	<u>\$58,000.00</u>
	\$110,000.00	\$58,000.00

(c) The City is authorized pursuant to Montana Code Annotated, Section 7-12-4193, to issue and sell special improvement district bonds of more than one district in a single offering on a pooled basis upon a determination that such pooling is in the best interests of the Districts and the City.

(d) The City is further authorized by Montana Code Annotated, Section 7-12-4204(1) to sell the Bonds at a price less than the principal amount thereof, but including interest thereon to the date of delivery, if this Council determines that such sale is in the best interests of the Districts and the City.

Section 2. Determinations of Public Interest in Allowing Bond Discount and Permitting Pooling of Bonds. Pursuant to the authority described in Section 1, this Council hereby determines that the issuance and sale of the Bonds in a pooled single offering for the following Special Improvement Districts in the respective principal amounts set forth below:

<u>District No.</u>	<u>Principal Amount</u>
1375	\$110,000.00
<u>1377</u>	<u>58,000.00</u>
Total:	\$168,000.00

is in the best interest of each of the Districts and the City and will facilitate the sale of the Bonds because the size of the issue will attract more interest in the marketplace and thus help to lower interest rates on the

the minimum price for the Bonds at \$164,640 (98% of par). Such minimum bid will enable bidders to bid more efficiently for the Bonds by permitting them to submit their bids based on actual market conditions without adjusting the interest rates thereon to provide compensation for their purchase of the Bonds. This procedure will facilitate the sale of the Bonds at the lowest interest rates, which is in the best interests of each of the Districts and the City.

Section 3. Findings and Determination To Pledge the Revolving Fund. In the Resolutions of Intention To Create Special Improvement District Nos. 1375 and 1377, adopted on November 27, 2006, and January 22, 2007, respectively, this Council found it to be in the public interest, and in the best interest of the City and the Districts, 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 Special Improvement District Nos. 1375 and 1377, adopted by this Council on December 18, 2006 and February 12, 2007, respectively, 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. Terms of the Bonds. This Council hereby authorizes the issuance and sale of Pooled Special Improvement District Bonds (Special Improvement District Nos. 1375 and 1377) of the City in the aggregate principal amount of \$168,000 (the "Bonds") for the purpose of financing the Improvements. The Bonds shall be dated, as originally issued, as of September 20, 2007, and shall bear interest payable semiannually on January 1 and July 1 of each year, commencing January 1, 2008, at a rate or rates designated by the successful bidder at public sale and approved by this Council. If issued as serial bonds, the Bonds shall mature on July 1 in each of the following years and amounts (unless combined into one or more term bonds):

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2008	\$8,000	2016	\$10,000
2009	10,000	2017	10,000
2010	10,000	2018	10,000
2011	10,000	2019	15,000
2012	10,000	2020	15,000
2013	10,000	2021	15,000
2014	10,000	2022	15,000
2015	10,000		

Serial bonds shall be in the denomination of \$5,000 each or any integral multiple thereof of single maturities, except that one bond maturing in 2008 shall be in the denomination of \$8,000.

Bidders will have the option of combining the Bonds maturing on and after 2008 through and including 2015 and on and after 2016 through and including 2022 into one or more term bonds. If any Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption in the principal amounts shown in the debt service schedule shown above.

The Bonds shall be issuable only as fully registered bonds and shall be executed by the manual or facsimile signatures of the Mayor, Financial Services Manager and the City Clerk. The Bonds shall be secured by the Revolving Fund.

Section 5. Public Sale. The Bonds shall be sold at a public competitive sale, the sealed bids for which shall be submitted to the Financial Services Manager or bids for the purchase of the Bonds shall be received by the City by electronic transmission through Parity™, in either case until 12:00 noon, M.T., on August 27, 2007, at which time bids will be opened and tabulated by the Financial Services Manager. At a regular meeting of this Council on August 27, 2007, at 6:30 P.M., M.T, the City will consider the bids and, if a responsive and acceptable bid is received, award the sale of the Bonds. Award of sale will be made to the bidder with the lowest true interest cost ("TIC") by the Council. The City will receive sealed bids or bids transmitted electronically through Parity™ for the Bonds and the Bonds will be sold in accordance with the Official Terms and Conditions attached hereto as Exhibit A (which is hereby incorporated and made a part hereof). The City Clerk is authorized and directed to cause notice of the sale to be published, as required by Montana Code Annotated, Sections 7-12-4204, 7-7-4252 and 17-5-106, in *The Billings Times* once each week for two successive weeks preceding the week which contains the date of sale. The notice of sale shall be published and mailed in substantially the form set forth as Exhibit B to this resolution and this Council hereby adopts the terms and conditions set forth in such notice of sale as the terms and conditions of the sale of the Bonds.

Section 6. Continuing Disclosure. Although bidders and other participating underwriters in the primary offering of the Bonds need not comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), because the aggregate principal amount of the Bonds and any other securities required to be integrated with the Bonds is less than \$1,000,000, to enhance the marketability of the Bonds, the City will covenant and agree, for the benefit of the registered holders and beneficial owners from time to time of the outstanding Bonds, in the resolution prescribing the terms of the Bonds, to provide annual reports of specified information, if applicable, and notice of the occurrence of certain events, if material. The City, the Sinking Fund and the Revolving Fund are the only "obligated persons" in respect of the Bonds within the meaning of the Rule for the purposes of disclosing information on an ongoing basis. A description of the undertaking is set forth in the Official Statement. Failure of the City to enter into an undertaking substantially similar to that described in the Official Statement would relieve the successful bidder of its obligation to purchase the Bonds.

Section 7. Informational Materials. The Financial Services Manager and other officers of the City are hereby authorized and directed to prepare and distribute on behalf of the City an Offering Circular or summary of the transaction, to the extent deemed necessary or appropriate.

Passed by the City Council of the City of Billings, Montana, this 13th day of August, 2007.



CITY OF BILLINGS

  
Ron Tussing Mayor

Attest: Cari Martin  
Cari Martin City Clerk