

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. 10520 , entitled: "RESOLUTION AUTHORIZING THE ISSUANCE AND NEGOTIATED SALE OF UP TO \$850,000 TAX INCREMENT INDUSTRIAL INFRASTRUCTURE DEVELOPMENT REVENUE BONDS, SERIES 2023 (GREAT FALLS INTERNATIONAL AIRPORT TAX INCREMENT FINANCING INDUSTRIAL DISTRICT), SUBJECT TO THE TERMS AND LIMITATIONS SET FORTH HEREIN; AND AUTHORIZING THE CITY MANAGER AND FISCAL SERVICES DIRECTOR TO ENTER INTO A BOND PURCHASE AGREEMENT WITH RESPECT THERETO" (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 1, 2023 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 _____, 2023.

(SEAL)

City Clerk

RESOLUTION NO. 10520

RESOLUTION AUTHORIZING THE ISSUANCE AND NEGOTIATED SALE OF UP TO \$850,000 TAX INCREMENT INDUSTRIAL INFRASTRUCTURE DEVELOPMENT REVENUE BONDS, SERIES 2023 (GREAT FALLS INTERNATIONAL AIRPORT TAX INCREMENT FINANCING INDUSTRIAL DISTRICT), SUBJECT TO THE TERMS AND LIMITATIONS SET FORTH HEREIN; AND AUTHORIZING THE CITY MANAGER AND FISCAL SERVICES DIRECTOR TO ENTER INTO A BOND PURCHASE AGREEMENT WITH RESPECT THERETO

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 Commission, pursuant to Montana Code Annotated, Title 7, Chapter 15, Parts 42 and 43, as amended (the “Act”), and Ordinance No. 3022, duly adopted on November 5, 2008, and revised by Ordinance No. 3043, duly adopted on September 1, 2009 (as such may be further amended and supplemented, (the “Ordinance”), established an industrial district known as the Great Falls International Airport Tax Increment Financing Industrial District (the “District”) and adopted the Great Falls International Airport Tax Increment Financing Industrial District Plan (the “Plan”) for the purpose of undertaking and financing or reimbursing costs of industrial infrastructure projects therein. The Plan provides for the segregation and collection of tax increment with respect to the District. The District and the Plan have been duly and validly created and adopted in accordance with the Act and are in full force and effect.

1.02. Airport Project. The Great Falls International Airport Authority, a regional airport authority created by the City and Cascade County, Montana (the “Authority”), is undertaking a multi-year, multi-phase development project on a 300-acre site in the District located at 4201 Ulm North Frontage Road Great Falls, Montana 59404, consisting of the construction of large metal warehouse buildings to be leased and/or sold primarily to third parties engaged in secondary, value-adding industries (the “Airport Project”). Pursuant to the Act and the Ordinance, the City (i) designated and approved the Airport Project as an industrial development project and (ii) authorized the use of tax increment with respect to the District in an amount not to exceed \$1,091,238 to pay or reimburse the Airport for the costs of certain qualified improvements associated with the Airport Project, consisting of design and construction of electric/data service lines, water lines, sewer lines, storm sewer improvements, and roadway approaches (collectively, the “Infrastructure Improvements”).

1.03. The City and the Airport entered into a Development Agreement, dated as of May 19, 2021, as amended and supplemented by Amendment No. 1 to Development Agreement dated as of November 28, 2022 (the “Development Agreement”), pursuant to which the City has paid agreed to issue bonds payable from Tax Increment in a principal amount sufficient to pay or

reimburse the Airport for \$691,238 of costs of the Infrastructure Improvements. The Airport has represented to the City that it has satisfied all preconditions to the issuance of such bonds as set forth in the Development Agreement.

Section 2. Authorization. Pursuant to the authorizations and findings recited in the Plan and in Section 1 hereof, it is hereby determined that it is in the best interests of the City to offer for sale its Industrial Infrastructure Development Revenue Bonds, Series 2023 (Great Falls International Airport Tax Increment Financing Industrial District) (the “Series 2023 Bonds”), in the maximum aggregate principal amount of \$850,000, for the purpose of paying or reimbursing costs of the Infrastructure Improvements, funding a deposit to a debt service reserve account for the Series 2023 Bonds, and paying costs of issuance of the Series 2023 Bonds, as determined by the officers and employees of the City identified pursuant to and subject to the limitations set forth in Section 4 hereof.

