

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 the resolution, entitled: "RESOLUTION RELATING TO ECONOMIC DEVELOPMENT REVENUE BONDS (COR ENTERPRISES PROJECT) OF THE CITY IN AN APPROXIMATE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,790,000; GRANTING PRELIMINARY APPROVAL THERETO; AND CALLING A PUBLIC HEARING ON SUCH BONDS AND PROJECT" (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 meeting on June 14, 2010, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: none ; abstained from voting thereon: none ; or were absent: none .

WITNESS my hand officially this 14th day of June, 2010.



(SEAL)

Cari Martin
City Clerk

RESOLUTION NO. 10-18943

RESOLUTION RELATING TO ECONOMIC DEVELOPMENT REVENUE BONDS (COR ENTERPRISES PROJECT) OF THE CITY IN AN APPROXIMATE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,790,000; GRANTING PRELIMINARY APPROVAL THERETO; AND CALLING A PUBLIC HEARING ON SUCH BONDS AND PROJECT

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

Section 1. Recitals.

1.01. The City is authorized by Title 90, Chapter 5, Part 1, as amended, Montana Code Annotated (the "Act"), to issue and sell revenue bonds for the purpose of defraying the cost of acquiring or improving any project, defined to include any land, any building or other improvement and any other real or personal properties deemed necessary in connection therein, which shall be suitable for use for commercial, manufacturing, agricultural or industrial enterprises; recreation or tourist facilities; local, state and federal governmental facilities; multifamily housing, hospitals, long-term care facilities or medical facilities; higher education facilities; electric energy generation facilities; family services provider facilities; and any combination of these projects; and to lease such projects, or to loan the proceeds of such bonds, to others upon such terms and conditions as the City may deem advisable. A family services provider means an organization, including a nonprofit corporation, that provides human services for children and adults, including but not limited to early care services for children, youth services, health services, social services, habilitative services, rehabilitative services, preventive care, and supportive services, and training, educational, and referral activities in support of human services.

1.02. Community Option Resource Enterprises, Inc. (COR Enterprises), a Montana nonprofit corporation (the "Borrower"), which is a nonprofit, social services agency that provides vocational and supported living services to adults with disabilities, has proposed that the City, pursuant to the Act, issue its economic development revenue bonds or notes in an approximate aggregate principal amount not to exceed \$1,790,000 (the "Bonds"), the proceeds of which will be loaned by the City to the Borrower to finance a portion of the costs of designing and constructing a new facility to be owned by the Borrower that will be used for its tax-exempt purpose, such facility to include office space, production areas and treatment areas, as well as related improvements (the "Project"), and to pay certain costs associated with the sale of the Bonds and any other eligible costs. The Project will be owned and operated by the Borrower and will be located at Lots 6, 7 and 8 of Woodland Commerce Park Subdivision on Lampman Drive in Billings, Montana. As compared to its existing facility, the Project will provide COR Enterprises with a safer and more accessible facility for persons with disabilities and will provide increased capacity to serve persons with disabilities.

1.03. Under the provisions of the Act, the Bonds are special, limited obligations of the City and shall not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers.

Section 2. Preliminary Findings. Based on representations made by the Borrower, the Council hereby makes preliminary findings, determinations and declarations, subject to final findings, determinations and declarations following the public hearing provided for in Section 4, as follows:

(a) The Project, as proposed, will be eligible for financing under the Act and the City is authorized to issue revenue bonds to defray the costs of making a loan to the Borrower, the proceeds of which will be used to finance a portion or all of the costs of acquiring, constructing, equipping and improving the Project and paying the costs and expenses incident to the issuance and sale of the Bonds, including any security for the Bonds, and to enter into a Loan Agreement with the Borrower requiring loan repayments from the Borrower in amounts sufficient to repay the loan when due and requiring the Borrower to pay all costs of maintaining and insuring the Project, including taxes thereon.

(b) First Interstate Bank, of Billings, Montana, has agreed to purchase the Bonds.

(c) 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 Bonds when due.

(d) The loan shall be secured by an indenture of trust on the Project and such other security as the purchaser and the Borrower shall agree.

(e) In preliminarily authorizing the acquisition, construction, furnishing, equipping and improvement of the Project and the issuance of the Bonds, the City's purpose is to promote the general welfare of the City, to provide employment and educational opportunities for its residents, to encourage energy efficiencies in the new construction of facilities, to aid in economic development and to further the purposes and policies of the Act.

(f) The undertaking of the Project and the issuance of the Bonds to finance all or a portion of the costs thereof is in the public interest.

