

CERTIFICATE AS TO RESOLUTION

I, the undersigned, being the duly qualified and acting recording officer of City of Billings, Yellowstone County, Montana (the "City"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "RESOLUTION RELATING TO \$1,700,000 GENERAL OBLIGATION BONDS, SERIES 2000; AUTHORIZING THE ISSUANCE AND CALLING FOR THE PUBLIC SALE THEREOF" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council at a regular meeting on February 14, 2000, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 against the same: none \_\_\_\_\_; abstained from voting thereon: none \_\_\_\_\_; or were absent: none \_\_\_\_\_.

WITNESS my hand and seal officially this 14 day of February, 2000.



Marita Herald  
City Clerk

RESOLUTION NO. 00-17537

RESOLUTION RELATING TO \$1,700,000 GENERAL OBLIGATION BONDS,  
SERIES 2000; AUTHORIZING THE ISSUANCE AND CALLING FOR THE  
PUBLIC SALE THEREOF

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

Section 1. Recitals. The electors of the City at an election duly called, noticed and held on November 2, 1999, at which 14,365 of the 50,883 registered electors voted (28% of the registered electors voted), by a vote of 8,857 in favor and 5,508 opposed (61% of the votes cast were in favor), authorized this Council to issue and sell \$1,700,000 principal amount of general obligation bonds of the City for the purpose of refurbishing and rehabilitating playgrounds, basketball courts and tennis courts as required in existing parks and related improvements including repairing and reconstruction of parking lots as needed, providing matching funds for constructing bikenet trails (the "Project") and paying costs associated with the sale and issuance of general obligation bonds and authorizing the levy of additional mills over the existing and approved charter levy limitation to pay principal of and interest on the bonds. The City has determined that it is necessary and desirable and in the best interests of the City to issue the Bonds at this time in the aggregate principal amount of \$1,700,000 (the "Bonds").

The indebtedness to be evidenced by the Bonds, together with all other indebtedness of the City, will not exceed 16.5% of the taxable value of the property subject to taxation by the City as ascertained by the last completed assessment for state and county taxes previous to this date, plus 33% of the taxable value of class eight property within the City for tax year 1995, multiplied by 16.5%, plus an additional 50% of the taxable value attributable to telecommunications property under Montana Code Annotated, Section 15-6-141 within the City for tax year 1999, multiplied by 16.5%, plus an additional 50% of the taxable value attributable to electrical generation property under Montana Code Annotated, Section 15-6-141 within the City for tax year 1999, multiplied by 16.5%. The City has full power and authority to issue the Bonds.

Section 2. Term of the Bonds. Pursuant to the authority described in Section 1, this Council hereby authorizes the issuance and sale of the Bonds of the City in the aggregate principal amount of \$1,700,000 for the purpose of financing the costs of the Project. The Bonds shall be dated, as originally issued, as of April 1, 2000, and shall bear interest payable semiannually on January 1 and July 1 of each year, commencing January 1, 2001, at a rate or rates designated by the successful bidder at public sale and approved by this Council; provided that no rate of interest shall exceed six and one-half percent (6.50%) per annum, the difference between the highest and lowest rates of interest shall not exceed three percent (3.00%) per annum and no supplemental or additional interest shall be permitted. Each rate must be expressed in an integral multiple of 1/8 or 5/100 of 1%. The Bonds shall be offered and sold in accordance with

the terms and conditions of sale which are set forth on Exhibit A hereto (the "Official Terms and Conditions"), which is incorporated by reference and made a part hereof.

If issued as serial bonds, the Bonds shall mature, subject to redemption as hereinafter provided, on July 1 in each of the following years and amounts:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2001	\$20,000	2011	\$ 85,000
2002	50,000	2012	90,000
2003	55,000	2013	95,000
2004	55,000	2014	100,000
2005	60,000	2015	105,000
2006	65,000	2016	115,000
2007	65,000	2017	120,000
2008	70,000	2018	125,000
2009	75,000	2019	130,000
2010	80,000	2020	140,000

If issued as amortization bonds, the Bonds will be issued as a single bond or divided into several bonds, as the Council may determine at the time of the sale, and the principal of and interest on the Bonds shall be payable semiannually in equal principal installments on each January 1 and July 1, commencing January 1, 2001 and concluding July 1, 2020, unless the Bonds are earlier redeemed. Serial bonds shall be in the denomination of \$5,000 each or any integral multiple thereof of single maturities. Amortization bonds are preferred.

The Bonds shall be issuable only as fully registered bonds and shall be executed by the manual or facsimile signatures of the Mayor, Director of Finance and City Clerk.

