

## CERTIFICATE AS TO RESOLUTION

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 \$10,700,000 GENERAL OBLIGATION BONDS, SERIES 2007A AND UP TO \$1,800,000 GENERAL OBLIGATION BONDS, SERIES 2007B; 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 at a regular meeting on April 23, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: Peggie Denney Gaghen, Jim Ronquillo, Joy Stevens, Larry Brewster, Chris Veis, Vince Ruegamer, Nancy Boyer, Ed Ulledalen, Richard Clark, Donald Jones, Ron Tussing; voted against the same: none; abstained from voting thereon: none; or were absent: none.

WITNESS my hand and seal officially this 23<sup>rd</sup> day of April, 2007.

(SEAL)



Cari Martin Cari Martin City Clerk



RESOLUTION NO. 07-18550

RESOLUTION RELATING TO \$10,700,000 GENERAL OBLIGATION  
BONDS, SERIES 2007A AND UP TO \$1,800,000 GENERAL  
OBLIGATION BONDS, SERIES 2007B; 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. The electors of the City at an election duly called, noticed and held on November 7, 2006, at which 59,616 of the 92,179 registered electors voted (64.67% of the registered electors voted), by a vote of 21,871 in favor, 19,410 opposed (52.98% of the votes cast were in favor), authorized this Council to issue and sell \$12,500,000 principal amount of general obligation bonds of the City for the purpose of paying the costs of designing, constructing and equipping a new professional baseball stadium and related improvements in athletic park (the "Project"), and paying costs associated with the sale and issuance of the bonds. The City has determined that it is necessary and desirable and in the best interests of the City to issue general obligation bonds in two series, one in the aggregate principal amount of \$10,700,000 (the "Series 2007A Bonds"), and one in an aggregate principal amount of up to \$1,800,000 (the "Series 2007B Bonds"), to fund the Project. (The Series 2007A Bonds and the Series 2007B Bonds are referred to as the "Bonds.")

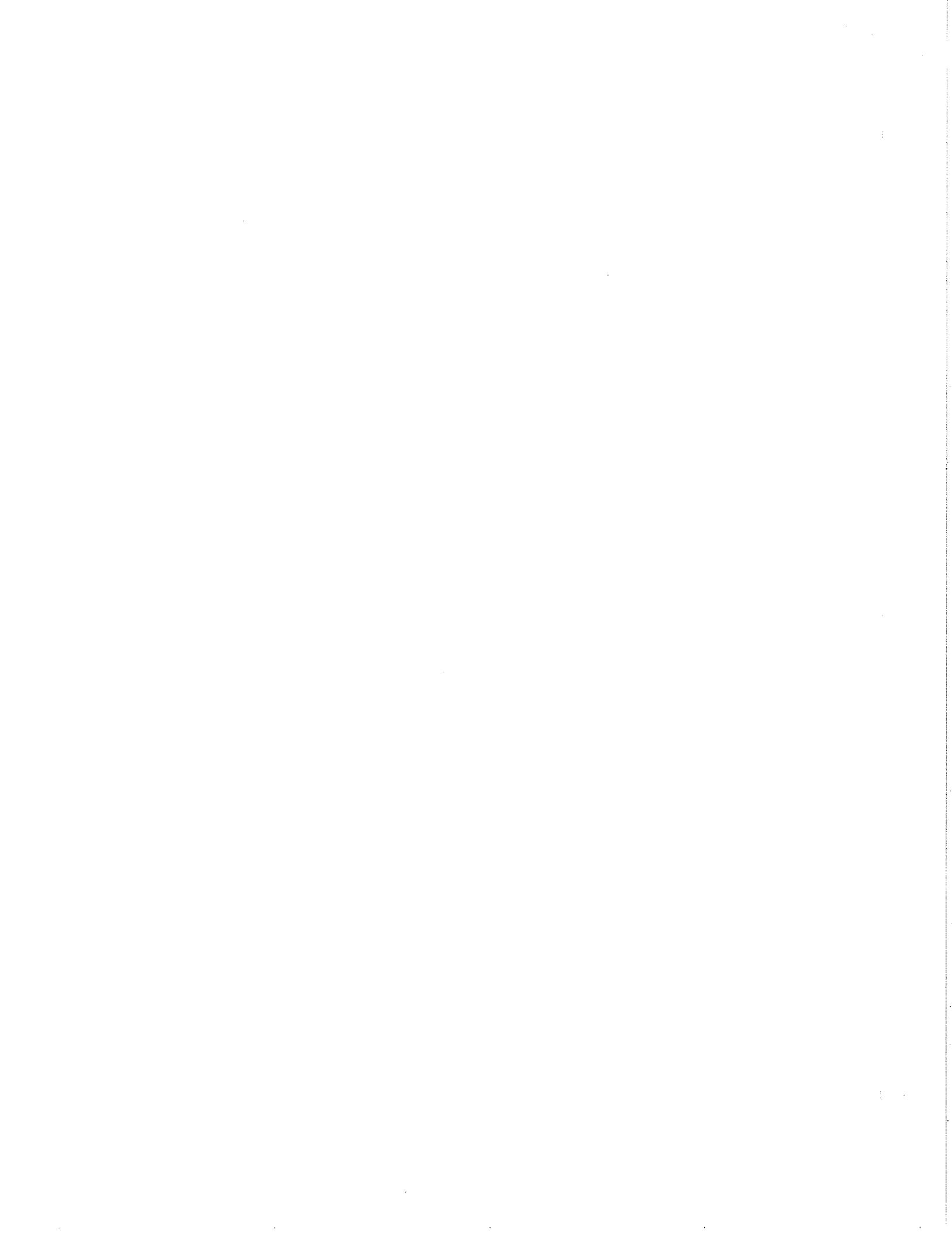
The indebtedness to be evidenced by the Bonds and all other indebtedness of the City does not exceed the limitation set forth in Title 7, Chapter 7, Part 4201, M.C.A.

