

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

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: "A RESOLUTION OF THE CITY COUNCIL AMENDING RESOLUTION #06-18456 SUBMITTING TO THE QUALIFIED ELECTORS OF THE CITY OF BILLINGS, MONTANA, THE QUESTION OF ISSUING GENERAL OBLIGATION BONDS UP TO AN AMOUNT OF TWELVE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$12,500,000.00) FOR THE PURPOSE OF PAYING THE COSTS OF DESIGNING, CONSTRUCTING AND EQUIPPING A NEW BASEBALL STADIUM AND RELATED IMPROVEMENTS IN ATHLETIC PARK, AND PAYING COSTS ASSOCIATED WITH THE SALE AND ISSUANCE OF THE BONDS; AND AUTHORIZING THE LEVY OF ADDITIONAL MILLS OVER THE CITY CHARTER LIMIT IN AN AMOUNT SUFFICIENT TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS" (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 August 14, 2006, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 14th day of August, 2006.

(SEAL)

City Clerk

RESOLUTION NO. 06-18458

A RESOLUTION OF THE CITY COUNCIL AMENDING RESOLUTION #06-18456 SUBMITTING TO THE QUALIFIED ELECTORS OF THE CITY OF BILLINGS, MONTANA, THE QUESTION OF ISSUING GENERAL OBLIGATION BONDS UP TO AN AMOUNT OF TWELVE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$12,500,000.00) FOR THE PURPOSE OF PAYING THE COSTS OF DESIGNING, CONSTRUCTING AND EQUIPPING A NEW BASEBALL STADIUM AND RELATED IMPROVEMENTS IN ATHLETIC PARK, AND PAYING COSTS ASSOCIATED WITH THE SALE AND ISSUANCE OF THE BONDS; AND AUTHORIZING THE LEVY OF ADDITIONAL MILLS OVER THE CITY CHARTER LIMIT IN AN AMOUNT SUFFICIENT TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS

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

Section 1. Recitals.

1.01. Authorization. A city or town is authorized pursuant to Section 7-7-4221, M.C.A., to issue general obligation bonds pledging the general credit of the City for the purpose of acquiring land for and designing and erecting public buildings, upon approval of the electorate of the city or town, provided that such indebtedness will not cause the total indebtedness of the city to exceed 1.51% of the total assessed valuation of taxable property of the city, determined as provided in Section 15-8-111, M.C.A., ascertained by the last assessment for state and county taxes.

A city or town is authorized pursuant to Section 7-16-4104, M.C.A., to incur indebtedness upon the credit of the city or town for the purpose of procuring by purchase, construction or otherwise for various cultural, social and recreational purposes upon approval of the electorate of the city or town, provided that the amount of indebtedness contracted for that purpose does not exceed 0.9% of the total assessed value of taxable property within the City, determined as provided in Section 15-8-111, M.C.A., as ascertained by the last completed assessment for state and county taxes prior to this date.

A city council is authorized pursuant to Section 7-7-4223, M.C.A., to call a bond election by adopting a resolution to that effect.

1.02. Proposed Baseball Stadium Project. The City Parks, Recreation, and Public Lands Department (the “Department”), based on the recommendation of the Special Steering Committee appointed by the Council and Mayor, has proposed that the City issue general obligation bonds to pay for the costs of designing, constructing and equipping a new baseball stadium in Athletic Park, meeting all current requirements and standards of the National Association of Professional Baseball Leagues, including 3,500 fixed seats and available additional capacity through grass berm seating and standing room, including handicapped seating areas, multiple concession points of service, locker rooms, restrooms, scoreboard, playing field,

lighting, landscaping, parking, field maintenance storage, and media and announcers facilities, seating shade structures, and related improvements (the "Project").

1.03. Estimated Cost. The estimated cost of the Project, and costs associated with the sale and issuance of the Bonds is TWELVE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$12,500,000.00).

1.04. Debt Limitation. The Council has determined that the issuance of general obligation bonds up to the total aggregate amount of TWELVE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$12,500,000.00) will not cause the City to exceed its general statutory indebtedness limitation, which in May, 2006, is calculated to be \$69,069,745.

