

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 \$12,500,000 GENERAL OBLIGATION BONDS, CONSISTING OF \$10,700,000 GENERAL OBLIGATION BONDS, SERIES 2007A, AND \$1,800,000 GENERAL OBLIGATION BONDS, SERIES 2007B; DETERMINING THE FORM AND DETAILS, AUTHORIZING THE EXECUTION AND DELIVERY AND LEVYING TAXES FOR THE PAYMENT 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 June 25, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 Councilors voted in favor thereof: Honguilo; Sagheno; Stevens; Brewster; Huegamer; Ullendalen; Boyer; Clark; Jones; voted against the same: _____; abstained from voting thereon: _____; or were absent: Vais.

WITNESS my hand and seal officially this 25th day of June, 2007.

(SEAL)



Lari Martin

City Clerk

RESOLUTION NO. 07-18572

RESOLUTION RELATING TO \$12,500,000 GENERAL OBLIGATION BONDS, CONSISTING OF \$10,700,000 GENERAL OBLIGATION BONDS, SERIES 2007A, AND \$1,800,000 GENERAL OBLIGATION BONDS, SERIES 2007B; DETERMINING THE FORM AND DETAILS, AUTHORIZING THE EXECUTION AND DELIVERY AND LEVYING TAXES FOR THE PAYMENT THEREOF

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

Section 1. Authorization and Sale; Recitals.

1.01. Authorization and Sale. At an election duly called and held November 7, 2006, the electors of the City authorized this Council to issue and sell general obligation bonds of the City in the principal amount of \$12,500,000 for the purpose of paying the costs of designing, constructing and equipping a new 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 received contributions and/or pledges for contributions from various individuals, which will be used to pay principal and interest on the Series 2007B Bonds as hereinafter described. On April 23, 2007, the City authorized and provided for the issuance and sale of \$12,500,000 general obligation bonds in two series, one in the aggregate principal amount of \$10,700,000 (the "Series 2007A Bonds"), and one in the aggregate principal amount of \$1,800,000 (the "Series 2007B Bonds"), to fund a substantial portion of the Project. (The Series 2007A Bonds and the Series 2007B Bonds are referred to as the "Bonds.")

Pursuant to such authorization, this Council at a public sale duly noticed and held on June 11, 2007, awarded the sale of the Series 2007A Bonds to Stifel Nicolaus & Company, Incorporated, of Denver, Colorado ("Purchaser of the Series 2007A Bonds"), on a bid to purchase the Series 2007A Bonds at a price of \$10,645,888.69 plus accrued interest to the date of delivery, the Series 2007A Bonds to bear interest at the rates designated by the Purchaser of the Series 2007A Bonds in such bid and as set forth in Section 2.01 of this resolution, which rates result in a true interest rate of 4.456734%. The rates of interest designated by the Purchaser of the Series 2007A Bonds result in a total dollar interest cost of \$5,626,910.94 of the Series 2007A Bonds.

Pursuant to such authorization and notice, this Council also awarded the sale of the Series 2007B Bonds to RBC Capital Markets, of Dallas, Texas ("Purchaser of the Series 2007B Bonds"), on a bid to purchase the Series 2007B Bonds at a price of \$1,787,900.00 and accrued interest to the date of delivery, the Series 2007B Bonds to bear interest at the rates designated by the Purchaser of the Series 2007B Bonds in such bid and as set forth in Section 2.01 of this resolution, which rates result in a true interest rate of 4.182890%. The rates of interest designated by the Purchaser of the Series 2007B Bonds result in a total dollar interest cost of \$432,046.67 of the Series 2007B Bonds.

1.02. The Stadium, Operating Agreement. The Project comprises the design, construction and equipping of a new baseball stadium in Athletic Park, meeting all current requirements and standards of the National Association of Professional Baseball Leagues, including 3,500 fixed seats and available additional capacity through grass berm seating and standing room, including handicapped seating areas, multiple concession points of service, locker rooms, restrooms, scoreboard, playing field, lighting, landscaping, parking, field maintenance storage, and media and announcers facilities, seating shade structures, and related improvements (the "Stadium"). The estimated cost of the Project is \$12,500,000.

The City and the Billings Pioneer Baseball Club, a Montana corporation doing business as the Billings Mustangs (the "Ballclub"), have previously entered into an operating agreement for the operation and management of the existing baseball stadium which will be replaced by the Project. The parties are in the process of making some additional changes to that agreement and will enter into a new operation and management agreement, essential terms of which have been agreed upon. It is expected that the new operation and management agreement (the "Operating Agreement") will be entered into by August 31, 2007. This Operating Agreement will terminate December 31, 2012, subject to options to extend for additional five-year periods upon mutual agreement.

Under the Operating Agreement, the Ballclub has the right to manage, operate and use the Stadium for the term of the Agreement, including the right to schedule baseball games and community events (subject to certain priorities, in addition to Mustangs baseball games, preference is to be given to

Montana State University and American Legion baseball games and thereafter City sponsored events), subject to general oversight by an Operations Committee consisting of three members (one from the Ballclub and two from the City). The Ballclub is responsible for operation and maintenance of the Stadium in accordance with applicable City codes and provisions of the Operating Agreement, including the maintenance of insurance, and is entitled to all gross revenues from the Stadium (including ticket, concession, advertising and naming rights), subject to the payments to be made to the City. Currently, the Ballclub pays the City \$30,000 annually.