Section 2. Term of the Bonds. Pursuant to the authority described in Section 1, this Council hereby authorizes the issuance and sale of the Series 2007A Bonds of the City in the aggregate principal amount of \$10,700,000 and the Series 2007B Bonds in an aggregate principal amount of up to \$1,800,000 for the purpose of financing the costs of the Project and paying costs associated with the sale and issuance of the Bonds. The Series 2007A Bonds shall be dated, as originally issued, as of June 1, 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; provided that each rate must be in level or ascending order and the difference between the highest and lowest rates of interest shall not exceed one and one-half percent (1.50%) per annum and no supplemental or additional interest shall be permitted. The Series 2007B Bonds shall be dated, as originally issued, as of June 1, 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; provided that each rate must be in level or ascending order. The Series 2007A Bonds and the Series 2007B Bonds shall be offered and sold in accordance with the terms and conditions of sale which are set forth on Exhibit A hereto (the "Official Terms and Conditions"), which is incorporated by reference and made a part hereof.

The Series 2007A Bonds shall mature, subject to redemption as hereinafter provided, 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	\$325,000	2018	\$530,000
2009	375,000	2019	550,000
2010	390,000	2020	575,000
2011	400,000	2021	600,000
2012	420,000	2022	625,000
2013	435,000	2023	650,000
2014	450,000	2024	680,000
2015	470,000	2025	710,000
2016	490,000	2026	740,000
2017	510,000	2027	775,000

Bidders will have the option of combining the series maturities of the Series 2007A Bonds into one or more term bonds. If any Series 2007A Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption in the principal amounts in the debt service schedule shown above.



The Series 2007A Bonds with stated maturities on or after July 1, 2018 will be subject to redemption on July 1, 2017, and any day thereafter, at the option of the City, in whole or in part, and if in part from such stated maturities and in such principal amounts as the City may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a stated maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair), at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date.

The Series 2007B Bonds shall mature, subject to redemption as hereinafter provided, 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	\$145,000	2013	\$185,000
2009	155,000	2014	190,000
2010	165,000	2015	195,000
2011	170,000	2016	205,000
2012	175,000	2017	215,000

Bidders will have the option of combining the series maturities of the Series 2007B Bonds into one or more term bonds. If any Series 2007B Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption in the principal amounts in the debt service schedule shown above.

The Series 2007B Bonds with stated maturities on or after July 1, 2013 will be subject to redemption on July 1, 2012, and any day thereafter, at the option of the City, in whole or in part, and if in part from such stated maturities and in such principal amounts as the City may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a stated maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair), at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date.

