

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 Resolution No. 9454, entitled: "RESOLUTION RELATING TO \$5,005,000 SANITARY SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005; AWARDING THE SALE THEREOF AND APPROVING THE OFFICIAL STATEMENT RELATING THERETO; AUTHORIZING THE ISSUANCE AND FIXING THE TERMS AND CONDITIONS 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 meeting on January 18, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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. 9454

RESOLUTION RELATING TO \$5,005,000 SANITARY SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005; AWARDING THE SALE THEREOF AND APPROVING THE OFFICIAL STATEMENT RELATING THERETO; AUTHORIZING THE ISSUANCE AND FIXING THE TERMS AND CONDITIONS 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 Authorization. The City pursuant to authority conferred by Montana Code Annotated, Title 7, Chapter 7, Parts 44 and 45, as amended (the "Act"), and other laws of the State of Montana, has established and presently owns and operates a municipal sanitary sewerage system (the "System"). Under the provisions of 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 the 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 the System to the City.

1.02 Outstanding Bonds. In accordance with the authorization described in Section 1 and pursuant to Resolution Nos. 9227 and 9228, adopted by this Commission on May 7, 2002, the City issued and sold the following bonds that are currently outstanding: its Sanitary Sewerage System Revenue Refunding Bonds, Series 2002A, dated, as originally issued, as of May 15, 2002 (the "Series 2002A Bonds"), currently outstanding in the aggregate principal amount of \$5,290,000, issued for the purpose of refunding the City's then outstanding Series 1992 Bonds allocable to the System; and its Sanitary Sewerage System Revenue Bond (DNRC Revolving Loan Program), Series 2002B, dated, as originally issued, as of May 15, 2002 (the "Series 2002B Bond"), currently outstanding in the aggregate principal amount of \$10,032,267, issued for the purpose of financing the construction of a new solids handling system at the wastewater treatment plant and related improvements.

1.03 Parity Bonds. In Section 6.01 of Resolution No. 9227, the City reserved the right to issue additional bonds payable from and secured by the net revenues of the System on a parity with the Outstanding Bonds on certain terms and conditions. Based on the Net Revenues of the System for fiscal year ended June 30, 2004, it is determined that the City is authorized to issue a series of bonds (the "Series 2005 Bonds") in the aggregate principal amount of \$5,005,000 to pay the costs of engineering, designing, constructing, and installing certain improvements to the System, as set forth in Section 1.07, which bonds would be payable from and secured by the Net

Revenues of the System on a parity with the outstanding Series 2002A Bonds and Series 2002B Bond (collectively, the “Outstanding Bonds”).

1.04 Defined Terms. Capitalized terms, used but not defined herein, shall have the meanings ascribed to them in Resolution No. 9227, as amended and supplemented.

1.05 Net Revenues Available. The City is authorized to charge just and equitable rates, charges and rentals for all services directly or indirectly furnished by the System, and to pledge and appropriate to the Outstanding Bonds and the Series 2005 Bonds the Net Revenues to be derived from the operation of the System, including improvements, betterments or extensions thereof hereafter constructed or acquired. The Net Revenues to be produced by such rates, charges and rentals during the term of the Series 2005 Bonds and the useful life of the improvements financed or refinanced thereby will be more than sufficient to pay the principal and interest when due on the Outstanding Bonds and the Series 2005 Bonds, and to create and maintain reasonable reserves therefor and to provide an allowance for replacement and depreciation, as herein prescribed or prescribed in Resolution No. 9227.

1.06 Other Bonds. Upon the issuance of the Series 2005 Bonds, the only Bonds payable from the System will be the Series 2002A Bonds, Series 2002B Bond and Series 2005 Bonds.

1.07 The 2005 Project. The City, with the assistance of Black & Veatch Corporation, of Centennial, Colorado (the “Consulting Engineer”), has determined the necessity of upgrading the City’s sanitary sewerage system (the “System”) to make certain expansions and improvements of the System (the “2005 Project”). The 2005 Project consists of making certain improvements to the City’s existing sanitary sewerage system, consisting of engineering, designing, constructing, and installing: phase two of the sanitary sewer line initially to serve Agri-Business Park, and that will be available to others in the immediate vicinity; a lift station initially to serve Agri-Business Park, and that will be available to serve others in the immediate vicinity; and a co-generation project at the municipal wastewater treatment plant. The costs of the 2005 Project and costs incidental to the issuance and sale of the Series 2005 Bonds, is presently estimated to be \$5,005,000 and consist of the following items:

Deposit to the Construction Fund	\$4,655,285.00
Reserve Account	267,175.00
Costs of Issuance	42,500.00
Underwriter’s Discount (exclusive of net reoffering premium)	<u>40,040.00</u>
Total	<u>\$5,005,000.00</u>

1.08 Sale of Sanitary Sewerage System Revenue Bonds. This Commission on January 4, 2005, adopted a resolution providing for the public sale of the Series 2005 Bonds to finance the costs of the 2005 Project. Notice of the sale has been duly published in accordance with Montana Code Annotated, Section 7-7-4434. Pursuant to the notice of sale, 7 bids for the purchase of the Series 2005 Bonds were received at or before the time specified for receipt of bids.

