

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 POOLED SPECIAL IMPROVEMENT DISTRICT BONDS, SERIES 2009 (SPECIAL IMPROVEMENT DISTRICT NOS. 1372 AND 1386), IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$509,000; AUTHORIZING THE ISSUANCE AND 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 of the City at a regular meeting on July 13, 2009, and that such 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 City Council members voted in favor thereof: Ronquillo, Gaghen, Pitman, Veis, Ruegamer, McCall, Ulledalen, Astle, Clark; voted against the same: none; abstained from voting thereon: none; or were absent: Brewster.

WITNESS my hand officially this 13th day of July, 2009.

Cari Martin

Cari Martin, City Clerk

RESOLUTION NO. 09-18845

RESOLUTION RELATING TO POOLED SPECIAL IMPROVEMENT DISTRICT BONDS, SERIES 2009 (SPECIAL IMPROVEMENT DISTRICT NOS. 1372 AND 1386), IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$509,000; AUTHORIZING THE ISSUANCE AND SALE THEREOF

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

Section 1. Recitals.

(a) This Council has duly and validly created and established in the City various special improvement districts, designated as (i) Special Improvement District No. 1372 ("District No. 1372"), and (ii) Special Improvement District No. 1386 ("District No. 1386") (individually a "District" and, collectively, the "Districts"). The Districts were established by the City for the purpose of financing costs of certain public improvements of special benefit to the properties within the Districts (the "Improvements") and paying costs incidental thereto, including (i) costs associated with the sale and the security of the City's Pooled Special Improvement District Bonds, Series 2009 (Special Improvement District Nos. 1372 and 1386) (the "Bonds"), (ii) the creation and administration of the Districts, and (iii) funding of a deposit to the City's Special Improvement District Revolving Fund (the "Revolving Fund"). The funds for the payment of the Bonds are to be specially assessed against the property owners in each District.

The Districts were established by the City pursuant to the powers granted under Montana Code Annotated, Title 7, Chapter 12, Parts 41 and 42, as amended (the "Act"). The total estimated costs of the Improvements, including such incidental costs, to be financed by the Districts is \$509,000. With respect to District No. 1372, total estimated costs of the Improvements are \$574,080, of which an estimated \$324,480 will be funded from a cash contribution by Jeff Essman, the owner of 13 of the 23 lots in District No. 1372, and an estimated \$249,600 will be funded by proceeds of the Bonds, pursuant to City Council Resolution No. 08-18688, adopted March 10, 2008, and City Council Resolution No. 08-18700, adopted April 14, 2008. With respect to District No. 1386, total estimated costs of the improvements are \$333,453, of which \$147,316 will be funded by prepayments by benefited property owners and the City of Billings and \$186,137 will be funded with proceeds of the Bonds, pursuant to City Council Resolution No. 09-18804, adopted April 13, 2009, and City Council Resolution No. 09-18816, adopted May 11, 2009. Pursuant to this Resolution, the Districts will be pooled, and Bonds will be issued in an amount not to exceed \$509,000. The Bonds are to be payable primarily from special assessments to be levied against property in the Districts, which property will be specially benefitted by the Improvements in an amount not less than \$509,000.

(b) It is necessary that the Bonds be issued and sold in an original aggregate principal amount of \$509,000 to finance the costs of the Improvements within each of the Districts, including incidental costs, described in Subsection (a) of this Section 1. The costs of the Improvements are currently estimated as follows:

District Number 1372

Construction	249,599.84
Administrative (design and construction)	10,220
Revolving Fund Deposit	14,600
Costs of Issuance	9,844
Finance Fees	7,300
Rounding	<u>436.16</u>
Total	292,000

District Number 1386

Construction	186,137.48
Administrative (design and construction)	7,595
Revolving Fund Deposit	10,850
Costs of Issuance	7,327

Finance Fees	5,425
Rounding	(334.48)
Total	217,000

(c) As noted above, Jeff Essman, the owner of 13 of the 23 lots in District No. 1372, will pay a cash contribution to the project in the estimated amount of \$324,480. The total cash contribution represents 56.52% of the construction and administrative costs of the Improvements in District No. 1372.

(d) The City is authorized, pursuant to Section 7-12-4193 of the Act, to issue and sell special improvement district bonds of more than one district in a single offering on a pooled basis upon a determination that such pooling is in the best interests of the Districts and the City.