1.03. Contributions to Project Costs. Certain individuals and local businesses have agreed to make contributions to costs of the Project, as follows:

(1) Mr. Jon Dehler has agreed to make a \$1 million contribution to the City in his individual capacity, payable in equal annual amounts over a three-year period, commencing in 2007, in consideration of the Stadium being named Dehler Park for a 20-year period (the "Naming Rights Payments").

(2) First Interstate BancSystem Foundation and Wendy's of Montana Foundation, Inc. have each agreed to make grants to the City each in the amount of \$350,000 payable in equal amounts over a 10-year period, commencing in October 1, 2007 (the "Foundation Grants"). The Foundation Grants are given to the City as a donation and without any consideration or benefit therefrom.

(3) First Interstate Bank and Wendy's of Montana, Inc. have agreed to make grants to the City each in the amount of \$150,000 payable in equal amounts over a 10-year period, commencing in October 1, 2007 (the "Corporation Grants"). The Corporation Grants are given to the City in exchange for a sign on the new scoreboard to be constructed in the Stadium. They will also receive four tickets to each Mustang game, the commercial value of which is \$7,500 each.

(4) The City has received miscellaneous pledges and contributions in the estimated amount of \$111,000 (the "Miscellaneous Contributions") for which no consideration is being given.

Both the Naming Rights Payments, the Foundation Grants, the Corporation Grants, and Miscellaneous Contributions are to be used to pay Project Costs or to pay principal. None of the contributions will be received in time to pay costs of the Project when those costs are incurred. As a consequence, the City intends to issue the Bonds to finance costs of the Project as they are incurred, and apply installments of the Naming Rights Payments, the Foundation Grants, Corporation Grants, and Miscellaneous Contributions in the aggregate amount of \$2,111,000 when they are received to the payment of principal and interest on the Series 2007B Bonds.

1.04. Recitals. All acts, conditions and things required by the Constitution and laws of the State of Montana, including Montana Code Annotated, Title 7, Chapter 7, Part 42, as amended, in order to make the Bonds valid and binding general obligations in accordance with their terms and in accordance with the terms of this resolution have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required.

The indebtedness to be evidenced by the Bonds and all other indebtedness of the City does not exceed the limitation as set forth in Montana Code Annotated Section 7-7-4201. The City has full power and authority to issue the Bonds.

Section 2. Bond Terms, Execution and Delivery.

2.01. Term of Series 2007A Bonds. The Series 2007A Bonds shall be designated "General Obligation Bonds, Series 2007A." The Series 2007A Bonds shall be in the denomination of \$5,000 each or any integral multiple thereof of single maturities. The Series 2007A Bonds shall mature on July 1 in the years and amounts listed below, and Series 2007A Bonds maturing in such years and amounts shall bear interest from date of original issue until paid or duly called for redemption at the rates shown opposite such years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2008	\$325,000	4.250%	2018	\$530,000	4.250%
2009	375,000	4.250	2019	550,000	4.250
2010	390,000	4.250	2020	575,000	4.250
2011	400,000	4.250	2021	600,000	4.375
2012	420,000	4.250	2022	625,000	4.375
2013	435,000	5.000	2023	650,000	4.375
2014	450,000	4.250	2024	680,000	4.375
2015	470,000	4.250	2025	710,000	4.375
2016	490,000	5.000	2027*	1,515,000	4.500
2017	510,000	4.250			

*Term bond subject to mandatory sinking fund redemption as set forth in Section 2.08 below.

Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

2.02. Term of Series 2007B Bonds. The Series 2007B Bonds shall be designated "General Obligation Bonds, Series 2007B." The Series 2007B Bonds shall be in the denomination of \$5,000 each or any integral multiple thereof of single maturities. The Series 2007B Bonds shall mature on July 1 in the years and amounts listed below, and Series 2007B Bonds maturing in such years and amounts shall bear interest from date of original issue until paid or duly called for redemption at the rates shown opposite such years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2008	\$145,000	4.000%	2013	\$180,000	4.000%
2009	155,000	4.000	2014	190,000	4.000
2010	165,000	4.000	2015	200,000	4.100
2011	170,000	4.000	2016	205,000	4.100
2012	175,000	4.000	2017	215,000	4.100

Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

2.03. Registered Form, Interest Payment Dates. The Bonds shall be issuable only in fully registered form, and the ownership of the Bonds shall be transferred only upon the bond register of the City hereinafter described. The interest on the Bonds shall be payable on January 1 and July 1 in each year, commencing January 1, 2008. Interest on the Bonds shall be payable to the owners of record thereof as such appear on the bond register as of the close of business on the fifteenth day of the month immediately preceding each interest payment date, whether or not such day is a business day. Interest on, and upon presentation and surrender thereof, the principal of each Bond, and, upon presentation and surrender thereof, shall be payable by check or draft issued by the Registrar described herein. Interest shall be calculated on the basis of a year of 360 days composed of twelve 30-day months.

2.04. Dated Date. Each Bond shall be originally dated as of June 1, 2007, and upon authentication of any Bond the Registrar (as hereinafter defined) shall indicate thereon the date of such authentication.

2.05. Registration. The City shall appoint, and shall maintain, a bond registrar, transfer agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal office a bond register in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender to the Registrar for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same series of a

like aggregate principal amount and maturity, as the case may be, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer of any Bond or portion thereof selected or called for redemption.

(c) Exchange of Bonds. Whenever any Bond is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Bonds of the same series of a like aggregate principal amount, interest rate and maturity, as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the City upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds (except for an exchange upon the partial redemption of a Bond), the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Bond of the same series of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond lost, stolen or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, lost, stolen or destroyed Bond has already matured or such Bond has been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment.

