

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 A PROJECT ON BEHALF OF ROCKY MOUNTAIN COLLEGE AND THE ISSUANCE OF REVENUE BONDS TO FINANCE THE COSTS THEREOF UNDER MONTANA CODE ANNOTATED, TITLE 90, CHAPTER 5, PART 1, AS AMENDED; APPROVING THE PROJECT AND PRELIMINARILY 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 March 28, 2011, and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Council Members voted in favor thereof: Ronquillo, Gaghen, Pitman, Cimmino, McFadden, Ruegamer, McCall, Ulledalen, Astle, Clark; voted against the same: _____; abstained from voting thereon: _____; or were absent: _____.

WITNESS my hand officially this 28th day of March, 2011.

Cari Martin
Cari Martin, City Clerk

(SEAL)



RESOLUTION NO. 11-19046

RESOLUTION RELATING TO A PROJECT ON BEHALF OF
ROCKY MOUNTAIN COLLEGE AND THE ISSUANCE OF
REVENUE BONDS TO FINANCE THE COSTS THEREOF
UNDER MONTANA CODE ANNOTATED, TITLE 90,
CHAPTER 5, PART 1, AS AMENDED; APPROVING THE
PROJECT AND PRELIMINARILY 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. Recitals.

1.01 This Board by Resolution No. 11-19032 duly adopted on February 28, 2011, called a public hearing on a proposed project and the issuance of revenue bonds or notes therefor under Title 90, Chapter 5, Part 1, Montana Code Annotated (the “Act”), to finance all or a portion of the costs of acquisition, construction and installation of energy efficiency improvements to various buildings and facilities located on the Rocky Mountain College campus (the “Project”); and to pay certain costs associated with the sale of the bonds or notes and any other eligible costs. The campus of Rocky Mountain College, a Montana nonprofit corporation (the “Borrower”), is located at 1511 Poly Drive in Billings, Montana. The total cost of the Project is estimated to be \$2,610,868. The Borrower will enter into a performance contract with Johnson Controls, Inc. to complete the Project (the “Energy Performance Contract”). The maximum principal amount of the bonds or notes will not exceed \$2,610,868. The Energy Performance Contract will guarantee the Borrower energy savings of at least \$4,165,490 over a 16-year period, or an average of \$260,343 per year.

1.02 The Borrower is proposing that the City issue its Higher Education Revenue Note (Rocky Mountain College Energy Performance Project), Series 2011, in the maximum principal amount of \$2,610,868 (the “Note”), for the purpose of defraying all or a portion of the costs of the Project.

Section 2. Findings. 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. 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 improve a higher education facility eligible for financing under the Act.

(b) The City is authorized by the Act to issue the Note to defray the costs of making a loan to the Borrower, the proceeds of which will be used to finance all or a portion of the costs of the Project and to pay certain costs associated with the sale of the Note and any other eligible costs, 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, premium, if any, and interest on the Note when due and requiring the Borrower to pay or cause to be paid all expenses of the operation and maintenance of the Project, including, but without limitation, adequate insurance thereon and all assessments levied upon or with respect to the Project site and payable during the term of the Loan Agreement.

(c) PNC Equipment Finance, LLC (the "Purchaser") has agreed to purchase the Note.

(d) The loan repayments to be made by the Borrower under the Loan Agreement shall be established at a level and payable in installments at times sufficient to pay all principal of, premium, if any, and interest on the Note when due.

(e) The loan shall be secured by such security as the Purchaser and the Borrower shall agree.

(f) In authorizing the Project and the issuance of the Note, the City's purpose is, and the Council believes the effect thereof will be, to promote the general welfare of the City and its residents by encouraging and fostering the location of institutions of higher education and their continued viability within the City by making the Project more financially feasible because of tax-exempt financing, to encourage energy efficiencies at such institutions, to aid in economic development and to further the purposes and policies of the Act.

(g) The undertaking of the Project and the issuance of the Note to finance all or a portion of the costs thereof are in the public interest.

Section 3. Approval. The Council hereby approves the Project as a project eligible to be financed under the Act and the issuance of the Note in the maximum aggregate principal amount of \$2,610,868 to finance all or a portion of the costs thereof and to pay certain costs associated with the sale of the Note and any other eligible costs. The Note shall mature over a term not to exceed 16 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. The Borrower shall, pursuant to the Loan Agreement, agree to acquire, construct and install 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 Note and all costs and expenses of the City, the Purchaser and an escrow agent in connection with the Project. There shall be a pledge and assignment of certain of the City's interests in the Loan Agreement.

Section 4. Documentation. Dorsey & Whitney LLP, as bond counsel, is authorized in cooperation with the City Attorney, the Borrower, the Purchaser and All American Investment Group, LLC, as placement agent, to prepare forms of the Loan Agreement, escrow agreement, the Note 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. Costs. 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 and the issuance of the Note, whether or not the Project is carried to completion and whether or not the Note is issued, including without limitation, the City's initial fee and administrative fee.

Section 6. Commitment Conditional. The adoption of this resolution does not constitute a guarantee or a firm commitment that the City will issue the Note as requested by the Borrower. The City retains the right, in its sole discretion, to withdraw from participation and accordingly not issue the Note should the Council, at any time prior to the issuance thereof, determine that it is in the best interests of the City not to issue the Note or should the parties to the transaction be unable to reach agreement as to the terms and conditions of any of the documents for the transaction.

Adopted this 28th day of March, 2011.

CITY OF BILLINGS, MONTANA


Thomas W. Hanel
Thomas W. Hanel, Mayor

Attest: Cari Martin
Cari Martin, City Clerk