The bids have been opened (or accessed) and publicly read and considered, and the purchase price, interest rates and net interest cost under the terms of each bid have been determined. The bid of D.A. Davidson & Co., of Great Falls, Montana (the "Purchaser"), attached as Exhibit A, to purchase the Series 2005 Bonds is hereby determined to comply with the notice of sale and to be the most favorable bid received for the purchase of the Series 2005 Bonds. The bid of the Purchaser is hereby accepted and the sale of the Series 2005 Bonds is hereby awarded to the Purchaser. The bid security of the Purchaser shall be retained pending payment for the Series 2005 Bonds and the bid security of all other bidders shall be returned forthwith.

The Series 2005 Bonds will bear interest at the rates set forth in Section 2.01 hereof. The Series 2005 Bonds are being purchased at a price of \$4,964,960 plus interest accrued thereon from the date of original issue of the Bonds, if any, which price is determined to be the most advantageous to the City and the City is authorized to enter into a contract with the Purchaser. Such purchase price and interest rates result in a true interest cost of 3.8872828% per annum and a total interest dollar cost of \$2,231,347.50 on the Series 2005 Bonds. The Mayor, City Controller, and City Clerk are hereby authorized and directed to execute on behalf of the City a contract for the sale of the Bonds with the Purchaser.

The Preliminary Official Statement relating to the Series 2005 Bonds, dated January 7, 2005, is hereby approved. The officers of the City are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement and to deliver to the Purchaser within seven business days after the date of adoption of this resolution copies of the Official Statement in accordance with the Terms and Conditions of Sale, supplemented so as to contain the terms of the Series 2005 Bonds as set forth in this resolution and other information provided by the Purchaser for inclusion in the Official Statement.

1.09. Recitals. All acts, conditions and things required by the Constitution and laws of the State of Montana, including the Act, in order to make the Series 2005 Bonds valid and binding general obligations in accordance with their terms and in accordance with the terms of this resolution have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required.

Section 2. The Series 2005 Bonds.

2.01 Denominations, Maturities, Interest. The Sanitary Sewerage System Revenue Bonds, Series 2005, to be issued hereunder, in the aggregate principal amount of \$5,005,000, shall be issued in fully registered form only, in denominations of \$5,000 or any integral multiple thereof of single maturities, shall mature on August 1 in the following respective years and amounts and shall bear interest from February 1, 2005 to their respective maturities or prior dates upon which they have been duly called for redemption at the rates per annum set forth opposite such years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2005	\$160,000	3.00%
2006	160,000	3.00
2007	160,000	3.00
2008	165,000	3.00
2009	170,000	3.00
2010	175,000	3.00
2011	180,000	3.00
2012	190,000	3.20
2013	245,000	3.35
2014	255,000	3.45
2015	260,000	3.60
2016	270,000	3.70
2017	280,000	3.75
2018	290,000	3.80
2019	310,000	3.90
2020	320,000	3.95
2021	335,000	4.00
2022	345,000	4.05
2023	360,000	4.10
2024	375,000	4.15

2.02 Payment. The Series 2005 Bonds shall be issuable only in fully registered form, and the ownership of the Series 2005 Bonds shall be transferred only upon the bond register of the City hereinafter described. Interest on the Series 2005 Bonds shall be payable on February 1 and August 1 in each year, commencing August 1, 2005, to the owners of record of the Series 2005 Bonds as such appear on the bond register as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day. The interest on, and, upon presentation and surrender thereof, the principal of, each Series 2005 Bond shall be payable in lawful money of the United States of America by check or draft issued by the Registrar described herein. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

2.03 Dating of Bonds. Each Series 2005 Bond shall be dated, as originally issued, as of February 1, 2005. Upon the original delivery of the Series 2005 Bonds pursuant to Section 2.08 or upon the delivery of a Series 2005 Bond upon an exchange or transfer pursuant to Section 2.04, the Registrar shall date each Series 2005 Bond so delivered as of the date of its authentication.

