

including, without limitation, counsel fees and expenses, penalties and interest (collectively, "Losses") arising out of or resulting from the entering into this Agreement, any Property Schedules hereunder, the ownership of any item of the Property, the loss of federal tax exemption of the interest on any of the Property Schedules, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Property or any accident in connection with the operation, use, condition, possession, storage or return of any item of the Property resulting in damage to property or injury to or death to any person; provided, however, that Purchaser shall not be required to indemnify Seller for Losses arising out of or resulting from Seller's own willful or negligent conduct, or for Losses arising out of or resulting from Seller's preparation of disclosure material relating to certificates of participation in this Agreement and any Property Schedule (other than disclosure material provided to Seller by Purchaser). The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement, or the applicable Property Schedule, or the termination of the Term for such Property Schedule for any reason.

ARTICLE XIII

13.01 Events of Default Defined. Any of the following shall constitute an "Event of Default" under a Property Schedule:

- (a) Failure by Purchaser to pay any Installment Payment under the Property Schedule or other payment required to be paid with respect thereto at the time specified therein;
- (b) Failure by Purchaser to observe and perform any covenant, condition or agreement on its part to be observed or performed with respect to the Property Schedule, other than as referred to in subparagraph (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to Purchaser by Seller, unless Seller shall agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, Seller will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Purchaser within the applicable period and diligently pursued until the default is corrected;
- (c) Any statement, representation or warranty made by Purchaser in or pursuant to the Property Schedule or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;
- (d) Purchaser shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Purchaser, or of all or a substantial part of the assets of Purchaser, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general

assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Purchaser in any bankruptcy, reorganization or insolvency proceeding; or

- (e) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Purchaser or of all or a substantial part of the assets of Purchaser, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 60 consecutive days.

The foregoing provisions of Section 13.01 are subject to the following limitation: if by reason of force majeure Purchaser is unable in whole or in part to perform its agreements under this Agreement and the Property Schedule (other than the obligations on the part of Purchaser contained in Article VI hereof) Purchaser shall not be in default during the continuance of such inability. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections, riots, landslides, earthquakes, fires, storms, droughts, floods, explosions, breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Purchaser. Notwithstanding anything in this Agreement to the contrary, an event of Nonappropriation shall not constitute an Event of Default.

13.02 Remedies on Default. Whenever any Event of Default exists with respect to a Property Schedule, Seller shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

- (a) Without terminating the Property Schedule, and by written notice to Purchaser, Seller may declare all Installment Payments and other amounts payable by Purchaser thereunder to the end of the then-current fiscal year of Purchaser to be due, including without limitation delinquent Installment Payments under the Property Schedule from prior fiscal years, and such amounts shall thereafter bear interest at the rate of 12% per annum or the maximum rate permitted by applicable law, whichever is less, subject to appropriation by Purchaser;
- (b) Seller may terminate the Property Schedule, and by written notice to Purchaser, Seller may accelerate the principal component of all outstanding Installment Payments due or to become due during the then-current fiscal year, in which case Purchaser shall pay to Seller such principal component, together with interest thereon from the date of acceleration until so paid at the rate of 12% per annum or the maximum

rate permitted by applicable law, whichever is less, subject to appropriation by Purchaser;

- (c) Seller may terminate the Property Schedule, may enter the premises where the Property subject to the Property Schedule is located and retake possession of the Property, or require Purchaser, at Purchaser's expense, to promptly return any or all of the Property to the possession of Seller at such place within the United States as Seller shall specify, and Seller may thereafter dispose of the Property in accordance with Article 9 of the Uniform Commercial Code in effect in the State, continuing to hold Purchaser liable for any outstanding Installment Payments due or to become due during the then-current fiscal year and all costs and expenses incurred by Seller in exercising its remedies hereunder, including, without limitation, all costs and expenses of taking possession, removing, storing and reconditioning the Property, and including, without limitation, all brokerage and attorneys fees;
- (d) By written notice to any escrow agent who is holding proceeds of the Property Schedule, Seller may instruct such escrow agent to release all such proceeds and any earnings thereon to Seller, such sums to be credited to payment of Purchaser's obligations under the Property Schedule;
- (e) Seller may take any action, at law or in equity, that is permitted by applicable law and that may appear necessary or desirable to enforce or to protect any of its rights under the Property Schedule and this Agreement.

13.04 No Remedy Exclusive. No remedy herein conferred upon or reserved to Seller is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Seller to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article.

13.05 Costs and Attorney Fees. Upon the occurrence of an Event of Default by Purchaser in the performance of any term of this Agreement, Purchaser agrees to pay to Seller or reimburse Seller for, in addition to all other amounts due hereunder, all of Seller's costs of collection, including reasonable attorney fees, whether or not suit or action is filed thereon. Any such costs shall be immediately due and payable upon written notice and demand given to Purchaser, shall be secured by this Agreement until paid and shall bear interest at the rate of 12% per annum or the maximum amount permitted by applicable law, whichever is less, subject to appropriation by Purchaser. In the event suit or action is instituted to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party such sum as the court

may adjudge reasonable as attorneys' fees at trial or on appeal of such suit or action or in any bankruptcy proceeding, in addition to all other sums provided by law.

ARTICLE XIV

14.01 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail, postage prepaid, to the parties hereto at the addresses immediately after the signatures to this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party), to any assignee at its address as it appears on the registration books maintained by Purchaser.

14.02 Further Assurances. Purchaser agrees to execute such other and further documents, including, without limitation, confirmatory financing statements, continuation statements, certificates of title and the like, and to take all such action as may be necessary or appropriate, from time to time, in the reasonable opinion of Seller, to perfect, confirm, establish, reestablish, continue, or complete the interests of Seller in this Agreement and the Property Schedules, to consummate the transactions contemplated hereby and thereby, and to carry out the purposes and intentions of this Agreement and the Property Schedules.

14.03 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Seller and Purchaser and their respective successors and assigns.

14.04 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

14.05 Waiver of Jury Trials. Purchaser and Seller hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of Seller or Purchaser in the negotiation, administration, performance or enforcement hereof.

14.06 Amendments, Changes and Modifications. This Agreement may be amended in writing by Seller and Purchaser to the extent the amendment or modification does not apply to outstanding Property Schedules at the time of such amendment or modification. The consent of all assignees shall be required to any amendment or modification before such amendment or modification shall be applicable to any outstanding Property Schedule.

14.07 Execution in Counterparts. This Agreement and the Property Schedules hereunder may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

14.08 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

14.09 Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

SELLER:
U.S. BANCORP EQUIPMENT
FINANCE, INC.

PURCHASER:
CITY OF BILLINGS, MONTANA

By: _____
Name: _____
Title: _____

By: _____
Name: Thomas Hanel
Title: Mayor

Attest:

By: _____
Name: Cari Martin
Title: City Clerk

PROPERTY SCHEDULE NO. 1
MASTER TAX-EXEMPT INSTALLMENT PURCHASE AGREEMENT

This Property Schedule No. 1 is entered into as of the Commencement Date set forth below, pursuant to that certain Master Tax-Exempt Installment Purchase Agreement (the "Master Agreement"), dated as of October 28, 2011, between U.S. Bancorp Equipment Finance, Inc. (the "Seller") and the City of Billings, Montana (the "Purchaser").

1. Interpretation. The terms and conditions of the Master Agreement are incorporated herein by reference as if fully set forth herein. Reference is made to the Master Agreement for all representations, covenants and warranties made by Purchaser in the execution of this Property Schedule, unless specifically set forth herein. In the event of a conflict between the provisions of the Master Agreement and the provisions of this Property Schedule, the provisions of this Property Schedule shall control. All capitalized terms used herein but not otherwise defined shall have the meanings provided in the Master Agreement.
2. Commencement Date. The Commencement Date for this Property Schedule is October 28, 2011.
3. Property Description and Payment Schedule. The Property subject to this Property Schedule is described in Exhibit 1 hereto. It includes all replacements, parts, repairs, additions, accessions and accessories incorporated therein or affixed or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries. Purchaser shall not remove such property from the locations set forth therein without giving prior written notice, including the new location of such property, to Seller. The Installment Payment Schedule for this Property Schedule is set forth in Exhibit 1 hereto.
4. Opinion. The Opinion of Purchaser's Counsel is attached as Exhibit 2 hereto.
5. Purchaser's Certificate. The Purchaser's Certificate is attached as Exhibit 3 hereto.
6. Proceeds. Seller shall disburse the proceeds of this Property Schedule in accordance with the instructions attached as Exhibit 4 hereto.
7. Acceptance Certificate. The form of Acceptance Certificate is attached as Exhibit 5 hereto.
8. Additional Purchase Option Provisions. Installment Payments payable under this Property Schedule shall be subject to prepayment in whole at any time at the option of the Purchaser by payment of the applicable Prepayment Balance set forth in Exhibit 1 hereto and payment of all accrued and unpaid interest through the date of prepayment.

