

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Great Falls, Montana (the "City"), hereby certify that the attached resolution is a true copy of a resolution, entitled: "A RESOLUTION OF THE CITY COMMISSION SUBMITTING TO THE QUALIFIED ELECTORS OF THE CITY OF GREAT FALLS, MONTANA, THE QUESTION OF ISSUING GENERAL OBLIGATION BONDS IN AN AMOUNT OF UP TO TWO MILLION TWO HUNDRED SEVENTY THOUSAND AND NO/100 DOLLARS (\$2,270,000) FOR THE PURPOSE OF PAYING THE COSTS OF IMPROVING AND UPGRADING CERTAIN SWIMMING POOLS IN THE CITY, INCLUDING REHABILITATING AND DESIGNING, CONSTRUCTING AND EQUIPPING IMPROVEMENTS TO THE MITCHELL SWIMMING POOL, THE JAYCEE SWIMMING POOL AND RELATED RESTROOMS AND LOCKER ROOMS, THE WATER TOWER SWIMMING POOL AND RELATED RESTROOMS AND LOCKER ROOMS, AND RELATED AMENITIES AND IMPROVEMENTS, AND PAYING COSTS ASSOCIATED WITH THE SALE AND ISSUANCE OF THE BONDS" (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 August 15, 2006, and that the meeting was duly held by the City Commission and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Commissioners voted in favor thereof: _____;
_____;
voted against the same: _____;
abstained from voting thereon: _____; or were
absent: _____.

WITNESS my hand and seal officially this ____ day of August, 2006.

(SEAL)

City Clerk

RESOLUTION NO. ____

A RESOLUTION OF THE CITY COMMISSION SUBMITTING TO THE QUALIFIED ELECTORS OF THE CITY OF GREAT FALLS, MONTANA, THE QUESTION OF ISSUING GENERAL OBLIGATION BONDS IN AN AMOUNT OF UP TO TWO MILLION TWO HUNDRED SEVENTY THOUSAND AND NO/100 DOLLARS (\$2,270,000) FOR THE PURPOSE OF PAYING THE COSTS OF IMPROVING AND UPGRADING CERTAIN SWIMMING POOLS IN THE CITY, INCLUDING REHABILITATING AND DESIGNING, CONSTRUCTING AND EQUIPPING IMPROVEMENTS TO THE MITCHELL SWIMMING POOL, THE JAYCEE SWIMMING POOL AND RELATED RESTROOMS AND LOCKER ROOMS, THE WATER TOWER SWIMMING POOL AND RELATED RESTROOMS AND LOCKER ROOMS, AND RELATED AMENITIES AND IMPROVEMENTS, AND PAYING COSTS ASSOCIATED WITH THE SALE AND ISSUANCE OF THE BONDS

RECITALS

WHEREAS, a city or town is authorized pursuant to Section 7-7-4221, M.C.A., to issue general obligation bonds pledging the general credit of the city or town for that purpose upon approval of the electorate of the city or town, provided that such indebtedness and all other indebtedness of the city or town does not exceed 1.51% of the total assessed value of taxable property within the city or town, calculated in accordance with Section 7-7-4201, M.C.A.; and

WHEREAS, a city or town is authorized pursuant to Section 7-16-4104, M.C.A., to incur indebtedness upon the credit of the city or town for the purpose of procuring by purchase, construction or otherwise various cultural, social and recreational facilities upon approval of the electorate of the of the city or town, provided that the amount of indebtedness contracted for that purpose, including any such existing indebtedness, does not exceed 0.90% of the total assessed value of taxable property within the city or town, calculated in accordance with Section 7-16-4104, M.C.A.; and

WHEREAS, a city council or commission is authorized pursuant to Section 7-7-4223, M.C.A., to call a bond election by adopting a resolution to that effect; and

WHEREAS, the City Commission (the "Commission") of the City of Great Falls, Montana (the "City"), has determined that there should be submitted to the electors of the City qualified to vote at bond elections the question of whether or not the Commission shall be authorized to issue and sell general obligation bonds of the City in order to obtain funds for the purpose of paying the costs of improving and upgrading certain swimming pools in the City, including rehabilitating and designing, constructing and equipping improvements to the Mitchell Swimming Pool, the Jaycee Swimming Pool and related restrooms and locker rooms, the Water Tower Swimming Pool and related restrooms and locker rooms, and related amenities and improvements, and paying costs associated with the sale and issuance of the bonds; and