2.04 System of Registration. The City shall appoint, and shall maintain, a bond registrar, transfer agent and paying agent for the Bonds (the "Registrar"). This Section 2.04 shall establish a system of registration for the Series 2005 Bonds as defined in the Model Public Obligations Registration Act of Montana. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Bond Register. The Registrar shall keep at its principal office a Bond Register in which the Registrar shall provide for the registration of ownership of Series 2005 Bonds and the registration of transfers and exchanges of Series 2005 Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Series 2005 Bonds. Upon surrender for transfer of any Series 2005 Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Series 2005 Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of the transfer of a Series 2005 Bond or portion thereof selected for redemption.

(c) Exchange of Series 2005 Bonds. Whenever any Series 2005 Bonds are surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Series 2005 Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Series 2005 Bonds surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any Series 2005 Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Series 2005 Bond or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for its refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name any Series 2005 Bond is at any time registered in the Bond Register as the absolute owner of such Series 2005 Bond, whether such Series 2005 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, and interest on such Series 2005 Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the City upon such Series 2005 Bond to the extent of the sum or sums to paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of a Series 2005 Bond (except for an exchange upon a partial redemption of any Series 2005 Bond), the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Series 2005 Bonds. In case any Series 2005 Bond shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Series 2005 Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Series 2005 Bond or in lieu of and in substitution for any such Series 2005 Bond lost, stolen or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Series 2005 Bond being lost, stolen or destroyed, upon receipt by the Registrar of evidence satisfactory to it that such Series 2005 Bond was lost, stolen or destroyed, and of the ownership thereof, and upon receipt by the Registrar of an appropriate indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Series 2005 Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, lost, stolen or destroyed Series 2005 Bond has already matured or such Series 2005 Bond has been called for redemption in accordance with its terms, it shall not be necessary to issue a new Series 2005 Bond before payment.

2.05 Initial Registrar. The City hereby appoints U.S. Bank National Association, of Seattle, Washington, as the initial Registrar. The Mayor, City Manager and City Controller are hereby authorized to execute and deliver, on behalf of the City, a contract with U.S. Bank National Association, of Seattle, Washington, as Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove any Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Series 2005 Bonds in its possession to the successor Registrar and shall deliver the Bond Register to the successor Registrar. On or before each principal or interest due date, without further order of this Commission, the City Controller shall transmit to the Registrar, solely from moneys in the Debt Service Account of the Sanitary Sewerage System Fund available therefor, moneys sufficient for the payment of all principal, premium, if any, and interest then due on the Series 2005 Bonds.

2.06 Redemption. Series 2005 Bonds with stated maturities in the years 2005 through 2014 shall not be subject to optional redemption prior to their stated maturities. Series 2005 Bonds maturing August 1, 2015 and thereafter shall be subject to redemption at the option of the City on August 1, 2014, and on any date thereafter at a price equal to the principal amount being redeemed plus accrued interest to the date of redemption, without premium. Such Series 2005 Bonds shall be selected for redemption from such stated maturities and principal amounts as the City may designate and, within a maturity, in \$5,000 principal amounts selected by lot or other manner deemed fair by the Registrar. Series 2005 Bonds in denominations larger than \$5,000 may be redeemed in part in any integral multiple of \$5,000. The holder of any Bond redeemed in part shall receive one or more new Series 2005 Bonds in authorized denominations equal in principal amount to the unredeemed portion of the Bond so surrendered.

Notice of redemption of any Series 2005 Bond shall be mailed by or at the direction of the City Controller, at least 30 days before the redemption date, by first-class mail to the Registrar and the owner thereof at his address appearing in the Bond Register; provided that any failure to give or any defect in such notice shall not affect the validity of proceedings for the redemption of any Series 2005 Bond not affected thereby. The notice of redemption shall specify the redemption date, redemption price, the numbers, interest rates and CUSIP numbers of the Series 2005 Bonds to be redeemed and the place at which the Series 2005 Bonds are to be surrendered for payment, which is the principal office of the Registrar. Official notice of redemption having been given as aforesaid, the Series 2005 Bonds or portions thereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Series 2005 Bonds or portions thereof shall cease to bear interest.

In addition to the notice prescribed by the preceding paragraph, the City Controller shall also give, or cause to be given, notice of the redemption of any Series 2005 Bond or Bonds or portions thereof at least 35 days before the redemption date by certified mail or telecopy to the Purchaser and all registered securities depositories then in the business of holding substantial amounts of obligations of the character of the Series 2005 Bonds (such depositories now being The Depository Trust Company, of New York, New York) and one or more national information services that disseminate information regarding municipal bond redemptions; provided that any defect in or any failure to give any notice of redemption prescribed by this paragraph shall not affect the validity of the proceedings for the redemption of any Series 2005 Bond or portion thereof.

