

**CERTIFICATE AS TO RESOLUTION AND 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 AIRPORT REVENUE REFUNDING BONDS, SERIES 2000; APPROVING THE FORM OF THE BOND PURCHASE AGREEMENT AND AUTHORIZING THE CITY FINANCE DIRECTOR TO ENTER INTO THE BOND PURCHASE AGREEMENT ON BEHALF OF THE CITY OF BILLINGS, MONTANA UPON CERTAIN CONDITIONS" (the "Resolution"), on file in the original records of the Council in my legal custody; that the Resolution was duly adopted by the Council at a meeting on April 26, 1999, and that the meeting was duly held by the 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: Unanimous  
\_\_\_\_\_, voted against the same: none  
\_\_\_\_\_, abstained from voting thereon: none  
\_\_\_\_\_, or were absent: Bradley

WITNESS my hand and seal officially this 26 day of April, 1999.

(SEAL)



Marita Herold  
City Clerk

RESOLUTION NO. 99-17445

RESOLUTION RELATING TO AIRPORT REVENUE REFUNDING BONDS,  
SERIES 2000; APPROVING THE FORM OF THE BOND PURCHASE  
AGREEMENT AND AUTHORIZING THE CITY FINANCE DIRECTOR TO  
ENTER INTO THE BOND PURCHASE AGREEMENT ON BEHALF OF THE  
CITY OF BILLINGS, MONTANA UPON CERTAIN CONDITIONS

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

Section 1. Recitals.

Section 1.01. Authority and Outstanding Bonds. Under the provisions of Title 67, Chapter 110, Parts 1-4, Montana Code Annotated ("M.C.A.") (the "Municipal Airport Act"), the City is authorized to own and operate a municipal airport. The City is further authorized to issue revenue bonds pursuant to Title 7, Chapter 7, Part 44, M.C.A., for public airport construction and a public airport building (the "Municipal Revenue Bond Act"). The City has operated a municipal airport since 1929 under the Municipal Airport Act and has issued bonds (the "Series 1990 Bonds") under the Municipal Revenue Bond Act. The City is also authorized to exercise the powers of an airport authority pursuant to Title 67, Chapter 11, Parts 1-4, M.C.A. (the "Airport Authority Act"). Pursuant to Resolution No. 90-16319, the City has elected to exercise such powers. The Airport Authority Act and the Municipal Airport Act shall be collectively referred to as the Act. The City is also authorized by the Municipal Airport Authority Act to issue and sell airport revenue bonds to refund outstanding bonds issued for similar purposes. Pursuant to such authorization, this Council issued and sold Airport Revenue Bonds, Series 1990, of the City, dated as of September 1, 1990, in the original aggregate principal amount of \$13,295,000 (the "Prior Bonds"). The Prior Bonds are currently outstanding in the aggregate principal amount of \$12,140,000, mature on July 1 in the years 1999 through 2005, 2010 and 2020, and bear interest at the rates of 6.80% to 7.60% per annum. The Prior Bonds are payable from the net revenues derived from the operation of the Billings Logan International Airport (the "Airport"). The Prior Bonds are not subject to redemption until July 1, 2000. As of July 1, 2000, the Prior Bonds will be outstanding in the principal amount of \$11,900,000. The Director of Finance and Administrative Services of the City estimates that in today's market, the Prior Bonds can be refunded to achieve a significant savings. The City has obtained a proposal from D. A. Davidson & Co., of Great Falls, Montana (the "Underwriter") and Sound Capital Management (the "Forward Purchase Advisor") that the City consider a refunding of the Prior Bonds on a forward purchase basis to enable the City to take advantage of today's current interest rate markets, even though the Prior Bonds are not callable until July 1, 2000.

Section 1.02. Preliminary Intent to Sell Bonds. On October 13, 1998, this Council adopted Resolution No. 98-17416, Preliminarily Authorizing the Issuance and Private Negotiated Sale of the Airport Refunding Revenue Bonds, Series 2000 (the "Series 2000 Bonds") to the Underwriter. The Underwriter has presented to the City a form of a Bond Purchase Agreement that is to be entered into between the City and the Underwriter upon the sale of the Series 2000

Bonds (the "Bond Purchase Agreement"), a copy of which is on file with the City Clerk and Director of Finance and Administrative Services.

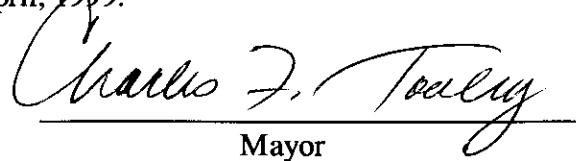
**Section 2. Approval of Bond Purchase Agreement; Authorization to Execute.** The Director of Finance and Administrative Services is hereby authorized and directed to enter into on behalf of the City the Bond Purchase Agreement, the form of which is hereby approved, with such changes as may be approved or agreed upon by the Director of Finance and Administrative Services, City Attorney and Bond Counsel, and the execution by the Director of Finance and Administrative Services shall constitute conclusive evidence of such approval, subject to the following limitations: (1) the aggregate principal amount of the Series 2000 Bonds shall not exceed \$12,500,000; (2) the debt service payable on the Series 2000 Bonds is such that the aggregate debt service savings to be achieved by the refunding is not less than \$2,000,000, taking into consideration all costs associated with the sale and issuance of the Bonds, calculated over the term of the Prior Bonds; (3) the average annual interest rate on the Series 2000 Bonds (including any additional interest) is at least one and fifty-hundredths percent (1.50%) less than the average annual interest rate on the Prior Bonds; and (4) the term of the Series 2000 Bonds shall not extend beyond the final maturity of the Prior Bonds. All Costs of Issuance shall be paid by the City from either the proceeds of the Series 2000 Bonds or other Airport funds.

**Section 3. Preliminary Official Statement.** The Director of Finance and Administrative Services and other officers of the City, in cooperation with the Purchaser, are hereby authorized and directed to prepare a Preliminary Official Statement to be distributed by the Underwriter to potential purchasers of the Series 2000 Bonds. The Director of Finance and Administrative Services 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.

**Section 4. Bond Resolution.** The final terms and conditions of the Series 2000 Bonds will be as set forth in the Bond Resolution, which shall be approved by this Council.

**Section 5. Conflict.** Any provision of this resolution in conflict with Resolution No. 98-17416 shall control.

Passed and approved this 26th day of April, 1999.

  
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Charles J. Tealby  
Mayor

Attest: Marita Herold  
City Clerk

