

CERTIFICATION OF MINUTES RELATING TO
\$100,000 GENERAL OBLIGATION BONDS, SERIES 1992

Issuer: Town of Stevensville, Ravalli County, Montana

Governing Body: Town Council

Kind, date, time and place of meeting: A regular meeting, held on September 14, 1992, at 7:30 p.m., at the Council Chambers, Town Hall, Stevensville, Montana.

Members present: *Judith Parker, Brad Tallman, Julie Wallace
Karen Wendel*

Members absent: *NONE*

Documents attached:

Minutes of said meeting (including):

RESOLUTION NO. 121

RESOLUTION RELATING TO \$100,000 GENERAL OBLIGATION BONDS, SERIES 1992; DETERMINING THE FORM AND DETAILS, AUTHORIZING THE EXECUTION AND DELIVERY AND LEVYING TAXES FOR THE PAYMENT THEREOF

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the obligations referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said obligations; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer this 14th day of September, 1992.

Nancy Lowell

Town Clerk-Treasurer

(SEAL)

Member Parker introduced the following resolution and moved its adoption:

RESOLUTION NO. 121

RESOLUTION RELATING TO \$100,000 GENERAL OBLIGATION BONDS, SERIES 1992; DETERMINING THE FORM AND DETAILS, AUTHORIZING THE EXECUTION AND DELIVERY AND LEVYING TAXES FOR THE PAYMENT THEREOF.

BE IT RESOLVED by the Town Council (the Council) of Stevensville, Montana (the Town), as follows:

Section 1. Authorization and Sale. At an election duly called and held June 2, 1992, the electors of the Town authorized the issuance and sale of \$100,000.00 general obligation bonds of the Town for the purpose of purchasing a new replacement fire truck and equipment for the Stevensville volunteer fire department and paying costs associated with the sale and issuance of the Bonds (the "Project"). On July 13, 1992 the Town authorized and provided for the issuance and sale of its general obligation bonds in the amount of \$100,000 to fund the authorized Project. Pursuant to such authorization, this Council at a public sale duly noticed and held on August 12, 1992, awarded the sale of the Bonds to D. A. Davidson & Co., in Great Falls, Montana, on a bid to purchase the Bonds at a price equal to the principal amount thereof and accrued interest to the date of delivery, the Bonds to bear basic interest at the rates designated by the Purchaser in such bid and as set forth in Section 3.01 of this resolution, which rates result in a net interest rate of 6.00333%. The rates of basic interest and the additional interest designated by the Purchaser result in a total dollar interest cost of \$31,517.50. It is hereby found, determined and declared that the interest rates designated by the Purchaser and set forth in Sections 4.01 and 4.02 are consistent with the Purchaser's bid accepted by this Council on August 12, 1992 and are hereby approved. It is now desirable, proper and in the best interest of the Town that the form and details of the Bonds be set forth and prescribed in the official proceedings of this Council.

Section 2. Form of Bonds, Opinion.

2.01. Form. The Bonds shall be printed in substantially the following form:

[Face of the Bonds]

UNITED STATES OF AMERICA
STATE OF MONTANA
COUNTY OF RAVALLI
TOWN OF STEVENSVILLE

GENERAL OBLIGATION BOND, SERIES 1992

No. _____

\$ _____

<u>Basic Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
		July 15, 1992	

REGISTERED OWNER:

SEE REVERSE FOR
CERTAIN DEFINITIONS

PRINCIPAL AMOUNT:

DOLLARS

The Town of Stevensville, Ravalli County, State of Montana (the Town), acknowledges itself to be indebted and for value received hereby promises to pay to the registered owner named above, or registered assigns, the principal amount specified above on the maturity date specified above or, if this Bond is prepayable as stated herein, on any date prior thereto on which this Bond shall have been duly called for redemption, and to pay interest on said principal amount to the registered owner hereof from July 15, 1992 or from such later date to which interest has been paid or duly provided for until this Bond is paid or, if this Bond is prepayable, until it has been duly called for redemption, at the rate specified above. Principal of this Bond is payable upon presentation and surrender hereof at the principal office of First Interstate Bank of Billings, N.A., in Billings, Montana, as Bond Registrar, Transfer Agent and Paying Agent (the Registrar) or its successor designated under the Resolution described herein. Basic interest on this Bond is payable semiannually on each January 15 and July 15 by check or draft mailed by the Registrar to the person in whose name this Bond is registered as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month, at his address as it appears on the bond register maintained by the Registrar.