Series 2005 Bonds in a denomination larger than \$5,000 may be redeemed in part in any integral multiple of \$5,000. The owner of any Series 2005 Bond redeemed in part shall receive, upon surrender of such Series 2005 Bond to the Registrar, one or more new Series 2005 Bonds in authorized denominations equal in principal amount to the unredeemed portion of the Series 2005 Bond so surrendered. All selections of Series 2005 Bonds for redemption by lot or other manner deemed fair by the Registrar shall be made in \$5,000 principal amounts.

2.07 Form of the Series 2005 Bonds. The Series 2005 Bonds shall be prepared in substantially the form set forth in Exhibit B hereto (which is hereby incorporated by reference and made a part hereof) with such appropriate variations, omissions and insertions as are permitted or required by Resolution No. 9227 or this Resolution.

2.08 Execution and Delivery. The Series 2005 Bonds shall be executed in the name of the City by the signatures of the Mayor, City Manager and City Controller, and shall be sealed with the official seal of the City, provided that said signatures and the seal may be printed, engraved or lithographed facsimiles thereof. In case any officer whose signature or a facsimile of whose signature shall appear on the Series 2005 Bonds shall cease to be such officer before the delivery of any Series 2005 Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Series 2005 Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under Resolution No. 9227 or this Resolution unless and until a certificate of authentication on such Series 2005 Bond has been duly executed

by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Series 2005 Bonds need not be signed by the same representative. The executed certificate of authentication on a Series 2005 Bond shall be conclusive evidence that it has been authenticated and delivered under Resolution No. 9227 and this Resolution. When the Series 2005 Bonds have been fully executed and authenticated, they shall be delivered by the Registrar to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.09 Securities Depository.

(a) For purposes of this Section 2.09, the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Representation Letter” shall mean the Blanket Issuer Letter of Representations executed by the City to DTC pursuant to which the City agrees to comply with DTC’s Operational Arrangements.

(b) The Series 2005 Bonds shall be initially issued as separately authenticated fully registered bonds, and one Series 2005 Bond shall be issued in the principal amount of each Stated Maturity of the Series 2005 Bonds. Upon initial issuance, the ownership of such Series 2005 Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. The Bond Registrar, Paying Agent and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2005 Bonds registered in its name for the purposes of payment of the principal of or interest on the Series 2005 Bonds, selecting the Series 2005 Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Series 2005 Bonds under this resolution, registering the transfer of Series 2005 Bonds, and for all other purposes whatsoever; and neither the Bond Registrar, Paying Agent nor the City shall be affected by any notice to the contrary. Neither the Bond Registrar, Paying Agent nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2005 Bonds under or through DTC

or any Participant, or any other person which is not shown on the Bond Register as being a registered owner of any Series 2005 Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Series 2005 Bonds, with respect to any notice which is permitted or required to be given to owners of Series 2005 Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2005 Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Series 2005 Bonds. So long as any Series 2005 Bond is registered in the name of Cede & Co., as nominee of DTC, the Paying Agent shall pay all principal of and interest on such Series 2005 Bond, and shall give all notices with respect to such Series 2005 Bond, only to Cede & Co. in accordance with DTC's Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and interest on the Series 2005 Bonds to the extent of the sum or sums so paid. No Person other than DTC shall receive an authenticated Series 2005 Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Series 2005 Bonds will be transferable to such new nominee in accordance with paragraph (d) hereof.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Series 2005 Bonds in the form of bond certificates, the City may notify DTC and the Bond Registrar and Paying Agent, whereupon DTC shall notify the Participants of the availability through DTC of Series 2005 Bonds in the form of certificates. In such event, the Series 2005 Bonds will be transferable in accordance with paragraph (d) hereof. DTC may determine to discontinue providing its services with respect to the Series 2005 Bonds at any time by giving notice to the City, the Paying Agent and the Bond Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Series 2005 Bonds will be transferable in accordance with paragraph (d) hereof.

(d) In the event that any transfer or exchange of Series 2005 Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Bond Registrar of the Series 2005 Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Series 2005 Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Series 2005 Bonds, or another securities depository as owner of all the Series 2005 Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Series 2005 Bonds in the form of bond certificates and the method of payment of principal of and interest on such Series 2005 Bonds in the form of bond certificates.

Section 3. Appropriation of Bond Proceeds. The net proceeds of the Series 2005 Bonds (reflecting underwriter's discount of \$40,040 and exclusive of any net reoffering premium) are

appropriated to the Sanitary Sewerage System Fund created by Resolution No. 9227 and are to be deposited or applied as follows:

- (a) Any accrued interest on the Series 2005 Bonds and rounding amounts shall be credited to the Debt Service Account;
- (b) \$267,175 of the net proceeds of the Series 2005 Bonds shall be credited to the Reserve Account, so that the balance therein equals the amount required by Section 7.05 of Resolution No. 9227;
- (c) \$4,655,285 of the net proceeds of the Series 2005 Bonds shall be credited to the Construction Account to pay costs of the 2005 Project; and
- (d) The balance of the proceeds of the Series 2005 Bonds shall be credited to the Construction Account to pay costs of issuance of the Series 2005 Bonds.