The Council has determined that the issuance of general obligation bonds up to the total aggregate amount of \$12,500,000.00 will not cause the City to exceed its indebtedness for the recreational facilities, which in May, 2006 is calculated to be \$38,286,204.

1.05. Mills. If approved by the voters, there will be a levy of additional mills over a period of 20 years as may be required to pay the principal of and interest on \$12,500,000 general obligation bonds for the baseball stadium Project. It is estimated that 7.80 additional mills per year would be needed to pay the principal of and interest on the Bonds over a 20 year period, assuming a 5.75% interest rate, based on the current taxable valuation of the City.

1.06. Election. The Council has determined there should be submitted to the electors of the City qualified to vote at bond elections the question of whether or not the Council shall be authorized to issue and sell general obligation bonds of the City in order to obtain funds for the Project, paying costs associated with the sale and issuance of the bonds and authorizing the levy of additional mills over the City Charter limit in an amount sufficient to pay principal of and interest on the bonds.

1.07. Bonds. It is the judgment of the Council that the aggregate sum of TWELVE MILLION FIVE HUNDRED THOUSAND Dollars (\$12,500,000.00), will be necessary to carry out the purposes set forth above. It is also the judgment and determination of the Council that each such series of bonds will be payable during a term not to exceed twenty (20) years and shall be redeemable on any interest payment date after one-half of the term for which they are issued.

Section 2. Calling of the Election. The Council of the City hereby calls and directs a special city election to be held on November 7, 2006, in conjunction with the regular election, for the purpose of voting on the following question:

Shall the Council be authorized to issue and sell general obligation bonds of the City up to the amount of TWELVE MILLION FIVE HUNDRED THOUSAND Dollars (\$12,500,000.00), bearing interest at a rate to be determined by the Council at a competitive bid, payable semi-annually during a term not to exceed twenty (20) years and redeemable on any interest payment date after one-half of their term for the purpose of paying the costs of designing, constructing and equipping a new baseball stadium and related improvements in Athletic Park, and paying costs associated with the sale and issuance of the bonds; and authorizing the levy of approximately 7.80 additional mills

over the City Charter limit in an amount sufficient to pay principal of and interest on the bonds?

Section 3. Conduct of Election. All qualified electors of the City shall be entitled to vote at the bond election. The Yellowstone County Election Administrator is hereby requested to close registration, give notice thereof and upon close of registration to prepare printed lists of the electors in the City entitled to vote in the election in the City and to conduct the election in the form and manner prescribed by law.

Section 4. Notice of Election. The City Clerk is hereby authorized and requested to cause notice of the call and holding of the election to be given by publishing notice at least once a week for the two consecutive weeks before the election in the *Billings Times*, a newspaper of general circulation in Yellowstone County. The notice of election as published shall read substantially as follows:

NOTICE OF GENERAL OBLIGATION BOND ELECTION

City of Billings, Montana
November 7, 2006

NOTICE IS HEREBY GIVEN by the City Council (the "Council") of the City of Billings, Montana (the "City"), that pursuant to a certain resolution duly adopted at a regular meeting of the Council on June 26, 2006, a special city election of the registered voters of the City will be held on November 7, 2006, in conjunction with the regular election, for the purpose of voting on the following question:

Shall the Council be authorized to issue and sell general obligation bonds of the City up to the amount of Twelve Million Five Hundred Thousand Dollars (\$12,500,000.00), bearing interest at a rate to be determined by the Council at a competitive bid, payable semiannually during a term of not to exceed twenty (20) years and redeemable on any interest payment date after one-half of their term for the purpose of paying the costs of designing, constructing and equipping a new baseball stadium and related improvements in Athletic Park and paying costs associated with the sale and issuance of the bonds; and authorizing the levy of approximately 7.80 additional mills over the City Charter limit in an amount sufficient to pay principal of and interest on the bonds?

The polls shall be open between the hours of 7:00 a.m. and 8:00 p.m., and the polling places for the election shall be the normal polling places for City residents during a general election. Absentee ballots may be obtained at the office of the Yellowstone County Election Administrator at the Yellowstone County Courthouse, 217 North 27th, Billings Montana until 12:00 noon, November 6, 2006.

DATED this ____ day of _____, 2006.