9. Tax Certificate. Attached as Exhibit 6 hereto.
10. Expiration. Seller, at its sole determination, may choose not to accept this Property Schedule if the fully executed, original Master Agreement (including this Property Schedule and all ancillary documents) is not received by Seller at its place of business by November 11, 2011.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Property Schedule to be executed in their names by their duly authorized representatives as of the Commencement Date above.

SELLER:
U.S. BANCORP EQUIPMENT
FINANCE, INC.

PURCHASER:
CITY OF BILLINGS, MONTANA

By: _____

Name:

Title:

By: _____

Name: Thomas Hanel

Title: Mayor

Attest:

By: _____

Name: Cari Martin

Title: City Clerk

EXHIBIT 1
Property Description and Payment Schedule

Re: **Property Schedule No. 1** to Master Tax-Exempt Installment Purchase Agreement
U.S. Bancorp Equipment Finance, Inc. and the City of Billings, Montana.

The Property is as follows: The Property as more fully described in Exhibit A incorporated herein by reference and attached hereto.

PROPERTY LOCATION: Airport Highway 3 Office Building – 291 South View Drive, Billings, Montana – Lighting Upgrades; Airport Operations Center – 2281 Overlook Drive, Billings, Montana – Lighting Upgrades and Comprehensive Systems Commissioning and Balancing; Airport Terminal Building – 1901 Terminal Circle, Billings, Montana – Lighting Upgrades, Centralized Comprehensive Digital Control System, Variable Frequency Drive Install and Comprehensive Systems Commissioning and Balancing.

USE: Energy Efficiency Improvements. This use is essential to the proper, efficient and economic functioning of Purchaser or to the services that Purchaser provides; and Purchaser has immediate need for and expects to make immediate use of substantially all of the Property, which need is not temporary or expected to diminish in the foreseeable future.

ACCOUNT: Installment Payments payable by the Purchaser pursuant to this Property Schedule shall constitute current expenses of the Purchaser's Airport Enterprise Fund and shall not in any way be construed to be debts of the Purchaser in contravention of any applicable constitutional or statutory limitation or requirements concerning the creation of indebtedness by the Purchaser, nor shall anything contained therein constitute a pledge of the general tax revenues, funds or money of the Purchaser. Installment Payments payable by the Purchaser pursuant to this Property Schedule shall be payable only from current funds which are budgeted and appropriated solely from the Purchaser's Airport Enterprise Fund for such purpose during the fiscal year of the Purchaser for which such funds were budgeted and appropriated. The Purchaser has not pledged the full faith and credit of the Purchaser, Yellowstone County or the State of Montana to the payment of amounts due under the Master Agreement.

Installment Payment Schedule

Total Principal Amount: \$1,353,078.00.

Pay #	Date	Payment	Principal	Interest (4.86%)	Prepayment Balance
1	28-Apr-2012	64,475.00	30,918.04	33,556.96	1,361,824.76
2	28-Oct-2012	64,475.00	31,684.83	32,790.17	1,329,189.39
3	28-Apr-2013	64,475.00	32,470.62	32,004.38	1,295,744.64
4	28-Oct-2013	64,475.00	33,275.91	31,199.09	1,261,470.46
5	28-Apr-2014	64,475.00	34,101.17	30,373.83	1,226,346.25

6	28-Oct-2014	64,475.00	34,946.89	29,528.11	1,190,350.95
7	28-Apr-2015	64,475.00	35,813.59	28,661.41	1,153,462.96
8	28-Oct-2015	64,475.00	36,701.78	27,773.22	1,115,660.12
9	28-Apr-2016	64,475.00	37,612.01	26,862.99	1,076,919.75
10	28-Oct-2016	64,475.00	38,544.80	25,930.20	1,037,218.61
11	28-Apr-2017	64,475.00	39,500.73	24,974.27	996,532.85
12	28-Oct-2017	64,475.00	40,480.37	23,994.63	954,838.08
13	28-Apr-2018	64,475.00	41,484.30	22,990.70	912,109.25
14	28-Oct-2018	64,475.00	42,513.13	21,961.87	868,320.73
15	28-Apr-2019	64,475.00	43,567.47	20,907.53	823,446.23
16	28-Oct-2019	64,475.00	44,647.97	19,827.03	777,458.83
17	28-Apr-2020	64,475.00	45,755.26	18,719.74	730,330.92
18	28-Oct-2020	64,475.00	46,890.01	17,584.99	682,034.21
19	28-Apr-2021	64,475.00	48,052.90	16,422.10	632,539.72
20	28-Oct-2021	64,475.00	49,244.64	15,230.36	581,817.75
21	28-Apr-2022	64,475.00	50,465.92	14,009.08	529,837.84
22	28-Oct-2022	64,475.00	51,717.50	12,757.50	476,568.82
23	28-Apr-2023	64,475.00	53,000.12	11,474.88	421,978.69
24	28-Oct-2023	64,475.00	54,314.55	10,160.45	366,034.71
25	28-Apr-2024	64,475.00	55,661.57	8,813.43	308,703.29
26	28-Oct-2024	64,475.00	57,042.01	7,432.99	249,950.02
27	28-Apr-2025	64,475.00	58,456.67	6,018.33	189,739.64
28	28-Oct-2025	64,475.00	59,906.43	4,568.57	128,036.03
29	28-Apr-2026	64,475.00	61,392.13	3,082.87	64,802.13
30	28-Oct-2026	64,475.00	62,914.69	1,560.31	0.00
Total		1,934,250.00	1,353,078.00	581,172.00	0.00

**PURCHASER:
CITY OF BILLINGS, MONTANA**

By: _____
 Name: Thomas Hanel
 Title: Mayor

Attest:

By: _____
 Name: Cari Martin
 Title: City Clerk

EXHIBIT A
Description of Property

<u>PROJECT</u>	<u>LOCATION</u>	<u>BUDGET</u>
Lighting Upgrade	Airport Hwy 3 Office	\$ 14,834
Lighting Upgrade	Airport Operations Center	92,420
Comprehensive Systems Commissioning & Balancing	Airport Operations Center	20,299
Centralized Comprehensive Digital Control System	Airport Terminal Building	568,429
Variable Frequency Drive Install	Airport Terminal Building	85,464
Lighting Upgrade	Airport Terminal Building	594,274
Comprehensive Systems Commissioning & Balancing	Airport Terminal Building	<u>23,358</u>
Total Project Budget		\$1,399,078
Less Utility Upgrade Incentives		(\$ 46,000)
TOTAL PROPERTY SCHEDULE PURCHASE AMOUNT		\$1,353,078

EXHIBIT 2
Opinion of Dorsey & Whitney LLP

October 28, 2011

City of Billings
Billings, Montana

U.S. Bancorp Equipment Finance, Inc.
Denver, Colorado

Re: Master Tax-Exempt Installment Purchase Agreement
City of Billings, Montana

Ladies and Gentlemen:

We have acted as special counsel to the City of Billings, Montana (the "City"), in connection with the authorization, execution and delivery by the City of the Master Tax-Exempt Installment Purchase Agreement, dated as of October 28, 2011 (the "Lease-Purchase Agreement"), between the City and U.S. Bancorp Equipment Finance, Inc. ("U.S. Bancorp") and Property Schedule No. 1 thereto, dated as of October 28, 2011 (the "Airport Property Schedule"). In that capacity, we have examined executed counterparts, or copies otherwise identified to our satisfaction, of the Lease-Purchase Agreement, the Airport Property Schedule and the Escrow Agreement dated as of October 28, 2011 (the "Escrow Agreement"), between the City, U.S. Bancorp and U.S. Bank National Association, as Escrow Agent, together with certified copies of certain proceedings taken and certain certificates and affidavits furnished by the City in the authorization, execution and delivery of the Lease-Purchase Agreement and the Airport Property Schedule, including a certified copy of Resolution No. [] adopted by the City Council of the City on October 11, 2011. As to questions of fact material to our opinion, we have assumed the authenticity of and relied upon the proceedings, affidavits and certificates furnished to us without undertaking to verify the same by independent investigation.

