

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 2008A (SPECIAL IMPROVEMENT DISTRICT NOS. 1378, 1379, 1380, AND 1383), IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,075,000; AUTHORIZING THE PLEDGE OF THE REVOLVING FUND OF THE CITY TO THE BONDS ALLOCABLE TO DISTRICT NO. 1380 AND TAKING CERTAIN ACTIONS WITH RESPECT THERETO" (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 August 25, 2008, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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, Stevens, Veis, Ruegamer, McCall, Ulledalen, Astle, and Clark ; voted against the same: _____; abstained from voting thereon: _____; or were absent: _____

WITNESS my hand officially this 25th day of August, 2008.

Cari Martin
Cari Martin, City Clerk

RESOLUTION NO. 08-18747

RESOLUTION RELATING TO POOLED SPECIAL IMPROVEMENT DISTRICT BONDS, SERIES 2008A (SPECIAL IMPROVEMENT DISTRICT NOS. 1378, 1379, 1380, AND 1383), IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,075,000; AUTHORIZING THE PLEDGE OF THE REVOLVING FUND OF THE CITY TO THE BONDS ALLOCABLE TO DISTRICT NO. 1380 AND TAKING CERTAIN ACTIONS WITH RESPECT THERETO”

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 City Council has duly and validly created and established in the City various special improvement districts, designated as (i) Special Improvement District No. 1378 (“District No. 1378”), (ii) District No. 1379 (“District No. 1379”), (iii) District No. 1380 (“District No. 1380”), and (iv) District No. 1383 (“District No. 1383”) (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 to be associated with the sale and the security of the City’s Pooled Special Improvement District Bonds, Series 2008A (Special Improvement District Nos. 1378, 1379, 1380 and 1383) (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”).

(b) On November 13, 2007, this City Council adopted Resolution No. 07-18629 (the “Intent Resolution”) expressing the intention of the City to create District No. 1380. The City published a notice of passage of the Intent Resolution to create District No. 1380 in the *Billings Times* on November 15 and November 22, 2007. On December 10, 2007, this City Council adopted Resolution No. 07-18650 (the “Formation Resolution”) creating District No. 1380. Both the Intent Resolution and the Formation Resolution expressed the intention of the City to issue the Bonds to finance the cost of the Improvements to District No. 1380; however, neither the Intent Resolution nor the Formation Resolution expressed the intent of the City to pledge the Revolving Fund of the City. The City has always intended to pledge the Revolving Fund as security for the Bonds allocable to District No. 1380.

(c) The City Clerk previously published notice (the “Notice”) of a public hearing (the “Hearing”) relating to pledging the Revolving Fund to the Bonds allocable to District No. 1380 in substantially the form of the attached EXHIBIT A (which is hereby incorporated herein and made a part thereof), which Hearing was held on the date hereof prior to consideration of this Resolution. The Notice was published for two successive weeks prior to the Hearing on August 14 and August 21, 2008 in the *Billings Times*, the official newspaper of the City. The public and all interested parties were allowed to testify at the public hearing and the City Council also considered any written comments submitted to the City Clerk prior to the hearing or submitted to the City Council during the hearing.

(d) On August 11, 2008, this City Council adopted a resolution authorizing the public, competitive sale of the Bonds on September 8, 2008. Principal of and interest on the Bonds will be paid from special assessments levied against the property in the Improvements

Section 2. Actions Relating to the Pledge of the Revolving Fund to the Bonds Allocable to Special Improvement District No. 1380.

(a) The previous action taken by City employees is hereby ratified in establishing the date and time of the Hearing before the City Council as a condition to pledging the Revolving Fund to the Bonds allocable to District No. 1380. This City Council ratifies the publication of the Notice in the *Billings Times* for two successive weeks (on August 14 and August 21, 2008) prior to the Hearing.

(b) Montana Code Annotated, Section 7-12-4225 requires that the City shall consider certain specific factors prior to pledging the Revolving Fund to secure special improvement district bonds of the City. In determining to whether to pledge the Revolving Fund of the City to the Bonds allocable to Special Improvement District No. 1380, this City Council has taken into consideration the following factors:

(i) Estimated Market Value of Parcels. The special assessments to be levied against each lot, tract or parcel for the Improvements in District No. 1380, as a general matter, is insignificant in comparison to the market value of such lot, tract or parcel in the Improvement areas.