The Bonds of this series, numbered 3 through 20, bear additional interest from October 15, 1992 through January 15, 1994, at the rate of three percent (3.00%) per annum, payable on January 15, 1994. The additional interest on this and on all other such Bonds is represented by, and payable in accordance with and upon presentation and surrender at the principal office of the Registrar of, separately registered additional interest certificates. The principal of and interest on this Bond are payable in lawful money of the United States of America.

The principal of and basic interest on this Bond are payable in lawful money of the United States of America. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith, credit and taxing powers of the Town have been and are hereby irrevocably pledged.

Additional provisions of this Bond are contained on the reverse hereof and such provisions shall for all purposes have the same effect as though fully set forth hereon.

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 Registrar by the manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the Town of Stevensville, Ravalli County, State of Montana, by its Town Council, has caused this Bond to be executed by the facsimile signatures of the Mayor and the Town Clerk-Treasurer, and by a facsimile of the official seal of the Town.

Date of Authentication:

Attest: (Facsimile Signature)
Mayor

(Facsimile Signature)
Town Clerk-Treasurer

(Facsimile Seal)

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

FIRST INTERSTATE BANK
OF BILLINGS, N.A.

By _____
Authorized Signature

[Reverse of the Bonds]

This Bond is one of an issue in the total principal amount of \$100,000, all of like date of original issue and tenor except as to serial number, denomination, maturity date, interest rate and redemption privilege, all authorized by the favorable vote of more than the requisite majority of the qualified electors of the Town voting on the question of the issuance thereof at an election duly held, for the Town for the purpose of purchasing a new replacement fire truck and equipment for the Stevensville volunteer fire department and paying costs associated with the sale and issuance of the Bonds and paying costs associated with the sale and issuance of Bonds, all pursuant to resolutions duly adopted by the Town Council, including a resolution adopted on September 14, 1992 (the Resolution), and in full conformity with the Constitution and laws of the State of Montana thereunto enabling. The Bonds are issuable only as fully registered Bonds of single maturities, in denominations of \$5,000 or any integral multiple thereof.

Bonds of this issue maturing in the years 1993 through 1997 are payable on their respective stated maturity dates without option of prior payment, but Bonds having stated maturity dates in the years 1998 through 2002 are each subject to redemption and prepayment at the option of the Town, in inverse order of maturities and in \$5,000 principal amounts selected by lot within a maturity on July 15, 1997, and any interest payment date thereafter, at a price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date. Notice of the call for redemption of any Bond prior to its stated maturity date will be mailed, at least thirty days before said redemption date, to the Registrar and to the registered owner thereof. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the Town in the office of the Town Clerk-Treasurer, as 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 Registrar, duly executed by the registered owner or his attorney, and may also be surrendered in exchange for Bonds of other authorized denominations. Upon any such transfer or exchange, the Town will cause a new 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 Town and the 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 Town nor the Registrar shall be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Montana to be done, to exist, to happen and to be performed precedent to and in the issuance of this Bond, in order to make it a valid and binding general obligation of the Town according to its terms, have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required; that the Town Council will annually levy an ad valorem tax on all of the taxable property in the Town sufficient to pay the interest hereon when it falls due and also to pay and discharge the principal of this Bond at maturity; and that this Bond, together with all other indebtedness of the Town outstanding on the date of original issue hereof and on the date of the delivery of the Bonds of this issue to the original purchaser thereof, does not exceed any constitutional or statutory limitation of indebtedness.

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

Additional abbreviations may also be used although not in the above list

ASSIGNMENT

FOR VALUE 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.

Dated: _____

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 or enlargement or any change whatsoever.

Signature Guarantee:

2.02. Legal Opinion. A copy of the text of the legal opinion of Bond Counsel shall be printed on the reverse side of each of the Bonds and identified by a certificate in the following form:

We certify that the above is a full, true and correct copy of the legal opinion rendered by Bond Counsel on the issue of Bonds of the Town of Stevensville, Ravalli County, Montana, which includes the within Bond, dated as of the date of delivery of and payment for the Bonds.