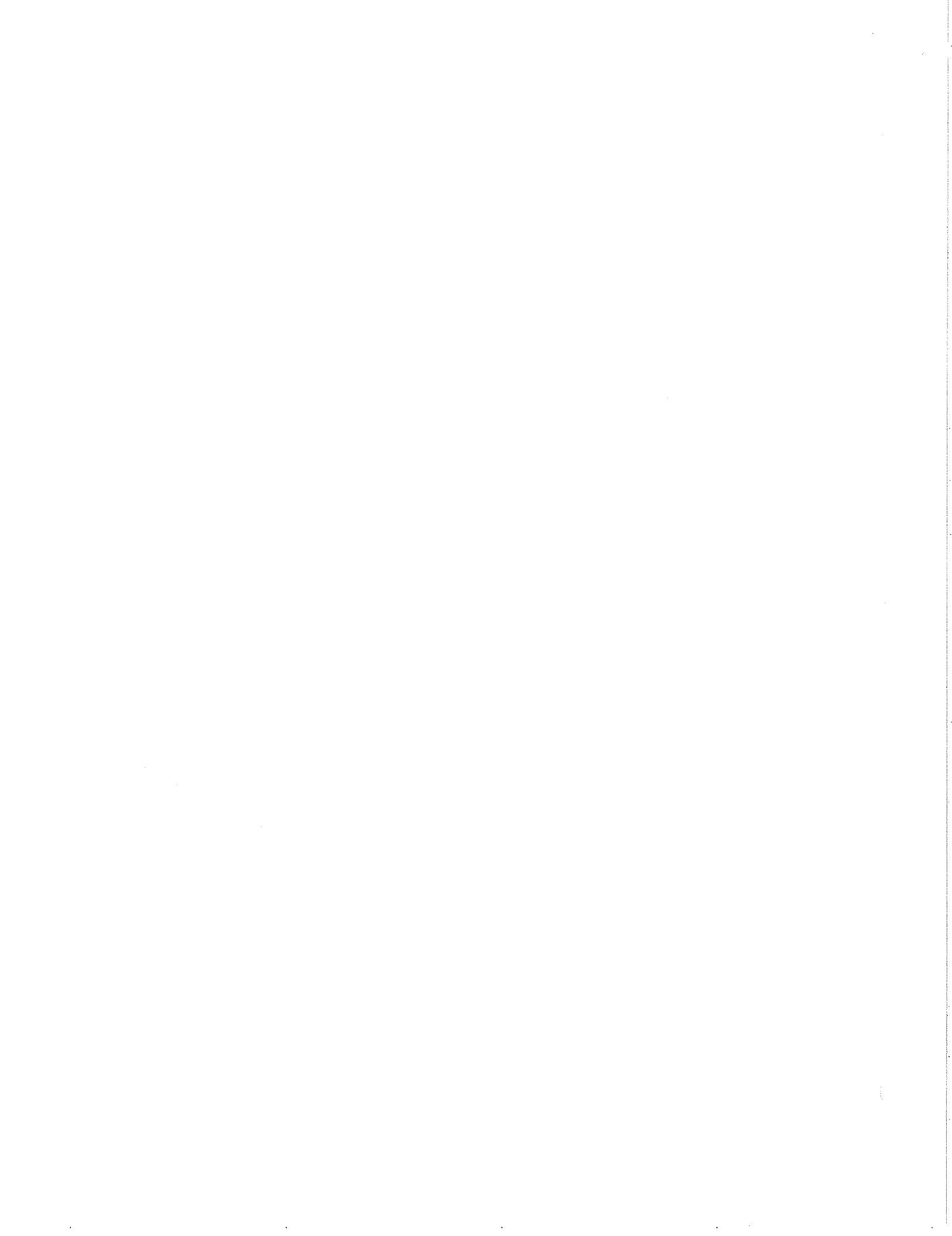
The Bonds shall be issuable only as fully registered bonds and shall be executed by the manual or facsimile signatures of the Mayor, the City Administrator and the City Clerk. The Bonds shall be issued only in "book entry" form.

The City Administrator and City Financial Services Manager are authorized to reduce the principal amount of the Series 2007B Bonds if donations for construction of the Project are received prior to the sale.