The installment payments payable by the City under the Airport Property Schedule (the "Installment Payments") are payable solely from the current revenues of the City which are budgeted and appropriated solely from the City's Airport Enterprise Fund and are subject to annual appropriation in accordance with the provisions of the Lease-Purchase Agreement and the Airport Property Schedule. The Lease-Purchase Agreement and the Airport Property Schedule are not general obligations of the City and the general credit and taxing powers of the City are not pledged to the payment of the Installment Payments. U.S. Bancorp is selling to the City energy efficiency improvements described in the Airport Property Schedule (the "Airport Improvements") to be constructed and installed in various buildings and facilities at the City's Airport. The Airport Property Schedule will be in effect for a term commencing as provided therein and ending on October 28, 2026, unless earlier terminated in accordance with its terms. The Installment Payments will be payable at such times and in such amounts and

will comprise principal payments and interest payments as set forth in the Airport Property Schedule. In the sole event that moneys are not appropriated and provided from the City's Airport Enterprise Fund with respect to the Installment Payments, the City may, by written notice to U.S. Bancorp, discontinue the Airport Property Schedule at the end of any fiscal year of the City then in effect. If the City should discontinue the Airport Property Schedule at the end of any such fiscal year in the manner provided therein, the Airport Property Schedule is terminated without penalty or liability on the part of the City to pay any Installment Payments coming due after the fiscal year then in effect, but in such event the City has the obligation to deliver possession of the Airport Improvements to U.S. Bancorp at the time and in the manner provided in the Lease-Purchase Agreement. In the event the City should not discontinue the Airport Property Schedule and does pay all Installment Payments, the rights of U.S. Bancorp in the Airport Improvements will be terminated and U.S. Bancorp must transfer legal title to the Airport Improvements to the City. The City will have an option to purchase U.S. Bancorp's interest in the Airport Improvements on each Installment Payment date in the amount set forth in the Airport Property Schedule.

From our examination of such proceedings, certificates and affidavits, and on the basis of existing law, it is our opinion that:

1. The Lease-Purchase Agreement, the Airport Property Schedule and the Escrow Agreement are each valid and binding instruments of the City, enforceable in accordance with their respective terms.

2. The portion of the Installment Payments designated as interest: (a) is not includable in gross income for federal income tax purposes; (b) is an item of tax preference includable in alternative minimum taxable income for purposes of the federal alternative minimum tax applicable to all taxpayers; and (c) is includable in adjusted current earnings of corporations in determining alternative minimum taxable income for purposes of the federal alternative minimum tax imposed on corporations; provided, however, that we express no opinion as to the portion of the Installment Payments designated specifically as interest for any period during which an interest in the Airport Property Schedule is owned by a person who is a "substantial user" of the City-owned Billings Logan International Airport facilities financed with proceeds of the Airport Property Schedule or by a "related person" of such substantial user, as defined in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code").

3. The portion of the Installment Payments designated as interest is not includable in gross income for State of Montana individual income tax purposes, but is includable in the computation of income for purposes of the Montana corporate income tax and the Montana corporate license tax.

The opinions expressed in paragraph 1 above are subject, as to enforceability, to the effect of any state or federal laws relating to bankruptcy, insolvency, reorganization, moratorium or creditors' rights and the exercise of judicial discretion.

The opinions expressed in paragraphs 2 and 3 above are subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the execution and delivery of the Airport Property Schedule in order that the portion of the Installment Payments that are specifically designated as interest may be, and continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with these continuing requirements. Its failure to do so could result in the inclusion of such interest in gross income for federal income tax purposes, retroactive to the date of execution and delivery of the Airport Property Schedule. Except as stated in this opinion, we express no opinion regarding federal, state or other tax consequences with respect to the Lease-Purchase Agreement or the Airport Property Schedule.

Very truly yours,

EXHIBIT 3
Purchaser's Certificate

Re: **Property Schedule No. 1** to Master Tax-Exempt Installment Purchase Agreement
U.S. Bancorp Equipment Finance, Inc. and the City of Billings, Montana.

The undersigned, being the duly elected, qualified and acting City Clerk of the City of Billings, Montana (the "Purchaser") do hereby certify, as of October 28, 2011 as follows:

1. Purchaser did, at a meeting of the governing body of the Purchaser held October 11, 2011 by resolution or ordinance duly enacted, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Property Schedule (the "Property Schedule") and the Master Tax-Exempt Installment Purchase Agreement (the "Master Agreement") by the following named representative of Purchaser, to wit:

NAME OF EXECUTING OFFICIAL	TITLE OF EXECUTING OFFICIAL	SIGNATURE OF EXECUTING OFFICIAL
Thomas Hanel	Mayor	_____
Cari Martin	City Clerk	_____

2. The above-named representative of the Purchaser held at the time of such authorization and holds at the present time the office set forth above.

3. The meeting(s) of the governing body of the Purchaser at which the Master Agreement and the Property Schedule were approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, and the enactment approving the Master Agreement and the Property Schedule and authorizing the execution thereof has not been altered or rescinded. All meetings of the governing body of Purchaser relating to the authorization and delivery of Master Agreement and the Property Schedule have been: (a) held within the geographic boundaries of the Purchaser; (b) open to the public, allowing all people to attend; (c) conducted in accordance with internal procedures of the governing body; and (d) conducted in accordance with the charter of the Purchaser, if any, and the laws of the State.

4. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default or a Nonappropriation Event (as such terms are defined in the Master Agreement) exists at the date hereof with respect to this Property Schedule or any other Property Schedules under the Master Agreement.

5. The acquisition of all of the Property under the Property Schedule has been duly authorized by the governing body of Purchaser.

6. Purchaser will, in accordance with the requirements of law, fully budget and appropriate sufficient funds for the current fiscal year to make the Installment Payments scheduled to come due during the current fiscal year under the Property Schedule and to meet its other obligations for the current fiscal year.

7. As of the date hereof, no litigation is pending, (or, to my knowledge, threatened) against Purchaser in any court (a) seeking to restrain or enjoy in the delivery of the Master Agreement or the Property Schedule or of other agreements similar to the Master Agreement; (b) questioning the authority of Purchaser to execute the Master Agreement or the Property Schedule, or the validity of the Master Agreement or the Property Schedule, or the payment of principal of or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Property Schedule.

**PURCHASER:
CITY OF BILLINGS, MONTANA**

By: _____

Name: Cari Martin
Title: City Clerk

EXHIBIT 4
Payment of Proceeds Instructions

U.S. Bancorp Equipment Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, Oregon 97223

Re: **Property Schedule No. 1** (the "Property Schedule") to Master Tax-Exempt Installment Purchase Agreement between U.S. Bancorp Equipment Finance, Inc. ("Seller") and the City of Billings, Montana ("Purchaser").

Ladies and Gentlemen:

The undersigned, an Authorized Representative of the Purchaser hereby requests and authorizes Seller to disburse the net proceeds of the Property Schedule as follows:

Name of Payee: _____

By check _____ By wire transfer _____

If by check, Payee's address: _____

If by wire transfer, instructions as follows:

Pay to Bank Name: U.S. Bank, National Association

Bank Address: 303 North Broadway
PO Box 30678
Billings, MT 59101
Bank Phone #: (406) 447-5251

For Account of: City of Billings General Depository

Account No.: 1-500-9559-2021

ABA No.: 092900383

PURCHASER:
CITY OF BILLINGS, MONTANA

By: _____
Name: _____
Title: _____

EXHIBIT 5
Acceptance Certificate

U.S. Bancorp Equipment Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, Oregon 97223

Re: **Property Schedule No. 1** to Master Tax-Exempt Installment Purchase Agreement
between U.S. Bancorp Equipment Finance, Inc. and the City of Billings, Montana

Ladies and Gentlemen:

In accordance with the above-referenced Master Tax-Exempt Installment Purchase Agreement (the "Master Agreement"), the undersigned ("Purchaser") hereby certifies and represents to, and agrees with, U.S. Bancorp Equipment Finance, Inc. ("Seller"), as follows:

- (1) The Property, as such terms are defined in the above-referenced Property Schedule, has been acquired, made, delivered, installed and accepted on the date indicated below.
- (2) Purchaser has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes.
- (3) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as such term is defined in the Master Agreement) exists at the date hereof.

Date: _____

PURCHASER:
CITY OF BILLINGS, MONTANA

By: _____
Name: _____
Title: _____

EXHIBIT 6
Tax Certificate

**Master Tax-Exempt Installment Purchase Agreement
Property Schedule No. 1**

City of Billings, Montana

**ARBITRAGE AND REBATE CERTIFICATE AND
AGREEMENT**

This Arbitrage and Rebate Certificate and Agreement (this "Certificate") is given for the purpose of establishing and maintaining the tax-exempt status of interest payments required to be made by the City of Billings, Montana (the "City"), under the Master Tax-Exempt Installment Purchase Agreement dated as of October 28, 2011 (the "Lease-Purchase Agreement") between the City and U.S. Bancorp Equipment Finance, Inc., as lessor (the "Lessor"), and Property Schedule No. 1 thereto (the "Airport Property Schedule"). The representations and covenants of the City herein are for the benefit of the owner or owners from time to time of the interest of the Lessor under the Airport Property Schedule.

I. General Provisions and Definitions.

1.1. The Airport Property Schedule will be entered into by the City pursuant to Resolution No. [__], adopted by the City Council of the City on October 11, 2011 (the "Resolution"). Terms used with initial capital letters but undefined herein shall have the meanings given them in the Lease Purchase Agreement, the Internal Revenue Code of 1986, as amended (the "Code"), or in the Regulations (as hereinafter defined), unless the context hereof clearly requires otherwise.

This Certificate is intended to be, and may be relied upon as, among other things, a certification described in the Regulations, Section 1.148-2(b) and Section 148 of the Code, and is delivered as a part of the transcript of proceedings relating to the Airport Property Schedule. We are among the officers of the City responsible for the issuance of the Airport Property Schedule.