(Facsimile Signature)
Mayor

(Facsimile Signature)
Town Clerk-Treasurer

Section 3. Form of Certificates. The Certificates referred to in Section 4.02 shall be prepared in substantially the following form:

[Face of Certificates]

UNITED STATES OF AMERICA
STATE OF MONTANA
COUNTY OF RAVALLI

TOWN OF STEVENSVILLE

REGISTERED ADDITIONAL INTEREST CERTIFICATE RELATING TO

GENERAL OBLIGATION BONDS, SERIES 1992
DATED, AS ORIGINALLY ISSUED, AS OF JULY 15, 1992

No. _____

Additional
Interest
Rate

Interest Period

Date of
Payment

Percentage of
Ownership

REGISTERED OWNER:

SEE REVERSE FOR
CERTAIN
DEFINITIONS

AMOUNT:

DOLLARS

FOR VALUE RECEIVED, THE TOWN OF STEVENSVILLE (the "Town"), a duly organized municipal corporation located in Ravalli County, Montana, will pay to the registered owner named above, or registered assigns, on the date specified above an amount equal to the percentage of ownership specified above multiplied by the amount then due representing additional interest at the annual rate and for the limited period specified above on the General Obligation Bonds, Series 1992, dated, as originally issued, as of July 15, 1992, of the Town, to the extent such Bonds have not been paid prior to said date. Such additional interest is payable, in lawful money of the United States of America, upon presentation and surrender of this Certificate to First Interstate Bank of Billings, N.A., at its principal office in Billings, Montana, as Bond Registrar, Transfer Agent and Paying Agent or its successor designated under the provisions of the Resolution described herein (the "Registrar"), solely from the Debt Service Account.

Additional provisions of this Certificate are contained on the reverse hereof and such provisions shall for all purposes have the same effect as though fully set forth herein.

This Certificate 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 Registrar by the manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the Town of Stevensville, Montana, by its Town Council, has caused this Certificate to be executed by the facsimile signatures of the Mayor and the Town Clerk-Treasurer and has caused this Certificate to be dated as of July 15, 1992.

(Facsimile Signature)
Mayor

(Facsimile Signature)
Town Clerk-Treasurer

CERTIFICATE OF AUTHENTICATION

This is one of the Certificates representing additional interest on the Series 1992 Bonds delivered pursuant to the Resolution mentioned herein.

FIRST INTERSTATE BANK OF
BILLINGS, N.A., as Registrar

By _____
Authorized Representative

[Reverse of Certificates]

As provided in Resolution No. ___ duly adopted by the Town Council of the Town on September 14, 1992 (the "Resolution"), pursuant to which the Bonds and this Certificate were issued, and subject to certain limitations set forth therein, this Certificate is transferable upon the books of the Town at the principal office of the Registrar, by the registered owner hereof in person or by his attorney duly authorized in writing upon presentation hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his attorney and may also be surrendered in exchange for one or more Certificates representing other authorized percentages of the amount of additional interest payable on the date of payment hereinbefore specified. Upon such transfer or exchange, the Town will cause one or more new Certificates to be issued in the name of the transferee or registered owner, representing additional interest to be paid at the same rate and 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 Town and the Registrar may deem and treat the person in whose name this Certificate is registered as the absolute owner hereof, whether this Certificate is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the Town nor the Registrar shall be affected by any notice to the contrary.

The following abbreviations, when used in the inscription on the face of this Certificate, 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 Transfers to
Minors Act.....
(State)

Additional abbreviations may also be used.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

_____ the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER assignment OF ASSIGNEE:

/_____/

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

SIGNATURE GUARANTEE

Section 4. Bond Terms, Execution and Delivery.

4.01. Term of Bonds. The Bonds shall be denominated "General Obligation Bonds, Series 1992." The Bonds shall be in the denomination of \$5,000 each or any integral multiple thereof. The Bonds shall mature on January 15 and July 15 in the years and amounts listed below, and Bonds maturing in such years and amounts shall bear basic interest from date of original issue until paid or duly called for redemption at the rates shown opposite such years and amounts, as follows:

