

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Great Falls, Montana (the "City"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "RESOLUTION AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE OF UP TO \$900,000 TAX INCREMENT URBAN RENEWAL REFUNDING REVENUE BONDS SUBJECT TO THE TERMS AND LIMITATIONS SET FORTH HEREIN; AND AUTHORIZING THE CITY MANAGER AND CITY FISCAL SERVICES DIRECTOR TO ENTER INTO A BOND PURCHASE AGREEMENT WITH RESPECT THERETO" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Commission of the City at a regular meeting on February 7, 2012, and that the meeting was duly held by the City Commission 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 Commissioners voted in favor thereof: _____

_____ ; voted against the same: _____ ; abstained from voting thereon: _____ ; or were absent: _____
_____.

WITNESS my hand officially this ____ day of _____, 2012.

Lisa Kunz, City Clerk

RESOLUTION NO. 9958

RESOLUTION AUTHORIZING THE ISSUANCE AND PRIVATE
NEGOTIATED SALE OF UP TO \$900,000 TAX INCREMENT URBAN
RENEWAL REFUNDING REVENUE BONDS SUBJECT TO THE
TERMS AND LIMITATIONS SET FORTH HEREIN; AND
AUTHORIZING THE CITY MANAGER AND CITY FISCAL
SERVICES DIRECTOR TO ENTER INTO A BOND PURCHASE
AGREEMENT WITH RESPECT THERETO

BE IT RESOLVED by the City Commission (the “Commission”) of the City of Great Falls, Montana (the “City”), as follows:

Section 1. Authorization and Recitals.

1.01. Authorization. Under the provisions of Montana Code Annotated, Title 7, Chapter 15, Parts 42 and 43, as amended (the “Act”), the City is authorized to create urban renewal areas, prepare and adopt an urban renewal plan therefor and amendments thereto, undertake urban renewal projects therein, provide for the segregation and collection of tax increment with respect to property taxes collected in such areas, issue its bonds to pay the costs of such projects and to refund bonds previously issued under the Act and pledge to the repayment of the bonds the tax increment and other revenues derived from projects undertaken within the urban renewal area.

1.02. The District and the Urban Renewal Plan. Pursuant to the Act and Ordinance No. 2967 adopted on March 20, 2007, the City created the City of Great Falls West Bank Urban Renewal District (the “District”) as an urban renewal area and approved the West Bank Urban Renewal Plan for the District (the “Urban Renewal Plan”). The Urban Renewal Plan provides for the segregation and collection of Tax Increment with respect to the District. The District and the Urban Renewal Plan have been duly and validly created and adopted in strict accordance with applicable provisions of the Act and are in full force and effect.

1.03. The West Bank Properties Project. Pursuant to the Act and the procedures contained in the Urban Renewal Plan, as amended by Ordinance No. 3027 adopted on December 16, 2008, the City designated and approved the West Bank Properties Project consisting of developing in the District a mixed use commercial project, including a Staybridge Hotel complex and sites for a restaurant, office building and retail shops, located generally along the east side of 3rd Street NW between 1st and 3rd Avenues NW as an urban renewal project (the “West Bank Properties Project”) and authorized the use of tax increment revenues in an amount not to exceed \$900,000 to pay for or reimburse West Bank Properties, LLC (the “Developer”) for the costs of designing, constructing and installing certain public improvements (the “Tax Increment Financing Infrastructure Improvements”).

1.04. The Series 2009 Note. Pursuant to the Act and Resolution No. 9815 adopted by the Commission on July 21, 2009 (the “Original Resolution”), as supplemented by Resolution No. 9843 adopted by the Commission on October 20, 2009, the City issued to the Developer its \$761,463 West Bank Urban Renewal Area Tax Increment Subordinate Lien Revenue Note (the

“Series 2009 Note”), payable from Tax Increment of the District on a subordinate lien basis, of which \$753,141 aggregate principal amount remains outstanding. Terms used with initial capital letters but not defined herein have the meanings given them in the Original Resolution.

1.05. The Series 2009A Bonds. Pursuant to the Act and the Original Resolution, the City issued its \$2,000,000 Tax Increment Revenue Bonds, Series 2009A (Federal Courthouse/4th Avenue NW Project) (the “Series 2009A Bonds”), payable from Tax Increment of the District, of which \$1,950,000 aggregate principal amount remains outstanding.

1.06. Debt Service and Available Tax Increment. The maximum aggregate annual debt service on the Series 2009A Bonds and the Series 2009 Note is \$215,817. Based on Tax Increment of \$350,285 received in 2011 and projected Tax Increment of \$356,757 in 2012, the City estimates that the Tax Increment to be received from the District will be at least \$350,000 per year.

1.07. Development Agreement. The City and the Developer entered into a Development Agreement, dated as of October 20, 2009 (the “Development Agreement”), pursuant to which the City agreed to use its best efforts to issue Additional Bonds in a principal amount sufficient to redeem the Series 2009 Note and to pay the costs associated therewith as soon as sufficient Tax Increment is available and market conditions reasonably allow.

