

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 A PROJECT ON BEHALF OF ROCKY MOUNTAIN COLLEGE AND THE ISSUANCE OF REVENUE BONDS TO FINANCE THE COSTS OF CONSTRUCTING, FURNISHING AND EQUIPPING A NEW 200 BED SUITE RESIDENCE HALL AND RELATED IMPROVEMENTS UNDER MONTANA CODE ANNOTATED, TITLE 90, CHAPTER 5, PART 1, AS AMENDED, AND REFUNDING OUTSTANDING BONDS; APPROVING THE PROJECT AND AUTHORIZING THE ISSUANCE OF BONDS THEREFOR" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a meeting on August 11, 2003, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: unanimous _____; voted _____; voted against the same: none _____; abstained from voting thereon: none _____; or were absent: Jones _____.

WITNESS my hand officially this 11th day of August, 2003.

(SEAL)

City Clerk

RESOLUTION NO. **03-18010**

RESOLUTION RELATING TO A PROJECT ON BEHALF OF
ROCKY MOUNTAIN COLLEGE AND THE ISSUANCE OF
REVENUE BONDS TO FINANCE THE COSTS OF
CONSTRUCTING, FURNISHING AND EQUIPPING A NEW
200 BED SUITE RESIDENCE HALL AND RELATED
IMPROVEMENTS UNDER MONTANA CODE ANNOTATED,
TITLE 90, CHAPTER 5, PART 1, AS AMENDED, AND
REFUNDING OUTSTANDING BONDS; APPROVING THE
PROJECT AND AUTHORIZING THE ISSUANCE OF BONDS
THEREFOR

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

Section 1. This Council by Resolution No. 03-18000 duly adopted on July 14, 2003, called a public hearing on a proposed project and the issuance of revenue bonds therefor under Title 90, Chapter 5, Part 1, Montana Code Annotated (the “Act”), the proceeds of which will be loaned by the City to Rocky Mountain College, a Montana nonprofit corporation (the “Borrower”) to finance all or a portion of the costs of designing, constructing, furnishing and equipping a 200 bed suite residence hall and related improvements (the “Project”) to be located on the campus of the Borrower, which is located at 1511 Poly Drive in Billings, Montana, and to refund the \$6,000,000 Higher Education Revenue Bonds (Rocky Mountain College Project), Series 1998 (the “Outstanding Bonds”), which were issued on behalf of the Borrower by Yellowstone County, Montana. The revenue bonds shall be issued in the maximum aggregate face amount not to exceed \$10,000,000 (the “Bonds”) as authorized by the Act to defray a portion of the costs of the Project, to refund the Outstanding Bonds and to pay for the costs and expenses incident to the issuance, sale, and security of the Bonds.

Section 2. At the public hearing duly called, noticed and held as required by the Act all persons who appeared were afforded an opportunity to express their views with respect to the proposal to undertake and finance the Project and to refund the Outstanding Bonds. Based on the public hearing, any written comments filed with the City Clerk and such other facts and circumstances as this Council deems relevant, this Council hereby finds, determines and declares, as follows:

- (a) The Project, as proposed, will be suitable for use as a higher education facility eligible for financing under the Act.
- (b) The City is authorized by the Act to issue the Bonds to defray the costs of making a loan to the Borrower, the proceeds of which will be used to finance part or all of the costs of the Project, to refund the Outstanding Bonds and paying the costs and expenses incident to the issuance and sale of the Bonds, and to enter into a loan agreement (the “Loan Agreement”) with the Borrower requiring loan repayments from

the Borrower in amounts and at times sufficient to pay the principal of and interest on the Bonds when due and requiring the Borrower to pay all costs of maintaining and insuring the Project, including taxes thereon to the extent applicable.

(c) In preliminarily authorizing the Project and the issuance of the Bonds, the City's purpose is, and the Council believes the effect thereof will be, to promote the public welfare of the City and its residents by encouraging and fostering the location of institutions of higher education, their continued viability within the City by making the Project more financially feasible because of tax-exempt financing. The Project will result in additional construction jobs within the Community.

(d) The undertaking of the Project, the refunding the Outstanding Bonds and the issuance of the Bonds to finance all or a portion of the costs thereof are in the public interest.

Section 3. The Council hereby approves the Project and refunding the Outstanding Bonds and the issuance of the Bonds in the approximate aggregate principal amount not to exceed \$10,000,000 to finance a portion of the costs thereof. The Bonds shall mature over a term not to exceed 20 years and shall bear interest at a rate or rates allowable by law and contain such other terms and provisions as shall be agreed upon by the Council, the Borrower and the purchaser of the Bonds. The Borrower shall, pursuant to the Loan Agreement, agree to acquire, and improve the Project; to operate and maintain the Project and keep it properly insured; to pay all assessments, if any, on or against the Project; and to make loan payments sufficient to pay the principal of, premium, if any, and interest on the Bonds, all costs and expenses of the City and any trustee in connection with the Project. There shall be a pledge and assignment of certain of the City's interests in the Loan Agreement under an Assignment (the "Assignment").

Section 4. Dorsey & Whitney LLP, as bond counsel, is authorized in cooperation with the City Attorney, the Borrower and the underwriter of the Bonds to prepare forms of the Loan Agreement, Disbursing Agreement, Mortgage, Bonds and any other documents necessary to provide for financing of the Project for review and approval of the final terms and conditions thereof by this Council.

Section 5. Given the nature of the Project financed, the City hereby waives its standard fee associated with the issuance of bonds under Title 90, Chapter 5, Part 1 (\$2.00 per \$1,000 of bonds issued) and hereby imposes an issuance fee of \$2,000. The Borrower will pay, or upon demand reimburse the City for payment of, any and all costs incurred by the City in connection with the Project, refunding the Outstanding Bonds and the issuance of the Bonds in excess of the \$2,000 fee whether or not the Bonds are issued. The Borrower shall also be responsible for paying the costs of bond counsel and any other costs associated with the sale and issuance of the Bonds.

Section 6. The adoption of this Resolution does not constitute a guarantee or a firm commitment that the City will issue the Bonds as requested by the Borrower. The City retains the right, in its sole discretion, to withdraw from participation and accordingly not issue the Bonds if the Council, at any time prior to the issuance thereof, determines that it is in the best interests of the City not to issue the Bonds or if the City and other parties to the transaction are

unable to reach agreement as to the terms and conditions of any of the documents for the transaction.

Passed by the City Council of the City of Billings, Montana, this 11th day of August, 2003.

Charles F. Tooley Mayor

Attest: _____
Marita Herold City Clerk