<u>Maturity</u>	<u>Principal</u>	<u>Basic Interest Rate</u>	<u>Maturity</u>	<u>Principal</u>	<u>Basic Interest Rate</u>
1/15/93	\$5,000	5.50%	1/15/98	\$5,000	5.00%
7/15/93	5,000	5.50	7/15/98	5,000	5.00
1/15/94	5,000	5.50	1/15/99	5,000	5.20
7/15/94	5,000	5.50	7/15/99	5,000	5.20
1/15/95	5,000	5.50	1/15/00	5,000	5.30
7/15/95	5,000	5.50	7/15/00	5,000	5.30
1/15/96	5,000	5.50	1/15/01	5,000	5.40
7/15/96	5,000	5.50	7/15/01	5,000	5.40
1/15/97	5,000	5.50	1/15/02	5,000	5.50
7/15/97	5,000	5.50	7/15/02	5,000	5.50

4.02. Additional Interest; Certificates. All Series 1992 Bonds maturing on January 15, 1994 and thereafter shall bear additional interest at the rate of three percent (3.00%) per annum for the period from October 15, 1992 through January 15, 1994, payable on January 15, 1994. The additional interest on such Series 1992 Bonds shall be represented by separate additional interest certificates (the "Certificates"). One or more Certificates shall be issued to represent all additional interest to be paid on all Series 1992 Bonds on the additional interest payment date; provided that all such Certificates shall represent an integral multiple of five hundredths of one percent (0.05%) of the additional interest payable on said date.

4.03. Registered Form, Interest Payment Dates. The Bonds shall be issuable only in fully registered form, and the ownership of the Bonds shall be transferred only upon the bond register of the Town hereinafter described. The interest on the Bonds shall be payable on January 15 and July 15 in each year, commencing January 15, 1993. Basic interest on the Bonds shall be payable to the owners of record thereof as such appear on the bond register as of the close of business on the fifteenth day of the month immediately preceding each interest payment date, whether or not such day is a business day. Interest on, and upon presentation and surrender thereof, the principal of each Bond, and, upon presentation and surrender thereof, shall be payable by check or draft issued by the Registrar described herein.

4.04. Dated Date. Each Bond shall be originally dated as of July 15, 1992, and each Certificate shall be dated July 15, 1992. Upon authentication of any Bond the Bond Registrar, Transfer Agent and Paying Agent shall indicate thereon the date of such authentication.

4.05. Registration. The Town shall appoint, and shall maintain, a bond registrar, transfer agent and paying agent (the Registrar). The effect of registration

and the rights and duties of the Town and the Registrar with respect thereto shall be as follows:

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

(b) Transfer of Bonds and the Certificates. Upon surrender to the Registrar for transfer of any Bond or Certificate 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 Bonds of a like aggregate principal amount and maturity, or one or more new Certificates of like aggregate amount and payment dates and representing the same additional interest period, as the case may be, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment date.

(c) Exchange of Bonds and Certificates. Whenever any Bonds or Certificates are surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount, interest rate and maturity, or one or more new Certificates of like aggregate amount and payment date and representing the same additional interest period, as the case may be, as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Bonds and Certificates surrendered upon any transfer or exchange shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the Town.

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

(f) Persons Deemed Owners. The Town and the Registrar may treat the person in whose name any Bond or Certificate is at any time registered in the

bond register as the absolute owner of such Bond or Certificate, whether such Bond or Certificate shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and basic interest on such Bond or the amount of such Certificate 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 Town upon such Bond or Certificate to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds, 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 Bonds or Certificates. In case any Bond or Certificate shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Bond or Certificate of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or Certificate or in lieu of and in substitution for any such 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 Bond or Certificate lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the Town and the Registrar shall be named as obligees. All Bonds or Certificate so surrendered to the Registrar shall be cancelled by it and evidence of such cancellation shall be given to the Town. If the mutilated, lost, stolen or destroyed Bond or Certificate has already matured or such Bond has been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond or Certificate prior to payment.

4.06. Appointment of Initial Registrar. The Town hereby appoints First Interstate Bank of Billings, N.A., of Billings, Montana, as the initial Registrar. The Mayor and Town Clerk-Treasurer are authorized to execute and deliver, on behalf of the District, a contract with First Interstate Bank of Billings, N.A., 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 Town agrees to pay the charges of the Registrar for the services performed. The Town reserves the right to remove any Registrar upon thirty (30) days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds and Certificates in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar.