(e) The City is further authorized, pursuant to Section 7-12-4204(1) of the Act, to sell the Bonds at a price less than the principal amount thereof, but including interests thereon to the date of delivery, if this Council determines that such a sale is in the best interests of the Districts and the City.

Section 2. Determination of Public Interest in Allowing Bond Discount and Permitting Pooling of Bonds. Pursuant to the authority described in Section 1, this Council hereby determines that the issuance and sale of the Bonds in a pooled single offering for the following Districts in the respective principal amounts set forth below is in the best interest of each of the Districts and the City and will facilitate the sale of the Bonds because (i) the size of the issue will attract more interest in the marketplace and thus help to lower interest rate on the Bonds, and (ii) a single issue will reduce the costs of issuance of the Bonds.

<u>District Number</u>	<u>Principal Amount</u>
1372	\$292,000
1386	\$217,000

Section 3. Findings and Determination to Pledge the Revolving Fund. This Council previously found it to be in the public interest and in the best interest of the City and the Districts to secure payment of principal of and interest on the Bonds with a pledge of the Revolving Fund. This Council also previously authorized the City to enter into the undertaking and agreements authorized in the Act in respect of the Bonds. The specific findings required by Section 7-12-4225 of the Act in order to pledge the Revolving Fund to the Bonds were made by this Council pursuant to Resolution No. 08-18688 (with respect to District No. 1372), adopted on March 10, 2008, and Resolution No. 09-18804 (with respect to District 1386), adopted on April 13, 2009, and are hereby ratified and confirmed. It is hereby covenanted and recited that the City has the power under the Act to pledge the Revolving Fund to payment of the principal of and interest on the Bonds

Section 4. Findings and Determination to Negotiate Sale of the Bonds. Montana Code Annotated, Section 7-12-4204, as amended, permits the sale of bonds through a private negotiated sale if the bonds are (i) in an amount less than or equal to \$1,000,000; and (ii) sold to a financial institution, as referred to in Montana Code Annotated 32-1-102, that is authorized to conduct business in the State of Montana. Selling the Bonds in a negotiated sale will facilitate the sale of the Bonds at the lowest interest rates, which is in the best interests of the City and the property owners to be assessed. Because the Bonds will be sold by negotiated sale, notice of sale is not required, pursuant to Montana Code Annotated, Section 7-12-4204(3). The City Council hereby authorizes the negotiated sale of the Bonds and makes the following findings:

(a) The Bonds will be sold in an original aggregate principal amount estimated not to exceed \$509,000, which amount is less than \$1,000,000; and

(b) The Bonds will be sold to Wells Fargo Brokerage Services, LLC ("Wells Fargo"), a division of Wells Fargo Bank, National Association, authorized to do business in the State of Montana. Wells Fargo maintains substantial operations in the City.

Section 5. Terms of the Bonds. The City Council authorizes and directs the City Administrator and the City Clerk to negotiate the sale of the Bonds with Wells Fargo. The Bonds shall be issued as a single term bond and shall be in a minimum denomination of \$5,000 or any integral multiple thereof. The Bonds shall be dated the date of delivery thereof, and shall bear interest payable semiannually on January 1 and July 1 of each year (each, a "Payment Date"), commencing January 1, 2010, at an interest rate or rates negotiated by the City and Wells Fargo. Principal of the Bonds shall be paid on each Payment Date, commencing January 1, 2010. The Bonds shall mature not later than July 1, 2024, and shall be subject to optional prepayment on any day after July 1, 2014.

The Bonds shall be issuable only as fully registered bonds, in book entry only form, and shall be executed by the manual or facsimile signatures of the Mayor, City Administrator and the City Clerk. The payment of principal and interest due on the Bonds shall be secured by the Revolving Fund.

Section 6. No Official Statement. Wells Fargo is not requiring the preparation of an Official Statement because it is anticipated that the Bonds are being privately placed with Wells Fargo.

Section 7. Continuing Disclosure. Wells Fargo need not comply with the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), because the Bonds are in a principal amount less than \$1,000,000. Consequently, the City will not enter into any undertaking to provide continuing disclosure of any kind with respect to the Bonds, however, the City shall provide financial information to Wells Fargo as Wells Fargo reasonably requests.

Passed by the City Council of the City of Billings, Montana, this 13th day of July, 2009.



CITY OF BILLINGS:

BY:

Ron Tussing, Mayor

Attest:

Cari Martin

Cari Martin, City Clerk