

## 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 \$1,037,000 SPECIAL IMPROVEMENT DISTRICT NO. 1340 BONDS; AUTHORIZING THE ISSUANCE AND CALLING FOR THE PUBLIC SALE THEREOF AND AUTHORIZING THE PLEDGE OF THE REVOLVING FUND TO THE SECURITY 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 of Billings at a regular meeting on March 27, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 Councilmembers voted in favor thereof:

Unanimous

	voted	against	the	same:
<u>none</u>				
<u>none</u>	<u>abstained</u>	<u>from</u>	<u>voting</u>	<u>thereon:</u>
<u>Ohnstad</u>		<u>or</u>	<u>were</u>	<u>absent:</u>

WITNESS my hand and seal officially this 27th day of March, 2000.

*Marita Herold*  
Marita Herold, CMC/AAE CITY CLERK



RESOLUTION NO. 00- 17549

RESOLUTION RELATING TO \$1,037,000 SPECIAL IMPROVEMENT DISTRICT NO. 1340 BONDS; AUTHORIZING THE ISSUANCE AND CALLING FOR THE PUBLIC SALE THEREOF AND AUTHORIZING THE PLEDGE OF THE REVOLVING FUND TO THE SECURITY THEREOF.

BE IT RESOLVED by 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 under Montana Code Annotated, Title 7, Chapter 12, Parts 41 and 42, as amended (the "Act"), a special improvement district, designated as Special Improvement District No. 1340 (the "District"), for the purpose of financing the costs of certain public improvements of special benefit to the properties within the District (the "Improvements") and paying costs incidental thereto, including costs associated with the sale and the security of special improvement district bonds of the City drawn on the District (the "Bonds"), the creation and administration of the District, the funding of a deposit to the City's Special Improvement District Revolving Fund (the "Revolving Fund"). The total estimated costs of the Improvements, including such incidental costs, to be financed by the District are \$1,037,000. The costs of the Improvements are to be paid from the proceeds of the Bonds, which are to be payable primarily from special assessments to be levied against property in the District, which property will be specially benefitted by the Improvements in an amount not less than \$1,037,000.

(b) The City is authorized by Montana Code Annotated, Section 7-12-4204(1) to sell the Bonds at a price less than the principal amount thereof, but including interest thereon to the date of delivery, if this Council determines that such sale is in the best interests of the District and the City.

(c) It is necessary that the Bonds be issued and sold in an aggregate principal amount of \$1,037,000 to finance the costs of the Improvements, including incidental costs, described in Subsection (a). The costs of the Improvements are currently estimated, as follows:

Engineering	\$114,579.43
Construction (including contingency)	779,138.80
Administration (including costs of issuance)	54,539.72
Revolving Fund Deposit	51,817.37
Bond Discount	36,272.16
Bond Rounding	652.52
<b>TOTAL</b>	<b>\$1,037,000.00</b>

**Section 2. Determination of Public Interest in Allowing Bond Discount.** Pursuant to the authority described in Section 1, this Council hereby determines to fix the minimum price for the Bonds at \$1,001,000 plus interest accrued thereon to the date of delivery. Such minimum bid will enable bidders to bid more efficiently for the Bonds by permitting them to submit their bids based on actual market conditions without adjusting the interest rates thereon to provide compensation for their purchase of the Bonds. This procedure will facilitate the sale of the Bonds at the lowest interest rates, which is in the best interests of the District and the City.

**Section 3. Findings and Determination To Pledge the Revolving Fund.** In the Resolution of Intention To Create the District, adopted on **May 24, 1999** this Council found it to be in the public interest, and in the best interest of the City and the District, to secure payment of principal of and interest on the Bonds by the Revolving Fund and authorized the City to enter into the undertakings and agreements authorized in the Act in respect of the Bonds, based on the factors required to be

considered under Section 7-12-4225(4) of the Act. Those findings and determinations were ratified and confirmed in the resolution adopted by this Council on **June 28, 1999** creating the District, 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. Terms of the Bonds.** This Council hereby authorizes the issuance and sale of the Bonds, to be denominated "Special Improvement District No. 1340 Bonds," of the City in the aggregate principal amount of \$1,037,000 (the "Bonds") for the purpose of financing the Improvements. The Bonds shall be dated, as originally issued, as of **May 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. If issued as serial bonds, the Bonds shall mature on July 1 in each of the following years and amounts:

<u>Year</u>	<u>Amount</u>
2001	\$62,000
2002	\$65,000
2003	\$70,000
2004	\$70,000
2005	\$70,000
2006	\$70,000
2007	\$70,000
2008	\$70,000
2009	\$70,000
2010	\$70,000
2011	\$70,000
2012	\$70,000
2013	\$70,000
2014	\$70,000
2015	\$70,000

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 the Bonds shall be payable annually in equal payments on each July 1, commencing **July 1, 2001** and concluding July 1, 2015, 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, provided that bond Number One will have a stated maturity in 2001 and shall be in the principal amount of \$7,000. 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 and the City Clerk. The Bonds shall be secured by the Revolving Fund.

**Section 5. Public Sale.** The Bonds shall be sold at a public competitive sale, which is hereby called and shall be held at a regular meeting of this Council on **May 8, 2000** at 7:30 p.m. The City will receive sealed bids for the Bonds in accordance with the notice of sale hereinafter prescribed. The City Clerk is hereby authorized and directed to cause notice of the sale to be published, as required by Montana Code Annotated, Sections 7-12-4204, 7-7-4252 and 17-5-106, in The Billings Times, once each week for two successive weeks preceding the week, which contains the date of sale. The notice of sale shall be published and mailed in substantially the form set forth as Exhibit A to this resolution (which is hereby incorporated herein and made a part hereof) and this Council hereby adopts the terms and conditions set forth in such notice of sale as the terms and conditions of the sale of the Bonds.

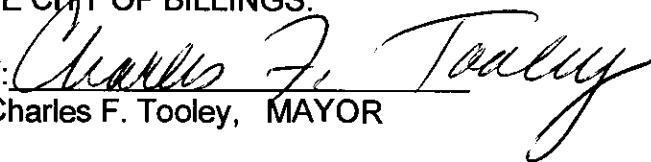
**Section 6. Official Statement.** The Director of Finance and other officers of the City are hereby authorized and directed to prepare on behalf of the City an official statement to be distributed to potential purchasers of the Bonds. Such official statement shall contain the terms and conditions of sale set forth in the notice of sale adopted in Section 4 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. The Director of Finance is authorized on behalf of the City to deem the official statement near "final" as of its date, in accordance with Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934.

**Section 7. 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 awarding the sale and prescribing the terms of the Bonds, to provide annual reports of specified information and notice of the occurrence of certain events, if material. The District Fund and the Revolving Fund of the City are the only "obligated persons" 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 will be 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.

Passed by the City Council of the City of Billings, Montana, this 27th day of March, 2000.

THE CITY OF BILLINGS:

BY:   
Charles F. Tooley, MAYOR

ATTEST:

BY:   
Marita Herold, CMC /AAE CITY CLERK