4.07. Optional Redemption. Bonds maturing in the years 1993 through 1997 shall not be subject to redemption prior to maturity, but Bonds maturing in the years 1998 through 2002 shall each be subject to redemption and prepayment in inverse order of maturities and within a maturity in \$5,000 principal amounts selected by the Registrar by lot, at the option of the Town on July 15, 1997, and any interest payment date thereafter, at a price equal to the principal amount thereof and interest accrued to the redemption date. The Town Clerk-Treasurer shall cause notice of redemption to be published as required by law, and, at least thirty days prior to the designated redemption date, shall cause notice of redemption to be mailed, by certified mail, to the Registrar and to the registered owners of each Bond to be redeemed at their addresses as they appear on the bond register described in Section 4.05, but no defect in or failure to give such mailed notice shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. The notice of redemption shall specify the redemption date, redemption price, the numbers, interest rates and CUSIP numbers of the Bonds to be redeemed and the place at which the 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 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 Issuer shall default in the payment of the redemption price) such Bonds or portions thereof shall cease to bear interest.

In addition to the notice prescribed by the preceding paragraph, the Town Clerk-Treasurer shall also give, or cause to be given, notice of the redemption of any 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 Bonds (such depositories now being The Depository Trust Company, of Garden Town, New York; Midwest Securities Trust Company, of Chicago, Illinois; Pacific Securities Depository Trust Company, of San Francisco, California; and Philadelphia Depository Trust Company, of Philadelphia, Pennsylvania) 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 Bond or portion thereof.

4.08. Execution and Delivery. The Bonds and the Certificates shall be forthwith prepared for execution under the direction of the Town Clerk-Treasurer and the Purchaser, and shall be executed on behalf of the Town by the signatures of the Mayor and Town Clerk-Treasurer, and shall be sealed with the official seal of the Town, provided that said signatures and the seal may be printed, engraved or lithographed facsimiles thereof. On the reverse side of each Bond shall be printed a copy of the legal opinion to be rendered by Bond Counsel, certified by the facsimile

signatures of the Mayor and Town Clerk-Treasurer. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds or the Certificates shall cease to be such officer before the delivery thereof, 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. When the Bonds and the Certificates have been so executed by said Town officers, they shall be registered by the Town Clerk-Treasurer in accordance with Montana Code Annotated, Section 7-7-4257. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless and until a certificate of authentication on such Bond or Certificates has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond and Certificate shall be conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds and Certificates have been fully executed and authenticated, they shall be delivered by the Town Clerk-Treasurer 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.

Section 5. Security Provisions.

5.01. Acquisition Account; Use of Proceeds. There is hereby created a special account to be designated as the "1992 Acquisition Account" (the "Acquisition Account"), to be held and administered by the Town Clerk-Treasurer separate and apart from all other funds of the Town. The Town appropriates to the Acquisition Account (a) the proceeds of the sale of the Bonds in the amount of \$100,000 and (b) **all income derived from the investment of amounts on hand in the Acquisition Account.** The Acquisition Account shall be used solely to defray expenses of the Project, including but not limited to the transfer to the Debt Service Account described in Section 5.02 of amounts sufficient for the payment of interest and principal, if any, due upon the Bonds prior to the completion and payment of all costs of the Project. Upon completion and payment of all costs of the Project, any remaining proceeds of Bonds in the Acquisition Account shall be credited and paid to the Debt Service Account.

5.02. Debt Service Account. So long as any of the Bonds are outstanding and any principal thereof or interest thereon unpaid, the Town Clerk-Treasurer shall maintain a separate and special 1992 Debt Service Account (the "Debt Service Account") to be used for no purpose other than the payment of the principal of and interest on the Bonds. The Town irrevocably appropriates to the Debt Service Account: (a) any proceeds of the Bonds in excess of \$100,000, (b) all funds to be credited and paid thereto in accordance with the provisions of Section 4.01, (c) any taxes levied in accordance with this resolution, (d) all income derived from the

investment of amounts on hand in the Debt Service Account, and (e) such other money as shall be received and appropriated to the Debt Service Account from time to time.

Section 6. Tax Levies. The full faith, credit and taxing powers of the Town shall be and are hereby irrevocably pledged to the payment of the Bonds and interest due thereon, and the Town shall cause taxes to be levied annually on all taxable property in the Town sufficient to pay the interest on the Bonds when it falls due and to pay and discharge the principal at maturity of each and all of the Bonds as they respectively become due.

Section 7. Arbitrage and Certification of Proceedings.