1.08. Findings and Determinations. The City Fiscal Services Director has recommended, upon consultation with D.A. Davidson & Co, of Great Falls, Montana (the “Purchaser”), that the City redeem the unpaid portion of the Series 2009 Note by issuing its tax increment urban renewal refunding revenue bonds upon the terms and conditions set forth in Section 3 hereof (the “Refunding Bonds”), payable from Tax Increment of the District on a parity with the Series 2009A Bonds.

It is hereby found, determined and declared that the estimated Tax Increment to be received by the City from the District and pledged to the payment of the Series 2009A Bonds and the Refunding Bonds issued pursuant to the terms and conditions set forth in Section 3 hereof will be sufficient to pay the principal thereof and interest thereon when due.

Section 2. Authorization.

2.1. For the purpose of satisfying its obligations under the Development Agreement, it is hereby determined that it is in the best interests of the City and the owners of taxable property therein for the City to pursue the sale of the Refunding Bonds in order to refund the outstanding principal amount of the Series 2009 Note.

2.2. Pursuant the Act, this Commission hereby authorizes the City to proceed with the issuance and sale of the Refunding Bonds in an aggregate principal amount necessary to provide funds, with other available funds of the City, if any, to refund the outstanding principal amount of the Series 2009 Note, to make a deposit to the debt service reserve account and pay costs of issuance of the Refunding Bonds, as determined by the officers of the City identified pursuant to Section 3 and within the limitations therein established.

Section 3. Parameters and Terms of Sale. This Commission hereby determines that it would be in the best interests of the City to sell the Refunding Bonds through a negotiated sale to D.A. Davidson & Co., of Great Falls, Montana (the “Purchaser”).

The Refunding Bonds shall be sold to the Purchaser on terms and at a purchase price within the following limitations: (1) the aggregate principal amount of the Refunding Bonds, exclusive of original issue discount or premium, shall not exceed \$900,000; (2) the purchase price of the Refunding Bonds shall not be less than 98.25% of the principal amount thereof, exclusive of original issue discount or premium; (3) the average annual interest rate on the Refunding Bonds shall not exceed 6.5%; and (4) the final stated maturity of the Bonds shall not be later than the final stated maturity of the Series 2009 Note. All costs of issuing the Refunding Bonds (including, without limitation, the fees and expenses of bond counsel, the fees of the Paying Agent and Registrar, the Preliminary and final Official Statement costs, and the costs of printing the Refunding Bonds) shall be paid by the City.

The City Manager of the City and the Fiscal Services Director of the City, or the Deputy City Manager in the absence or unavailability of either, are hereby authorized and directed to approve the principal amount, purchase price, maturity dates, interest rates and redemption provisions of the Refunding Bonds and compensation to the Purchaser, subject to the conditions contained in the preceding paragraph and Section 3 and in the Act. Upon approving such terms, the City Manager, the Fiscal Services Director and the Deputy City Manager are hereby authorized and directed to approve, execute and deliver to the Purchaser a bond purchase agreement (the “Bond Purchase Agreement”) containing the agreement of the City to sell, and the agreement of the Purchaser to purchase, the Refunding Bonds on the terms so approved, and containing such other provisions as the City Manager or the Fiscal Services Director shall deem necessary and appropriate. The execution and delivery by the City Manager, the Fiscal Services Director or the Deputy City Manager of the Bond Purchase Agreement shall be conclusive as to the approval of such officers or employees of the terms of the Refunding Bonds and the agreement of the City to sell the Refunding Bonds on such terms in accordance with the provisions thereof.

Section 4. Preliminary Official Statement. The City Manager and the Fiscal Services Director, in cooperation with the Dorsey & Whitney LLP, the City’s bond counsel, and the Purchaser, are hereby authorized and directed to prepare on behalf of the City, a Preliminary Official Statement, to be distributed by the Purchaser to prospective purchasers of the Refunding Bonds. The Official Statement shall contain such information as shall be advisable and necessary to describe accurately the City and the security for, and the terms and conditions of, the Refunding Bonds. The Fiscal Services Director is authorized on behalf of the City to deem the Preliminary Official Statement near “final” as of its date, in accordance with Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934.

Section 5. Continuing Disclosure. To permit the Purchaser and other participating underwriters in the primary offering of the Refunding Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”), the City will covenant and agree, for the benefit of the registered holders and beneficial owners from time to time of the outstanding Refunding Bonds,

to provide annual reports of specified information and notice of the occurrence of certain events. A description of the undertaking is set forth in the Preliminary Official Statement.

Section 5. Bond Resolution. The form of the Refunding Bonds and the final terms and conditions thereof shall be prescribed by a subsequent resolution to be adopted by this Commission.

PASSED AND ADOPTED by the City Commission of the City of Great Falls, Montana, February 7, 2012.

Michael J. Winters, Mayor

ATTEST:

Lisa Kunz, City Clerk

(Seal of the City)

APPROVED FOR LEGAL CONTENT:

James W. Santoro, City Attorney