

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 QUICK TURN AROUND FACILITY AND AIRPORT REVENUE BONDS, SERIES 2010B (CUSTOMER FACILITY CHARGE SUPPORTED); APPROVING THE QUICK TURN AROUND FACILITY AS A RECOVERY ZONE FACILITY PROJECT; AUTHORIZING THE ISSUANCE OF THE AIRPORT REVENUE BONDS (CUSTOMER FACILITY CHARGE SUPPORTED) AS ECONOMIC RECOVERY ZONE FACILITY BONDS AND AUTHORIZING THE 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 August 23, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: _____
_____; voted against the same: _____
_____; abstained from voting thereon: _____
_____; or were absent: _____.

WITNESS my hand officially this ____ day of August, 2010.

City Clerk

(SEAL)

RESOLUTION NO. _____

RESOLUTION RELATING TO AIRPORT QUICK TURN AROUND FACILITY AND AIRPORT REVENUE BONDS, SERIES 2010B (CUSTOMER FACILITY CHARGE SUPPORTED); APPROVING THE QUICK TURN AROUND FACILITY AS A RECOVERY ZONE FACILITY PROJECT; AUTHORIZING THE ISSUANCE OF THE AIRPORT REVENUE BONDS (CUSTOMER FACILITY CHARGE SUPPORTED) AS ECONOMIC RECOVERY ZONE FACILITY BONDS AND AUTHORIZING THE NEGOTIATED SALE THEREOF

BE IT RESOLVED by the City Council (the “Council”) of the 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. The City’s Director of Aviation and Transit has determined that it is necessary and desirable that a new car wash and maintenance facility be constructed at the Airport for the use of all rental car concessionaires at the Airport (“On-Airport Rental Car Companies”) that enter into an agreement with the City for use of Airport facilities (an “On-Airport Rental Car Company Agreement”). The new car wash and maintenance facility, which will be known as the Quick Turn Around Facility (the “QTA Facility”), is estimated to cost approximately \$6,500,000 (the “Project”). It is proposed that the City would issue Airport Revenue Bonds in the maximum aggregate principal amount of \$7,500,000 to pay the costs of constructing and financing the QTA Facility (the “Airport Facility Revenue Bonds, Series 2010B (Customer Facility Charge Supported)” or the “Series 2010B Bonds”), the principal and interest of which would be payable from Airport revenues, in particular revenues derived from a Customer Facility Fee established by Ordinance No. 10-5515 of the City.

Section 2. Recovery Zone Facility Bonds. Under Internal Revenue Service Notice 2009-50, the City has been allocated authority to issue \$26,831,000 of bonds designated as recovery zone facility bonds, and pursuant to Section 1400U-1(a)(3) of the Code, Section 17-5-116, M.C.A., and the Montana Department of Administration’s Recovery Zone Bond Allocation Policy, the City has been reallocated authority from Yellowstone County to issue an additional \$9,973,000 of bonds designated as recovery zone facility bonds, such that the City has \$36,804,000 total authority to issue recovery zone facility bonds, of which \$20,000,000 has been previously allocated. The Director of Aviation and Transit has filed an application with the City Financial Services Manager requesting that this Council authorize the issuance of the Series 2010B Bonds as Recovery Zone Facility Bonds. The Series 2010B Bonds issued to finance the QTA Facility may be issued as Recovery Zone Facility Bonds under Section 1401 of the

American Recovery and Reinvestment Act of 2009, as codified at Sections 1400U-1 through 1400U-3 of the Internal Revenue Code of 1986, as amended (the “Code”).

Section 3. Public Hearing and Findings. At a public hearing duly called, noticed and held on August 23, 2010, as required by the Act and Section 147 of the Internal Revenue Code, all persons who appeared were afforded an opportunity to express their views with respect to the proposal to undertake and finance the Project. Based on the public hearing, any written comments filed with the City Clerk, and such other facts and circumstances as this Council deems relevant, this Council hereby finds, determines and declares, as follows:

(a) The Project, as proposed, will be suitable for use for Airport purposes eligible for financing under the Act and in accordance with Sections 1400U-1 and 1400U-3 of the Code.

(b) In preliminarily authorizing the Project and the issuance of the Series 2010B Bonds, the City’s purpose is and the effect thereof will be to promote the public welfare of the City and its residents by preserving and creating jobs and promoting economic recovery and assisting those most impacted by the recession in a recovery zone.

(c) The undertaking of the Project and the issuance of the Series 2010B Bonds to finance it will be in the public interest.

(d) The City is authorized to designate the Series 2010B Bonds as recovery zone facility bonds under Section 1400U-3 of the Code and Section 90-5-103(6) of the Act.

(e) The Project complies with the requirements of Resolution No. 09-18890.

Section 4. Approval. Subject to Section 7 below, the Council hereby approves the Project and the issuance of the Bonds in the maximum approximate aggregate principal amount of \$7,500,000 to finance the Project, to establish a debt service reserve for the Series 2010B Bonds, and to pay costs associated with the issuance thereof. The Series 2010B Bonds shall be designated “recovery zone facility bonds” under Section 1400U-3 of the Code.

Section 5. Allocation. The Council hereby allocates \$7,500,000 of the City’s authority to issue recovery zone facility bonds to the Project.

Section 6. Sale of the Series 2010B 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 Series 2010B Bonds at a negotiated sale and, pursuant to a request for proposal process, duly authorized by this Council, with the assistance of the City’s financial advisor Springsted Incorporated, selected Piper Jaffray & Co., of Helena, Montana and Denver, Colorado, to be the underwriter of the Series 2010B Bonds (the “Underwriter”). The Series 2010B 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 Series 2010B Bonds shall not exceed \$7,500,000; and (3) the adjusted yield of the Series 2010B

Bonds to the City over the term of the Series 2010B Bonds shall not exceed 5.80% per annum. All costs of issuing the Series 2010B 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 Series 2010B Bonds) shall be paid by the City.

The City 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 Series 2010B 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 Series 2010B 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 the 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 Series 2010B Bonds and the agreement of the City to sell the Series 2010B Bonds on such terms in accordance with the provisions thereof.

The form of the Series 2010B Bonds and the security therefor shall be prescribed by a subsequent resolution to be adopted by this Council.

Section 7. Preliminary Official Statement. The Financial Services Manager and other officers of the City, in cooperation with the Underwriter, Springsted Incorporated as financial advisor to the City, 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 Series 2010B 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 23rd day of August, 2010.

CITY OF BILLINGS, MONTANA

Mayor

Attest: _____
City Clerk