2.06. Appointment of Initial Registrar. The City hereby appoints U.S. Bank National Association, in Seattle, Washington, to act as registrar, transfer agent and paying agent (the "Registrar"). The City reserves the right to appoint a successor bond registrar, transfer agent or paying agent, as authorized by the Model Public Obligations Registration Act of Montana, Montana Code Annotated, Title 17, Chapter 5, Part 11, as amended (the "Registration Act"), but the City agrees to pay the reasonable and customary charges of the Registrar for the services performed.

2.07. Optional Redemption.

(a) Series 2007A Bonds maturing in the years 2008 through 2017 shall not be subject to redemption prior to maturity, but Series 2007A Bonds maturing in the years 2018 and thereafter shall each be subject to redemption 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 maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair), on July 1, 2017, at a price equal to the principal amount thereof and interest accrued to the redemption date, without premium.

(b) 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, without premium.

(c) The date of redemption and the principal amount of the Bonds to be redeemed shall be fixed by the Financial Services Manager who shall give notice thereof to the Registrar at least forty-five days prior to the date of redemption or such lesser period as the Registrar accepts. The Registrar, at least thirty days prior to the designated redemption date, shall cause notice of redemption to be mailed, by first class mail, or by other means required by the securities depository, to the registered owners of each Bond to be redeemed at their addresses as they appear on the bond register described in Section 2.05, but no defect in or failure to give such mailed notice shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. The notice of redemption shall specify the redemption date, redemption price, the numbers, interest rates and CUSIP numbers of the Bonds to be redeemed and the place at which the Bonds are to be surrendered for payment, which is the principal office of the Registrar. Official notice of redemption having been given as aforesaid, the Bonds or portions thereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions thereof shall cease to bear interest.

In addition to the notice prescribed by the preceding paragraph, the Registrar shall also give, or cause to be given, notice of the redemption of any Bond or Bonds or portions thereof at least 35 days before the redemption date by certified mail or telecopy to all registered securities depositories then in the business of holding substantial amounts of obligations of the character of the Bonds (such depository now being The Depository Trust Company, of New York, New York) and one or more national information services that disseminate information regarding municipal bond redemptions; provided that any defect in or any failure to give any notice of redemption prescribed by this paragraph shall not affect the validity of the proceedings for the redemption of any Bond or portion thereof.

2.08. Mandatory Sinking Fund Redemption. The Series 2007A Bonds having stated maturities in 2027 are subject to mandatory sinking fund redemption on June 1 in the respective years and the respective principal amounts set forth below 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:

Stated Maturity of Series 2007A Term Bonds	Sinking Fund Payment Date	Principal Amount on Sinking Fund Payment Date	Principal Amount due on Maturity
(June 1) 2027	(June 1) 2026	\$740,000	\$775,000

The principal amounts of the term bonds having a stated maturity in 2027 required to be redeemed on the above Sinking Fund Payment Dates shall be reduced by the principal amount of any such term bonds theretofore redeemed at the option of the District and not previously applied to reduce the principal amount of such bonds on a Sinking Fund Payment Date.

2.09. Execution and Delivery. The Bonds shall be forthwith prepared for execution under the direction of the City Clerk and shall be executed on behalf of the City by the signatures of the Mayor, the City Administrator, and the City Clerk, provided that said signatures may be printed, engraved or lithographed facsimiles thereof. The seal of the City need not be imprinted on or affixed to any Bond. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery thereof, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. When the Bonds have been so executed by said City officers, they shall be registered by the Financial Services Manager in accordance with Montana Code Annotated, Section 7-7-4257, as amended. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless and until a certificate of authentication on such Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of

authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds have been fully executed and authenticated, they shall be delivered by the Registrar to the purchasers thereof upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the purchasers shall not be obligated to see to the application of the purchase price.

2.10. Securities Depository for the Bonds.

(a) For purposes of this Section 2.10, the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2007A Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Representation Letter” shall mean the Blanket Issuer Letter of Representations pursuant to which the City agrees to comply with DTC’s Operational Arrangements.

(b) The Bonds of each series shall be initially issued as separately authenticated fully registered Bonds, and one Bond shall be issued in the principal amount of each stated maturity of each series of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this Resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other Person which is not shown on the Bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this Resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the City’s obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No Person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the City determines to discontinue the book-entry-only system for one or both series of Bonds, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds of such series in the form of certificates. In such event, the Bonds of such series will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds of one or both series at any time by giving notice to the City and the Registrar and discharging its responsibilities

with respect thereto under applicable law. In such event the Bonds of such series will be transferable in accordance with paragraph (e) hereof.

(d) The Representation Letter sets forth certain matters with respect to, among other things, notices, consents and approvals by registered owners of the Bonds and Beneficial Owners and payments on the Bonds. The Registrar shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this resolution.

(e) In the event that any transfer or exchange of Bonds of a series is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this Resolution shall also apply to all matters relating thereto, including, without limitation, the preparation of such Bonds in the form of Bond certificates and the method of payment of principal of and interest on such Bonds in the form of Bond certificates.

2.11. Certification of Proceedings. The officers of the City are hereby authorized and directed to prepare and furnish to the purchasers of the Bonds and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records of the City, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

2.12. Insurance. The Purchaser has acquired at its sole option and expense bond insurance on the Bonds from MBIA Insurance Corporation (the "Insurer"). The terms and conditions of the insurance are set forth in the insurance policy of the Insurer referenced in the form of the Bonds under "Statement of Insurance."