Section 3. Public Sale. The Bonds shall be sold at a competitive sale which is hereby called and shall be held on May 14, 2007, at 11:00 a.m., M.T. Bids for the Bonds may be submitted by written sealed bids or by electronic transmission through Parity™. The City will receive sealed bids or bids transmitted through Parity™ in accordance with the Terms and Conditions of Sale. The City Clerk is hereby authorized and directed to cause notice of the sale to be published, as required by Montana Code Annotated, Sections 7-7-4252 and 17-5-106, in *The Billings Times*, a newspaper of general circulation in Yellowstone County, Montana, once each week for two successive weeks preceding the week which contains the date of sale. The notice of sale shall be published in substantially the form set forth as Exhibit B to this resolution, which is hereby incorporated herein and made a part hereof.

Section 4. Official Statement. The Financial Services Manager and other officers of the City, in cooperation with Springsted Incorporated, of St. Paul, Minnesota, financial consultants to the City, are hereby authorized and directed to prepare on behalf of the City an official statement to be distributed to potential purchasers of the Bonds. Such official statement shall contain the Official Terms and Conditions and such other information as shall be advisable and necessary to describe accurately the City and the security for, and terms and conditions of, the Bonds.

Section 5. Continuing Disclosure. In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds 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 "Rule"), 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 and notice of the occurrence of certain events, if material. The City is the only "obligated person" 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. The City has complied in all material respects with any undertaking previously entered into by it under the Rule.

Section 6. Proceedings to the Attorney General. The City Clerk is hereby authorized and directed to furnish a certified copy of all proceedings taken by the City with respect to the issuance of the Bonds, including proceedings through the date hereof, to the Attorney General for examination and request a report as to the validity of the Bonds, as required by Montana Code Annotated, Section 7-7-101.

PASSED by the City Council of Billings, Montana, this 23rd day of April, 2007.



City of Billings

Ron Tussing

Mayor

Attest: Cari Martin  
Cari Martin City Clerk

(SEAL)



**EXHIBIT A**  
**TERMS AND CONDITIONS OF SALE**

**\$10,700,000 General Obligation Bonds, Series 2007A, and  
up to \$1,800,000 General Obligation Bonds, Series 2007B  
City of Billings, Montana**

NOTICE IS HEREBY GIVEN by the City Council (the "Council") of the City of Billings, Montana (the "City"), that the City will receive sealed bids for the purchase of two series of general obligation bonds, one in the aggregate principal amount of \$10,700,000 (the "Series 2007A Bonds"), and one in an aggregate principal amount of not to exceed \$1,800,000 (the "Series 2007B Bonds") (the Series 2007A Bonds and the Series 2007B bonds, together, the "Bonds"), in the City Clerk's office, 1<sup>st</sup> Floor of Park III, at 210 North 27<sup>th</sup> Street, Billings, Montana, or bids for the purchase of the Series 2007 Bonds will be received by electronic transmission through Parity™, in either case until 11:00 a.m., M.T., on June 11, 2007, at which time the bids will be opened and tabulated. The City Council of the City will meet at 6:30 p.m., M.T., on the same day in Council Chambers, 2<sup>nd</sup> Floor of the Police Facility, 220 North 27<sup>th</sup> Street, Billings, Montana, to consider the bids, and if a responsive and acceptable bid is received, award sale of the Bonds to the responsive bidder whose bid reflects the lowest true interest cost (TIC).

**THE BONDS**

The Series 2007A Bonds and the Series 2007B Bonds will bear an original issue date of June 1, 2007, and will bear interest payable semiannually on January 1 and July 1 of each year, commencing January 1, 2008, to the registered owners of the Bonds as such appear in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month, at a rate or rates designated by the successful bidder at public sale and approved by the Council; in respect of the Series 2007A Bonds, provided that each rate must be in level or ascending order and the difference between the highest and lowest rates of interest shall not exceed one and one-half percent (1.50%) per annum and no supplemental or additional interest shall be permitted, and, in respect of the Series 2007B Bonds, provided that each rate must be in level or ascending order. No supplemental or "B" coupons or additional interest certificates are permitted. All Bonds of the same stated maturity must bear interest from date of original issue until paid at a single, uniform rate. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2007A Bonds shall mature, subject to redemption as hereinafter provided, 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	\$325,000	2018	\$530,000
2009	375,000	2019	550,000
2010	390,000	2020	575,000

2011	400,000	2021	600,000
2012	420,000	2022	625,000
2013	435,000	2023	650,000
2014	450,000	2024	680,000
2015	470,000	2025	710,000
2016	490,000	2026	740,000
2017	510,000	2027	775,000

Bidders will have the option of combining the series maturities of the Series 2007A Bonds into one or more term bonds. If any Series 2007A Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption in the principal amounts in the debt service schedule shown above.

