

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. \_\_\_\_\_, entitled: "RESOLUTION RELATING TO THE ISSUANCE OF WEST BANK URBAN RENEWAL DISTRICT TAX INCREMENT REVENUE BONDS, SERIES 2009A, IN THE ESTIMATED AGGREGATE PRINCIPAL AMOUNT OF \$2,000,000, TO PAY COSTS OF PUBLIC IMPROVEMENTS ASSOCIATED WITH THE FEDERAL COURTHOUSE/4<sup>TH</sup> AVENUE NW URBAN RENEWAL PROJECT; ESTABLISHING THE TERMS OF SALE; CONFIRMING THE NEGOTIATED SALE; AND DELEGATING CERTAIN AUTHORITY TO CITY MANAGER AND FISCAL SERVICES DIRECTOR" (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 March 3, 2009, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 and seal officially this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
Lisa Kunz, City Clerk

RESOLUTION NO. \_\_\_\_\_

RESOLUTION RELATING TO THE ISSUANCE OF WEST BANK URBAN RENEWAL DISTRICT TAX INCREMENT REVENUE BONDS, SERIES 2009A, IN THE ESTIMATED AGGREGATE PRINCIPAL AMOUNT OF \$2,000,000, TO PAY COSTS OF PUBLIC IMPROVEMENTS ASSOCIATED WITH THE FEDERAL COURTHOUSE/4<sup>TH</sup> AVENUE NW URBAN RENEWAL PROJECT; ESTABLISHING THE TERMS OF SALE; CONFIRMING THE NEGOTIATED SALE; AND DELEGATING CERTAIN AUTHORITY TO CITY MANAGER AND FISCAL SERVICES DIRECTOR

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

Section 1. Recitals.

1.01. In accordance with Title 7, Chapter 15, Parts 42 and 43 (the “Act”), on March 20, 2007, the Great Falls City Commission (the “Commission”) adopted Amended Ordinance 2967 to create and approve the West Bank Urban Renewal District (the “District”) and the West Bank Urban Renewal Plan (the “Plan”), which contains a tax increment financing provision to help fund rehabilitation and redevelopment projects within the District.

1.02. BC Development of Kansas City, Missouri (the “Developer”) is in the process of constructing a 64,133 square foot building which will be leased to the United States General Accounting Office (the “GAO”) for use as a federal courthouse (the “Federal Courthouse”). Construction of the Federal Courthouse is expected to be completed, and the Federal Courthouse is expected to be available for occupancy, in early summer 2009. The Developer and the GAO have entered into a lease which among other things provides that notwithstanding the federal government’s use of the Federal Courthouse, it will be subject to real and personal property tax which will be paid by the Developer as Lessor. The construction and installation of certain public improvements were necessary for the development of the Federal Courthouse, in particular the extension of the City’s water main to serve the Federal Courthouse and the reconstruction of 3<sup>rd</sup> Avenue NW as more particularly described below.

1.03. The Plan identified a number of projects that were needed in order to facilitate the development of the District in general including: undertaking a survey of the historical and cultural resources in the District to assure preservation and enhancements in the redevelopment of the District (the “Historical & Cultural Inventory Study”); various improvements to the City’s West Bank Park including improved access, parking lot, fire protection, landscaping, and rehabilitation of facilities (the “West Bank Park Improvements”); the 3<sup>rd</sup> Avenue NW Reconstruction Project consisting of a track crossing and rail signals, realignment and reconstruction of 3<sup>rd</sup> Avenue NW, including land acquisition and improvements to the intersection with 3<sup>rd</sup> Street NW (the “3<sup>rd</sup> Avenue NW Reconstruction Project”); the extension and looping of the City’s water main to connect 3<sup>rd</sup> Street NW to Central Avenue West and the Federal Courthouse (the “Water Main Improvements”); relocation of existing utilities (“Utility Relocation”); and cleanup as necessary of contaminated soils (the “Brownfield Cleanup”)

(collectively, the “Public Projects”) (together with the Federal Courthouse, the “Federal Courthouse/4<sup>th</sup> Avenue NW Project”).

1.04. On November 18, 2008, the Commission adopted Resolution No. 9801, Resolution of Intention to Approve the Federal Courthouse/4<sup>th</sup> Avenue NW Project as an Urban Renewal Project and to Authorize Financing Public Improvements with Tax Increment Revenues and Calling for a Public Hearing Thereon.

1.05. Pursuant to Resolution No. 9801, a public hearing was duly noticed and held on December 2, 2008, at which all persons wishing to speak were given the opportunity to address the Commission with respect to approval of the Federal Courthouse/4<sup>th</sup> Avenue NW Project as an Urban Renewal Project and the financing of the Public Projects with tax increment revenues.

1.06. Subsequent to the public hearing, and pursuant to Ordinance No. 3028 adopted on second reading on December 16, 2008 (the “Ordinance”), this Commission approved the Federal Courthouse/4<sup>th</sup> Avenue NW Project as an Urban Renewal Project and authorized the following Public Improvements to be financed from District tax increment revenues.

1. The Historical & Cultural Inventory Study.
2. The West Bank Park Improvements.
3. The 3<sup>rd</sup> Avenue NW Reconstruction Project.
4. The Water Main Improvements.
5. The Utility Relocation.
6. The Brownfield Cleanup.