(ii) Diversity of Property Ownership. Substantially all the lots, tracts or parcels in District No. 1380 are under separate ownership. Given the diversity of ownership, it is unlikely that financial difficulties would arise that would require a loan to be made from the Revolving Fund.

(iii) Comparison of Special Assessments, Property Taxes and Market Value. The estimated total principal amount of the assessments for District No. 1380 range from \$1,052.63 to \$1,502.63 on a per property basis. Given the amount of the proposed assessment for Improvements in District No. 1380 and the amount of the other special assessments and property taxes levied against the various parcels in District No. 1380 and the respective market value of the parcels, if the City had to enforce the assessment lien against the properties in District No. 1380, there would be more than sufficient value in the property to secure the obligation to the City.

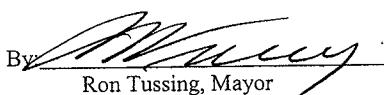
(iv) Delinquencies. The tax delinquency rate for properties in District No. 1380 is no greater than the delinquency rate of the City at large, and therefore, no unusual need for loans from the Revolving Fund are expected.

(v) The Public Benefit of the Improvements. The Improvements in District No. 1380 are of a public nature and generally benefit to the community at large as well as provide a special benefit to the property owners to be assessed in District No. 1380, and therefore, the use of the Revolving Fund to secure the Bonds is in the public interest.

Passed by the City Council of the City of Billings, Montana, this 25th day of August, 2008.



CITY OF BILLINGS

By 
Ron Tussing, Mayor

Attest: Cari Martin
Cari Martin, City Clerk

**NOTICE OF PUBLIC HEARING WITH RESPECT TO PLEDGE OF REVOLVING FUND OF
THE CITY OF BILLINGS TO POOLED SPECIAL IMPROVEMENT DISTRICT BONDS
RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1380**

CITY OF BILLINGS, MONTANA

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Billings, Montana (the "City") will meet on August 25, 2008, at or after 6:30 P.M. in the Council Chambers, 2nd Floor of the Police Facility, 220 North 27th Street, Billings, Montana for the purpose of conducting a public hearing on pledging the City's Special Improvement District Revolving Fund (the "Revolving Fund") to a portion of Pooled Special Improvement District Bonds, Series 2008A (Special Improvement District Nos. 1378, 1379, 1380, and 1383), in the original aggregate principal amount of \$1,075,000 (the "Bonds"), allocable to Special Improvement District No. 1380. After the Hearing, the Council will consider adoption of a resolution relating to pledging the Revolving Fund to the portion of the Bonds allocable to Special Improvement District No. 1380 (the "Resolution").

The City will issue the Bonds in order to finance costs of certain public improvements (the "Improvements") of special benefit to the properties within the Special Improvement District Nos. 1378, 1379, 1380, and 1383 (collectively, the "Districts") and paying costs incidental thereto, including (i) costs associated with the sale and the security of the Bonds, (ii) the creation and improvement of the Districts, and (iii) funding of a deposit to the Revolving Fund.

Subject to the limitations of Montana Code Annotated, Section 7-12-4222, the general fund of the City may be used to provide loans to the Revolving Fund or a general tax levy may be imposed on all taxable property in the City to meet the financial requirements of the Revolving Fund. Pursuant to the Resolution, the City Council will consider factors as to why the pledge of the Revolving Fund to the Bonds allocable to District No. 1380 may be determined to be in the public interest.

Further information regarding the Improvements, Revolving Fund, District No. 1380, or the Bonds or other matters in respect thereof may be obtained from the City Clerk at City Hall, 210 North 27th Street, Billings, Montana or by telephone at (406) 657-8210.

Dated: August 12, 2008.

**BY ORDER OF THE CITY COUNCIL
OF THE CITY OF BILLINGS, MONTANA**

/s/ Cari Martin
City Clerk

Publish: August 14, 2008
August 21, 2008