

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 Resolution No. \_\_\_\_\_, entitled: "RESOLUTION RELATING TO AIRPORT REVENUE BONDS, SERIES 2020A (PASSENGER FACILITY CHARGE SUPPORTED) AND AIRPORT REVENUE REFUNDING BONDS, SERIES 2020B (CUSTOMER FACILITY CHARGE SUPPORTED); AUTHORIZING THE ISSUANCE AND PRIVATE 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 of the City at a regular meeting on May 11, 2020, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 May, 2020.

(SEAL)

\_\_\_\_\_  
City Clerk

RESOLUTION NO. \_\_\_\_\_

RESOLUTION RELATING TO AIRPORT REVENUE BONDS,  
SERIES 2020A (PASSENGER FACILITY CHARGE  
SUPPORTED) AND AIRPORT REVENUE REFUNDING  
BONDS, SERIES 2020B (CUSTOMER FACILITY CHARGE  
SUPPORTED); AUTHORIZING THE ISSUANCE AND  
PRIVATE 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; Prior City Actions.

1.01. The City pursuant to Montana Code Annotated, 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.

1.02. Pursuant to the Act, the City has determined that it is necessary and desirable to undertake the expansion and reconfiguration of the existing Airport terminal, including the design, construction and equipping of a new TSA screening area, eight new terminal gates and hold rooms, food and gift concessions facilities, security data systems, public use areas and related improvements (the "Airport Project"). The total cost of the Airport Project is estimated to be \$60 million.

It is hereby determined that it is in the best interests of the City to issue its Series 2020A Bonds (as hereinafter defined) in order to finance eligible costs of the Airport Project. The principal and interest on the Series 2020A Bonds would be payable from revenues received by the City from passenger facility charges imposed by the City in accordance with Title 14, Code of Federal Regulations, Part 158 as approved by the Federal Aviation Administration pursuant to passenger facility charge applications ("Passenger Facility Charges") and by Net Revenues of the Airport. The remaining costs of the Airport Project will be paid for with a combination of grant funding and airport revenues on hand and available therefor.

1.03. Pursuant to the Act and Resolution No. 10-18970 of the City adopted by the Council on July 26, 2010, as amended and supplemented by Resolution No. 10-19005 of the City adopted by the Council on October 4, 2010 (together, the "Resolution"), the City issued its Airport Revenue Bonds, Series 2010B (Customer Facility Charge Supported), in the original aggregate principal amount of \$6,525,000 (the "Series 2010B Bonds"). Proceeds of the Series 2010B Bonds were used to finance costs of the design, construction and equipping of a car wash and maintenance facility at the Airport for use by rental car concessionaires (the "Quick Turn Around Facility").

The Series 2010B Bonds with stated maturities on or after July 1, 2021 (the “Refunded Bonds”) are subject to redemption on and after July 1, 2020. The Refunded Bonds are outstanding in the aggregate principal amount of \$3,985,000. 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 issue its Series 2020B Bonds (as hereinafter defined) in order to refund the Refunded Bonds. The principal and interest on the Series 2020B Bonds would be payable from charges imposed on automobile rentals at the Airport pursuant to Ordinance No. 10-5515 of the City, approved by the Council on June 28, 2010, as amended or supplemented (“Customer Facility Charges”), and by Net Revenues of the Airport.

## Section 2. Public Hearing; Authorizations.

2.01 On May 11, 2020, the City held a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended. All persons who appeared were afforded an opportunity to express their views with respect to the Airport Project, the refunding of the Refunded Bonds and the use of the proceeds of the Series 2020 Bonds.

2.02 It is hereby determined that it is in the best interests of the City to pursue the sale of its Airport Revenue Bonds, Series 2020A (Passenger Facility Charge Supported) (the “Series 2020A Bonds”) for the purpose of financing eligible costs of the Airport Project, funding a deposit to a debt service reserve account for the Series 2020A Bonds, and paying costs of issuance of the Series 2020A Bonds, as determined by the officers of the City identified pursuant to, and subject to the limitations set forth in, Section 4 hereof.

It is hereby determined that it is in the best interests of the City to pursue the sale of its Airport Revenue Refunding Bonds, Series 2020B (Customer Facility Charge Supported) (the “Series 2020B Bonds”) for the purpose of refunding the Refunded Bonds, funding a deposit to a debt service reserve account for the Series 2020B Bonds, and paying costs of the refunding and costs of issuance of the Series 2020B Bonds, as determined by the officers of the City identified pursuant to, and subject to the limitations set forth in, Section 4 hereof.