1.2. We have investigated the facts, estimates and circumstances surrounding the execution and delivery of the Airport Property Schedule, which are described summarily in this Certificate. To the best of our knowledge and belief, such facts, estimates and circumstances are correct and complete and the City's expectations as to future events, which are based thereon, are in all respects reasonable and made in good faith. To the extent that the expectations of the City are based upon estimates and representations made by others, including the Lessor, we have examined such estimates and representations and consider them to be reasonable and correct. Any statements in this Certificate involving future events, whether or not expressly so stated, are intended

as expectations of the City and not as representations of fact. On the basis of such facts, estimates and circumstances, it is expected that the proceeds of the Airport Property Schedule will be used in a manner that would not cause the Airport Property Schedule to be considered an “arbitrage bond” within the meaning of Section 148 of the Code.

1.3. *The following terms have the following meanings when used in this Certificate:*

Bond Counsel shall mean nationally recognized municipal bond counsel selected by the City.

Bond Year shall mean each one-year period (or shorter period from the Closing Date) that ends at the close of business on each September 15 or, if the last Installment Payment owing under the Airport Property Schedule is not paid on a September 15, such shorter period from the last preceding September 15 to the date on which such last Installment Payment is made.

Closing Date shall mean October 28, 2011, the date of execution and delivery of the Airport Property Schedule.

Computation Date shall mean an installment computation date (the last day of the fifth and each succeeding fifth Bond Year) and the final computation date (the date the last Bond is discharged). If the Installment Payments owing under the Airport Property Schedule are paid when due, the installment computation dates for the Airport Property Schedule shall be September 15, 2016 and September 15, 2021, September 15, 2026 and the final computation date shall be October 28, 2026.

Construction Account shall mean the Construction Account created in the Escrow Fund established under the Escrow Agreement.

Escrow Agreement shall mean the Escrow Agreement referred to in the Airport Property Schedule, dated as of October 28, 2011, by and between the City and the Lessor, as amended or supplemented from time to time.

Escrow Fund shall mean the Escrow Fund established under the Escrow Agreement.

Gross Proceeds shall mean, with respect to the Airport Property Schedule, all proceeds of the Airport Property Schedule (including sale proceeds and transferred proceeds) and any funds (other than proceeds) that are part of any reserve or replacement fund for the Airport Property Schedule.

Investment Property shall mean any security, obligation (other than a Non-AMT Obligation), annuity contract or investment-type property.

Non-AMT Obligation means any obligation the interest on which is not includable in gross income under Section 103 of the Code and which is not a “specified private activity bond” (within the meaning of Section 57(a)(5)(C) of the Code).

Nonpurpose Investment shall mean any Investment Property that is not a purpose investment in which Gross Proceeds of the Airport Property Schedule are invested.

Project shall mean the construction and installation of energy efficiency improvements to various buildings and facilities at the City-owned Billings Logan International Airport (the "Airport") and related fees and expenses.

Rebatable Arbitrage shall mean, as of any Computation Date, the excess of the future value of all nonpurpose receipts with respect to the Airport Property Schedule, over the future value of all nonpurpose payments with respect to the Airport Property Schedule, or with respect to a Voluntary Computation Date, the amount of the payment that would be payable to the United States under Section 148(f) of the Code if such date were a "Computation Date."

Regulations shall mean the Treasury Regulations applicable to the Lease Purchase Agreement and the Airport Property Schedule and promulgated under the Code, including, without limitation, Treasury Regulations, Sections 1.148-0 through 1.148-11, and Sections 1.149(b)-1, 1.149(d)-1, 1.149(g)-1, 1.150-1 and 1.150-2.

Voluntary Computation Date means September 15, 2012, and each September 15 thereafter, excluding Computation Dates.

Yield, with reference to any obligation, means that discount rate which, when computing the present value of all unconditionally payable payments of principal and interest paid and to be paid on such obligation and taking into account payments made for qualified guarantees, produces an amount equal to the present value of the issue price of the obligation.

Yield of the Airport Property Schedule shall mean 4.96000%.

II. The Purpose of the Airport Property Schedule.

2.1. *The Airport Property Schedule is entered into pursuant to the Resolution for the purposes of providing funds to be used to finance costs of the Project. The City expects to expend the following sums from the proceeds of the Airport Property Schedule for the Project:*

Lighting Upgrade — Airport Hwy 3 Office	\$ 14,834
Lighting Upgrade — Airport Operations Center	92,420
Comprehensive Systems Commissioning & Balancing — Airport Operations Center	20,299
Centralized Comprehensive Digital Control System — Airport Terminal Building	568,429

Variable Frequency Drive Install — Airport Terminal Building	85,464
Lighting Upgrade — Airport Terminal Building	594,274
Comprehensive Systems Commissioning & Balancing — Airport Terminal Building	23,358
Less Utility Upgrade Incentives	<u>(46,000)</u>
Total:	\$1,353,078.00

2.2. *Any costs in excess of the proceeds of the Airport Property Schedule will be paid from other funds of the City available therefor.*

III. Sources and Disbursements of Funds.

3.1. *The aggregate amount of the principal components payable by the City pursuant to the Airport Property Schedule equals \$1,353,078.00. The City is executing and delivering the Airport Property Schedule to the Lessor in exchange for proceeds in the amount of \$1,353,078.00. The issue price of the Airport Property Schedule, as defined in Section 1.148-1(b) of the Regulations and Sections 1273(b)(1) and (2) of the Code, is \$1,353,078.00, equal to the principal amount thereof.*

3.2. *\$1,353,078.00 of the proceeds of the Airport Property Schedule are expected to be deposited in the Construction Account to pay the costs of the Project. Costs of entering into the Airport Property Schedule will be paid from other available funds of the City.*

3.3. *The Airport Property Schedule is not a hedge bond (as defined in Section 149(g) of the Code) since at least 85% of the spendable proceeds of the Airport Property Schedule are to be used to pay costs of the Project within three years after the date hereof and less than 50% of the proceeds of the Airport Property Schedule are to be invested in nonpurpose investments having a substantially guaranteed yield for four years or more.*

IV. Yield of the Airport Property Schedule.

4.1. *No other obligations of the City are being (a) issued at substantially the same time as the Airport Property Schedule, (b) sold pursuant to the same plan of financing as the Airport Property Schedule, and (c) paid out of substantially the same source of funds (or which will have substantially the same claim to be paid out of substantially the same source of funds) as will be used to pay the Airport Property Schedule, within the meaning of Section 1.150-1(c) of the Regulations. Contemporaneous with the execution and delivery of the Airport Property Schedule, the City is entering into Property Schedule No. 2 to the Lease-Purchase Agreement (the "Parking Property Schedule"). The installment payments payable by the City pursuant*

to the Airport Property Schedule and the Parking Property Schedule shall be payable, as specified in the Resolution, only from current funds which are budgeted and appropriated solely from the City's Airport Enterprise Fund and the City's Parking Enterprise Fund, respectively, for such purpose during the fiscal year of the City for which such funds were budgeted and appropriated.

4.2. *The Yield of the Airport Property Schedule computed in accordance with Section 148 of the Code and applicable Regulations, is 4.96000% per annum.*

V. Temporary Investments.

5.1. *Except as described in Section 5.2 hereof, none of the proceeds of the Airport Property Schedule will be invested at a materially higher yield.*

5.2. *Proceeds of the Airport Property Schedule deposited in the Construction Account are to be used to finance the costs of the Project. The estimated total cost of the Project, including implementation, administration, construction management and contingencies, excluding costs of entering into the Airport Property Schedule, is not less than \$1,353,078.00.*

(a) The City has incurred or will incur within six months after the date hereof substantial binding obligations to undertake the Project (in the form of binding contracts or commitments) in an aggregate amount not less than five percent of the net sale proceeds of the Airport Property Schedule (i.e., \$67,654).

(b) Work on the Project and allocation of the net sale proceeds and investment proceeds of the Airport Property Schedule to expenditures will proceed with due diligence to completion and it is reasonably expected the Project will be completed and all net sale proceeds of the Airport Property Schedule will be so allocated by March 28, 2013.

(c) The net sale proceeds of the Airport Property Schedule, plus investment earnings thereon, do not exceed the amount to be spent by the City to acquire and construct the Project.

(d) The City expects to spend on the Project, within not more than three years from the date hereof, all of the net sale and investment proceeds to be derived by the City from the issuance of the Airport Property Schedule.

Therefore, the City may invest said amounts deposited in the Construction Account without yield restriction for a temporary period ending three years from the Closing Date pursuant to Section 1.148-2(e)(2) of the Regulations. Should any of the proceeds of the Airport Property Schedule not be so expended by the end of such period, the City may either (i) invest such amounts at a yield which does not exceed the Yield of the Airport Property Schedule, or (ii) comply with the provisions of Section 1.148-5(c) of the Regulations and make such payments at such times as are required pursuant to Section 1.148-5(c) to reduce the Yield on any investments made subsequent to expiration of the

temporary period to a Yield not materially higher than the Yield of the Airport Property Schedule.

