

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 AIRPORT REVENUE REFUNDING BONDS, SERIES 2010; AUTHORIZING THE ISSUANCE AND NEGOTIATED 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 meeting on May 24, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: Pitman, Cimmino, McFadden, Ruegamer, McCall, Ulledalen, Astle, Clark; voted against the same: none; abstained from voting thereon: none; or were absent: Ronquillo, Gaghen

WITNESS my hand officially this 24th day of May, 2010.



(SEAL)

Cari Martin
City Clerk



RESOLUTION NO. 10-18941

RESOLUTION RELATING TO AIRPORT REVENUE REFUNDING BONDS,
SERIES 2010; AUTHORIZING THE ISSUANCE AND NEGOTIATED SALE
THEREOF

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

Section 1. Recitals. The City pursuant to Montana Code Annotated ("M.C.A."), Title 67, Chapter 11, Parts 1-4 as amended (the "Act"), and other laws of the State of Montana, has established and presently owns and operates certain airport facilities commonly known as Billings Logan International Airport (the "Airport"). The Council has elected to exercise the powers of an airport authority under the Act. Under the provisions of the Act, the City is authorized to issue and sell its revenue bonds to provide funds for any of its corporate purposes related to the Airport and to refund its revenue bonds issued for such purpose. Pursuant to such authorization, this Council previously issued and sold airport revenue bonds of the City denominated Airport Revenue Bonds, Series 1990, in the original aggregate principal amount of \$13,295,000 (the "Series 1990 Bonds"). The Series 1990 Bonds were subsequently refunded by the \$11,965,000 Airport Revenue Refunding Bonds, Series 2000, dated as originally issued as of April 1, 2000 (the "Series 2000 Bonds"). The Series 2000 Bonds are currently outstanding in the aggregate principal amount of \$8,120,000 (the "Outstanding Bonds"). It is proposed that the Outstanding Bonds with stated maturities in 2011 and thereafter and outstanding in the aggregate principal amount of \$7,570,000 (the "Refunded Bonds") be refunded in one series of bonds to be issued by the City.

Section 2. Authorization. For the purposes of reducing the interest cost on the Refunded Bonds, it is hereby determined that it is in the best interests of the City to pursue the sale of airport revenue refunding bonds, pursuant to the Act, to refund all or a portion of the Refunded Bonds. Such refunding bonds shall be denominated "Airport Revenue Refunding Bonds, Series 2010" (the "Bonds"), and shall be issued in the aggregate principal amount necessary to provide funds, with other available funds of the City, to pay the interest on, principal of and redemption premium on all the Refunded Bonds, as determined by the officers of the City identified pursuant to Section 3 and within the limitations therein established so as to maximize debt service savings, assuming that the Refunded Bonds are called for redemption on a date as soon as reasonably practicable within the limitations described in Section 3, at a redemption price equal to the 102% of the principal amount thereof plus interest accrued to the date of redemption

Section 3. Sale of Bonds; Bond Purchase Agreement. Pursuant to the Act, this Council had previously determined that it would be in the best interests of the City to sell the Bonds at a negotiated sale and pursuant to a request of proposal process duly authorized by this Council, with the assistance of the City's financial advisor Springsted Incorporated, Piper Jaffray & Co., of Helena, Montana and Denver, Colorado, was selected to be the underwriter of the Bonds (the "Underwriter"). The Bonds shall be sold to the Underwriter on terms and at a purchase price within the following limitations: (1) the purchase price shall be not less than 99.305% of par, exclusive of original issue discount or original issue premium; (2) the aggregate principal amount of the Bonds shall not exceed \$7,800,000; (3) the debt service payable on the Bonds is such that the net present value of debt service savings to be achieved by the refunding is not less than 3.00% of the debt service on the Refunding Bonds, using the yield of the Bonds as the discount factor, calculated over the remaining term of the Refunded Bonds; (4) the maximum average interest rate on the Bonds shall not exceed 5.00%; (5) the average annual interest rate on the Bonds is at least one-half of one percent (0.50%) less than the average annual interest rate on the Refunded Bonds, and (6) the terms shall not extend beyond the current maturity of the Outstanding Bonds. All costs of issuing the Bonds (including, without limitation, the fees and expenses of bond counsel, the fees of the Paying Agent and Registrar, rating agency fees, underwriter fees, financial advisor fees, printing expenses relating to the preliminary official statement and official statement, and the costs of printing the Bonds) shall be paid by the City.

The Financial Services Manager of the City (the "Financial Services Manager") is hereby authorized and directed to approve the principal amounts, purchase price, maturity dates (provided that the final maturity date complies with the requirements of the Act), basic and additional interest rates, original issue discount or original issue premium, and redemption provisions of or relating to the Bonds, subject to the limitations contained in the preceding paragraph. Upon approving such terms, the Financial Services Manager and the City Administrator are hereby authorized and directed to approve, execute and deliver to the Underwriter a bond purchase agreement (the "Bond Purchase Agreement"), containing the agreement of the City to sell, and the agreement of the Underwriter to purchase, the Bonds on the terms so approved, and containing such other provisions as such officers shall deem necessary and appropriate. In the event of the absence or disability of Financial Services Manager or the City Administrator, the Mayor or Deputy City Administrator of the City shall make such approvals and execute and deliver the Bond Purchase Agreement. The execution and delivery by two appropriate

officers of the City of the Bond Purchase Agreement shall be conclusive as to the approval of such officers of the terms of the Bonds and the agreement of the City to sell the Bonds on such terms in accordance with the provisions thereof.

The form of the Bonds and the security therefor shall be prescribed by a subsequent resolution to be adopted by this Council.

Section 4. Preliminary Official Statement. The Financial Services Manager and other officers of the City, in cooperation with the Underwriter, Springsted Incorporated, and Dorsey & Whitney as Bond Counsel and Disclosure Counsel, are hereby authorized and directed to prepare a Preliminary Official Statement to be distributed by the Underwriter to potential purchasers of the Bonds. The Financial Services Manager is hereby authorized and directed on behalf of the City to approve the Preliminary Official Statement and deem it a "final" official statement as of its date, in accordance with Rule 15c2-12(b)(1) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

Adopted this 24th day of May, 2010.



CITY OF BILLINGS, MONTANA

Thomas W. Hanel

Thomas W. Hanel, Mayor

Attest: *Cari Martin*
Cari Martin, City Clerk