

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. 11-19089 entitled: "RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1360 REFUNDING BONDS, SERIES 2011; AND CONFIRMING THE CITY'S INTENTION TO PROCEED WITH THE REFUNDING" (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 August 8, 2011, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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, Pitman, Cimmino, McFadden, Ruegamer, McCall, Ulledalen, Astle and Clark; voted against the same: none; abstained from voting thereon: none; or were absent: none.

WITNESS my hand and seal officially this 8th day of August, 2011.

(SEAL)



Cari Martin

Cari Martin, City Clerk

RESOLUTION NO. 11-19089

RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT
NO. 1360 REFUNDING BONDS, SERIES 2011; AND CONFIRMING
THE CITY'S INTENTION TO PROCEED WITH THE REFUNDING

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

Section 1. Recitals. It is hereby found, determined and declared as follows:

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. 1360 Bonds, dated, as originally issued, as of April 23, 2003, in the original aggregate principal amount of \$8,053,000 (the "Series 2003 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. 1360 of the City (the "District"). All of the Improvements have been completed and all proceeds of the Series 2003 Bonds and investment income thereon have been applied to costs of the Improvements or to the partial redemption of the Series 2003 Bonds, except for certain proceeds of the Series 2003 Bonds on deposit in the Special Improvement District Revolving Fund of the City (the "Revolving Fund"). The outstanding Series 2003 Bonds may be redeemed on any interest payment date on or after January 1, 2012. The Series 2003 Bonds are presently outstanding in the aggregate principal amount of \$2,540,000 (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 not less than 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 July 25, 2011, adopted Resolution No. 11-19088 (the "Resolution of Intention"), pursuant to which this Council declared its intention to issue its Special Improvement District No. 1360 Refunding Bonds, Series 2011 (the "Bonds"), in the aggregate principal amount of \$2,620,000 in order to provide funds to refund the Outstanding Bonds in advance of their stated maturities.

1.04. Notice and Public Hearing. Pursuant to Section 7-12-4194 of the Act, because the Bonds will be issued in a principal amount greater than the principal amount of the Outstanding Bonds, a public hearing was required to establish the desirability of issuing the Bonds. Notice of such public hearing was duly published and mailed and on the date hereof, this Council conducted the public hearing. The meeting of this Council at which this Resolution was adopted is the first regular meeting of the Council following the expiration of the period ended 15 days after the first date of publication of the notice of public hearing (the "Protest Period").

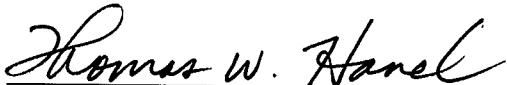
1.05. Protests. Within the Protest Period, no protests were filed with the City Clerk by the owners of property in the District subject to assessment in connection with the refunding.

Section 2. Findings. Pursuant to Montana Code Annotated, Section 7-12-4194, 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 Bonds in order to provide funds to be used to refund the Outstanding Bonds in advance of their stated maturities. The Bonds will be issued to achieve debt service savings for the District, estimated on a net present value basis (using the yield of the Bonds as the discount factor) calculated over the term of the Outstanding Bonds, to be \$180,000. 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 Outstanding Bonds.


Section 3. Sale of 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 Bonds at a private negotiated sale to Piper Jaffray & Co., of Helena, Montana and Denver, Colorado (the "Purchaser"), in consultation with Springsted Incorporated, financial consultant to the City in respect of the Bonds. The Bonds shall be sold to the Purchaser on terms and at a purchase price within the limitations set forth in the Resolution of Intention.

Section 5. 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 Outstanding Bonds by the Revolving Fund, on the basis of factors required to be considered under Section 7-12-4225 of the Act. This Council hereby confirms its earlier findings 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 Bonds by the Revolving Fund, and the findings made in such 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 Outstanding Bonds were issued.

PASSED AND APPROVED by the City Council of the City of Billings, Montana, this 8th day of August, 2011.



Thomas W. Hanel, Mayor

Attest: 

Cari Martin, City Clerk

(SEAL)