Section 3. Forms of Bonds. The Series 2007A Bonds shall be prepared in substantially the form set forth in Exhibit A hereto and the Series 2007B Bonds shall be prepared in substantially the form set forth in Exhibit B hereto, and by this reference made a part hereof.

Section 4. Security Provisions.

4.01. Bond Proceeds Account; Use of Proceeds. There is hereby created a special account to be designated as the "2007A and 2007B Bond Proceeds Account" (the "Bond Proceeds Account"), to be held and administered by the Financial Services Manager of the City separate and apart from all other funds of the City. The City appropriates to the Bond Proceeds Account (a) the proceeds of the sale of the Series 2007A Bonds in the amount of \$10,700,000, (b) the proceeds of the sale of the Series 2007B Bonds in the amount of \$1,800,000, and (c) all income derived from the investment of amounts on hand in the Bond Proceeds Account. The Bond Proceeds Account shall be used solely to defray expenses of the Project, including but not limited to the transfer to the Debt Service Account described in Section 4.02 of amounts sufficient for the payment of interest due upon the Bonds prior to the completion and payment of all costs of the Project. Upon completion and payment of all costs of the Project, any remaining proceeds of Bonds in the Bond Proceeds Account shall be credited and paid to the Tax Subaccount in the Debt Service Account.

4.02. Debt Service Account. (a) So long as any of the Bonds are outstanding and any principal thereof or interest thereon unpaid, the Financial Services Manager shall maintain two separate and special 2007A Debt Service Account and 2007B Debt Service Account (the "Debt Service Account") to be used for no purpose other than the payment of the principal of and interest on the Bonds. Two subaccounts are hereby created within the Debt Service Account: a Tax Subaccount and a Revenue Subaccount. Funds on deposit in the Debt Service Account shall be used solely to pay the principal of and interest on the Bonds when due, at the stated maturities thereof or upon redemption thereof.

(b) The City irrevocably appropriates to the Tax Subaccount in the Debt Service Account: (a) the proceeds of the Series 2007A Bonds received in excess of \$10,700,000 (including the accrued interest received on the sale of the Series 2007A Bonds), (b) the proceeds of the Series 2007B Bonds received in excess of \$1,800,000 (including the accrued interest received on the sale of the Series 2007B

Bonds), (c) all funds, if any, to be transferred thereto from the Bond Proceeds Account in accordance with the provisions of Section 4.01, (d) any taxes levied in accordance with this resolution, (e) all income derived from the investment of amounts on hand in the Tax Subaccount in the Debt Service Account, and (f) such other money as shall be received and appropriated to the Tax Subaccount in the Debt Service Account from time to time.

(c) The City irrevocably appropriates to the Revenue Subaccount in the Debt Service Account, as and when they are received: (a) the Naming Rights Payments, (b) proceeds of the Foundation Grants and Corporation Grants, (c) the Miscellaneous Contributions, (d) all income derived from the investment of amounts on hand in the Revenue Subaccount in the Debt Service Account, and (e) such other money as shall be received and appropriated to the Revenue Subaccount in the Debt Service Account from time to time.

Whenever funds are credited to the Revenue Subaccount in an amount greater than \$25,000, the Financial Services Manager shall use such funds to call Series 2007B Bonds for redemption pursuant to Section 2.07(b) as soon as practicable thereafter. If funds are on deposit in the Revenue Subaccount for more than 30 days, the Financial Services Manager shall not invest such funds at a yield higher than the yield of the Bonds, as further provided in the Arbitrage and Rebate Certificate and Agreement to be executed by the City upon delivery of the Bonds (the "Arbitrage and Rebate Agreement").

4.03. Tax Levies. The full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged to the payment of the Bonds and interest due thereon, and the City shall cause taxes to be levied annually on all taxable property in the City sufficient to pay the interest on the Bonds when it falls due and to pay and discharge the principal at maturity of each and all of the Bonds as they respectively become due.

On or before September 30 of each year, beginning in 2008, the Financial Services Manager will calculate and certify to this Council the total amount of cash on hand in each subaccount in the Debt Service Account, the principal amount of Series 2007B Bonds, if any, to be redeemed from any funds then on hand in the Revenue Subaccount in the Debt Service Account, and the amount required for the payment of principal of and interest on the outstanding Bonds on or before the next succeeding July 1, assuming that any such Series 2007B Bonds are redeemed. This Council shall forthwith cause to be levied for collection in the fiscal year a tax sufficient to pay such principal and interest, giving effect to the redemption of such Series 2007B Bonds, if any, and deducting any amount then on hand in the Tax Subaccount in the Debt Service Account.

Section 5. Tax Covenants and Certifications.

5.01. Certification; Bonds a Single Issue. The Mayor, the City Administrator, and the City Clerk, being the officers of the City charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver to the purchasers thereof a certificate in accordance with the provisions of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and Section 1.148-2(b) of the Income Tax Regulations promulgated thereunder and applicable to the Bonds (the "Regulations"), stating that, on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds, it is reasonably expected that the proceeds of the Bonds will be used in a manner that would not cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations and that the Bonds will not "private activity bonds" within the meaning of Section 141 of the Code and applicable Regulations.

The Series 2007A Bonds and the Series 2007B Bonds are a single "issue" under Section 1.150-1(c) of the Regulations, and, to the extent required to effect this result, the City hereby elects pursuant to Section 1.150-1(c)(4)(iii) of the Regulations that the Bonds be treated as a single "issue" for purposes of the Code.