Section 3. Public Sale. The Bonds shall be sold at a sale on the basis of sealed bids which is hereby called and shall be held at a regular meeting of this Council on March 13, 2000, at 7:30 p.m., M.T. The City will receive sealed bids for the Bonds in accordance with the Official Terms and Conditions. The City Clerk is hereby authorized and directed to cause notice of the sale to be published, as required by Montana Code Annotated, Sections 7-7-4252 and 17-5-106, in *The Billings Times*, Billings, Montana, once each week for two successive weeks preceding the week which contains the date of sale. The notice of sale shall be published in substantially the form set forth as Exhibit B to this resolution, which is hereby incorporated herein and made a part hereof.

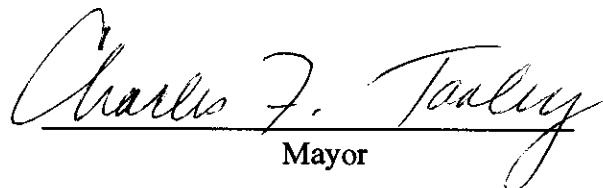
Section 4. Official Statement. The Director of Finance and other officers of the City are hereby authorized and directed to prepare on behalf of the City an official statement to be distributed to potential purchasers of the Bonds. Such official statement shall contain the

Official Terms and Conditions and such other information as shall be advisable and necessary to describe accurately the City and the security for, and terms and conditions of, the Bonds.

Section 5. Continuing Disclosure. In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), the City will covenant and agree, for the benefit of the registered holders and beneficial owners from time to time of the outstanding Bonds, in the resolution prescribing the terms of the Bonds, to provide annual reports of specified information and notice of the occurrence of certain events, if material. The City is the only "obligated person" in respect of the Bonds within the meaning of the Rule for the purposes of disclosing information on an ongoing basis. A description of the undertaking is set forth in the Official Statement. Failure of the City to enter into an undertaking substantially similar to that described in the Official Statement would relieve the successful bidder of its obligation to purchase the Bonds. The City has complied in all material respects with any undertaking previously entered into by it under the Rule.

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

PASSED by the City Council of Billings, Montana, this 14th day of February, 2000.

  
Charles F. Tailey  
Mayor

(SEAL)

Attest: Marita Herold  
City Clerk

## EXHIBIT A

### TERMS AND CONDITIONS OF SALE

#### \$1,700,000 General Obligation Bonds, Series 2000 City of Billings, Montana

NOTICE IS HEREBY GIVEN by the City Council (the "Council") of the City of Billings, Montana (the "City"), that the City will receive sealed bids for the purchase of general obligation bonds in the office of the City Clerk, 1st Floor of Park III, at 210 North 27th Street, Billings, Montana, in the total principal amount of \$1,700,000 (the "Bonds"), until 2:00 P.M., M.T., on March 13, 2000, at which time the bids will be opened and tabulated. The City Council of the City will meet at 7:30 p.m. on the same day in the Council Chambers, Second Floor of the Police Facility, 220 North 27th Street, Billings, Montana, to consider the bids, and if a responsive and acceptable bid is received, award sale of the Bonds to the responsive bidder whose bid reflects the lowest net interest cost.

### THE BONDS

The Bonds will bear an original issue date of April 1, 2000, and will bear interest payable semiannually on January 1 and July 1 of each year, commencing January 1, 2001, to the registered owners of the Bonds as such appear in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month, at a rate or rates designated by the successful bidder at public sale and approved by the Council; provided that no rate of interest shall exceed six and one-half percent (6.50%) per annum and the difference between the highest and lowest rates of interest shall not exceed three percent (3.00%) per annum. Each rate must be expressed in an integral multiple of 1/8 or 5/100 of 1%. No supplemental or "B" coupons or additional interest certificates are permitted. All Bonds of the same stated maturity must bear interest from date of original issue until paid at a single, uniform rate. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

If issued as serial bonds, the Bonds shall mature, subject to redemption as hereinafter provided, on July 1 in each of the following years and amounts:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2001	\$20,000	2011	\$ 85,000
2002	50,000	2012	90,000
2003	55,000	2013	95,000
2004	55,000	2014	100,000
2005	60,000	2015	105,000
2006	65,000	2016	115,000
2007	65,000	2017	120,000
2008	70,000	2018	125,000
2009	75,000	2019	130,000
2010	80,000	2020	140,000

If issued as amortization bonds, the Bonds will be issued as a single bond or divided into several bonds, as the Council may determine at the time of the sale, and the principal of and interest on the Bonds shall be payable semiannually in equal principal installments on each January 1 and July 1, commencing January 1, 2001 and concluding July 1, 2020, unless the Bonds are earlier redeemed. Serial bonds shall be in the denomination of \$5,000 each or any integral multiple thereof of single maturities. Amortization bonds will be the first choice and serial bonds will be the second choice of the City.

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

The Bonds with stated maturities on or after July 1, 2011 will be subject to redemption on July 1, 2010, 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 and, within a stated maturity, in \$5,000 principal amounts, selected by lot or other manner deemed fair, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date.

