

CERTIFICATE AS TO RESOLUTION AND 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 Resolution No. _____, entitled: "RESOLUTION RELATING TO \$5,005,000 SANITARY SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005; AUTHORIZING THE ISSUANCE AND PROVIDING FOR THE PUBLIC 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 of the City at a regular meeting on January 4, 2005, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 Commission Members voted in favor thereof: _____

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

WITNESS my hand officially this ____ day of January, 2005.

City Clerk

RESOLUTION NO. 9445

RESOLUTION RELATING TO \$5,005,000 SANITARY SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005; AUTHORIZING THE ISSUANCE AND PROVIDING FOR THE PUBLIC SALE THEREOF

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

Section 1. Recitals. The City is authorized pursuant to Title 7, Chapter 13, Part 43, Montana Code Annotated, to establish, operate and maintain a sanitary sewerage system. The City is authorized pursuant to Title 7, Chapter 7, Parts 44 and 45, Montana Code Annotated, as amended (the “Act”) to issue its revenue bonds to finance in whole or in part the cost of the acquisition, purchase, construction, reconstruction, improvement, betterment or extension of its sanitary sewerage system facilities. The Commission investigated the facts necessary and hereby finds, determines and declares it to be necessary and desirable for the City to offer for sale \$5,005,000 Sanitary Sewerage System Revenue Bonds, Series 2005 (the “Bonds”) for the purpose of engineering, designing, constructing, and installing certain improvements to the existing sanitary sewerage system and related improvements (the “Project”) and for funding certain costs incidental to the sale and payment of Bonds and to fund the debt service reserve securing the Bonds.

Section 2. Term of the Bonds. Pursuant to the authority described above, this Commission shall issue and sell Bonds of the City in the aggregate principal amount not to exceed \$5,005,000 for the purpose of providing funds to construct and install the Project, funding the debt service reserve, and paying certain costs incidental to the sale and issuance of the Bonds. The Bonds shall be dated, as originally issued, as of February 1, 2005, shall be issued in one series designated “Sanitary Sewerage System Revenue Bonds, Series 2005” and shall bear interest, payable semiannually on February 1 and August 1 of each year commencing August 1, 2005, at the rate or rates designated by the successful bidder at public sale and approved by the Commission, which rate or rates shall not exceed six and one-half percent (6.50%) per annum, with the maximum difference between the highest and lowest rate of interest not exceeding three and one-half percent (3.50%) per annum and must be expressed in integral multiples of 1/8 or 1/20 of 1%. No supplemental or “B” coupons or additional interest certificates shall be allowed. The Bonds shall mature, subject to redemption as hereinafter provided, on August 1 in each of the following years and amounts (unless combined into one or more term bonds):

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2005	\$160,000	2015	\$260,000
2006	160,000	2016	270,000
2007	160,000	2017	280,000
2008	165,000	2018	290,000
2009	170,000	2019	310,000
2010	175,000	2020	320,000
2011	180,000	2021	335,000
2012	190,000	2022	345,000
2013	245,000	2023	360,000
2014	255,000	2024	375,000

Bidders will have the option of combining the Bonds maturing from and after 2005 through and including 2014 and from and after 2015 through and including 2024 into one or more terms bonds. If any Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption on each August 1, concluding no later than 2024, at a redemption price equal to the principal amount of such Bonds or portions thereof to be redeemed with interest accrued thereon and payable on February 1 and August 1 to the redemption date, in installments and in the same amounts and same dates as the bonds would have matured if they were not included in a term bond.

The Bonds shall be issued in “book-entry” only form, in the denomination of \$5,000 each or any integral multiple thereof of single maturities. The Bonds shall be issuable only as fully registered bonds and shall be executed by the manual or facsimile signatures of the Mayor, City Manager and City Controller.

The Bonds with stated maturities in 2005 through 2014 are not subject to redemption before their stated maturities, but the Bonds having stated maturities in 2015 and later years are subject to redemption at the option of the City, in whole or in part, and if in part in such maturities as the City may designate and within a maturity in \$5,000 principal amounts selected by lot or other manner deemed fair, on August 1, 2014, and any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed with accrued interest to the date of redemption, without premium.