5.02. Covenant. The City covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action that would cause the interest on the Bonds to become includable in gross income for purposes of federal income taxation under the provisions of the Code and the Regulations, and covenants and agrees that it will take or cause its officers, employees or agents to take any action within its or their powers to prevent the interest on the Bonds from becoming includable in gross income for purposes of federal income taxation under the Code and applicable Treasury Regulations.

5.03. Private Activity Bond Tests. The City reasonably expects that during the term of the Bonds no private payments or security will be made or furnished that would cause the Bonds to be private activity bonds within the meaning of Section 141 of the Code. No proceeds of the Bonds are being or will be loaned to any nongovernmental person or entity. The City reasonably expects that the Bonds will not be private activity bonds within the meaning of Section 141 of the Code and applicable Regulations.

The Operating Agreement causes the Stadium to be subject to private business use within the meaning of Section 1.141-3 of the Regulations during the term of the Agreement. In order that the Bonds not be "private activity bonds" within the meaning of the Code, the City hereby covenants and agrees that not more than 10% of the payment of the principal of or interest on the Bonds is or will be (directly or indirectly): (a) secured by any interest in property used or to be used in such a trade or business or payments in respect of such property; or (b) derived from payments (whether or not to the City) in respect of property or borrowed money, used or to be used in such a trade or business (including the Ballclub Payments), all within the meaning of Section 141(a) of the Code, as further provided in the Arbitrage and Rebate Agreement. The Naming Rights in the amount of \$1,000,000 need not be taken into consideration as private payments as the Dehler name is not related to the business name or business entity owned by the Dehler family and thus no business use would be derived by the naming of the Stadium. The Foundation Grants in the amount of \$700,000 need not be taken into consideration as private payments as the foundations receive nothing in return for the Foundation Grants. The Corporation Grants totaling \$300,000 plus \$15,000 must be taken into consideration as both corporations will receive signage on the new scoreboard to be constructed in the Stadium and four tickets to each Mustang game, the commercial value of which is \$157,500 each. Taking into consideration \$315,000 of Corporation Grants and Ball Club Payments over a term of 20 years in the amount of \$600,000, the private payments to be received do not exceed 10% of the present value principal and interest on the Bonds.

5.04. Arbitrage Rebate. The City acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for the exception from the rebate requirement under Section 148(f)(4)(B) of the Code and no "gross proceeds" of the Bonds (other than amounts constituting a "bona fide debt service fund") arise during or after the expenditure of the sale proceeds thereof. In furtherance of the foregoing, the Mayor, the City Administrator, and the Financial Services Manager are hereby authorized and directed to execute the Arbitrage and Rebate Agreement, substantially in the form to be prepared by Bond Counsel, and the City hereby covenants and agrees to observe and perform the covenants and agreements contained therein, unless amended or terminated in accordance with the provisions thereof.

5.05. Information Reporting. The City shall file with the Secretary of the Treasury, not later than November 15, 2007, a statement concerning the Bonds containing the information required by Section 149(e) of the Code.

Section 6. Defeasance or Discharge.

6.01. General. When the liability of the City on all Bonds issued under and secured by this Resolution and all interest thereon has been discharged as provided in this section, all pledges, covenants and other rights granted by this Resolution to the Holders of such Bonds shall cease.

6.02. Maturity. The City may discharge its liability with reference to all Bonds and interest thereon which are due on any date by depositing with the Registrar for such Bonds on or before the date a sum sufficient for the payment thereof in full; or if any Bond or interest thereon shall not be paid when due, the City may nevertheless discharge its liability with reference thereto by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

6.03. Redemption. The City may also discharge its liability with reference to any prepayable Bonds which are called for redemption on any date in accordance with their terms, by depositing with the Registrar on or before that date an amount equal to the principal, interest and redemption premium, if any, which are then due thereon, provided that notice of such redemption has been duly given as provided in this Resolution.

6.04. Escrow. The City may also at any time discharge its liability in its entirety with reference to any Bonds subject to the provisions of law now or hereafter authorizing and regulating such

action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are general obligations of the United States or securities of United States agencies which are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to provide funds sufficient to pay all principal, interest and redemption premiums, if any, to become due on such Bonds at their Stated Maturities or, if such Bonds are prepayable and notice of redemption thereof has been given or irrevocably provided for, to such earlier redemption date.

Section 7. Continuing Disclosure.

(a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the original purchasers and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the Securities and Exchange Council (the "SEC") under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the "Rule"), which will enhance the marketability of the Bonds, the City hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the outstanding Bonds. The City is the only "obligated person" in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. The City has complied in all material respects with any undertaking previously entered into by it under the Rule.

If the City fails to comply with any provisions of this Section 7, any person aggrieved thereby, including the Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this Section 7, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder. Notwithstanding anything to the contrary contained herein, in no event shall a default under this Section 7 constitute a default under the Bonds or under any other provision of this resolution.

As used in this Section 7, "Owner" or "Bondowner" means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any "Beneficial Owner" (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, "Beneficial Owner" means, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

(1) on or before 270 days after the end of each fiscal year of the City, commencing with the fiscal year ending June 30, 2007, the following financial information and operating data in respect of the City (the "Disclosure Information"):

(A) the comprehensive annual financial report of the City for such fiscal year, containing the audit report and opinion of the accountant or government auditor relating thereto, as permitted or required by the laws of the State of Montana, containing balance sheets as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, for required funds, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board, as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Montana law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the Financial Services Manager; and

(B) To the extent not included in the financial report referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type identified below, which information may be unaudited, but is to be certified as to accuracy and completeness in all material respects by the City's financial officer to the best of his or her knowledge, which certification may be based on the reliability of information obtained from governmental or other third party sources. Contents of the City's Annual Report shall contain all of the information and data contained in those sections of the Official Statement entitled "City Property Values," "City Indebtedness" and "City Tax Rates, Levies, and Collections."