1.07. Pursuant to the Ordinance, the City set forth its intention to finance the Public Projects from the proceeds of West Bank Urban Renewal Tax Increment Bonds in the estimated principal amount of \$2,000,000 (the “Series 2009A Bonds”) payable over a term of 25 years; approved the engagement of D.A. Davidson & Co. as the City’s underwriter (the “Underwriter”); and authorized the City staff and the Underwriter to proceed with the financial analysis to determine the final principal amount of the Series 2009A Bonds that can be issued through a negotiated sale to the Underwriter, subject to final approval of the Commission.

1.08. The Federal Courthouse is expected to be completed on or about July 1, 2009, and it is necessary and desirable to proceed with the construction of the Public Improvements.

## Section 2. Authorization of Sale of Series 2009A Bonds.

2.01. Issuance of Bonds, Principal Amount, Series. The City hereby determines it is in the best interests of the City to proceed with the issuance of Series 2009A Bonds to provide funds to be used to finance, or to reimburse the City for, the costs of the Public Improvements fund a deposit to a debt services reserve account, pay costs of issuing the bonds and related costs of the District, and, if necessary, pay a portion of interest on the Series 2009A Bonds. The City Fiscal Services Director, in consultation with D.A. Davidson & Co., has determined that the estimated principal amount of Series 2009A Bonds that can be issued to pay or reimburse the

costs of the Public Improvements, establish a debt service reserve, pay the costs of the sale and issuance of the Series 2009A Bonds and other related costs of the District, and, if necessary, pay a portion of interest on the Series 2009A Bonds is \$2,000,000. The Series 2009A Bonds shall be denominated “West Bank Urban Renewal Tax Increment District Revenue Bonds, Series 2009, Federal Courthouse/4<sup>th</sup> Avenue NW Project,” may be issued in one or more series, and shall be sold at a private, negotiated sale to D.A. Davidson & Co. (the “Purchaser”) as provided herein.

2.02. Terms and Conditions, Delegation of Authority, Bond Purchase Agreement. The City Manager and City Fiscal Services Director along with Dorsey & Whitney LLP, the City’s bond counsel (“Bond Counsel”), are hereby authorized and directed to work with the Underwriter to establish the appropriate terms, conditions and documentation for the sale of the Series 2009A Bonds. The City Manager and Fiscal Services Director are hereby authorized to negotiate the purchase price, redemption features, and interest rate on the Series 2009A Bonds subject to the following conditions and limitations:

- (1) the aggregate principal amount of the Series 2009A Bonds shall not exceed \$2,000,000;
- (2) the final stated maturity of the Series 2009A Bonds shall not be more than twenty-five (25) years from the date of issue of the Series 2009A Bonds;
- (3) the average interest rate on the Series 2009A Bonds shall not exceed 6.75% per annum;
- (4) the purchase price shall not be less than 98.25% of the principal amount of the Series 2009A Bonds, exclusive of original issue discount or premium, if any; and
- (5) all costs of issuing the Series 2009A Bonds (including, without limitation, the fees and expenses of Bond Counsel, the fees of the Paying Agent and Registrar, if any, and the costs of printing the Preliminary Official Statement, the Official Statement and the Series 2009A Bonds) shall be paid by the City from the proceeds of the Series 2009A Bonds.

Upon final approval of the interest rate, purchase price, and other terms and conditions of the sale of the Series 2009A Bonds and confirmation of the assumptions and estimates described in Section 3 below, the City Manager and Fiscal Services Director shall be authorized to enter into and execute a Bond Purchase Agreement with the Underwriter on behalf of the City.

2.03. Bond Resolution. The form of the Series 2009A Bonds and the final terms and conditions thereof shall be prescribed by a subsequent resolution to be adopted by this Commission.

Section 3. Adequacy of Tax Increment. The maximum annual payment of principal and interest on the Series 2009A Bonds, assuming an average interest rate of 6.192% per annum and a term of approximately 25 years, is \$167,393. Based on (a) estimates provided by the City and the Developer to the Montana Department of Revenue (the “Department”) and the Department’s estimates of the taxable value of the Federal Courthouse project when completed and placed on the tax rolls, and (b) the current number of mills being levied by all of the taxing jurisdictions in the District, the amount of tax increment revenue of the District commencing with the fiscal year

ending June 30, 2011 will be at least \$194,142 annually and is adequate to pay the principal of and interest on the Series 2009A Bonds over a term of twenty-five (25) years.

Section 4. Official Statement. The City Manager and City Fiscal Service Director with the Underwriter and Bond Counsel are authorized to prepare on behalf of the City an Official Statement, to be distributed by the Underwriter to prospective purchasers of the Series 2009A Bonds. The Official Statement shall contain such information as shall be advisable and necessary to describe accurately the City, the security for, and the terms and conditions of, the Series 2009A Bonds. The City Manager and City Fiscal Service Director along with the City Clerk are authorized on behalf of the Commission to deem the Official Statement near “final” as of its date, in accordance with Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934.

Section 5. Effective Date. This Resolution shall become effective immediately upon adoption by the City Commission.

PASSED AND ADOPTED by the City Commission of the City of Great Falls, Montana, March 3, 2009.

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Dona R. Stebbins, Mayor

ATTEST:

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Lisa Kunz, City Clerk

(Seal of the City)

APPROVED FOR LEGAL CONTENT:

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David V. Gliko, City Attorney