Marita Herold, CMC/AAE
City Clerk

Publish: October 19, 2006
 October 26, 2006

Section 5. Ballots. The Election Administrator is hereby requested to prepare suitable ballots for use at the election at the polling places, together with the precinct lists.

Section 6. Form of Ballots. The ballots shall be printed in substantially the following forms:

OFFICIAL BALLOT
CITY OF BILLINGS, MONTANA
GENERAL OBLIGATION BOND ELECTION
NOVEMBER 7, 2006

INSTRUCTIONS TO VOTERS: Make an X or similar mark in the vacant square before the words "GENERAL OBLIGATION BONDS--YES" if you wish to vote for the bond issue; if you are opposed to the bond issue make an X or similar mark in the square before the words "GENERAL OBLIGATION BONDS--NO".

**NEW BASEBALL STADIUM-ATHLETIC PARK GENERAL OBLIGATION
FACILITY BONDS**

Shall the Council be authorized to issue and sell general obligation bonds of the City up to the amount of TWELVE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$12,500,000.00), bearing interest at a rate to be determined by the Council at a competitive bid, payable semiannually during a term of not to exceed twenty (20) years and redeemable on any interest payment date after one-half of their term for the purpose of paying the costs of designing, constructing and equipping a new baseball stadium and related improvements in Athletic Park, and paying costs associated with the sale and issuance of the bonds; and authorizing the levy of approximately 7.80 additional mills over the City Charter limit in an amount sufficient to pay principal of and interest on the bonds?

GENERAL OBLIGATION BONDS — YES
 GENERAL OBLIGATION BONDS — NO

Section 7. Notice to County Election Administrator. That a copy of this resolution will be provided to the Yellowstone County Election Administrator as soon as possible after its adoption and approval in order to inform him of the details of the election and the pertinent requests and authorizations as to the conduct of the election.

Section 8. Reimbursement Expenditures.

(a) The United States Department of Treasury has promulgated final regulations governing the use of proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the City for project expenditures paid by the City prior to the date of issuance of such bonds. Those regulations (Treasury Regulations, Section 1.150-2) (the “Regulations”) require that the City adopt a statement of official intent to reimburse an original expenditure not later than 60 days after payment of the original expenditure. The Regulations also generally require that the bonds be issued and the reimbursement allocation made from the proceeds of the bonds within 18 months (or three years, if the reimbursement bond issue qualifies for the “small issuer” exception from the arbitrage rebate requirement) after the later of (i) the date the expenditure is paid or (ii) the date the project is placed in service or abandoned, but (unless the issue qualifies for the “small issuer” exception from the arbitrage rebate requirement) in no event more than three years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the bonds.

(b) Other than (i) expenditures to be paid or reimbursed from sources other than the bonds, (ii) expenditures permitted to be reimbursed under the transitional provision contained in Section 1.150-2(j)(2) of the Regulations, (iii) expenditures constituting preliminary expenditures within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iv) expenditures in a “de minimus” amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures for the project have been paid by the City before the date 60 days before the date of adoption of this resolution.

(c) The City reasonably expects to reimburse the expenditures made for costs of the project out of the proceeds of bonds up to an estimated maximum aggregate principal amount of Twelve Million Five Hundred Thousand Dollars (\$12,500,000.00) after the date of payment of all or a portion of the costs of the project. All reimbursed expenditures shall be capital expenditures, a cost of issuance of the bonds or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations.

(d) As of the date hereof, there are no City funds reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the expenditures related to the project, other than pursuant to the issuance of the bonds. The statement of intent contained in this resolution, therefore, is determined to be consistent with the City’s budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof.

(e) The City’s financial officer shall be responsible for making the “reimbursement allocations” described in the Regulations, being generally the transfer of the appropriate

amount of proceeds of the bonds to reimburse the source of temporary financing used by the City to make prior payment of the costs of the project. Each allocation shall be evidenced by an entry on the official books and records of the City maintained for the bonds or the project and shall specifically identify the actual original expenditure being reimbursed.

PASSED by the City Council of Billings, Montana, this 14th day of August, 2006.

THE CITY OF BILLINGS:

Ron Tussing, Mayor

Attest: _____
Marita Herold, CMC/AAE City Clerk

(SEAL)