Further terms and conditions for the sale of the Bonds (the “Official Terms and Conditions”) are contained in Exhibit A to this resolution (which is hereby incorporated herein and made a part hereof).

Section 3. Notice of Sale. All sealed bids for the Bonds shall be submitted to the City Controller or bids for the purchase of the Bonds shall be received by the City by electronic transmission through Parity™, in either case on or before January 18, 2005, at 11:00 a.m., Mountain Time in the office of the City Controller, City of Great Falls, 2 Park Drive South, Great Falls, Montana. The bids received will be presented to the Commission at a regular meeting on the same day, whereupon the Commission will consider the award of sale to the bidder whose bid results in the lowest true interest cost (TIC) payable on the bonds. The City Clerk is authorized and directed to cause the notice of the sale to be published, as required by Section 7-7-4434, M.C.A, once in the *Great Falls Tribune*, a newspaper circulating throughout the State of Montana, at least five days prior to the date of sale, and may publish a summary of the notice in the Bond Buyer, and in any other newspaper as may be determined appropriate by the City Clerk. The notice of sale shall be in substantially the form set forth in Exhibit B to this resolution (which is hereby incorporated herein and made a part hereof).

Section 4. Continuing Disclosure. In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the 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 Bonds, in the resolution prescribing the terms of the Bonds to provide certain specified information, if customarily prepared and publicly available, and notice of the occurrence of certain events, if material. The City’s sanitary sewerage system is the only “obligated person” in respect of the

Bonds within the meaning of the Rule for the purposes of disclosing information on an ongoing basis. A description of the undertaking is set forth in the Official Statement. Failure of the City to enter into an undertaking substantially similar to that described in the Official Statement would relieve the successful bidder of its obligation to purchase the Bonds.

Section 5. Preliminary Official Statement. The City Controller and other officers of the City, in cooperation with D.A. Davidson & Co., financial consultants to the City, are hereby authorized and directed to prepare a Preliminary Official Statement to be distributed to potential purchasers of the Bonds. Such preliminary official statement shall contain the Official Terms and Conditions and such other information as shall be advisable and necessary to describe accurately the City and the security for, and terms and conditions of, the Bonds. The Mayor and City Clerk are authorized on behalf of the City 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 this 4th day January, 2005.

Mayor

ATTEST:

City Clerk

EXHIBIT A

TERMS AND CONDITIONS OF SALE

\$5,005,000 Sanitary Sewerage System Revenue Bonds, Series 2005
City of Great Falls, Montana

NOTICE IS HEREBY GIVEN by the City Commission (the "Commission") of the City of Great Falls, Montana (the "City"), that sealed bids for the purchase of Sanitary Sewerage System Revenue Bonds, Series 2005, of the City in the total principal amount of \$5,005,000 (the "Series 2005 Bonds") will be received in the office of the City Controller, City of Great Falls, 2 Park Drive South, Great Falls, Montana, 59403, or bids for the purchase of the Series 2005 Bonds will be received by the City by electronic transmission through Parity™, in either case until 11:00 a.m., M.T., on January 18, 2005. The bids will be opened and tabulated by the City Controller at 11:00 a.m. and presented to the Commission at a meeting at 7:00 p.m. the same day in the City Commission Chambers at the 2 Park Drive South, Great Falls, Montana, at which time the Commission will consider the bids received and, if a responsive and acceptable bid is received, award the sale of the Series 2005 Bonds to the responsive bidder whose bid reflects the lowest true interest cost (TIC).

PURPOSE AND SECURITY

The Series 2005 Bonds are being issued for the purpose of engineering, designing, constructing, and installing certain improvements to the existing sanitary sewerage system of the City and related improvements, paying costs associated with the sale and issuance of the Series 2005 Bonds, and to fund the debt service reserve account securing the Series 2005 Bonds. Bidders should consult a copy of the Preliminary Official Statement for a discussion of the security for the Series 2005 Bonds and the form of opinion of bond counsel relating to the Series 2005 Bonds.