Notwithstanding the foregoing, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the City shall provide the audited financial statements.

Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby from other documents, including official statements, which have been submitted to each of the repositories hereinafter referred to under subsection (c) or the SEC. If the document incorporated by reference is a final Official Statement, it must be available from the Municipal Securities Rulemaking Board. The City shall clearly identify in the Disclosure Information each document so incorporated by reference.

If any part of the Disclosure Information can no longer be generated because the operations of the City [or the Stadium] have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (3) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations.

If the Disclosure Information is changed or this Section 7 is amended as permitted by this paragraph (b)(1) or subsection (d), then the City shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation in narrative form of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner, notice of the occurrence of any of the following events which is a Material Fact (as hereinafter defined):

- (A) Principal and interest payment delinquencies;
- (B) Non-payment related defaults;
- (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (E) Substitution of credit or liquidity providers, or their failure to perform;
- (F) Adverse tax opinions or events affecting the tax-exempt status of the security;
- (G) Modifications to rights of security holders;
- (H) Bond calls;
- (I) Defeasances;
- (J) Release, substitution, or sale of property securing repayment of the securities;

and

- (K) Rating changes.

As used herein, a "Material Fact" is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a "Material Fact" is also an event that would be deemed "material" for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

(3) In a timely manner, notice of the occurrence of any of the following events or conditions:

- (A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
- (B) the amendment or supplementing of this Section 7 pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the City under subsection (d)(2);
- (C) the termination of the obligations of the City under this Section 7 pursuant to subsection (d);
- (D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
- (E) any change in the fiscal year of the City.

(c) Manner of Disclosure. The City agrees to make available the information described in subsection (b) to the following entities by telecopy, overnight delivery, mail or other means, as appropriate:

- (1) the information described in paragraph (1) of subsection (b), to each then nationally recognized municipal securities information repository under the Rule and to any state information depository then designated or operated by the State of Montana as contemplated by the Rule (the "State Depository"), if any;
- (2) the information described in paragraphs (2) and (3) of subsection (b), to the Municipal Securities Rulemaking Board and to the State Depository, if any; and
- (3) the information described in subsection (b), to any rating agency then maintaining a rating of the Bonds and, at the expense of such Bondowner, to any Bondowner who requests in writing such information, at the time of transmission under paragraphs (1) or (2) of this subsection (c), as the case may be, or, if such information is transmitted with a subsequent time of release, at the time such information is to be released.

Any filing under clauses (1) and (2) may be made solely by transmitting such filing to the Texas Municipal Advisory Council ("MAC") as provided at <http://www.disclosureusa.org> unless the United States Securities and Exchange Commission has withdrawn the interpretative advice in its letter to MAC dated September 7, 2004.

(d) Term; Amendments; Interpretation.

(1) The covenants of the City in this Section 7 shall remain in effect so long as any Bonds are outstanding and the liability of the City in respect thereof has not been discharged under Section 6. Notwithstanding the preceding sentence, however, the obligations of the City under this Section 7 shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this Section 7 will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successor to or amendatory thereof.

(2) This Section 7 and the form and requirements of the Disclosure Information may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of the City Council filed in the office of the City Clerk of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the City or the type of operations conducted by the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this Section 7 as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving

effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation, in narrative form, of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

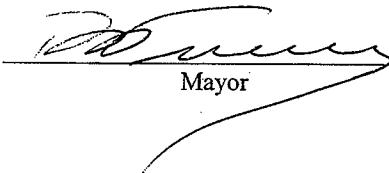
(3) This Section 7 is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

Section 8. Repeals and Effective Date.

8.01. Repeal. All provisions of other resolutions and other actions and proceedings of the City and this Council that are in any way inconsistent with the terms and provisions of this resolution are repealed, amended and rescinded to the full extent necessary to give full force and effect to the provisions of this resolution.

8.02. Effective Date. This resolution shall take effect immediately upon its passage and adoption by this Council.

PASSED AND ADOPTED by the City Council of the City of Billings, Montana, this 25th day of June, 2007.



Mayor

Attest: Cari Martin
City Clerk

(SEAL)



Approved for Legal Content:

Jeff Huland
City Attorney

EXHIBIT A

UNITED STATES OF AMERICA
STATE OF MONTANA
COUNTY OF YELLOWSTONE

CITY OF BILLINGS

GENERAL OBLIGATION BOND
SERIES 2007A

No. _____ \$ _____

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	July 1,	June 1, 2007	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

FOR VALUE RECEIVED, the City of Billings, Yellowstone County, State of Montana (the "City"), acknowledges itself to be indebted and hereby promises to pay to the registered owner named above, or registered assigns, the principal amount specified above on the maturity date specified above or, if this Bond is prepayable as stated herein, on any date prior thereto on which this Bond shall have been duly called for redemption, and to pay interest on said principal amount to the registered owner hereof from the Date or Original Issue set forth above or from such later date to which interest has been paid or duly provided for until this Bond is paid or, if this Bond is prepayable, until it has been duly called for redemption, at the rate specified above. Principal of this Bond is payable upon presentation and surrender hereof to U.S. Bank National Association, of Seattle, Washington, as Bond Registrar, Transfer Agent and Paying Agent, or its successor designated under the Resolution described herein (the "Registrar") at its operations center in St. Paul, Minnesota. Interest on this Bond is payable semiannually on each January 1 and July 1, commencing on January 1, 2008, by check or draft mailed by the Registrar to the person in whose name this Bond is registered as of the close of business on the 15th day (whether or not a Business Day) of the immediately preceding month, at his address as it appears on the bond register maintained by the Registrar. "Business Day" means any day other than a Saturday, Sunday or legal holiday of the State of Montana.