The Series 2007A Bonds with stated maturities on or after July 1, 2018 will be subject to redemption on July 1, 2017, and any day thereafter, at the option of the City, in whole or in part, and if in part from such stated maturities and in such principal amounts as the City may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a stated maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair), at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date.

The Series 2007B Bonds shall mature, subject to redemption as hereinafter provided, 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	\$145,000	2013	\$185,000
2009	155,000	2014	190,000
2010	165,000	2015	195,000
2011	170,000	2016	205,000
2012	175,000	2017	215,000

Bidders will have the option of combining the series maturities of the Series 2007B Bonds into one or more term bonds. If any Series 2007B Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption in the principal amounts in the debt service schedule shown above.

The Series 2007B Bonds with stated maturities on or after July 1, 2013 will be subject to redemption on July 1, 2012, and any day thereafter, at the option of the City, in whole or in part, and if in part from such stated maturities and in such principal amounts as the City may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a stated maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair), at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date.

The Bonds will be issued as fully registered bonds only and shall be executed by the manual or facsimile signatures of the Mayor, City Administrator and the City Clerk.

The City Administrator and City Financial Services Manager are authorized to reduce the principal amount of the Series 2007B Bonds if donations for construction of the Project are received prior to the sale.

#### BOOK ENTRY

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity, through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The purchaser, as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

#### PURPOSE AND SECURITY

The Bonds will be issued for the purpose of paying the costs of designing, constructing and equipping a new professional baseball stadium and related improvements in athletic park, and paying costs associated with the sale and issuance of the bonds. The Bonds will be general obligations of the City to the payment of which the full faith, credit and taxing power of the City will be pledged. Bidders should consult a copy of the Preliminary Official Statement for a discussion of the security for the Bonds and the form of opinion of bond counsel relating to the Bonds.

#### CONTINUING DISCLOSURE

In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds 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 "Rule"), 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 and notice of the occurrence of certain events, if material. The City is the only "obligated person" 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. The City has complied in all material respects with any undertaking previously entered into by it under the Rule.

## BIDDING AND SALE PROCEDURES

**Submission of Bids.** Unless bids are transmitted electronically as hereafter provided, bids must be on the Official Bid form, a copy of which may be obtained from the Financial Advisor and enclosed in a sealed envelope marked as follows: "Bid for \$10,700,000 General Obligation Bonds, Series 2007A, City of Billings, Montana, and Bid for up to \$1,800,000 General Obligation Bonds, Series 2007B, City of Billings, Montana" and delivered to the City Clerk. Bidders may bid on one or both series of Bonds. Each envelope when delivered must indicate on the outside the name and address of the bidder, or in the case of a group of bidders, of the representative. Bids may be transmitted electronically through Parity™ in accordance with these terms and conditions. The bids shall be delivered to the City no later than 11:00 a.m., M.T., on June 11, 2007.

**Basis of Award.** The Series 2007A Bonds will be sold for not less than \$10,571,600 (98.8% of par) with accrued interest to the date of delivery, and the Series 2007B Bonds will be sold for not less than \$1,388,800 (99.2% of par) with accrued interest to the date of delivery, and all bidders must state the lowest rate or rates of interest at which they will purchase the Bonds at par. Bids will be compared on the basis of true interest cost (TIC) and awarded to the responsive bidder whose bid reflects the lowest TIC. The TIC is the net present value of total interest on all Bonds from their dated date to their maturities, less any premium or plus any discount. In the event that two or more bids state the lowest true interest cost, the sale of the Bonds will be awarded by lot. The City will accept sealed bids or bids transmitted electronically through the Parity™ system only. The City reserves the right to reject any and all bids and to sell the Bonds at private sale and to waive any informality and irregularity in any and all bids. Each bid must be unconditional (or conditioned on only those items specified in these Official Terms and Conditions of Sale). No bid may be altered or withdrawn after the time specified above for opening bids without the express consent of the Council.

