

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 the resolution, entitled: "RESOLUTION RELATING TO STORM DRAINAGE SYSTEM REVENUE REFUNDING BONDS, SERIES 2003; AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE THEREOF" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Commission at a meeting on June 3, 2003, and that the meeting was duly held by the City Commissioners 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 June, 2003.

City Clerk

(SEAL)

RESOLUTION NO. 9320

RESOLUTION RELATING TO STORM DRAINAGE SYSTEM
REVENUE REFUNDING BONDS, SERIES 2003;
AUTHORIZING THE ISSUANCE AND PRIVATE
NEGOTIATED SALE THEREOF

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 Under the provisions of Montana Code Annotated, Title 7, Chapter 7, Parts 44 and 45, as amended (the "Act"), the City is authorized to issue and sell its revenue bonds payable during a term not exceeding forty years from their date of issue, to provide funds for the reconstruction, improvement, betterment and extension of a storm drainage system and to refund its revenue bonds issued for such purpose; provided that the bonds and the interest thereon are to be payable solely out of the net income and revenues to be derived from rates, fees and charges for the services, facilities and commodities furnished by the undertaking, and are not to create any obligation for the payment of which taxes may be levied except to pay for services provided by such system to the City. The City has established a municipal storm drainage system within the boundaries of the City (the "System"). Pursuant to this authorization and Resolution No. 8600, adopted on December 21, 1993 (the "1993 Resolution"), the City issued and sold its Storm Drainage System Revenue Bonds, Series 1994, dated, as originally issued, as of January 1, 1994 (the "Series 1994 Bonds"), in the aggregate principal amount of \$2,880,000 to finance improvements and additions to the System, and currently outstanding in the aggregate principal amount of \$1,935,000 (the "Refunded Bonds").

1.02 Pursuant to the Act and the 1993 Resolution, the City reserved the right to issue refunding bonds for the purpose of redeeming outstanding bonds. The Series 1994 Bonds with stated maturities in 2005 and later years are subject to redemption on January 1, 2004, and any interest payment date thereafter, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued on the principal amount to be redeemed to the date of redemption plus a premium thereon as set forth in the 1993 Resolution.

1.03 For the purposes of reducing the interest cost on the Refunded Bonds and reducing the taxes necessary to pay the principal of and interest on the Refunded Bonds, it is hereby determined that it is in the best interests of the City and ratepayers of the System for the City to pursue the sale of storm drainage system revenue refunding bonds, pursuant to the Act, in order to refund all or a portion of the Refunded Bonds. Such refunding bonds shall be denominated "Storm Drainage System Revenue Refunding Bonds, Series 2003" (the "Bonds"), and shall be issued in the aggregate principal amount necessary to provide funds, with other available funds of the City, to pay the interest on and principal of all or a portion of the Refunded Bonds, as determined by the officers of the City identified pursuant to Section 2 and within the limitations therein established so as to maximize debt service savings, assuming that the Refunded Bonds with stated maturities in 2005 and later years are called for redemption on January 1, 2004, at a redemption price equal to the principal amount thereof plus interest accrued

to the date of redemption plus a premium in the amount of 2.00% of the principal amount of the Refunded Bonds to be redeemed.

Section 2. Sale of Bonds; Bond Purchase Agreement. Pursuant to Montana Code Annotated, Section 7-7-4501, this Commission hereby determines that it would be in the best interests of the City to sell the Bonds at a private, negotiated sale to D.A. Davidson & Co., of Great Falls, Montana (the "Purchaser"). The Bonds shall be sold to the Purchaser on terms and at a purchase price within the following limitations: (1) the purchase price shall not be less than 98.75% of par, exclusive of original issue discount or original issue premium; (2) the aggregate principal amount of the Bonds shall not exceed \$2,050,000; (3) the debt service payable on the Bonds is such that the net present value of debt service savings to be achieved by the refunding is not less than 4.75% of the principal amount of the Refunded Bonds, using the yield of the Bonds as the discount factor, calculated over the term of the Refunded Bonds; (4) the maximum average interest rate on the Bonds shall not exceed 3.75%; and (5) the average annual interest rate on the Bonds is at least three-eighths of one percent (0.375%) less than the average annual interest rate on the Refunded Bonds. All costs of issuing the Bonds (including, without limitation, the fees and expenses of bond counsel, the fees of the Paying Agent and Registrar, and the costs of printing the Bonds) shall be paid by the City.

The Controller of the City and the City Manager are hereby authorized and directed to approve the principal amount, purchase price, maturity dates, principal amounts, basic and additional interest rates, original issue discount or original issue premium, and redemption provisions of or relating to the Bonds, subject to the limitations contained in the preceding paragraph. Upon approving such terms, the Controller and the 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 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 either the Controller or City Manager, a member of the 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 Bonds and the agreement of the City to sell the Bonds on such terms in accordance with the provisions thereof.

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

Section 3. Preliminary Official Statement. The Controller, City Manager, City Clerk 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 Bonds. The City Manager and the City Clerk (or in the event of the absence or disability of either the City Manager or the City Clerk, a member of the Commission) are hereby authorized and directed on behalf of the City to approve the Preliminary Official Statement, and to deem it a "final" official statement as of its date in accordance with Rule 15c2-12(b)(1) promulgated by the Securities and Exchange Commission under the Securities and Exchange Act of 1934.

Adopted this 3rd day of June, 2003.

CITY OF GREAT FALLS, MONTANA

Mayor

Attest: _____
City Clerk

Approved
as to form: _____
City Attorney