VI. No Sinking Fund.

6.1. *The City has not created or established, and does not expect to create or establish, any sinking or similar fund which is reasonably expected to be used to pay debt service on the Airport Property Schedule or which is pledged as collateral to secure the Airport Property Schedule. No amounts in any other funds or accounts of the City are reserved for or pledged to the payment of debt service on the Airport Property Schedule or will be used to replace funds that will be used to pay debt service on the Airport Property Schedule.*

VII. Sale Proceeds.

7.1. *The sale proceeds of the Airport Property Schedule do not exceed the amount necessary to achieve the purposes described in Section II hereof. No portion of the Airport Property Schedule is issued solely for the purpose of investing the proceeds at a materially higher yield than the Yield of the Airport Property Schedule. None of the proceeds of the Airport Property Schedule will be used directly or indirectly to replace funds which were used directly or indirectly to acquire obligations with a yield that is materially higher than the Yield of the Airport Property Schedule.*

7.2. *In connection with the execution and delivery of the Airport Property Schedule, except as specifically provided in Sections 148(c) and (d) of the Code, the City has not engaged and will not engage in any transaction or series of transactions (i) enabling the City to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (ii) increasing the burdens on the market for tax-exempt obligations in any manner including, without limitation, by selling any obligation that would not otherwise be sold, or by selling more obligations, or issuing them sooner, or allowing them to remain outstanding longer, than would otherwise be necessary.*

XIII. Miscellaneous.

8.1. *The City will fulfill all conditions specified in Sections 141(e) and 142 of the Code to qualify the Airport Property Schedule as "qualified exempt facility bonds" thereunder.*

8.2. *The facilities financed with proceeds of the Airport Property Schedule (the "Financed Facilities") will in their entirety qualify as "airport facilities" within the meaning of Section 142(a)(1). The portion of the Financed Facilities that constitutes an office is not more than a de minimis amount of the functions to be performed at such office is not directly related to the day-to-day operations of Financed Facilities within the meaning of Section 142(b)(2) of the Code.*

8.3. *The Project is treated as serving a general public use within the meaning of Sections 1.103-8(a)(2) and 1.103-8(e) of the Regulations. The Financed Facilities*

consist entirely of airport facilities and property functionally related and subordinate thereto within the meaning of Section 1.103-8(a)(3) of the Regulations. The Airport Property Schedule is not a deep discount obligation within the meaning of Section 1.103-8(a)(6) and (7) of the Regulations.

8.4. The Financed Facilities are owned by the City. The City has no present intention to sell or otherwise dispose of the Financed Facilities before the termination of the Airport Property Schedule. The City expects that such property will continue to be owned and operated by the City substantially in the manner in which similar property is now owned and operated for an indefinite period concluding not earlier than the final stated termination date of the Airport Property Schedule.

8.5. The City has not and will not enter into a lease or use agreement relating to Airport facilities constituting or comprising the Financed Facilities for a period in excess of five years unless the lease contains a provision to the effect that (1) the lessee has made an irrevocable election not to claim depreciation or an investment credit under the Code with respect to the leased premises and (2) the term of the lease is not more than eighty percent of the reasonably expected economic life of such Airport facilities.

8.6. The City covenants that none of the proceeds of the Airport Property Schedule shall be used to provide any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

8.7. Not less than 95% of the proceeds of the Airport Property Schedule have been or will be applied to capital costs of "airport" facilities, within the meaning of Section 142(a) of the Code and Section 1.103-8(e) of the Regulations.

8.8. In order to comply with Section 147(g) of the Code, the City covenants and agrees that not more than \$27,062 of proceeds of the Airport Property Schedule will be used to pay issuance costs of entering into the Airport Property Schedule.

8.9. The weighted average maturity of the Airport Property Schedule (8.660 years) does not exceed 120 percent of the average reasonably expected economic life of the Project. Such average reasonably expected economic life is not less than 15 years. It is not expected that any replacement proceeds of the Airport Property Schedule will arise subsequent to the execution and delivery of the Airport Property Schedule.

8.10. A public hearing was held on October 11, 2011 for which at least 14 days published notice was given in the official newspaper of the City, satisfying the requirements of Section 147(f) of the Code.

IX. Minor Portion.

9.1. An aggregate amount not to exceed the "minor portion" amount for the Airport Property Schedule (\$67,654) may be invested pursuant to Section 148(e) of the Code and Section 1.148-2(g) of the Regulations without restriction as to Yield. To the extent the amount on hand in the Construction Account has been credited thereto longer

than the period described in Section 5.2 hereof, such amount may be invested up to the minor portion amount at a yield greater than the Yield of the Airport Property Schedule. Such amounts are Gross Proceeds of the Airport Property Schedule, however, and subject to the rebate requirements set forth in Sections X and XI hereof.

X. Rebate.

10.1. The City, in the Resolution, has covenanted to comply with the requirements of Section 148(f) of the Code with respect to the Airport Property Schedule. The City covenants that it will consult with Bond Counsel and undertake to determine what is required with respect to the rebate provisions contained in Section 148(f) of the Code from time to time and will comply with any requirements that may be applicable to the Airport Property Schedule. The methodology described in this Certificate will be followed, except to the extent inconsistent with any requirements of future regulations or written advice received from Bond Counsel.

10.2. Subject to any applicable exceptions or exemptions available under the Code or regulations, detailed records with respect to each and every Nonpurpose Investment attributable to Gross Proceeds of the Airport Property Schedule will be maintained by the City including: (i) purchase date, (ii) purchase price, (iii) brokerage or other transaction costs of purchase, (iv) information establishing fair market value on the date such investment became a Nonpurpose Investment, (v) any accrued interest paid, (vi) face amount, (vii) coupon or Stated interest rate, (viii) periodicity of interest payments, (ix) disposition price, (x) any accrued interest received, (xi) disposition date, and (xii) brokerage or other transaction costs of disposition. Such detailed recordkeeping is required for the calculation of the Rebatable Arbitrage.

XI. Rebatable Arbitrage Calculation and Payment.

11.1. The City, in the Resolution, has covenanted to comply with the requirements of Section 148(f) of the Code with respect to the Airport Property Schedule. The City covenants that it will consult with Bond Counsel and undertake to determine what is required with respect to the rebate provisions contained in Section 148(f) of the Code from time to time and will comply with any requirements that may be applicable to the Airport Property Schedule. The methodology described in this Certificate will be followed, except to the extent inconsistent with any requirements of future regulations or written advice received from Bond Counsel.

11.2. Subject to any applicable exceptions or exemptions available under the Code or regulations, the City shall pay to the United States Department of the Treasury from funds legally available therefor: (A) not later than 60 days after each Computation Date, an amount which, when added to the future value as of the Computation Date of all previous rebate payments, equals at least 90% of the Rebatable Arbitrage calculated as of such Computation Date; and (B) not later than 60 days after the final Computation Date, an amount which, when added to the future value as of the Computation Date of all previous rebate payments, equals 100% of the Rebatable Arbitrage.

11.3. Any payment required to be made pursuant hereto shall be filed with the Internal Revenue Service Center, Ogden, Utah 84201 (or at such other address as the Internal Revenue Service may from time to time designate), on or before the date such payment is due, and shall be accompanied by a completed and executed Internal Revenue Service Form 8038-T. The City shall retain records of the calculations required by this Section XI until six years after the final Computation Date for the Airport Property Schedule.

11.4. The City shall file or cause to be filed such reports or other documents with the Internal Revenue Service as required by Section 148(f) of the Code.

11.5. Notwithstanding anything in this Certificate or any other provisions of the Resolution to the contrary, the obligation to remit the Rebatable Arbitrage with respect to the Airport Property Schedule to the United States Department of the Treasury and to comply with all other requirements contained in this Certificate shall survive the defeasance of the Airport Property Schedule.

11.6. The Project will be owned and operated by the City and used for governmental purposes. All of the Gross Proceeds qualify for the temporary period under Section 1.148-2(e)(2) of the Regulations. Apart from the sale proceeds of the Airport Property Schedule and investment proceeds derived therefrom, the City does not expect that any other Gross Proceeds will arise. Thus, if the expenditure tests set forth in Section 1.148-7(d)(1)(i) of the Regulations are met (i.e., the following percentages of Gross Proceeds are spent within the following periods beginning on the date of issuance: at least 15% within six months (April 28, 2012); 60% within one year (October 28, 2012), and 100% within eighteen months (April 28, 2013) (subject to a reasonable contractual retainage amount not exceeding five percent of the net sale proceeds of the Airport Property Schedule as of October 28, 2011 to be spent within 30 months after the date hereof, as defined in Section 1.148-7(h) of the Regulations)), then the City may elect to treat the Gross Proceeds as exempt from the rebate requirements of Section 148(f) of the Code pursuant to the "18 month" spending exception provided under Section 1.148-7(d) of the Regulations.