**Electronic Transmission.** To the extent any instructions or directions set forth in Parity™ conflict with these Terms and Conditions of Sale, the terms of these Terms and Conditions of Sale shall control. For further information about Parity™, potential bidders may contact the Financial Advisor, Springsted Incorporated at (651) 223-3030 (Bond Services Division), or Parity™ at (212) 849-5021. In the event of a malfunction in the electronic bidding process, bidders may submit their bids by sealed bid including facsimile transmission to the City's Financial Services Manager, Pat Weber, at facsimile number (406) 247-8608 (phone (406) 657-8209) or to Springsted Incorporated at facsimile number (651) 223-3046 (phone (651) 223-3000).

**Good Faith Deposit.** A good faith deposit (the "Deposit") in the form of money, cashier's check, certified check, bank money order, or bank draft drawn and issued by a federally chartered or state chartered bank insured by the Federal Deposit Insurance Corporation or a financial surety bond in the sum of \$214,000 for the Series 2007A Bonds and two percent (2%) of the principal amount of the Series 2007B Bonds payable to the order of the City of Billings, Montana is required for each bid to be considered. If money, cashier's check, certified check, bank money order, or bank draft is used, it must accompany each bid and be delivered to the City Clerk. If a financial surety bond is used, it must be from an insurance company licensed and

qualified to issue such a bond in the State of Montana and such bond must be submitted to the City Clerk prior to the opening of the bids. The financial surety bond must identify each bidder whose Deposit is guaranteed by such financial surety bond. If the Bonds are awarded to a bidder utilizing a financial surety bond, then that purchaser is required to submit its Deposit to the City in the form of a cashier's check (or wire transfer such amount as instructed by the City or its financial advisor) not later than 11:00 A.M., M.T., on the next business day following the award. If such Deposit is not received by that time, the financial surety bond may be drawn by the City to satisfy the Deposit requirement. No interest on the Deposit will accrue to the purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the purchaser fails to honor its accepted bid, the Deposit will be retained by the City as liquidated damages. The Deposit of the unsuccessful bidders will be returned immediately on award of sale of the Bonds or after rejection of all bids.

Instructions for wiring the Deposit may be obtained from the City's Financial Services Manager, Pat Weber, 210 North 27<sup>th</sup> Street, Billings, Montana 59101, telephone (406) 657-8209 or from the City's Financial Advisor, Springsted Incorporated, 380 Jackson Street, Suite 300, St. Paul, Minnesota 55101-2887, (651) 223-3000.

#### BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT

The City will designate and contract with a suitable bank or trust company to act as bond registrar, transfer agent and paying agent (the "Registrar"). The bond register will be kept, transfers of ownership will be effected and principal of and interest on the Bonds will be paid by the Registrar. The City will pay the charges of the Registrar for such services. The City reserves the right to remove the Registrar and to appoint a successor.

#### LEGAL OPINION

As a condition to the City's obligation to deliver the Bonds, an opinion as to the validity of the Bonds and the exclusion from gross income for federal and Montana income tax purposes of the interest thereon will be furnished by Dorsey & Whitney LLP, of Missoula, Montana, and Minneapolis, Minnesota, as Bond Counsel. The legal opinion will be delivered at the time of closing. The legal opinion will state that the Bonds are valid and binding general obligations of the City enforceable in accordance with their terms, except to the extent to which enforceability thereof may be limited by the exercise of judicial discretion or by state or federal laws relating to bankruptcy, reorganization, moratorium or creditors' rights.