Section 4. Security for the Series 2005 Bonds. The Series 2005 Bonds are issued under Section 6.01 of Resolution No. 9227 and shall, with the Outstanding Bonds and any other additional bonds issued under the provisions of Section 6.01 of Resolution No. 9227, be equally and ratably secured by the provisions of Resolution No. 9227, Resolution No. 9228, and this Supplemental Resolution and payable out of the Net Revenues appropriated to the Debt Service Account of the Sanitary Sewerage System Fund, without preference or priority, all as provided in Resolution No. 9227, as amended and supplemented, and secured by the Reserve Account. Upon the issuance of the Series 2005 Bonds, the City Controller shall deposit, from the Series 2005 Bonds as noted above in this Section 3 and, to the extent necessary, from other available funds in the Sanitary Sewerage System Fund, the amount required to cause the balance in the Reserve Account to equal the maximum amount of principal of and interest payable on the Outstanding Bonds and the Series 2005 Bonds in the current or any future fiscal year. The City shall keep, perform and observe each and every one of its covenants and undertakings set forth in Resolution No. 9227, as amended and supplemented, and shall cause the 2005 Project to be undertaken and completed expeditiously.

Section 5. Arbitrage and Certification of Proceedings.

5.01 Use of System. The 2005 Project is and will be owned and operated by the City and used by the City to provide sewerage services to members of the general public. No user of the System is granted any concession, license or special arrangement with respect to the System. The City shall not enter into any lease, use or other agreement with any nongovernmental person relating to the use of the 2005 Project or the System or security for the payment of the Series 2005 Bonds which might cause the Series 2005 Bonds to be considered “private activity bonds” or “private loan bonds” within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”).

5.02 Covenant. The City covenants and agrees with the owners from time to time of the Series 2005 Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Series 2005 Bonds to become

includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations (the “Regulations”), and covenants to take any and all actions within its powers to ensure that the interest on the Series 2005 Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

5.03 Certification. The Mayor, City Manager and City Controller, or any one or more of them, being the officers of the City charged with the responsibility for issuing the Series 2005 Bonds pursuant to this Supplemental Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code, and Sections 1.103-13, 1.103-14 and 1.103-15 of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Series 2005 Bonds, it is reasonably expected that the proceeds of the Series 2005 Bonds will be used in a manner that would not cause the Series 2005 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and the Regulations.

5.04 Arbitrage Rebate. The City acknowledges that the Series 2005 Bonds are subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Treasury Regulations to preserve the exclusion of interest on the Series 2005 Bonds from gross income for federal income tax purposes, unless the Series 2005 Bonds qualify for the exception from the rebate requirement under Section 148(f)(4)(B) of the Code and no “gross proceeds” of the Series 2005 Bonds (other than amounts constituting a “bona fide debt service fund”) arise during or after the expenditure of the original proceeds thereof. In furtherance of the foregoing, the Mayor, City Manager and City Controller, or any one or more of them, are hereby authorized and directed to execute a Rebate Certificate, substantially in the form of the Rebate Certificate prepared by Bond Counsel and the City hereby covenants and agrees to observe and perform the covenants and agreements contained therein, unless amended or terminated in accordance with the provisions thereof.

5.05 Information Reporting. The City shall file with the Secretary of the Treasury, not later than May 15, 2005, a statement concerning the Series 2005 Bonds containing the information required by Section 149(e) of the Code.

Section 6. Designation as Qualified Tax-Exempt Obligations. Pursuant to Section 265(b)(3)(B)(ii) of the Code, the City hereby designates the Series 2005 Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code. The City hereby represents that it does not anticipate that obligations bearing interest not includable in gross income for purposes of federal income taxation under Section 103 of the Code (including refunding obligations as provided in Section 265(b)(3) of the Code and including “qualified 501(c)(3) bonds” but excluding other “private activity bonds,” as defined in Sections 141(a) and 145(a) of the Code) will be issued by or on behalf of the City and all “subordinate entities” of the City in 2005 in an amount greater than \$10,000,000.

Section 7. Authentication of Transcript. The officers of the City are hereby authorized and directed to furnish to the Purchaser and to bond counsel certified copies of all proceedings

relating to the issuance of the Series 2005 Bonds and such other certificates and affidavits as may be required to show the right, power and authority of the City to issue the Series 2005 Bonds, and all statements contained in and shown by such instruments, including any heretofore furnished, shall constitute representations of the City as to the truth of the statements purported to be shown thereby.

Section 8. Continuing Disclosure.