11.7. If Gross Proceeds subject to arbitrage rebate arise, either as a result of the failure to expend all Gross Proceeds as provided in Section 11.6 hereof, or from another cause, for purposes of complying with Section 148(f), the City will prepare or have prepared a calculation of the Rebatable Arbitrage for the Airport Property Schedule consistent with the rules described in this Section XI.

11.8. The City will prepare the calculation of the Rebatable Arbitrage within 30 days after each Computation Date and will, within 30 days after each Voluntary Computation Date, calculate the Rebatable Arbitrage on the assumption such Voluntary Computation Date is a Computation Date and file a copy of such calculations in the office of the City Clerk.

11.9. The City agrees to retain detailed records and documents relating to the expenditure of Gross Proceeds, the use of the facilities financed thereby and the

investment of Gross Proceeds until three years following the retirement of the Airport Property Schedule to the extent required by applicable IRS rules and the Regulations and shall consult with counsel regarding such retention as appropriate.

XII. Amendments.

12.1. The City may amend or supplement the provisions of Sections X or XI hereof by filing an executed copy of such amendment or supplement with the City Finance Director accompanied by an opinion of Bond Counsel to the effect that such amendment or supplement is required by, or better complies with, the provisions of Section 148 and applicable Regulations.

WITNESS our hands, on behalf of the City, officially as Mayor, City Finance Director and City Clerk of the City of Billings, Montana as of this 28th day of October, 2011.

CITY OF BILLINGS, MONTANA

Mayor

City Finance Director

City Clerk

Language for UCC Financing Statements

Schedule 1

SECURED PARTY: U.S. Bancorp Equipment Finance, Inc.

DEBTOR: City of Billings, Montana

This financing statement covers all of Debtor's right, title and interest, whether now owned or hereafter acquired, in and to the equipment sold to Debtor under Property Schedule No. 1 dated October 28, 2011 to that certain Master Tax-Exempt Installment Purchase Agreement dated as of October 28, 2011, in each case between Debtor, as Purchaser, and Secured Party, as Seller, together with all accessions, substitutions and replacements thereto and therefor, and proceeds (cash and non-cash), including, without limitation, insurance proceeds, thereof, including without limiting, all equipment described on Exhibit A attached hereto and made a part hereof.

EXHIBIT A
Description of Property

<u>PROJECT</u>	<u>LOCATION</u>
Lighting Upgrade	Airport Hwy 3 Office
Lighting Upgrade	Airport Operations Center
Comprehensive Systems Commissioning & Balancing	Airport Operations Center
Centralized Comprehensive Digital Control System	Airport Terminal Building
Variable Frequency Drive Install	Airport Terminal Building
Lighting Upgrade	Airport Terminal Building
Comprehensive Systems Commissioning & Balancing	Airport Terminal Building

INSURANCE AUTHORIZATION AND VERIFICATION

Date: October 28, 2011

Property Schedule No. 1

To: City of Billings, Montana ("Purchaser") P.O. Box 1178 Billings, Montana 59103 Attention: City Finance Director	From: U.S. Bancorp Equipment Finance, Inc. (the "Seller") 13010 SW 68th Parkway, Suite 100 Portland, Oregon 97223 Attn: Chris Jones
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TO THE PURCHASER: In connection with the above-referenced Property Schedule, Seller requires proof in the form of this document, executed by both Purchaser* and Purchaser's agent, that Purchaser's insurable interest in the financed property (the "Property") meets Seller's requirements as follows, with coverage including, but not limited to, fire, extended coverage, vandalism, and theft:

Seller, AND ITS SUCCESSORS AND ASSIGNS, shall be covered as both ADDITIONAL INSURED and LENDER'S LOSS PAYEE with regard to all equipment financed or leased by policy holder through or from Seller. All such insurance shall contain a provision to the effect that such insurance shall not be canceled or modified without first giving written notice thereof to Seller and Purchaser at least thirty (30) days in advance of such cancellation or modification.

Purchaser must carry GENERAL LIABILITY (and/or, for vehicles, Automobile Liability) in the amount of no less than \$1,000,000.00 (one million dollars).

Purchaser must carry PROPERTY Insurance (or, for vehicles, Physical Damage Insurance) in an amount no less than the 'Insurable Value' \$1,353,078.00, with deductibles no more than \$25,000.00.

**Purchaser: Please execute this form and return with your document package. Seller will fax this form to your insurance agency for endorsement. In lieu of agent endorsement, Purchaser's agent may submit insurance certificates demonstrating compliance with all requirements. If fully executed form (or Purchaser-executed form plus certificates) is not provided within 15 days, we have the right to purchase such insurance at your expense. Should you have any questions, please contact Chris Jones at (303) 862-1201.*

By signing, Purchaser authorizes the Agent named below: (1) to complete and return this form as indicated; and (2) to endorse the policy and subsequent renewals to reflect the required coverage as outlined above.

Agency/Agent: Hoiness LaBar Insurance
A Member of Payne Financial Group
Address: P.O. Box 30638

Billings, Montana 59107-0638
Phone: (406) 238-1900

**PURCHASER:
CITY OF BILLINGS, MONTANA**

By: _____
Name: _____
Title: _____

TO THE AGENT: *In lieu of providing a certificate, please execute this form in the space below and promptly fax it to Seller at (406) 657-8363. This fully endorsed form shall serve as proof that Purchaser's insurance meets the above requirements.*

Agent hereby verifies that the above requirements have been met in regard to the Property listed below.

Print Name Of Agency: X _____

By: X _____
(Agent's Signature)

Print Name: X _____
Date: X _____

Insurable Value: \$1,353,078.00.

ATTACHED: PROPERTY DESCRIPTION FOR PROPERTY SCHEDULE NO. 1.

EXHIBIT A
Description of Property

<u>PROJECT</u>	<u>LOCATION</u>	<u>BUDGET</u>
Lighting Upgrade	Airport Hwy 3 Office	\$ 14,834
Lighting Upgrade	Airport Operations Center	92,420
Comprehensive Systems Commissioning & Balancing	Airport Operations Center	20,299
Centralized Comprehensive Digital Control System	Airport Terminal Building	568,429
Variable Frequency Drive Install	Airport Terminal Building	85,464
Lighting Upgrade	Airport Terminal Building	594,274
Comprehensive Systems Commissioning & Balancing	Airport Terminal Building	<u>23,358</u>
Total Project Budget		\$1,399,078
Less Utility Upgrade Incentives		(\$ 46,000)
TOTAL PROPERTY SCHEDULE PURCHASE AMOUNT		\$1,353,078

PROPERTY SCHEDULE NO. 2
MASTER TAX-EXEMPT INSTALLMENT PURCHASE AGREEMENT

This Property Schedule No. 2 is entered into as of the Commencement Date set forth below, pursuant to that certain Master Tax-Exempt Installment Purchase Agreement (the "Master Agreement"), dated as of October 28, 2011, between U.S. Bancorp Equipment Finance, Inc. (the "Seller") and the City of Billings, Montana (the "Purchaser").

1. Interpretation. The terms and conditions of the Master Agreement are incorporated herein by reference as if fully set forth herein. Reference is made to the Master Agreement for all representations, covenants and warranties made by Purchaser in the execution of this Property Schedule, unless specifically set forth herein. In the event of a conflict between the provisions of the Master Agreement and the provisions of this Property Schedule, the provisions of this Property Schedule shall control. All capitalized terms used herein but not otherwise defined shall have the meanings provided in the Master Agreement.
2. Commencement Date. The Commencement Date for this Property Schedule is October 28, 2011.
3. Property Description and Payment Schedule. The Property subject to this Property Schedule is described in Exhibit 1 hereto. It includes all replacements, parts, repairs, additions, accessions and accessories incorporated therein or affixed or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries. Purchaser shall not remove such property from the locations set forth therein without giving prior written notice, including the new location of such property, to Seller. The Installment Payment Schedule for this Property Schedule is set forth in Exhibit 1 hereto.
4. Opinion. The Opinion of Purchaser's Counsel is attached as Exhibit 2 hereto.
5. Purchaser's Certificate. The Purchaser's Certificate is attached as Exhibit 3 hereto.
6. Proceeds. Seller shall disburse the proceeds of this Property Schedule in accordance with the instructions attached as Exhibit 4 hereto.
7. Acceptance Certificate. The form of Acceptance Certificate is attached as Exhibit 5 hereto.
8. Additional Purchase Option Provisions. Installment Payments payable under this Property Schedule shall be subject to prepayment in whole at any time at the option of the Purchaser by payment of the applicable Prepayment Balance set forth in Exhibit 1 hereto and payment of all accrued and unpaid interest through the date of prepayment.

9. Tax Certificate. Attached as Exhibit 6 hereto.
10. Expiration. Seller, at its sole determination, may choose not to accept this Property Schedule if the fully executed, original Master Agreement (including this Property Schedule and all ancillary documents) is not received by Seller at its place of business by November 11, 2011.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Property Schedule to be executed in their names by their duly authorized representatives as of the Commencement Date above.