Section 3. Available Tax Increment. Upon the issuance of the Series 2023 Bonds, there are no other obligations of the City in respect of the Tax Increment. Based on Tax Increment of \$131,230 received in Fiscal Year 2022 and Tax Increment of \$125,782 projected to be received in Fiscal Year 2023, the City estimates that the Tax Increment to be received from the District will be at least \$125,782 per year. The estimated maximum annual debt service on the Series 2023 Bonds, assuming an average coupon rate on the Series 2023 Bonds of 6.0% per annum and a term of 15 years, is \$88,800. Accordingly, (i) the Tax Increment projected to be received each year is sufficient to pay the estimated maximum annual debt service on the Series 2023 Bonds, and (ii) the Tax Increment received in Fiscal Year 2022 and projected to be received in the next succeeding three fiscal years is estimated to be at least 140% of the estimated maximum annual debt service on the Series 2023 Bonds.

Section 4. Parameters and Terms of Sale.

4.01 This Commission hereby determines that it is in the best interests of the City to sell the Series 2023 Bonds in a negotiated sale. The City Manager and the Fiscal Services Director, or the Deputy City Manager in the absence or unavailability of either, are hereby authorized and directed to determine the conditions pertaining to the negotiated sale of the Series 2023 Bonds, including whether the Series 2023 Bonds will be sold in a public offering or a private placement. If the Series 2023 Bonds are sold in a public offering, D.A. Davidson & Co., of Great Falls, Montana (“Davidson”) will serve as underwriter for the public sale of the Series 2023 Bonds. If the Series 2023 Bonds are sold in a private placement, Davidson will serve as placement agent and solicit proposals from banks and other financial institutions for the direct purchase of the Series 2023 Bonds.

4.02 The Series 2023 Bonds shall be sold on terms and at a purchase price within the following limitations and conditions: (1) the aggregate principal amount of the Series 2023 Bonds, exclusive of original issue discount or premium, shall not exceed \$850,000; (2) the average coupon rate on the Series 2023 Bonds shall not exceed 6.0%; (3) the purchase price of the Series 2023 Bonds shall not be less than 98.5% of the principal amount thereof; and (4) the final stated maturity of the Series 2023 Bonds shall not be later than 17 years from their date of issue. All costs of issuing the Series 2023 Bonds (including, without limitation, placement agent

fees, underwriter's discount, bank fees, rating agency fees, bond counsel fees, paying agent and registrar fees, costs of the preliminary and final Official Statement, and the costs of printing the Series 2023 Bonds) shall be paid by the City.

The form of the Series 2023 Bonds and the final terms and conditions thereof shall be prescribed by a subsequent resolution to be adopted by this Commission.

4.03. The City Manager and the Fiscal Services Director, or the Deputy City Manager in the absence or unavailability of either, are hereby authorized and directed approve the principal amount, purchase price, maturity dates, interest rates and redemption provisions of the Series 2023 Bonds, all subject to the conditions contained in this Section 4. Upon approving such terms, the City Manager and the Fiscal Services Director, or the Deputy City Manager in the absence or unavailability of either, are hereby authorized and directed to approve, execute and deliver a bond purchase agreement (the "Bond Purchase Agreement") containing the agreement of the City to sell, and the agreement of Davidson (in a public offering) or the bank or financial institution (in a private placement) to purchase, the Series 2023 Bonds on the terms so approved, and containing such other provisions as the City Manager and the Fiscal Services Director, or the Deputy City Manager in the absence or unavailability of either, shall deem necessary and appropriate. The execution and delivery of the Bond Purchase Agreement shall be conclusive as to the approval of such officers or employees of the terms of the Series 2023 Bonds and the agreement of the City to sell the Series 2023 Bonds on such terms in accordance with the provisions thereof.

Section 5. Official Statement. If the Series 2023 Bonds are to be offered and sold in a public offering, the City Manager and the Fiscal Services Director, in cooperation with Davidson, are hereby authorized and directed to prepare on behalf of the City, an Official Statement, to be distributed by Davidson to prospective purchasers of the Series 2023 Bonds. The Official Statement shall contain such information as shall be advisable and necessary to describe accurately the City and the security for, and the terms and conditions of, the Series 2023 Bonds. The Fiscal Services Director is authorized on behalf of the City to deem the preliminary Official Statement near "final" as of its date, in accordance with Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934.

Section 6. Continuing Disclosure. If the Series 2023 Bonds are to be offered and sold in a public offering, to permit Davidson and other participating underwriters in the primary offering of the Series 2021 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 Series 2023 Bonds, to provide annual reports of specified information and notice of the occurrence of certain events. A description of the undertaking will be set forth in the Official Statement.

Section 7. 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, on this 1st day of August, 2023.

Bob Kelly, Mayor

Attest:

Lisa Kunz, City Clerk

APPROVED FOR LEGAL CONTENT:

David Dennis, City Attorney