#### DELIVERY

Not less than 15 days nor more than 30 days after the sale, the City will deliver to the Registrar the Bonds ready for completion and authentication. The original purchaser of the Bonds must notify the Registrar, at least five business days before issuance of the Bonds, of the persons in whose names the Bonds will be initially registered and the denominations of the Bonds to be originally issued. If notification is not received by that date, the Bonds will be registered in the name of the original purchaser and will be issued in denominations corresponding to the principal maturities of the Bonds. On the day of closing, the City will

furnish to the purchaser the opinion of Bond Counsel described above, an arbitrage certification and a certificate stating that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City in immediately available funds at its designated depositary on the day of closing. The successful bidder shall submit to the City Clerk not earlier than 48 hours after the award of sale and not later than the date of closing a certificate, in form satisfactory to Bond Counsel, as to the initial reoffering prices of each stated maturity of the Bonds and stating that at least ten percent of the principal amount of such Bonds of each stated maturity has been sold at such respective prices.

#### OFFICIAL STATEMENT

The City will prepare an Official Statement relating to the Bonds which the City will deem, for purposes of SEC Rule 15c2-12, to be final as of its date. The City will deliver, at closing, a certificate executed by the Mayor, City Administrator and the City Clerk to the effect that, to the best of their knowledge, as of the date of closing, the information contained in the Official Statement, including any supplement thereto, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading; provided that no comment will be made with respect to any information provided by the successful bidder for inclusion in any supplement to the Official Statement.

By submitting a bid for the Bonds, the successful bidder agrees: (1) to disseminate to all members of the underwriting syndicate copies of the Official Statement, including any supplements prepared by the City, (2) to file promptly a copy of the Official Statement, including any supplement prepared by the City, with a nationally recognized municipal securities repository, and (3) to take any and all other actions necessary to comply with applicable rules of the Securities and Exchange Commission and the Municipal Securities Rulemaking Board governing the offering, sale and delivery of the Bonds to ultimate purchasers.

Within seven business days after the sale the City will furnish to the successful bidder without charge up to 250 copies of the final Official Statement relating to the Bonds. The successful bidder must notify the City Clerk in writing within three business days after the award of sale of the Bonds if it requires additional copies of the Official Statement. The cost of additional copies shall be paid by the successful bidder.

#### COSTS; CUSIP NUMBERS

The City shall be responsible for the cost of printing the Bonds, any delivery agent charges and the legal opinion. The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be assigned and printed at the expense of the purchaser, if the original purchaser waives any delay in delivery occasioned thereby.

## RATING

The City will apply for and obtain a rating on the Bonds from Moody's Investors Service. Rating agency fees of Moody's will be the responsibility of the City.

## BOND INSURANCE AT PURCHASER'S OPTION

The City will provide information concerning the Bonds and the City to insurers. If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the purchaser of the Bonds. Any increased costs of issuance of the Bonds, such as ratings besides the rating of Moody's Investors Service to extent obtained by the City, resulting from such purchase of insurance shall be paid by the purchaser.

Failure or refusal of a municipal bond insurer to issue the policy after the Bonds have been awarded to the purchaser shall not constitute cause for failure or refusal by the purchaser to accept delivery of the Bonds.

Dated: April 23, 2007.

BY ORDER OF THE CITY COUNCIL

Cari Martin  
Cari Martin, City Clerk  
City of Billings, Montana

**EXHIBIT B**  
**NOTICE OF BOND SALE**

**\$10,700,000 General Obligation Bonds, Series 2007A, and  
up to \$1,800,000 General Obligation Bonds, Series 2007B  
City of Billings, Montana**

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Billings, Montana (the "City"), will receive sealed bids for the purchase of two series of general obligation bonds, one in the aggregate principal amount of \$10,700,000 (the "Series 2007A Bonds"), and one in an aggregate principal amount of up to \$1,800,000 (the "Series 2007B Bonds") (the Series 2007A Bonds and the Series 2007B bonds, together, the "Bonds") in the City Clerk's office, 1<sup>st</sup> Floor of Park III, at 210 North 27<sup>th</sup> Street, Billings, Montana, 59103, or bids for the purchase of the Series 2007 Bonds will be received by electronic transmission through Parity™, in either case until 11:00 a.m., M.T., on June 11, 2007, at which time the bids will be opened and tabulated. The Council will meet at 6:30 p.m., M.T., on the same day in the City Council Chambers to consider the bids. The Bonds will be awarded to the responsive bidder whose bid reflects the lowest true interest cost (TIC).

The Bonds will be issued for the purpose of paying the costs of designing, constructing and equipping a new professional baseball stadium and related improvements in athletic park, and paying costs associated with the sale and issuance of the bonds.