(a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Series 2005 Bonds and the security therefor and to permit the original purchaser and other participating underwriters in the primary offering of the Series 2005 Bonds to comply with amendments to Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the "Rule"), which will enhance the marketability of the Series 2005 Bonds, the City hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The City is the only "obligated person" in respect of the Series 2005 Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. The City has complied in all material respects with any undertaking previously entered into by it under the Rule.

If the City fails to comply with any provisions of this Section 8, any person aggrieved thereby, including the Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this Section 8, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this Section 8 constitute a default under the Series 2005 Bonds or under any other provision of this resolution.

As used in this Section 8, "Owner" or "Bondowner" means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any "Beneficial Owner" (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, "Beneficial Owner" means, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Series 2005 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

(1) on or before 270 days after the end of each fiscal year of the City, commencing with the fiscal year ending June 30, 2005, the following financial information and operating data in respect of the City (the "Disclosure Information"):

(A) the audited financial statements of the City for such fiscal year and the audit report and opinion of the accountant or government auditor relating thereto, as permitted or required by the laws of the State of Montana, containing balance sheets as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, showing in comparative form such figures for the preceding fiscal year of the City, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Montana law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the City Fiscal Officer; and

(B) To the extent not included in the financial statements referred to in paragraph (A) hereof, the information of the type set forth below contained in the Official Statement, dated on or about the date hereof, for such fiscal year or for the period most recently available, which information may be unaudited, but is to be certified as to accuracy and completeness in all material respects by the City Fiscal Officer to the best of his or her knowledge which certification may be based on the reliability of information obtained from third party sources:

- (1) audited financial statements of the Sanitary Sewerage System Fund for the then most recent completed fiscal year or if unavailable as of the date of request, updated operating results for the Sanitary Sewerage System Fund for the then most recent completed fiscal year;
- (2) a description of any additional borrowing or future financing for the Sanitary Sewerage System;
- (3) updated figures for the number of Sanitary Sewerage System Connections for the then current fiscal year in format similar to the table "Historical Sanitary Sewerage System Connections" in the Official Statement;
- (4) updated information of any changes in the user rates in a format similar to the table "Current Sanitary Sewerage System Rate Structure" in the Official Statement;

- (5) a list of the Sanitary Sewerage System users for the then current fiscal year in format similar to the table “Major Sanitary Sewerage System Users” in the Official Statement;

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the City shall provide the audited financial statements.

Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to each of the repositories hereinafter referred to under subsection (c) or the SEC. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The City shall clearly identify in the Disclosure Information each document so incorporated by reference.

If any part of the Disclosure Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations.

If the Disclosure Information is changed or this Section 8 is amended as permitted by this paragraph (b)(1) or subsection (d), then the City shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner, notice of the occurrence of any of the following events which is a Material Fact (as hereinafter defined):

- (A) Principal and interest payment delinquencies;
 - (B) Non-payment related defaults;
 - (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
 - (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
 - (E) Substitution of credit or liquidity providers, or their failure to perform;
 - (F) Adverse tax opinions or events affecting the tax-exempt status of the security;
 - (G) Modifications to rights of security holders;
 - (H) Bond calls;
 - (I) Defeasances;
 - (J) Release, substitution, or sale of property securing repayment of the securities;
- and

(K) Rating changes.

As used herein, a “Material Fact” is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a “Material Fact” is also an event that would be deemed “material” for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

(3) In a timely manner, notice of the occurrence of any of the following events or conditions:

(A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;

(B) the amendment or supplementing of this Section 8 pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the City under subsection (d)(2);

(C) the termination of the obligations of the City under this Section 8 pursuant to subsection (d);

(D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and

(E) any change in the fiscal year of the City.

(c) Manner of Disclosure. The City agrees to make available the information described in subsection (b) to the following entities by telecopy, overnight delivery, mail or other means, as appropriate:

(1) the information described in paragraph (1) of subsection (b), to each then nationally recognized municipal securities information repository under the Rule and to any state information depository then designated or operated by the State of Montana as contemplated by the Rule (the “State Depository”), if any;

(2) the information described in paragraphs (2) and (3) of subsection (b), to the Municipal Securities Rulemaking Board and to the State Depository, if any; and

(3) the information described in subsection (b), to any rating agency then maintaining a rating of the Series 2005 Bonds and, at the expense of such Bondowner, to any Bondowner who requests in writing such information, at the time of transmission under paragraphs (1) or (2) of this subsection (c), as the case may be, or, if such information is transmitted with a subsequent time of release, at the time such information is to be released.

(d) Term; Amendments; Interpretation.

