

CERTIFICATE AS TO RESOLUTION AND 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. 10-18969, entitled: "RESOLUTION RELATING TO UP TO \$300,000 SPECIAL IMPROVEMENT DISTRICT NO. 1388 BONDS; AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE THEREOF TO D.A. DAVIDSON & CO. 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 26, 2010, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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, Cimmino, McFadden, Ruegamer, Ulledalen, Astle, Clark ; voted against the same: none ; abstained from voting thereon: none ; or were absent: Pitman, McCall .

WITNESS my hand officially this 26th day of July, 2010.



Cari Martin
City Clerk

RESOLUTION NO. 10-18969

RESOLUTION RELATING TO UP TO \$300,000 SPECIAL IMPROVEMENT DISTRICT NO. 1388 BONDS; AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE THEREOF TO D.A. DAVIDSON & CO. 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.

1.01. 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. 1388 (the "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, 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") (collectively, the "Incidental Costs"). The City proposes to issue special improvement district bonds drawn against the District in the estimated principal amount of \$300,000 to pay a portion of the costs of the Improvements and Incidental Costs (the "Bonds"). 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 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 in an amount not less than \$300,000.

1.02. The City is 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 District and the City.

Section 2. Sale of Bonds; Bond Purchase Agreement. Pursuant to the Section 7-12-4204, M.C.A., this Council hereby determines that it would be in the best interests of the City to sell the Bonds at a private negotiated sale to D.A. Davidson & Co., of Great Falls, Montana (the "Purchaser"), at an underwriter's discount of 2.50% of the principal amount of the Bonds to be issued. The 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 Bonds shall not exceed \$300,000; (2) the rate on the Bonds shall not exceed 6.00% per annum; (3) the term of the Bonds shall not extend beyond July 1, 2025; (4) the Bonds shall be payable from special assessments to be levied against property in the District; and (5) 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, and the City's Financial Advisor, the fees of 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.

The City Administrator and City Financial Services Manager 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 the preceding paragraphs and the Act. Upon approving such terms, the City Administrator and City Financial Services Manager 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 Financial Services Manager, 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 4. Official Statement. The City Financial Services Manager with the 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 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 Bonds. The City Administrator and City Financial Services Manager 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 26th day of July, 2010.

Attest: Cari Martin
Cari Martin, City Clerk



Thomas W. Hanel
Thomas W. Hanel, Mayor