The Series 2007A Bonds shall mature, subject to redemption as hereinafter provided, 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	\$325,000	2018	\$530,000
2009	375,000	2019	550,000
2010	390,000	2020	575,000
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2013	435,000	2023	650,000
2014	450,000	2024	680,000
2015	470,000	2025	710,000
2016	490,000	2026	740,000
2017	510,000	2027	775,000

Bidders will have the option of combining the series maturities of the Series 2007A Bonds into one or more term bonds. If any Series 2007A Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption in the principal amounts in the debt service schedule shown above.

The Series 2007B Bonds shall mature, subject to redemption as hereinafter provided, 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	\$145,000	2013	\$185,000
2009	155,000	2014	190,000
2010	165,000	2015	195,000
2011	170,000	2016	205,000
2012	175,000	2017	215,000

Bidders will have the option of combining the series maturities of the Series 2007B Bonds into one or more term bonds. If any Series 2007B Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption in the principal amounts in the debt service schedule shown above.

The Bonds will be issued in "book entry" only form.

The Bonds shall be issuable as fully registered bonds only, shall bear an original issue date of June 1, 2007, and shall bear interest payable semiannually on January 1 and July 1 of each year, commencing January 1, 2008, to the registered owners of the Bonds as such appear in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. For the Series 2007A Bonds, each rate must be in level or ascending order and the difference between the highest and lowest rates of interest shall not exceed one and one-half percent (1.50%) per annum and no supplemental or additional interest shall be permitted. For the Series 2007B Bonds, each rate must be in level or ascending order. No supplemental or "B" coupons or additional interest certificates are permitted. The Series 2007A Bonds maturing on or after July 1, 2018 will be subject to redemption on July 1, 2017, and any date thereafter, at the option of the City, in whole or in part, and if in part from such stated maturities and in such principal amounts as the City may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a stated maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair), at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium. The Series 2007B Bonds with stated maturities on or after July 1, 2013 will be subject to redemption on July 1, 2012, and any day thereafter, at the option of the City, in whole or in part, and if in part from such stated maturities and in such principal amounts as the City may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a stated maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair), at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date.

The Series 2007A Bonds will be sold for not less than \$10,571,600 (98.8% of par) with accrued interest to the date of delivery, and the Series 2007B Bonds will be sold for not less than \$1,388,800 (99.2% of par) with accrued interest to the date of delivery. The Council reserves the right to reject any and all bids and to sell the Bonds at private sale.

A good faith deposit in the form of money, cashier's check, certified check, bank money order, or bank draft drawn and issued by a federally chartered or state chartered bank insured by the Federal Deposit Insurance Corporation or a financial surety bond in the sum of \$214,000 for the Series 2007A Bonds and two percent (2%) of the principal amount of the Series 2007B Bonds payable to the order of the City of Billings, Montana, is required for each bid to be considered, as further specified in the Official Terms and Conditions of Sale.

Copies of a statement of the Official Terms and Conditions of Sale and additional information may be obtained from Springsted Incorporated, Springsted Incorporated, 380 Jackson Street, Suite 300, St. Paul, Minnesota 55101-2887, (651) 223-3000. Prospective bidders should consult the Official Terms and Conditions of Sale and the Preliminary Official Statement for a description of the Bonds, the security therefor, and the form of legal opinion proposed to be rendered by Dorsey & Whitney LLP, of Missoula, Montana, as bond counsel. To the extent any instructions or directions set forth in Parity™ conflict with this Notice of Bond Sale, the terms of this Notice of Bond Sale shall control. For further information about Parity™, potential bidders may contact the Financial Advisor, Springsted Incorporated at (651) 223-3030 (Bond Services Division), or Parity™ at (212) 849-5021. In the event of a malfunction in the electronic bidding process, bidders may submit their bids by sealed bid including facsimile transmission to the City's Financial Services Manager, Pat Weber, at facsimile number (406) 247-8608 (phone (406) 657-8209) or to Springsted Incorporated at facsimile number (651) 223-3046 (phone (651) 223-3000).

Dated: April 23, 2007.

BY ORDER OF THE CITY COUNCIL

Cari Martin  
Cari Martin, City Clerk  
City of Billings, Montana

Publish: May 24, 2007  
May 31, 2007