The principal of and interest on this Bond are payable in lawful money of the United States of America. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith, credit and taxing powers of the City have been and are hereby irrevocably pledged.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

This Bond is one of an issue in the total principal amount of \$10,700,000 (the "Series 2007A Bonds"), all of like date of original issue and tenor except as to serial number, denomination, maturity date, interest rate and redemption privilege, all authorized by the favorable vote of more than the requisite majority of the qualified electors of the City voting on the question of the issuance thereof at an election duly held, for the City for the purpose of paying the costs of designing, constructing and equipping a new baseball stadium and related improvements in Athletic Park (the "Project") and paying costs associated with the sale and issuance of bonds, all pursuant to resolutions duly adopted by the City Council, including a resolution adopted on June 25, 2007 (the "Resolution"), and in full conformity with the Constitution and laws of the State of Montana thereunto enabling. The Series 2007A Bonds are issuable only as fully registered bonds of single maturities, in denominations of \$5,000 or any integral multiple thereof. The Series 2007A Bonds are being issued simultaneously with the City's General Obligation Bonds, Series 2007B, issued in the original principal amount of \$1,800,000 to pay costs of the Project.

Series 2007A Bonds maturing in the years 2008 through 2017 are payable on their respective stated maturity dates without option of prior payment, but Series 2007A Bonds having stated maturity dates in the years 2018 and thereafter are each subject to redemption 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 maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair), on July 1, 2017 and any day thereafter, at a price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium.

The Series 2007A Bonds having stated maturities in 2027 are subject to mandatory sinking fund redemption on June 1 in the respective years and the respective principal amounts set forth below 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:

Stated Maturity of Series 2007A Term Bonds <u>(June 1)</u>	Sinking Fund Payment Date <u>(June 1)</u>	Principal Amount on Sinking Fund <u>Payment Date</u>	Principal Amount due on <u>Maturity</u>
2027	2026	\$740,000	\$775,000

The principal amounts of the term bonds having a stated maturity in 2027 required to be redeemed on the above Sinking Fund Payment Dates shall be reduced by the principal amount of any such term bonds theretofore redeemed at the option of the District and not previously applied to reduce the principal amount of such bonds on a Sinking Fund Payment Date.

At least thirty days prior to the designated redemption date, the City shall cause notice of redemption to be mailed, by first class mail, or by other means required by the securities depository, to the registered owners of each Bond to be redeemed at their addresses as they appear on the bond register. Upon partial redemption of any Series 2007A Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City in the principal office of the Registrar, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his attorney, and may also be surrendered in exchange for Series 2007A Bonds of other authorized denominations. Upon any such transfer or exchange, the City will cause a new Series 2007A Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Montana to be done, to exist, to happen and to be performed precedent to and in the issuance of this Bond, in order to make it a valid and binding general obligation of the City according to its terms, have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required; that the City Council will annually levy an ad valorem tax on all of the taxable property in the City sufficient to pay the interest hereon when it falls due and also to pay and discharge the principal of this Bond at maturity; that this Bond, together with all other indebtedness of the City outstanding on the date of original issue hereof and on the date of the delivery of the Series 2007A Bonds to the original purchaser thereof, does not exceed any constitutional or statutory limitation of indebtedness; and that the opinion attached hereto is a true copy of the legal opinion given by Bond Counsel with reference to the Series 2007A Bonds, dated the date of original issuance and delivery of the Series 2007A Bonds.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by the manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of Billings, Yellowstone County, Montana, by its City Council, has caused this Bond to be executed by the facsimile signatures of the Mayor, the City Administrator, and the City Clerk.

(Facsimile Signature)
Mayor

(Facsimile Signature)
City Administrator

(Facsimile Signature)
City Clerk

Date of Authentication:

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2007A Bonds delivered pursuant to the Resolution mentioned within.

U.S. BANK NATIONAL ASSOCIATION,
as Bond Registrar, Transfer Agent and
Paying Agent

By _____
Its Authorized Representative

STATEMENT OF INSURANCE

MBIA Insurance Corporation (the "Insurer") has issued a policy containing the following provisions, such policy being on file at U.S. Bank National Association, Seattle, Washington.

The Insurer, in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to U.S. Bank National Association or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

\$10,700,000
CITY OF BILLINGS, MONTANA
GENERAL OBLIGATION BONDS, SERIES 2007A

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank National Association, in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentation and surrender of such Obligations or presentation of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to U.S. Bank National Association, U.S. Bank National Association shall disburse to such owners or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

MBIA INSURANCE CORPORATION

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common	UTMA.....Custodian..... (Cust) (Minor)
TEN ENT -- as tenants by the entireties	
JT TEN -- as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minor Act..... (State)

Additional abbreviations may also be used.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE:

NOTICE: The signature to this assignment
must correspond with the name as it appears
upon the face of the within Bond in every
particular, without alteration, enlargement
or any change whatsoever.

SIGNATURE GUARANTEED

Signature(s) must be guaranteed by an
"eligible guarantor institution" meeting
the requirements of the Bond Registrar,
which requirements include membership
or participation in STAMP or such other
"signature guaranty program" as may be
determined by the Bond Registrar in
addition to or in substitution for STAMP,
all in accordance with the Securities
Exchange Act of 1934, as amended.