#### PURPOSE AND SECURITY

The Bonds will be issued the purpose of financing the costs of refurbishing and rehabilitating playgrounds, basketball courts and tennis courts as required in existing parks and related improvements including repairing and reconstruction of parking lots as needed, providing matching funds for constructing bikenet trails and paying costs associated with the sale and issuance of general obligation bonds and authorizing the levy of additional mills over the existing and approved charter levy limitation to pay principal of and interest on the bonds, in accordance with the provisions of Montana Code Annotated, Title 7, Chapter 7, Part 42 and Section 7-16-4104, as amended. The Bonds will be general obligations of the City to the payment of which the full faith, credit and taxing power of the City will be pledged. Bidders should consult a copy

of the Preliminary Official Statement for a discussion of the security for the Bonds and the form of opinion of bond counsel relating to the Bonds.

#### CONTINUING DISCLOSURE

In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), the City will covenant and agree, for the benefit of the registered holders and beneficial owners from time to time of the outstanding Bonds, in the resolution prescribing the terms of the Bonds, to provide annual reports of specified information and notice of the occurrence of certain events, if material. The City is the only "obligated person" in respect of the Bonds within the meaning of the Rule for the purposes of disclosing information on an ongoing basis. A description of the undertaking is set forth in the Official Statement. Failure of the City to enter into an undertaking substantially similar to that described in the Official Statement would relieve the successful bidder of its obligation to purchase the Bonds. The City has complied in all material respects with any undertaking previously entered into by it under the Rule.

#### QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds will be designated by the City as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and financial institutions described in Section 265(b)(5) of the Code may treat the Bonds for purposes of Sections 265(b)(2) and 291(e)(1)(B) of the Code as if they were acquired on August 7, 1986.

#### BIDDING AND SALE PROCEDURES

**Submission of Bids.** Sealed bids for not less than \$1,700,000 must be mailed or delivered to the undersigned and must be received at the office of the City Clerk prior to the time stated above. Bidders must bid for all or none of the Bonds. Each bid must be unconditional (or conditioned on only those items specified in these Official Terms and Conditions of Sale). No bid may be altered or withdrawn after the time specified above for opening bids without the express consent of the Council.

**Basis of Award.** The Bonds will be sold for not less than \$1,700,000 with accrued interest to the date of delivery, and all bidders must state the lowest rate or rates of interest at which they will purchase the Bonds at par. Bids will be compared on the basis of net interest cost. In the event that two or more bids state the lowest net interest cost, the sale of the Bonds will be awarded by lot. The City will accept sealed bids only. The City reserves the right to reject any and all bids and to sell the Bonds at private sale and to waive any informality and irregularity in any and all bids.

**Good Faith Deposit.** A good faith deposit (the "Deposit") in the form of money, cashier's check, certified check, bank money order, or bank draft drawn and issued by a federally chartered or state chartered bank insured by the Federal Deposit Insurance Corporation or a financial surety bond in the sum of \$34,000 payable to the order of the City of Billings, Montana is required for each bid to be considered. If money, cashier's check, certified check, bank money order, or bank draft is used, it must accompany each bid and be delivered to the Director of Finance. If a financial surety bond is used, it must be from an insurance company licensed and qualified to issue such a bond in the State of Montana and such bond must be submitted to the Director of Finance prior to the opening of the bids. The financial surety bond must identify each bidder whose Deposit is guaranteed by such financial surety bond. If the Bonds are awarded to a bidder utilizing a financial surety bond, then that purchaser is required to submit its Deposit to the City in the form of a cashier's check (or wire transfer such amount as instructed by the City or its financial advisor) not later than 1:00 P.M., M.T., on the next business day following the award. If such Deposit is not received by that time, the financial surety bond may be drawn by the City to satisfy the Deposit requirement. No interest on the Deposit will accrue to the purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the purchaser fails to honor its accepted bid, the Deposit will be retained by the City as liquidated damages. The Deposit of the unsuccessful bidders will be returned immediately on award of sale of the Bonds or after rejection of all bids. Instructions for wiring a Deposit may be obtained from the City's Director of Finance, Nathan R. Tubergen, 210 North 27th Street, Billings, Montana 59101, (406) 657-8222.