(1) The covenants of the City in this Section 8 shall remain in effect so long as any Series 2005 Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the City under this Section 8 shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this Section 8 will not cause participating underwriters in the primary offering of the Series 2005 Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

(2) This Section 8 (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Series 2005 Bonds, by a resolution of this Commission filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the City or the type of operations conducted by the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this Section 8 as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Series 2005 Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

(3) This Section 8 is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

Section 9. Official Statement. The Official Statement relating to the Series 2005 Bonds is hereby approved and the determination of the City Manager that the Official Statement is deemed final for purposes of SEC Rule 15c2-12 is ratified and confirmed. The officers of the City are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement and to deliver to the Purchaser within seven business days after the date of adoption of this resolution copies of the Official Statement in a reasonable quantity as requested by the Purchaser.

Section 10. Effective Date. This Supplemental Resolution shall be in full force and effect from and after its passage.

Passed and adopted by the City Commission of the City of Great Falls, Montana, this 18th day of January, 2005.

Mayor

Attest:

City Clerk

(SEAL)

EXHIBIT A

[SUCCESSFUL BID]

EXHIBIT B

[Face of the Series 2005 Bonds]

UNITED STATES OF AMERICA
STATE OF MONTANA
COUNTY OF CASCADE

CITY OF GREAT FALLS

SANITARY SEWERAGE SYSTEM REVENUE BOND
SERIES 2005

No. _____ \$ _____ .00

<u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Date of</u> <u>Original Issue</u>	<u>CUSIP</u>
%	August 1,	February 1, 2005	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: AND NO/100 DOLLARS

FOR VALUE RECEIVED, THE CITY OF GREAT FALLS (the "City"), a duly organized municipal corporation located in Cascade County, Montana, acknowledges itself to be specially indebted and hereby promises to pay to the registered owner identified above or registered assigns, solely from the Debt Service Account of its Sanitary Sewerage System Fund, the principal amount specified above on the maturity date specified above, or, if this Bond is prepayable as stated below, on an earlier date on which it shall have been duly called for redemption, upon presentation and surrender hereof at the principal office of the Bond Registrar hereinafter named, with interest thereon, from February 1, 2005, or from such later date to which interest has been paid or duly provided for, until the principal amount hereof is paid or until this Bond, if prepayable, has been duly called for redemption, at the annual interest rate specified above. Interest is payable semiannually on February 1 and August 1 in each year, commencing August 1, 2005, to the registered owner of this Bond as such appears of record in the bond register as of the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. Interest is payable by check or draft mailed by U.S. Bank National Association, of Seattle, Washington, as Bond Registrar, Transfer Agent and Paying Agent, or its successor designated under the Resolution described herein (the "Bond Registrar").

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

This Bond is one of a series in the aggregate principal amount of \$5,005,000 (the "Series 2005 Bonds"), all of like date of original issue and tenor except as to serial number, interest rate, date, maturity date, denomination and redemption privilege, and all issued for the purposes of financing improvements to the City's municipal Sanitary Sewerage System (the "System"), under authority of and in conformity with the Constitution and laws of the State of Montana and the ordinances and resolutions of the City, including Montana Code Annotated, as amended, Title 7, Chapter 7, Parts 44 and 45, as amended, and Resolution Nos. 9227 and 9228 and as further amended and supplemented by Resolution No. 9454 (collectively, the "Resolution"). The Series 2005 Bonds are issuable only as fully registered bonds of a single maturity, in denominations of \$5,000 or any integral multiple thereof. The Series 2005 Bonds are issued on a parity and are equally and ratably secured by the Net Revenues of the System with outstanding Sanitary Sewerage System Revenue Refunding Bonds, Series 2002A, dated as of May 15, 2002, and a Sewerage System Revenue Bond (DNRC Revolving Loan Program), Series 2002B, dated as of May 15, 2002 (collectively, the "Outstanding Bonds").

Reference is made to the Resolution for a more complete statement of the terms and conditions upon which the Series 2005 Bonds have been issued, the net revenues of the System pledged and appropriated for the payment and security thereof, the conditions upon which additional bonds may be issued under the Resolution and made payable from such net revenues on a parity with the Outstanding Bonds and the Series 2005 Bonds or otherwise, the conditions upon which the Resolution may be amended, the rights, duties and obligations of the City, and the rights of the owners of the Series 2005 Bonds.

The Series 2005 Bonds maturing in the years 2005 through 2014 are not subject to redemption before maturity, but Series 2005 Bonds having stated maturity dates in the years 2015 and later years are each subject to redemption at the option of the City, in whole or in part, in inverse order of maturities and in \$5,000 principal amounts selected by lot or any other manner deemed fair by the Registrar, on August 1, 2014, and any date thereafter, at a redemption price equal to the principal amount being redeemed, plus interest accrued to the date of redemption, without premium.