EXHIBIT B

UNITED STATES OF AMERICA
STATE OF MONTANA
COUNTY OF YELLOWSTONE

CITY OF BILLINGS

GENERAL OBLIGATION BOND
SERIES 2007B

No. _____ \$ _____

<u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Date of</u> <u>Original Issue</u>	<u>CUSIP</u>
	July 1,	June 1, 2007	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

FOR VALUE RECEIVED, the City of Billings, Yellowstone County, State of Montana (the "City"), acknowledges itself to be indebted and hereby promises to pay to the registered owner named above, or registered assigns, the principal amount specified above on the maturity date specified above or, if this Bond is prepayable as stated herein, on any date prior thereto on which this Bond shall have been duly called for redemption, and to pay interest on said principal amount to the registered owner hereof from the Date or Original Issue set forth above or from such later date to which interest has been paid or duly provided for until this Bond is paid or, if this Bond is prepayable, until it has been duly called for redemption, at the rate specified above. Principal of this Bond is payable upon presentation and surrender hereof to U.S. Bank National Association, of Seattle, Washington, as Bond Registrar, Transfer Agent and Paying Agent, or its successor designated under the Resolution described herein (the "Registrar"), at its operations center in St. Paul, Minnesota. Interest on this Bond is payable semiannually on each January 1 and July 1, commencing on January 1, 2008, by check or draft mailed by the Registrar to the person in whose name this Bond is registered as of the close of business on the 15th day (whether or not a Business Day) of the immediately preceding month, at his address as it appears on the bond register maintained by the Registrar. "Business Day" means any day other than a Saturday, Sunday or legal holiday of the State of Montana.

The principal of and interest on this Bond are payable in lawful money of the United States of America. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith, credit and taxing powers of the City have been and are hereby irrevocably pledged.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

This Bond is one of an issue in the total principal amount of \$1,800,000 (the "Series 2007B Bonds"), all of like date of original issue and tenor except as to serial number, denomination, maturity date, interest rate and redemption privilege, all authorized by the favorable vote of more than the requisite majority of the qualified electors of the City voting on the question of the issuance thereof at an election duly held, for the City for the purpose of paying the costs of designing, constructing and equipping a new baseball stadium and related improvements in Athletic Park (the "Project") and paying costs associated with the sale and issuance of bonds, all pursuant to resolutions duly adopted by the City Council, including a resolution adopted on June 25, 2007 (the "Resolution"), and in full conformity with the Constitution and laws of the State of Montana thereunto enabling. The Series 2007B Bonds are issuable only as fully registered bonds of single maturities, in denominations of \$5,000 or any integral multiple thereof. The Series 2007B Bonds are being issued simultaneously with the City's General Obligation Bonds, Series 2007A, issued in the original principal amount of \$10,700,000, to pay costs of the Project.

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, without premium.

Whenever funds are credited to the Revenue Subaccount in an amount greater than \$25,000, the Financial Services Manager shall use such funds of all the Series 2007B Bonds for redemption. At least thirty days prior to the designated redemption date, the City shall cause notice of redemption to be mailed, by first class mail, or by other means required by the securities depository, to the registered owners of each Bond to be redeemed at their addresses as they appear on the bond register. Upon partial redemption of any Series 2007B Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City in the principal office of the Registrar, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his attorney, and may also be surrendered in exchange for Series 2007B Bonds of other authorized denominations. Upon any such transfer or exchange, the City will cause a new Series 2007B Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Montana to be done, to exist, to happen and to be performed precedent to and in the issuance of this Bond, in order to make it a valid and binding general obligation of the City according to its terms, have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required; that the City Council will annually levy an ad valorem tax on all of the taxable property in the City sufficient to pay the interest hereon when it falls due and also to pay and discharge the principal of this Bond at maturity; that this Bond, together with all other indebtedness of the City outstanding on the date of original issue hereof and on the date of the delivery of the Series 2007B Bonds to the original purchaser thereof, does not exceed any constitutional or statutory limitation of indebtedness; and that the opinion attached hereto is a true copy of the legal opinion given by Bond Counsel with reference to the Series 2007B Bonds, dated the date of original issuance and delivery of the Series 2007B Bonds.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by the manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of Billings, Yellowstone County, Montana, by its City Council, has caused this Bond to be executed by the facsimile signatures of the Mayor, the City Administrator, and the City Clerk.

(Facsimile Signature)
Mayor

(Facsimile Signature)
City Administrator

(Facsimile Signature)
City Clerk

Date of Authentication:

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2007B Bonds delivered pursuant to the Resolution mentioned within.

U.S. BANK NATIONAL ASSOCIATION,
as Bond Registrar, Transfer Agent and
Paying Agent

By _____
Its Authorized Representative

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants
in common

UTMA.....Custodian.....
(Cust) (Minor)

TEN ENT -- as tenants
by the entireties

under Uniform Gifts to
Minor Act.....
(State)

JT TEN -- as joint tenants
with right of
survivorship and
not as tenants in
common

Additional abbreviations may also be used.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE:

_____ / _____

NOTICE: The signature to this assignment
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particular, without alteration, enlargement
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SIGNATURE GUARANTEED

Signature(s) must be guaranteed by an
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which requirements include membership
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"signature guaranty program" as may be
determined by the Bond Registrar in
addition to or in substitution for STAMP,
all in accordance with the Securities
Exchange Act of 1934, as amended.