**BOND REGISTRAR, TRANSFER AGENT  
AND PAYING AGENT**

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

**LEGAL OPINION**

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

## DELIVERY

Within 45 days after the sale, the City will deliver to the Registrar the printed Bonds ready for completion and authentication. The original purchaser of the Bonds must notify the Registrar, at least five business days before issuance of the Bonds, of the persons in whose names the Bonds will be initially registered and the denominations of the Bonds to be originally issued. If notification is not received by that date, the Bonds will be registered in the name of the original purchaser and will be issued in denominations corresponding to the principal maturities of the Bonds. On the day of closing, the City will furnish to the purchaser the opinion of Bond Counsel described above, an arbitrage certification and a certificate stating that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City in immediately available funds at its designated depositary on the day of closing. The successful bidder shall submit to the City Clerk not earlier than 48 hours after the award of sale and not later than the date of closing a certificate, in form satisfactory to Bond Counsel, as to the initial reoffering prices of each stated maturity of the Bonds and stating that at least ten percent of the principal amount of such Bonds of each stated maturity has been sold at such respective prices.

## OFFICIAL STATEMENT

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

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

Within seven business days after the sale the City will furnish to the successful bidder without charge 75 copies of the final Official Statement relating to the Bonds. The successful bidder must notify the Director of Finance in writing within three business days after the award of sale of the Bonds if it requires additional copies of the Official Statement. The cost of additional copies shall be paid by the successful bidder.

**COSTS; CUSIP NUMBERS**

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

Information for bidders and bidding forms may be obtained from the City's Director of Finance, Nathan R. Tubergen, 210 North 27th Street, Billings, Montana 59101, (406) 657-8222.

Dated: \_\_\_\_\_, 2000.

**BY ORDER OF THE CITY COUNCIL**

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Marita Herold, CMC, City Clerk  
City of Billings, Montana

## EXHIBIT B

### NOTICE OF BOND SALE

#### \$1,700,000 General Obligation Bonds, Series 2000 City of Billings, Montana

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Billings, Montana (the "City"), will receive sealed bids for the purchase of \$1,700,000 General Obligation Bonds, Series 2000 (the "Bonds") at the office of the City Clerk, 1st Floor of Park III, at 210 North 27th Street, Billings, Montana, 59101, until 2:00 P.M., M.T., on March 13, 2000, at which time the bids will be opened and tabulated. The Council will meet at 7:30 P.M., M.T., on the same day in the City Council Chambers to consider the bids.

If serial bonds are issued and sold, they will be issuable in the denominations of \$5,000 or any integral multiple thereof of single maturities, and will mature on July 1, subject to redemption as hereinafter described, in the following years and amounts:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2001	\$20,000	2011	\$ 85,000
2002	50,000	2012	90,000
2003	55,000	2013	95,000
2004	55,000	2014	100,000
2005	60,000	2015	105,000
2006	65,000	2016	115,000
2007	65,000	2017	120,000
2008	70,000	2018	125,000
2009	75,000	2019	130,000
2010	80,000	2020	140,000

If amortization bonds are sold and issued, the entire issue may be put into one single bond or divided into several bonds, as the Council may determine at the time of sale, both principal and interest to be payable in semiannual installments during a term of not more than 20 years.

The Bonds, whether amortization or serial bonds, shall be issuable as fully registered bonds only, shall bear an original issue date of April 1, 2000, and shall bear interest payable semiannually on January 1 and July 1 of each year, commencing January 1, 2001, to the registered owners of the Bonds as such appear in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. No interest rate may exceed six and one-half percent (6.50%) per annum, and the difference between the highest and lowest rate of interest may not exceed three percent (3.00%) per annum. Each rate

must be expressed in an integral multiple of 1/8 or 5/100 of 1%. No supplemental or "B" coupons or additional interest certificates are permitted. The Bonds maturing on or after July 1, 2011 will be subject to redemption on July 1, 2010, and any day thereafter, from such stated maturities and in such principal amounts as may be designated by the City and, within a stated maturity, by lot or other manner deemed fair, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the redemption date.

The City will designate the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Bonds will be sold for not less than \$1,700,000 with accrued interest on the principal amount of the Bonds to the date of their delivery. The Council reserves the right to reject any and all bids and to sell the Bonds at private sale.

A good faith deposit in the form of money, cashier's check, certified check, bank money order, or bank draft drawn and issued by a federally chartered or state chartered bank insured by the Federal Deposit Insurance Corporation or a financial surety bond in the sum of \$34,000 payable to the order of the City of Billings, Montana, is required for each bid to be considered, as further specified in the Official Terms and Conditions of Sale.

Copies of a statement of the Official Terms and Conditions of Sale and additional information may be obtained from the City's Director of Finance, Nathan R. Tuberger, 210 North 27th Street, Billings, Montana 59101, (406) 657-8222. Prospective bidders should consult the Official Terms and Conditions of Sale and the Preliminary Official Statement for a description of the Bonds, the security therefor, and the form of legal opinion proposed to be rendered by Dorsey & Whitney LLP, of Missoula, Montana, as bond counsel.

Dated: \_\_\_\_\_, 1999.

BY ORDER OF THE CITY COUNCIL

Marita Herold, CMC, City Clerk  
City of Billings, Montana

Publish: February 27, 2000  
March 5, 2000