## Section 3. Negotiated Sale and Terms.

3.01. This Council hereby determines that it would be in the best interests of the City to sell the Series 2020 Bonds through private negotiated sales to one or more financial institutions (the “Purchaser(s)”).

3.02. The Series 2020A Bonds shall be sold to the Purchaser(s) on terms within the following limitations and conditions: (1) the maximum aggregate principal amount of the Series 2020A Bonds, exclusive of original issue discount or premium, shall not exceed \$37,500,000; (2) the maximum true interest cost on the Series 2020A Bonds shall not exceed 5.0%; and (3) the final stated maturity of the Series 2020A Bonds shall not be later than 25 years from their date of issuance.

The Series 2020B Bonds shall be sold to the Purchaser(s) on terms within the following limitations and conditions: (1) the maximum aggregate principal amount of the Series 2020B Bonds, exclusive of original issue discount or premium, shall not exceed \$3,985,000; (2) the

maximum true interest cost on the Series 2020B Bonds shall not exceed 3.25%; and (3) the final stated maturity of the Series 2020B Bonds shall not be later than the final stated maturity of the Refunded Bonds.

The forms of the Series 2020 Bonds and the final terms and conditions thereof shall be prescribed by a subsequent resolution to be adopted by this Council. All costs of issuing the Series 2020 Bonds (including, without limitation, the fees and expenses of bond counsel, the fees of the paying agent and registrar, rating agency fees, underwriter fees, municipal advisor fees, preliminary and final Official Statement costs, and the costs of printing the Series 2020 Bonds) shall be paid by the City.

3.03. The City Administrator and the City Finance Director, with the advice of Baker Tilly Municipal Advisors, LLC, municipal advisor to the City (“BakerTilly”), are hereby authorized and directed to select the Purchaser(s) of the Series 2020 Bonds, to determine whether sales of the Series 2020 Bonds shall be pursuant to a public offering and/or a private placement, and to approve the principal amounts, purchase prices, maturity dates, interest rates and redemption provisions of the Series 2020 Bonds, subject to the limitations contained in this Section 4. Upon approving such terms, the City Administrator and City Finance Director are hereby authorized to approve, execute and deliver to the Purchaser(s) a bond purchase agreement or other commitment agreement (the “Bond Purchase Agreement”), containing the agreement of the City to sell, and the agreement of the Purchaser(s) to purchase, the applicable Series 2020 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 City Finance Director and/or City Administrator, the Mayor and/or the Assistant City Administrator shall make such approvals and execute and deliver the Bond Purchase Agreement. The execution and delivery by 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 2020 Bonds and the agreement of the City to sell the Series 2020 Bonds on such terms in accordance with the provisions thereof.

Section 4. Official Statement. If a sale of the Series 2020 Bonds is made pursuant to a public offering, the City Finance Director, in consultation with the Purchaser(s), the City’s municipal advisor and the City’s bond counsel, is authorized to prepare on behalf of the City an Official Statement, to be distributed by the Purchaser(s) to prospective investors with respect to the Series 2020 Bonds. The Official Statement shall contain such information as shall be advisable and necessary to describe accurately the City and the security for, and the terms and conditions of, the Series 2020 Bonds. The City Finance Director is authorized on behalf of the Council to deem the preliminary Official Statement near “final” as of its date, in accordance with Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934.

Section 5. Continuing Disclosure. If a sale of the Series 2020 Bonds is made pursuant to a public offering and to permit the Purchaser(s) and other participating underwriters in the primary offering of the Series 2020 Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, the City will covenant and agree, for the benefit of the registered holders and beneficial owners from time to time of the outstanding Series 2020 Bonds, to provide annual reports of specified information and notice of the occurrence of certain events. A description of any such undertaking will be set forth in the preliminary Official Statement.

Section 6. Defined Terms. Capitalized terms used in this resolution but not otherwise defined shall have the respective meanings given such terms in the Resolution.

Section 7. Effective Date. This resolution shall become effective immediately upon adoption by the Council.

PASSED AND APPROVED by the City Council of the City of Billings, Montana, this 11th day of May, 2020.

\_\_\_\_\_

Mayor

Attest: \_\_\_\_\_  
City Clerk