WHEREAS, the Commission has determined that the issuance of general obligation bonds in the amount of \$2,270,000 [, together with the City's General Obligation Bonds, Series 2004, issued in the original principal amount of \$2,500,000, of which \$2,330,000 in principal amount are outstanding (the "Series 2004 Bonds"),] will not cause the City to exceed its general statutory indebtedness limitation, which as currently calculated is \$32,983,689.98, i.e. \$2,184,350,330.00 x 1.51%; and

WHEREAS, the Commission has determined that the issuance of general obligation bonds in the aggregate principal amount of \$2,270,000, together with the outstanding principal amount of the Series 2004 Bonds, will not cause the City to exceed its indebtedness for the recreational facilities, which as currently calculated is \$19,659,152.97, i.e. \$2,184,350,330.00 x 0.90%; and

WHEREAS, it is the judgment and determination of the Commission that such bonds will be payable during a term not to exceed ten (10) years and shall be redeemable on any date after one-half of the term for which they are issued.

NOW, THEREFORE, BE IT RESOLVED By the Commission of the City as follows:

1. Calling of the Election. The Commission of the City hereby calls and directs a special election to be held in conjunction with the general election on November 7, 2006, for the purpose of voting on the following question:

Shall the Commission be authorized to issue and sell general obligation bonds of the City in the amount of up to Two Million Two Hundred Seventy Thousand and No/100 Dollars (\$2,270,000), bearing interest at a rate to be determined by the Commission at a competitive sale, payable semiannually during a term not to exceed ten (10) years and redeemable on any date after one-half of their term, for the purpose of paying the costs of improving and upgrading certain swimming pools in the City, including rehabilitating and designing, constructing and equipping improvements to the Mitchell Swimming Pool, the Jaycee Swimming Pool and related restrooms and locker rooms, the Water Tower Swimming Pool and related restrooms and locker rooms, and related amenities and improvements, and paying costs associated with the sale and issuance of the bonds?

2. Conduct of Election. All qualified electors of the City shall be entitled to vote at the bond election. The County Election Administrator is hereby requested and authorized to give proper notice of the close of registration and thereafter prepare printed lists of the electors in the City entitled to vote in the election in the City and to conduct the election in the form and manner prescribed by law.

3. Notice of Election. The County Election Administrator is hereby authorized and requested to cause notice of the call and holding of the election to be given by causing notice to be published at least once a week for the three consecutive weeks before the election in the *Great Falls Tribune*, a newspaper of general circulation in Cascade County. The notice of election as published shall read substantially as follows:

NOTICE OF GENERAL OBLIGATION BOND ELECTION
City of Great Falls, Montana
November 7, 2006

NOTICE IS HEREBY GIVEN by the City Commission (the “Commission”) of the City of Great Falls, Montana (the “City”), that pursuant to a certain resolution duly adopted at a regular meeting of the Commission on August 15, 2006, a special election of the registered voters of the City will be held on November 7, 2006, in conjunction with the general election, for the purpose of voting on the following question:

Shall the Commission be authorized to issue and sell general obligation bonds of the City in the amount of up to Two Million Two Hundred Seventy Thousand and No/100 Dollars (\$2,270,000), bearing interest at a rate to be determined by the Commission at a competitive sale, payable semiannually during a term not to exceed ten (10) years and redeemable on any date after one-half of their term, for the purpose of paying the costs of improving and upgrading certain swimming pools in the City, including rehabilitating and designing, constructing and equipping improvements to the Mitchell Swimming Pool, the Jaycee Swimming Pool and related restrooms and locker rooms, the Water Tower Swimming Pool and related restrooms and locker rooms, and related amenities and improvements, and paying costs associated with the sale and issuance of the bonds?

The polls shall be open between the hours of 7:00 a.m. and 8:00 p.m., and the polling places for the election shall be the normal polling places for City residents during a general election. Absentee ballots may be obtained at the office of the Cascade County Election Administrator at 415 – 2nd Avenue North, Great Falls, Montana until 12:00 noon, November 6, 2006.