Notice of the call for redemption of any Series 2005 Bond will be mailed, at least thirty days before said redemption date, by first-class mail to the registered owner thereof at the address appearing in the registration books maintained by the Registrar; provided that any failure to give or any defect in such notice shall not affect the validity of proceedings for the redemption of any Bond not affected thereby. Official notice of redemption having been given as aforesaid, the Series 2005 Bonds or portions thereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Series 2005 Bonds or portions thereof shall cease to bear interest. Upon partial redemption of any Series 2005 Bond, a

new Series 2005 Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

This Bond is a negotiable investment security as provided in the Montana Uniform Commercial Code. As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Bond Registrar, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his attorney; and may also be surrendered in exchange for Series 2005 Bonds of other authorized denominations. Upon such transfer or exchange, the City will cause a new Series 2005 Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

IT IS CERTIFIED, RECITED, COVENANTED AND AGREED that the City has fixed and established and will collect reasonable rates and charges for the services and facilities afforded by the System, subject to applicable law, and has created a special Sanitary Sewerage System Fund into which the gross revenues of the System, including all additions thereto and replacements and improvements thereof subsequently constructed or acquired, will be paid, and a separate and special Debt Service Account in that fund, into which will be paid each month, from and as a first and prior lien on the net revenues of the System then on hand, an amount equal to not less than the sum of one-sixth of the interest due within the next six months and one-twelfth of the principal due within the next twelve months with respect to all then-outstanding Bonds secured by the Resolution and payable from that Account, and a separate Reserve Account into which shall be deposited and maintained a balance equal to the maximum amount of principal and interest to become due on the Series 2005 Bonds, the Outstanding Bonds and all other parity Bonds in any subsequent fiscal year; that the Debt Service Account and Reserve Account will be used only to pay the principal of, premium, if any, and interest on the Series 2005 Bonds, the Outstanding Bonds and any other additional Bonds issued pursuant to and secured by the Resolution on a parity therewith; that rates and charges will from time to time be made and kept sufficient to provide gross income and revenues adequate to pay promptly the reasonable and current expenses of operating and maintaining the System and to produce in each fiscal year net revenues in excess of such current expenses, equal to 125% of the maximum amount of principal and interest payable from the Debt Service Account in any subsequent fiscal year; that additional Bonds and refunding Bonds may be issued and made payable from the Debt Service Account on a parity with the Series 2005 Bonds and Outstanding Bonds, upon certain conditions set forth in the Resolution, but no obligation will be otherwise incurred and made payable from the net revenues of the System, unless the lien thereof shall be expressly made subordinate to the lien of the Series 2005 Bonds, the Outstanding Bonds and additional parity Bonds on such net revenues; that all provisions for the security of the holder of this Bond set forth in the Resolution will be punctually and faithfully performed as therein stipulated; that all acts, conditions and things

required by the Constitution and laws of the State of Montana and the ordinances and resolutions of the City to be done, to exist, to happen and to be performed in order to make this Series 2005 Bond a valid and binding special obligation of the City according to its terms have been done, do exist, have happened and have been performed as so required; and that this Bond and the interest hereon are payable solely from the net revenues of the System pledged and appropriated to the Debt Service Account and do not constitute a debt of the City within the meaning of any constitutional or statutory limitation or provision and the issuance of the Series 2005 Bonds does not cause either the general or the special indebtedness of the City to exceed any constitutional or statutory limitation; and that the opinion attached hereto is a true copy of the legal opinion given by Bond Counsel with reference to the Series 2005 Bonds, dated the date of issuance and delivery of the Series 2005 Bonds.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Bond Registrar by the manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of Great Falls, Cascade County, Montana, by its City Commission, has caused this Bond and the certificate hereof to be executed by the facsimile signatures of the Mayor, City Manager and City Controller and has caused a facsimile of the official seal of the City to be imprinted hereon, as of this 1st day of February, 2005.

(Facsimile Signature)
Mayor

(Facsimile Signature)
City Manager

(Facsimile Signature)
City Controller

(Facsimile Seal)

Date:

CERTIFICATE OF AUTHENTICATION

This is one of the Sanitary Sewerage System Revenue Bonds, Series 2005 delivered pursuant to the Resolution mentioned within.

U.S. BANK NATIONAL ASSOCIATION,
as Bond Registrar, Transfer Agent
and Paying Agent

By _____
Authorized Representative

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common	UTMA.....Custodian..... (Cust) (Minor)
TEN ENT -- as tenants by the entireties	
JT TEN -- as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minor Act..... (State)

Additional abbreviations may also be used.

ASSIGNMENT

FOR VALUED RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE:

/ _____/

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration, enlargement or any change whatsoever.

SIGNATURE GUARANTEE

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Bond Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Bond Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.