Section 3. Preliminary Approval. This Council hereby gives preliminary approval to the Project and the issuance of the Bonds in an approximate aggregate principal amount not to exceed \$1,790,000 to finance all portion of the costs thereof, subject to final approval following the public hearing provided for in Section 4, and subject to compliance by the Project with applicable local, state and federal rules, regulations and ordinances, and the Borrower obtaining all necessary local, state and federal permits, licenses and approvals, if any, for the Project, and subject to final approval by the Council that the financing of the Project is in the best interest of the City.

Section 4. Public Hearing. Section 90-5-104 of the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), require that, prior to the issuance of the Bonds a public hearing duly noticed shall be held by the City on the proposed Project. Pursuant to such authority, a public hearing is hereby called and shall be held on July 12, 2010 at 6:30 p.m. in the Council Chambers on the second floor of the Police Facility, 220 N. 27th Street, Billings, Montana, on the proposed Project and the issuance of Bonds to finance the costs thereof. The notice shall be published at least once a week for 3 consecutive weeks in the *Billings Times*, the official newspaper of the City and published in Yellowstone County, Montana, in substantially the form set forth as Exhibit A hereto.

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, whether or not the Project is carried to completion and whether or not the Bonds are issued.

Section 6. Commitment Conditional. The adoption of this resolution does not constitute a guarantee or a firm commitment that the City will issue the Bonds as requested by the Borrower. If, based on comments received at the public hearing to be held pursuant to this resolution, or other information made available to or obtained by the City during its review of the application and the Project, it appears that the Project or the issuance of Bonds to finance the costs thereof is not in the public interest or consistent with the purposes of the Act, or that the Borrower is unable to obtain the necessary approvals referred to in Section 3, the City reserves the right not to give final approval to the issuance of the Bonds. The City also retains the right, in its sole discretion, to withdraw from participation and accordingly not issue the Bonds 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 Bonds 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 14th day of June, 2010.



CITY OF BILLINGS

BY: Thomas W. Hanel
Thomas W. Hanel, Mayor

Attest: Cari Martin
Cari Martin, City Clerk

EXHIBIT A

CITY OF BILLINGS, MONTANA

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Billings, Montana (the "City") will hold a public hearing on July 12, 2010, at 6:30 p.m., M.T., at Council Chambers on the second floor of the Police Facility, 220 N. 27th Street, Billings, Montana, for the purpose of conducting a public hearing on a proposal that the City issue economic development revenue bonds or notes in an approximate aggregate principal amount not to exceed \$1,790,000 (the "Bonds") under Montana Code Annotated Title 90, Chapter 5, Part 1, as amended (the "Act"), on behalf of Community Option Resource Enterprises, Inc. (COR Enterprises), a Montana nonprofit corporation (the "Borrower").

The proceeds of the Bonds will be loaned by the City to the Borrower to finance a portion of the costs of designing and constructing a new facility, which includes office space, production areas and treatment areas, as well as related improvements (the "Project"), and to pay certain costs associated with the sale of the Bonds and any other eligible costs. The Project will be owned and operated by the Borrower and will be located at Lots 6, 7 and 8 of Woodland Commerce Park Subdivision on Lampman Drive in Billings, Montana. Compared to its current facility, the Project will provide the Borrower with a safer and more accessible facility for persons with disabilities and will provide increased capacity to serve persons with disabilities. The Project is expected to cost approximately \$2,487,500.

The Bonds will be secured by a pledge of the revenues to be derived by the City from a loan agreement with the Borrower and by such other security devices, if any, as may be deemed advantageous, including a mortgage or trust indenture on the Project. The Bonds will be a special, limited obligation of the City, and the Bonds and interest thereon will be payable solely from the revenues of the Borrower pledged to the payment thereof. The holder of the Bonds will never have the right to compel any exercise of the taxing power of the City to pay the Bonds or the interest thereon, nor to enforce payment thereof against any property of the City except money payable by the Borrower to the City and pledged to the payment of the Bonds.

Any interested persons may appear and will be heard at the public hearing at the time and place stated above or may file written comments with the City Clerk prior to the date of such hearing. Further information regarding the proposal is on file and available for public inspection in the office of the City Clerk at City Hall.

For additional information on the proposed resolution, contact: Bruce McCandless, Assistant City Administrator or Patrick M. Weber, Financial Services Manager, City of Billings, 210 N 27th Street, Billings, Montana, 59103 or by calling 657-8207.

Dated: June 14, 2010

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

Publication Dates: June 17, 2010
June 24, 2010
July 1, 2010