Cascade County Election Administrator

Publish: October 17, 2006
 October 24, 2006
 October 31, 2006

4. Ballots. The Election Administrator is hereby requested to prepare suitable ballots for use at the election at the polling places, together with the precinct lists.

5. Form of Ballot. The ballot shall be printed in substantially the following form:

OFFICIAL BALLOT
CITY OF GREAT FALLS, MONTANA
GENERAL OBLIGATION BOND ELECTION
NOVEMBER 7, 2006

INSTRUCTIONS TO VOTERS: Make an X or similar mark in the vacant square before the words “BONDS--YES” if you wish to vote for the bond issue; if you are opposed to the bond issue, make an X or similar mark in the square before the words “BONDS--NO”.

Shall the City Commission (the “Commission”) of the City of Great Falls, Montana (the “City”) be authorized to issue and sell general obligation bonds of the City in the amount of up to Two Million Two Hundred Seventy Thousand and No/100 Dollars (\$2,270,000), bearing interest at a rate to be determined by the Commission at a competitive sale, payable semiannually during a term not to exceed ten (10) years and redeemable on any date after one-half of their term, for the purpose of paying the costs of improving and upgrading certain swimming pools in the City, including rehabilitating and designing, constructing and equipping improvements to the Mitchell Swimming Pool, the Jaycee Swimming Pool and related restrooms and locker rooms, the Water Tower Swimming Pool and related restrooms and locker rooms, and related amenities and improvements, and paying costs associated with the sale and issuance of the bonds?

BONDS — YES

BONDS — NO

6. Notice to County Election Administrator. A copy of this resolution will be provided to the Cascade County Election Administrator as soon as possible after its adoption and approval in order to inform her of the details of the election and the pertinent requests and authorizations as to the conduct of the election.

7. Reimbursement Expenditures.

(a) The United States Department of Treasury has promulgated final regulations governing the use of proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the City for project expenditures paid by the City prior to the date of issuance of such bonds. Those regulations (Treasury Regulations, Section 1.150-2) (the “Regulations”) require that the City adopt a statement of official intent to reimburse an original expenditure not later than 60 days after payment of the original expenditure. The Regulations also generally require that the bonds be issued and the reimbursement allocation made from the proceeds of the bonds within 18 months (or three years, if the reimbursement bond issue qualifies for the “small issuer” exception from the arbitrage rebate requirement) after the later of (i) the date the expenditure is paid or (ii) the date the project is placed in service or abandoned, but (unless the issue qualifies for the “small issuer” exception from the arbitrage rebate requirement) in no event more than three years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the bonds.

(b) Other than (i) expenditures to be paid or reimbursed from sources other than the bonds, (ii) expenditures permitted to be reimbursed under the transitional provision contained in Section 1.150-2(j)(2) of the Regulations, (iii) expenditures constituting preliminary expenditures within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iv) expenditures in a “de minimus” amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures for the project have been paid by the City before the date 60 days before the date of adoption of this resolution.

(c) The City reasonably expects to reimburse the expenditures made for costs of the project out of the proceeds of bonds in an estimated maximum aggregate principal amount of \$2,270,000 after the date of payment of all or a portion of the costs of the project. All reimbursed expenditures shall be capital expenditures, a cost of issuance of the bonds or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations.

(d) As of the date hereof, there are no City funds reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the expenditures related to the project, other than pursuant to the issuance of the bonds. The statement of intent contained in this resolution, therefore, is determined to be consistent with the City’s budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof.

(e) The City’s financial officer shall be responsible for making the “reimbursement allocations” described in the Regulations, being generally the transfer of the appropriate

amount of proceeds of the bonds to reimburse the source of temporary financing used by the City to make prior payment of the costs of the project. Each allocation shall be evidenced by an entry on the official books and records of the City maintained for the bonds or the project and shall specifically identify the actual original expenditure being reimbursed.

PASSED by the City Commission of the City of Great Falls, Montana, this 15th day of August, 2006.

Mayor

Attest: _____
City Clerk