

CERTIFICATE AS TO RESOLUTION

I, the undersigned, being the duly qualified and acting recording officer of City of Great Falls, Montana (the "City"), hereby certify that the attached resolution is a true copy of the resolution entitled: "RESOLUTION RELATING TO TAX INCREMENT URBAN RENEWAL REFUNDING BONDS, SERIES 2002; AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE THEREOF" (the "Resolution"), is 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 August 20, 2002, 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notice of such meetings given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 August, 2002.

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

RESOLUTION NO. 9258

RESOLUTION RELATING TO TAX INCREMENT URBAN  
RENEWAL REFUNDING BONDS, SERIES 2002;  
AUTHORIZING THE ISSUANCE AND PRIVATE  
NEGOTIATED SALE THEREOF

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

Section 1. Recitals. 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 a redevelopment plan therefor and amendments thereto, undertake urban renewal projects therein, provide for the segregation and collection of tax increment with respect to 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. Pursuant to such authorization, this Commission issued and sold tax increment bonds of the City denominated: Tax Increment Urban Renewal Bonds, Series 1989B (the "Series 1989B Bonds"), in the original aggregate principal amount of \$2,305,000; Tax Increment Urban Renewal Refunding Bonds, Series 1993 (the "Series 1993 Bonds"), in the original aggregate principal amount of \$8,975,000; Tax Increment Urban Renewal Revenue Bonds, Parity Series 1998A (the "Series 1998A Bonds"), in the original aggregate principal amount of \$1,150,000; and Tax Increment Urban Renewal Revenue Bonds, Subordinate Series 1998B (the "Series 1998B Bonds"), in the original aggregate principal amount of \$875,000. The Series 1989B Bonds are no longer outstanding. The Series 1993 Bonds are currently outstanding in the aggregate principal amount of \$5,780,000; the Series 1998A Bonds are currently outstanding in the aggregate principal amount of \$890,000; and the Series 1998B Bonds are currently outstanding in the aggregate principal amount of \$675,000.

Section 2. Authorization. For the purpose of reducing the interest cost on the indebtedness referenced in Section 1, evidenced by the Series 1993 Bonds, it is hereby determined to be in the best interests of the City to sell its tax increment urban renewal refunding bonds, pursuant to the Act, in order to refund the outstanding Series 1993 Bonds (the "Refunded Bonds"). Such bonds shall be denominated "Tax Increment Urban Renewal Refunding Bonds, Series 2002" (the "Series 2002 Bonds"), and shall be issued in the aggregate principal amount necessary, but not greater than necessary, to provide funds to pay or redeem the Refunded Bonds. The Refunded Bonds with Stated Maturities in 2003 and later years are subject to redemption on February 15, 2003, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption, at a premium equal to one percent of the aggregate principal amount of the Refunded Bonds to be redeemed. It is hereby determined to be in the best interest of the City that the Refunded Bonds with stated maturities in 2003 and later years be called for redemption on February 15, 2003 and that the City issue its Series 2002 Bonds as authorized by Section 7-15-4301(1)(b) of the Act and as permitted by Resolution No. 8556 of the City, in order to refund the Refunded Bonds. The Series 2002 Bonds are payable from the tax increment derived from the urban renewal area on a parity with the Series 1998A Bonds and Series 1998B Bonds.

Section 3. Sale of Bonds; Bond Purchase Agreement. Pursuant to the Act, this Commission hereby determines that it would be in the best interests of the City to sell the Series 2002 Bonds at a private, negotiated sale to D.A. Davidson & Co. (the "Purchaser"). The Series 2002 Bonds shall be sold to the Purchaser on terms and at a purchase price within the following limitations: (1) the purchase price of the Series 2002 Bonds shall not be less than 99.00% of the aggregate principal amount of the Series 2002 Bonds, exclusive of original issue discount or premium; (2) the aggregate principal amount of the Series 2002 Bonds shall not exceed \$6,250,000; (3) the debt service payable on the Series 2002 Bonds is such that the net present value of debt service savings to be achieved by the refunding is not less than 3.75% of the principal amount of the Refunded Bonds, using the yield of the Refunded Bonds as the discount factor, calculated over the term of the Series 2002 Bonds; and (4) the maximum average interest rate on the Series 2002 Bonds shall not exceed 3.65%. All costs of issuing the Series 2002 Bonds (including, without limitation, the fees and expenses of bond counsel, the fees of the Paying Agent and Registrar, the fee of the Escrow Agent and the costs of printing the Preliminary Official Statement, the Official Statement and the Series 2002 Bonds) shall be paid by the City.

The Mayor, the City Manager, and City Controller are hereby authorized and directed to approve the principal amount, purchase price, original issue discount or premium, if any, maturity dates, principal amounts, basic and additional interest rates and redemption provisions of or relating to the Series 2002 Bonds, subject to the limitations contained in the preceding paragraph. In addition, such officers may determine whether the Series 2002 Bonds should be secured by a municipal bond insurance policy in light of the costs of obtaining the policy versus the resulting lower interest rates on the Series 2002 Bonds.

Upon approving such terms, the Mayor, the City Manager and the City Controller 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 Series 2002 Bonds on the terms so approved, and containing such other provisions as such officers shall deem necessary and appropriate. In the event of the absence or disability of any of the Mayor, the City Manager or the City Controller, another member of this Commission shall make such approvals and execute and deliver the Bond Purchase Agreement. The execution and delivery by two appropriate officers of the City of the Bond Purchase Agreement shall be conclusive as to the approval of such officers of the terms of the Series 2002 Bonds and the agreement of the City to sell the Series 2002 Bonds on such terms in accordance with the provisions thereof.

The form of the Series 2002 Bonds and the security therefor shall be prescribed by a subsequent resolution to be adopted by this Commission.

Section 4. Preliminary Official Statement. The Mayor, the City Manager and the City Controller and other officers of the City, in cooperation with the Purchaser, are hereby authorized and directed to prepare a Preliminary Official Statement to be distributed by the Purchaser to potential purchasers of the Series 2002 Bonds. The Mayor, the City Manager and the City Controller (or in the event of the absence or disability of any of the Mayor, the City Manager or the City Controller, a member of the City Commission) are hereby authorized and directed on behalf of the City to approve the Preliminary Official Statement and to deem such

Preliminary Official Statement “near final” as of its date, in accordance with Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934.

PASSED by the City Commission of the City of Great Falls, Montana, on August 20, 2002.

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Mayor

Attest:

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City Clerk