THE BONDS

The Series 2005 Bonds will bear an original issue date of February 1, 2005, and will bear interest at the rate or rates designated by the successful bidder at public sale and approved by the Commission; provided that no rate of interest may exceed 6.50% per annum and the difference between the highest and lowest rates of interest may not exceed 3.50% per annum. No supplemental or "B" coupons or additional interest certificates are permitted and rates shall be expressed in integral multiples of 1/8 or 1/20 of one percent (1.00%) per annum. All Series 2005 Bonds of the same stated maturity must bear interest from date of original issue until paid at a single, uniform rate. Interest will be payable semiannually on February 1 and August 1 of each year, commencing August 1, 2005, to the registered owners of the Series 2005 Bonds as such appear in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2005 Bonds shall mature, subject to redemption as hereinafter provided, on August 1 in the following years and amounts (unless combined into one or more term bonds):

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2005	\$160,000	2015	\$260,000
2006	160,000	2016	270,000
2007	160,000	2017	280,000
2008	165,000	2018	290,000
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2011	180,000	2021	335,000
2012	190,000	2022	345,000
2013	245,000	2023	360,000
2014	255,000	2024	375,000

Bidders will have the option of combining the Series 2005 Bonds maturing from and after 2005 through and including 2014 and from and after 2015 through and including 2024 into one or more terms bonds. If any Series 2005 Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption on each August 1, concluding no later than 2024, at a redemption price equal to the principal amount of such Series 2005 Bonds or portions thereof to be redeemed with interest accrued thereon and payable on February 1 and August 1 to the redemption date, in installments and in the same amounts and same dates as the bonds would have matured if they were not included in a term bond.

The Series 2005 Bonds shall be issuable as fully registered bonds only, in the denomination of \$5,000 each or any integral multiple thereof of single maturities. Amortization bonds will not be issued.

The Series 2005 Bonds with stated maturities in 2005 through 2014 are not subject to redemption before their stated maturities, but the Series 2005 Bonds having stated maturities in 2015 and later years are subject to redemption at the option of the City, in whole or in part, and if in part in such maturities as the City may designate and within a maturity in \$5,000 principal amounts selected by lot or other manner deemed fair, on August 1, 2014, and any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed with accrued interest to the date of redemption, without premium.

BOOK ENTRY

The Series 2005 Bonds will be issued initially to The Depository Trust Company, New York, New York (“DTC”), as securities depository, and immobilized in its custody. Ownership of the Series 2005 Bonds in principal amounts of \$5,000 or integral multiples thereof of a single maturity will be effected under the “book-entry system” of DTC, with transfer of ownership effected on the records of DTC and its participants, pursuant to rules and procedures established by DTC and its participants. So long as DTC or its nominee is the registered owner of the Series 2005 Bonds, the principal of and interest on the Series 2005 Bonds will be paid, in immediately available funds, directly to DTC or its nominee as registered owner of the Series 2005 Bonds.

Transfer of principal of and interest payment to Beneficial Owners by DTC participants will be the responsibility of such participants and other nominee of Beneficial Owners. The City will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Series 2005 Bonds will be designated by the City as “qualified tax-exempt obligations” 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 Series 2005 Bonds for purposes of Sections 265(b)(2) and 291(e)(1)(B) of the Code as if they were acquired on August 7, 1986.

BIDDING AND SALE PROCEDURES

Submission of Bids. Unless bids are transmitted electronically as hereafter provided, bids must be on the Official Bid form, a copy of which may be obtained from the City or the Financial Consultant to the City and enclosed in a sealed envelope marked as follows: “Bid for \$5,005,000 Sewer System Revenue Bonds, Great Falls, Montana, Series 2005.” Each envelope when delivered must indicate on the outside the name and address of the bidder, or in the case of a group of bidders, of the representative. Bids may be transmitted electronically through Parity™ in accordance with these terms and conditions. The bids shall be delivered to the City Controller no later than 11 a.m., M.T., on January 18, 2005.