SELLER:
U.S. BANCORP EQUIPMENT
FINANCE, INC.

PURCHASER:
CITY OF BILLINGS, MONTANA

By: _____ By: _____
Name: Thomas Hanel
Title: Mayor

Name:
Title:

Attest:

By: _____
Name: Cari Martin
Title: City Clerk

EXHIBIT 1
Property Description and Payment Schedule

Re: **Property Schedule No. 2** to Master Tax-Exempt Installment Purchase Agreement
U.S. Bancorp Equipment Finance, Inc. and the City of Billings, Montana.

The Property is as follows: The Property as more fully described in Exhibit A incorporated herein by reference and attached hereto.

PROPERTY LOCATION: Park One Garage – 2912 3rd Avenue North, Billings, Montana – Lighting Upgrades; Park Two Garage and Park Two Addition – 2651 1st Avenue North, Billings, Montana – Lighting Upgrades; Park Three Garage – 210 N. 27th, Billings, Montana – Lighting Upgrades.

USE: Energy Efficiency Improvements. This use is essential to the proper, efficient and economic functioning of Purchaser or to the services that Purchaser provides; and Purchaser has immediate need for and expects to make immediate use of substantially all of the Property, which need is not temporary or expected to diminish in the foreseeable future.

ACCOUNT: Installment Payments payable by the Purchaser pursuant to this Property Schedule shall constitute current expenses of the Purchaser's Parking Enterprise Fund and shall not in any way be construed to be debts of the Purchaser in contravention of any applicable constitutional or statutory limitation or requirements concerning the creation of indebtedness by the Purchaser, nor shall anything contained therein constitute a pledge of the general tax revenues, funds or money of the Purchaser. Installment Payments payable by the Purchaser pursuant to this Property Schedule shall be payable only from current funds which are budgeted and appropriated solely from the Purchaser's Parking Enterprise Fund for such purpose during the fiscal year of the Purchaser for which such funds were budgeted and appropriated. The Purchaser has not pledged the full faith and credit of the Purchaser, Yellowstone County or the State of Montana to the payment of amounts due under the Lease-Purchase Agreement.

Installment Payment Schedule

Total Principal Amount: \$578,311.00

<u>Pay #</u>	<u>Date</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest (4.96%)</u>	<u>Prepayment Balance</u>
1	28-Apr-2012	26,909.64	13,591.24	13,318.40	581,661.35
2	28-Oct-2012	26,909.64	13,904.24	13,005.39	567,339.98
3	28-Apr-2013	26,909.64	14,224.46	12,685.18	552,688.79
4	28-Oct-2013	26,909.64	14,552.04	12,357.59	537,700.19
5	28-Apr-2014	26,909.64	14,887.17	12,022.46	522,366.40
6	28-Oct-2014	26,909.64	15,230.02	11,679.62	506,679.48
7	28-Apr-2015	26,909.64	15,580.77	11,328.87	490,631.29
8	28-Oct-2015	26,909.64	15,939.59	10,970.05	474,213.51

9	28-Apr-2016	26,909.64	16,306.67	10,602.96	457,417.64
10	28-Oct-2016	26,909.64	16,682.21	10,227.42	440,234.96
11	28-Apr-2017	26,909.64	17,066.40	9,843.23	422,656.56
12	28-Oct-2017	26,909.64	17,459.44	9,450.20	404,673.34
13	28-Apr-2018	26,909.64	17,861.53	9,048.11	386,275.97
14	28-Oct-2018	26,909.64	18,272.87	8,636.76	367,454.91
15	28-Apr-2019	26,909.64	18,693.70	8,215.94	348,200.40
16	28-Oct-2019	26,909.64	19,124.21	7,785.43	328,502.47
17	28-Apr-2020	26,909.64	19,564.63	7,345.00	308,350.89
18	28-Oct-2020	26,909.64	20,015.20	6,894.43	287,735.23
19	28-Apr-2021	26,909.64	20,476.15	6,433.49	266,644.80
20	28-Oct-2021	26,909.64	20,947.71	5,961.92	245,068.65
21	28-Apr-2022	26,909.64	21,430.14	5,479.50	222,995.61
22	28-Oct-2022	26,909.64	21,923.67	4,985.97	200,414.24
23	28-Apr-2023	26,909.64	22,428.57	4,481.07	177,312.81
24	28-Oct-2023	26,909.64	22,945.09	3,964.55	153,679.37
25	28-Apr-2024	26,909.64	23,473.51	3,436.12	129,501.65
26	28-Oct-2024	26,909.64	24,014.10	2,895.53	104,767.13
27	28-Apr-2025	26,909.64	24,567.14	2,342.49	79,462.97
28	28-Oct-2025	26,909.64	25,132.92	1,776.72	53,576.06
29	28-Apr-2026	26,909.64	25,711.73	1,197.91	27,092.98
30	28-Oct-2026	26,909.64	26,303.86	605.77	0.00
Total		807,289.11	578,311.00	228,978.11	0.00

PURCHASER:
CITY OF BILLINGS, MONTANA

By: _____
 Name: Thomas Hanel
 Title: Mayor

Attest:

By: _____
 Name: Cari Martin
 Title: City Clerk

EXHIBIT A
Description of Property

<u>PROJECT</u>	<u>LOCATION</u>	<u>BUDGET</u>
Lighting Upgrade	Park One Parking Garage	\$209,433
Lighting Upgrade	Park Two Parking Garage	163,827
Lighting Upgrade	Park Two Garage Addition	84,784
Lighting Upgrade	Park Three Parking Garage	<u>120,267</u>
TOTAL PROPERTY SCHEDULE PURCHASE AMOUNT		\$578,311

EXHIBIT 2
Opinion of Dorsey & Whitney LLP

October 28, 2011

City of Billings
Billings, Montana

U.S. Bancorp Equipment Finance, Inc.
Denver, Colorado

Re: Master Tax-Exempt Installment Purchase Agreement
City of Billings, Montana

Ladies and Gentlemen:

We have acted as special counsel to the City of Billings, Montana (the "City"), in connection with the authorization, execution and delivery by the City of the Master Tax-Exempt Installment Purchase Agreement, dated as of October 28, 2011 (the "Lease-Purchase Agreement"), between the City and U.S. Bancorp Equipment Finance, Inc. ("U.S. Bancorp") and Property Schedule No. 2 thereto, dated as of October 28, 2011 (the "Parking Property Schedule"). In that capacity, we have examined executed counterparts, or copies otherwise identified to our satisfaction, of the Lease-Purchase Agreement, the Parking Property Schedule and the Escrow Agreement dated as of October 28, 2011 (the "Escrow Agreement"), between the City, U.S. Bancorp and U.S. Bank National Association, as Escrow Agent, together with certified copies of certain proceedings taken and certain certificates and affidavits furnished by the City in the authorization, execution and delivery of the Lease-Purchase Agreement and the Parking Property Schedule, including a certified copy of Resolution No. [] adopted by the City Council of the City on October 11, 2011. As to questions of fact material to our opinion, we have assumed the authenticity of and relied upon the proceedings, affidavits and certificates furnished to us without undertaking to verify the same by independent investigation.

The installment payments payable by the City under the Parking Property Schedule (the "Installment Payments") are payable solely from the current revenues of the City which are budgeted and appropriated solely from the City's Parking Enterprise Fund and are subject to annual appropriation in accordance with the provisions of the Lease-Purchase Agreement and the Parking Property Schedule. The Lease-Purchase Agreement and the Parking Property Schedule are not general obligations of the City and the general credit and taxing powers of the City are not pledged to the payment of the Installment Payments. U.S. Bancorp is selling to the City energy efficiency improvements described in the Parking Property Schedule (the "Parking Improvements") to be constructed and installed within certain City parking garages. The Parking Property Schedule will be in effect for a term commencing as provided therein and ending on October 28, 2026, unless earlier terminated in accordance with its terms. The Installment

Payments will be payable at such times and in such amounts and will comprise principal payments and interest payments as set forth in the Parking Property Schedule. In the sole event that moneys are not appropriated and provided from the City's Parking Enterprise Fund with respect to the Installment Payments, the City may, by written notice to U.S. Bancorp, discontinue the Parking Property Schedule at the end of any fiscal year of the City then in effect. If the City should discontinue the Parking Property Schedule at the end of any such fiscal year in the manner provided therein, the Parking Property Schedule is terminated without penalty or liability on the part of the City to pay any Installment Payments coming due after the fiscal year then in effect, but in such event the City has the obligation to deliver possession of the Parking Improvements to U.S. Bancorp at the time and in the manner provided in the Lease-Purchase Agreement. In the event the City should not discontinue the Parking Property Schedule and does pay all Installment Payments, the rights of U.S. Bancorp in the Parking Improvements will be terminated and U.S. Bancorp must transfer legal title to the Parking Improvements to the City. The City will have an option to purchase U.S. Bancorp's interest in the Parking Improvements on each Installment Payment date in the amount set forth in the Parking Property Schedule.