Basis of Award. The Bonds will be sold for not less than \$4,917,412.50 (98.25% of par) with accrued interest to the date of delivery, and all bidders must state the lowest rate or rates of interest at which they will purchase the Series 2005 Bonds at a specified purchase price. Bids will be compared on the basis of true interest cost (TIC) and awarded to the responsive bidder whose bid reflects the lowest TIC. The TIC is the net present value of total interest on all Series 2005 Bonds from dated date to their maturities, less any premium or plus any discount. If two or more bids state the same lowest true interest cost, the sale of the Series 2005 Bonds will be awarded by lot. The City reserves the right to reject any and all bids and to sell the Series 2005 Bonds at private sale and to waive any informality and irregularity in any and all bids. Bidders must bid for all or none of the Series 2005 Bonds. Each bid must be unconditional (or conditioned on only those items specified in these Official Terms and Conditions of Sale). No bid may be altered or withdrawn after the time specified above for opening bids without the express consent of the Commission.

Electronic Transmission. To the extent any instructions or directions set forth in Parity™ conflict with these Terms and Conditions of Sale, the terms of these Terms and Conditions of Sale shall control. For further information about Parity™, potential bidders may contact the Financial Advisor, D.A. Davidson & Co. at (406) 791-7210 (Aaron Rudio), or Parity™ at (212) 404-8102 (Client Services). In the event of a malfunction in the electronic bidding process, bidders may submit their bids by sealed bid including facsimile transmission to the City Controller, Coleen Balzarini, at facsimile number (406) 452-8048 (phone (406) 455-8478).

Good Faith Deposit. A good faith deposit (the “Deposit”) in the form of money, cashier’s check, certified check, bank money order, or bank draft drawn and issued by a federally chartered or state chartered bank insured by the Federal Deposit Insurance Corporation or a financial surety bond in the sum of 2% of the amount payable (\$100,100) to the order of the City of Great Falls, Montana, is required for each bid to be considered. If money, cashier’s check, certified check, bank money order, or bank draft is used, it must accompany the bid and be delivered to the City Controller. If a financial surety bond is used, it must be from an insurance company licensed and qualified to issue such a bond in the State of Montana and such bond must be submitted to the City Controller, or the City’s Financial Advisor prior to the opening or accessing of the bids. The financial surety bond must identify each bidder whose Deposit is guaranteed by such financial surety bond. If the Series 2005 Bonds are awarded to a bidder utilizing a financial surety bond, then that purchaser is required to submit its Deposit to the City in the form of a cashier’s check (or wire transfer such amount as instructed by the City or its Financial Advisor) not later than 1:00 p.m., M.T., on the next business day following the award. If such Deposit is not received by that time, the financial surety bond may be drawn by the City to satisfy the Deposit requirement. No interest on the Deposit will accrue to the purchaser. The Deposit will be applied to the purchase price of the Series 2005 Bonds. In the event the purchaser fails to honor its accepted bid, the Deposit will be retained by the City. The Deposit of the unsuccessful bidders will be returned immediately after award of sale of the Series 2005 Bonds or rejection of all bids.

Instructions for wiring a Deposit may be obtained from the City Controller, 2 Park Drive South, Great Falls, Montana 59403, (406) 455-8478.

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT

The City will select a bank, financial institution or trust company to act as bond registrar, transfer agent and paying agent (the “Registrar”). The bond register will be kept, transfers of ownership will be effected and principal of and interest on the Bonds will be paid by the Registrar. The City will pay the charges of the Registrar for such services. The City reserves the right to remove the Registrar and to appoint a successor.

DELIVERY

Within 40 days after the sale, on a business day to be specified by the City (the “Closing Date”), the City will deliver to the Registrar the printed Series 2005 Bonds ready for completion and authentication. On the day of closing, the City will furnish to the purchaser the opinion of Bond Counsel hereinafter described, an arbitrage certification and a certificate stating that no litigation in any manner questioning the validity of the Bonds is then pending or, to the knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City in immediately available funds at its designated depository on the day of closing. The successful bidder shall submit to the City, not earlier than 48 hours after the award of sale and not later than the day of closing, a certificate, in form satisfactory to Bond Counsel, as to the initial reoffering price of each stated maturity of the Bonds and stating that at least ten percent of the principal amount of such Bonds of each stated maturity has been sold at such respective prices.

CONTINUING DISCLOSURE

In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the 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 Bonds, in the resolution prescribing the terms of the Bonds to provide certain specified information, if customarily prepared and publicly available, and notice of the occurrence of certain events, if material. The City’s sanitary sewerage system is the only “obligated person” in respect of the Series 2005 Bonds within the meaning of the Rule for the purposes of disclosing information on an ongoing basis. A description of the undertaking is set forth in the Official Statement. Failure of the City to enter into an undertaking substantially similar to that described in the Official Statement would relieve the successful bidder of its obligation to purchase the Bonds. The City has complied in all material respects with any undertaking previously entered into by it under the Rule.

LEGAL OPINION

An opinion as to the validity of the Series 2005 Bonds and the exclusion of the interest thereon from gross income for federal and Montana income tax purposes will be furnished by Dorsey & Whitney LLP, of Missoula, Montana, and Minneapolis, Minnesota, as Bond Counsel. The legal opinion will be delivered at closing. The legal opinion will state that the Series 2005 Bonds are valid and binding special obligations of the City enforceable in accordance with their terms, except to the extent to which enforceability thereof may be limited by state or federal laws relating to bankruptcy, reorganization, moratorium or creditors’ rights or principles of equity, whether considered at law or in equity.

COSTS; CUSIP NUMBERS

The City will pay the costs of printing the Series 2005 Bonds, and the fees and charges of Bond Counsel and the Registrar. The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be assigned and printed at the expense of the purchaser, if the original purchaser waives any delay in delivery occasioned thereby.

OFFICIAL STATEMENT

The City will prepare an Official Statement relating to the Series 2005 Bonds, in substantially the form of the Preliminary Official Statement, completed with sale information. The City will deliver, on the Closing Date, a certificate executed by the Mayor, City Manager and City Controller to the effect that, to the best of his or her knowledge, as of the Closing Date, the information contained in the Official Statement, including any supplement thereto, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading; provided that no comment will be made with respect to any information provided by the successful bidder for inclusion in the Official Statement.

By submitting a bid for the Series 2005 Bonds, the successful bidder agrees: (1) to disseminate to all members of the underwriting syndicate copies of the Official Statement, including any supplement prepared by the City, (2) to file promptly a copy of the Official Statement, including any supplement prepared by the City, with a nationally recognized municipal securities repository, and (3) to take any and all other actions necessary to comply with applicable rules of the Securities and Exchange Commission and the Municipal Securities Rulemaking Commission governing the offering, sale and delivery of the Series 2005 Bonds to ultimate purchasers.

Within seven business days after the sale the City will furnish to the successful bidder without charge up to 100 copies of the Official Statement relating to the Series 2005 Bonds. The successful bidder must notify the City Clerk in writing within two business days after the award of sale of the Series 2005 Bonds if it requires additional copies of the Official Statement, the cost of which shall be paid by the successful bidder.

RATING

The City will apply for and obtain a rating on the Series 2005 Bonds from Moody's. Rating agency fees will be the responsibility and at the sole expense of the purchaser.

BOND INSURANCE AT PURCHASER'S OPTION

The City will provide information concerning the Series 2005 Bonds and the City to insurers. If the Series 2005 Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the purchaser of the Series 2005 Bonds. Any increased costs of issuance of the Series 2005 Bonds resulting from such purchase of insurance shall be paid by the purchaser.

Failure or refusal of a municipal bond insurer to issue the policy after Series 2005 Bonds have been awarded to the purchaser shall not constitute cause for failure or refusal by the purchaser to accept delivery of the Series 2005 Bonds.

Additional information regarding the City and the Bonds may be obtained from the City's Financial Advisor, D.A. Davidson & Co., 8 Third Street North, Great Falls, Montana 59401, (406) 791-7210.