From our examination of such proceedings, certificates and affidavits, and on the basis of existing law, it is our opinion that:

1. The Lease-Purchase Agreement, the Parking Property Schedule and the Escrow Agreement are each valid and binding instruments of the City, enforceable in accordance with their respective terms.
2. The portion of the Installment Payments designated as interest: (a) is not includable in gross income for federal income tax purposes; (b) is not an item of tax preference includable in alternative minimum taxable income for purposes of the federal alternative minimum tax applicable to all taxpayers; and (c) is includable in adjusted current earnings of corporations in determining alternative minimum taxable income for purposes of the federal alternative minimum tax imposed on corporations.
3. The portion of the Installment Payments designated as interest is not includable in gross income for State of Montana individual income tax purposes, but is includable in the computation of income for purposes of the Montana corporate income tax and the Montana corporate license tax.
4. The City has designated the Parking Property Schedule as a "qualified tax-exempt obligation," within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and financial institutions described in Section 265(b)(5) of the Code may treat the Parking Property Schedule for purposes of Sections 265(b)(2) and 291(e)(1)(B) of the Code as if it was acquired on August 7, 1986.

The opinions expressed in paragraph 1 above are subject, as to enforceability, to the effect of any state or federal laws relating to bankruptcy, insolvency, reorganization, moratorium or creditors' rights and the exercise of judicial discretion.

The opinions expressed in paragraphs 2 and 3 above are subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the execution and delivery of the Parking Property Schedule in order that the portion of the Installment Payments that are specifically designated as interest may be, and continue to be, excluded from gross income for federal income tax purposes, and that the Parking Property Schedule be and continue to be a qualified tax-exempt obligation, within the meaning of Section 265(b)(3) of the Code. The City has covenanted to comply with these continuing requirements. Its failure to do so could result in the inclusion of such interest in gross income for federal income tax purposes, retroactive to the date of execution and delivery of the Parking Property Schedule. Except as stated in this opinion, we express no opinion regarding federal, state or other tax consequences with respect to the Lease-Purchase Agreement or the Parking Property Schedule.

Very truly yours,

EXHIBIT 3
Purchaser's Certificate

Re: **Property Schedule No. 2** to Master Tax-Exempt Installment Purchase Agreement
U.S. Bancorp Equipment Finance, Inc. and the City of Billings, Montana.

The undersigned, being the duly elected, qualified and acting City Clerk of the City of Billings, Montana (the "Purchaser") do hereby certify, as of October 28, 2011 as follows:

1. Purchaser did, at a meeting of the governing body of the Purchaser held October 11, 2011 by resolution or ordinance duly enacted, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Property Schedule (the "Property Schedule") and the Master Tax-Exempt Installment Purchase Agreement (the "Master Agreement") by the following named representative of Purchaser, to wit:

NAME OF EXECUTING OFFICIAL	TITLE OF EXECUTING OFFICIAL	SIGNATURE OF EXECUTING OFFICIAL
Thomas Hanel	Mayor	_____
Cari Martin	City Clerk	_____

2. The above-named representative of the Purchaser held at the time of such authorization and holds at the present time the office set forth above.

3. The meeting(s) of the governing body of the Purchaser at which the Master Agreement and the Property Schedule were approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, and the enactment approving the Master Agreement and the Property Schedule and authorizing the execution thereof has not been altered or rescinded. All meetings of the governing body of Purchaser relating to the authorization and delivery of Master Agreement and the Property Schedule have been: (a) held within the geographic boundaries of the Purchaser; (b) open to the public, allowing all people to attend; (c) conducted in accordance with internal procedures of the governing body; and (d) conducted in accordance with the charter of the Purchaser, if any, and the laws of the State.

4. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default or a Nonappropriation Event (as such terms are defined in the Master Agreement) exists at the date hereof with respect to this Property Schedule or any other Property Schedules under the Master Agreement.

5. The acquisition of all of the Property under the Property Schedule has been duly authorized by the governing body of Purchaser.

6. Purchaser will, in accordance with the requirements of law, fully budget and appropriate sufficient funds for the current fiscal year to make the Installment Payments scheduled to come due during the current fiscal year under the Property Schedule and to meet its other obligations for the current fiscal year.

7. As of the date hereof, no litigation is pending, (or, to my knowledge, threatened) against Purchaser in any court (a) seeking to restrain or enjoy in the delivery of the Master Agreement or the Property Schedule or of other agreements similar to the Master Agreement; (b) questioning the authority of Purchaser to execute the Master Agreement or the Property Schedule, or the validity of the Master Agreement or the Property Schedule, or the payment of principal of or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Property Schedule.

**PURCHASER:
CITY OF BILLINGS, MONTANA**

By: _____
Name: Cari Martin
Title: City Clerk

EXHIBIT 4
Payment of Proceeds Instructions

U.S. Bancorp Equipment Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, Oregon 97223

Re: **Property Schedule No. 2** (the "Property Schedule") to Master Tax-Exempt Installment Purchase Agreement between U.S. Bancorp Equipment Finance, Inc. ("Seller") and the City of Billings, Montana ("Purchaser").

Ladies and Gentlemen:

The undersigned, an Authorized Representative of the Purchaser hereby requests and authorizes Seller to disburse the net proceeds of the Property Schedule as follows:

Name of Payee: _____

By check _____ By wire transfer _____

If by check, Payee's address: _____

If by wire transfer, instructions as follows:

Pay to Bank Name: U.S. Bank, National Association

Bank Address: 303 North Broadway
PO Box 30678
Billings, MT 59101
Bank Phone #: (406) 447-5251

For Account of: City of Billings General Depository

Account No.: 1-500-9559-2021

ABA No.: 092900383

PURCHASER:
CITY OF BILLINGS, MONTANA

By: _____
Name: _____
Title: _____

EXHIBIT 5
Acceptance Certificate

U.S. Bancorp Equipment Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, Oregon 97223

Re: **Property Schedule No. 2** to Master Tax-Exempt Installment Purchase Agreement
between U.S. Bancorp Equipment Finance, Inc. and the City of Billings, Montana

Ladies and Gentlemen:

In accordance with the above-referenced Master Tax-Exempt Installment Purchase Agreement (the "Master Agreement"), the undersigned ("Purchaser") hereby certifies and represents to, and agrees with, U.S. Bancorp Equipment Finance, Inc. ("Seller"), as follows:

- (1) The Property, as such terms are defined in the above-referenced Property Schedule, has been acquired, made, delivered, installed and accepted on the date indicated below.
- (2) Purchaser has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes.
- (3) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as such term is defined in the Master Agreement) exists at the date hereof.

Date: _____

PURCHASER:
CITY OF BILLINGS, MONTANA

By: _____
Name: _____
Title: _____

EXHIBIT 6
Tax Certificate

**Master Tax-Exempt Installment Purchase Agreement
Property Schedule No. 2**

City of Billings, Montana

**ARBITRAGE AND REBATE CERTIFICATE AND
AGREEMENT**

This Arbitrage and Rebate Certificate and Agreement (this "Certificate") is given for the purpose of establishing and maintaining the tax-exempt status of interest payments required to be made by the City of Billings, Montana (the "City"), under the Master Tax-Exempt Installment Purchase Agreement dated as of October 28, 2011 (the "Lease-Purchase Agreement") between the City and U.S. Bancorp Equipment Finance, Inc., as lessor (the "Lessor"), and Property Schedule No. 2 thereto (the "Parking Property Schedule"). The representations and covenants of the City herein are for the benefit of the owner or owners from time to time of the interest of the Lessor under the Parking Property Schedule.

I. General Provisions and Definitions.

1.1. The Parking Property Schedule will be entered into by the City pursuant to Resolution No. [], adopted by the City Council of the City on October 11, 2011 (the "Resolution"). Terms used with initial capital letters but undefined herein shall have the meanings given them in the Lease Purchase Agreement, the Internal Revenue Code of 1986, as amended (the "Code"), or in the Regulations (as hereinafter defined), unless the context hereof clearly requires otherwise.

This Certificate is intended to be, and may be relied upon as, among other things, a certification described in the Regulations, Section 1.148-2(b) and Section 148 of the Code, and is delivered as a part of the transcript of proceedings relating to the Parking Property Schedule. We are among the officers of the City responsible for the issuance of the Parking Property Schedule.

1.2. We have investigated the facts, estimates and circumstances surrounding the execution and delivery of the Parking Property Schedule, which are described summarily in this Certificate. To the best of our knowledge and belief, such facts, estimates and circumstances are correct and complete and the City's expectations as to future events, which are based thereon, are in all respects reasonable and made in good faith. To the extent that the expectations of the City are based upon estimates and representations made by others, including the Lessor, we have examined such estimates and representations and consider them to be reasonable and correct. Any statements in this Certificate involving future events, whether or not expressly so stated, are intended