BY ORDER OF THE CITY COMMISSION

/s/ _____
City Clerk
City of Great Falls, Montana

EXHIBIT B

NOTICE OF BOND SALE

\$5,005,000 Sanitary Sewerage System Revenue Bonds, Series 2005
City of Great Falls, Montana

NOTICE IS HEREBY GIVEN that the City Commission (the “Commission”) of the City of Great Falls, Montana (the “City”) will receive and open sealed bids for the purchase of \$5,005,000 Sanitary Sewerage System Revenue Bonds, Series 2005 (the “Series 2005 Bonds”) in the office of the City Controller, 2 Park Drive South, Great Falls, Montana, 59403, or bids for the purchase of the Series 2005 Bonds will be received by the City by electronic transmission through Parity™, in either case until 11:00 a.m., M.T., on Tuesday, January 18, 2005. The bids will be opened (or accessed) and tabulated by the City Controller immediately thereafter and presented to the Commission at a regular meeting at 7:00 p.m. that same day. Bids will be compared on the basis of true interest cost (TIC).

The Series 2005 Bonds are being issued for the purpose of engineering, designing, constructing, and installing certain improvements to the existing sanitary sewerage system of the City and related improvements. The Series 2005 Bonds shall be issuable as fully registered bonds only, in the denomination of \$5,000 each or any integral multiple thereof of single maturities. Amortization bonds will not be issued. The Series 2005 Bonds shall mature August 1, subject to redemption as hereinafter described, in the following years and amounts (unless combined into one or more term bonds):

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2005	\$160,000	2015	\$260,000
2006	160,000	2016	270,000
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2011	180,000	2021	335,000
2012	190,000	2022	345,000
2013	245,000	2023	360,000
2014	255,000	2024	375,000

Bidders will have the option of combining the Series 2005 Bonds maturing from and after 2005 through and including 2014 and from and after 2015 through and including 2024 into one or more terms bonds. If any Series 2005 Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption on each August 1, concluding no later than 2024, at a redemption price equal to the principal amount of such Series 2004 Bonds or portions thereof to be redeemed with interest accrued thereon and payable on February 1 and August 1 to the redemption date, in installments and in the same amounts and same dates as the bonds would have matured if they were not included in a term bond.

The Series 2005 Bonds will bear an original issue date of February 1, 2005, and will bear interest payable semiannually on February 1 and August 1 of each year, commencing August 1, 2005, to the registered owners of the Series 2005 Bonds as such appear in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. No interest rate may exceed 6.50% per annum, and the difference between the highest and lowest rate of interest may not exceed 3.50% per annum. No supplemental or "B" coupons or additional interest certificates are permitted and rates shall be expressed in integral multiples of 1/8 or 1/20 of one percent per annum. The Series 2005 Bonds maturing on or after August 1, 2015 will be subject to redemption on August 1, 2014, and any date thereafter, at the option of the City, from such stated maturities and in such principal amounts as may be designated by the City (or if no designation is made, in inverse order of maturities and within a stated maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the redemption date, without premium.

The City will designate the Series 2005 Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Series 2005 Bonds will be sold for not less than \$4,917,412.50 (98.25% of par) with accrued interest on the principal amount of the Series 2005 Bonds to the date of their delivery. The Commission reserves the right to reject any and all bids, to waive any informality in any bid, and to sell the Series 2005 Bonds at private sale.

A good faith deposit in the form of money, cashier's check, certified check, bank money order, or bank draft drawn and issued by a federally chartered or state chartered bank insured by the Federal Deposit Insurance Corporation or a financial surety bond in the sum of 2% of the amount payable (\$100,100) to the order of the City is required for each bid to be considered, as further specified in the Official Terms and Conditions of Sale.

Copies of the Official Terms and Conditions of Sale and additional information may be obtained from D.A. Davidson & Co., 8 Third Street North, Great Falls, Montana 59401, (406) 791-7210, financial advisor to the City. Prospective bidders should consult the Official Terms and Conditions of Sale and the Preliminary Official Statement for a detailed description of the Series 2005 Bonds, the security therefor, and the form of legal opinion proposed to be rendered by Dorsey & Whitney LLP, of Missoula, Montana, and Minneapolis, Minnesota, as bond counsel.

Dated: January 4, 2005.

BY ORDER OF THE CITY COMMISSION

City Clerk
City of Great Falls, Montana

Publication Date: January 9, 2005.