7.01. Certification. The Mayor and the Town Clerk-Treasurer, being the officers of the Town charged with the responsibility for issuing the Bonds, are authorized and directed to execute and deliver to the Purchaser a certification in accordance with the provisions of Section 148 of the Code and Treasury Regulations, Sections 1.103-13, -14, and -15, stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be arbitrage Bonds within the meaning of Section 148 of the Code and applicable Treasury Regulations. The certification shall further state that to the best of the knowledge and belief of the certifying officers no other facts, estimates or circumstances exist which would materially change this expectation.

7.02. Covenant. The Town covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action that would cause the interest on the Bonds to become subject to taxation under the provisions of the Code and the Treasury Regulations applicable thereunder, and covenants and agrees that it will take or cause its officers, employees or agents to take any action within its or their powers to prevent the interest on the Bonds from becoming includable in gross income for purposes of federal income taxation under the Code and applicable Treasury Regulations.

7.03. Arbitrage Rebate.

(a) The Town hereby represents that it qualifies for the exception for small governmental units to the arbitrage rebate provisions contained in Section 148(f) of the Code. Specifically, the Town represents:

(1) The equipment financed with proceeds of the Bonds are to be used solely for the benefit of members of the general public and no special concession or contract is granted to any user of such equipment.

(2) Substantially all (not less than 95%) of the proceeds of the Bonds will be used for local governmental activities of the Town.

(3) The aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the Town and all subordinate entities thereof during 1992 is not reasonably expected to exceed \$5,000,000. To date in 1992, the Town has not issued any such tax-exempt bonds, and in the calendar years 1987 through 1990 the Town did not issue any tax-exempt bonds.

(b) If notwithstanding the provisions of paragraph (a) of this Section 7.03, the arbitrage rebate provisions of Section 148(f) of the Code apply to the Bonds, the Town hereby covenants and agrees to make the determinations, retain records, and rebate to the United States the amounts at the times, required by said Section 148(f).

7.04. Information Reporting. The Town shall file with the Secretary of the Treasury, not later than November 15, 1992, a statement concerning the Bonds containing the information required by Section 149(e) of the Code.

Section 8. Defeasance.

8.01. General. When the liability of the Town on all Bonds issued under and secured by this Resolution and all interest thereon has been discharged as provided in this section, all pledges, covenants and other rights granted by this Resolution to the Holders of such Bonds shall cease.

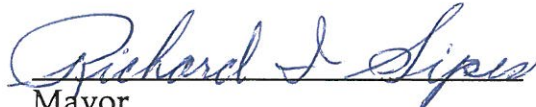
8.02. Maturity. The Town may discharge its liability with reference to all Bonds and interest thereon which are due on any date by depositing with the Registrar for such Bonds on or before the date a sum sufficient for the payment thereof in full; or if any Bond or interest thereon shall not be paid when due, the Town may nevertheless discharge its liability with reference thereto by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

8.03. Redemption. The Town may also discharge its liability with reference to any prepayable Bonds which are called for redemption on any date in accordance with their terms, by depositing with the Registrar on or before that date an amount equal to the principal, interest and redemption premium, if any, which are then due thereon, provided that notice of such redemption has been duly given as provided, in this Resolution.

8.04. Escrow. The Town may also at any time discharge its liability in its entirety with reference to any Bonds subject to the provisions of law now or

hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are general obligations of the United States or securities of United States agencies which are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to provide funds sufficient to pay all principal, interest and redemption premiums, if any, to become due on such Bonds at their Stated Maturities or, if such Bonds are prepayable and notice of redemption thereof has been given or irrevocably provided for, to such earlier Redemption Date.

Section 9. Designation as Qualified Tax Exempt Obligations. Pursuant to Section 265(b)(3)(B)(ii) of the Code, the Town hereby designates the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code. The Town has not designated any bonds in 1992 under Section 265(b)(3) other than the Bonds. The Town hereby represents that it does not anticipate that the Town and all "subordinate entities" of the Town will issue in 1992 obligations bearing interest exempt from federal income taxation under Section 103 of the Code (including "qualified 502(c)(3) bonds" but excluding other "private activity bonds," as defined in Sections 141(a) and 145(a) of the Code) in an amount greater than \$10,000,000.



Mayor

Attest: 

Town Clerk-Treasurer

Upon vote being taken on the foregoing resolution, the following voted in favor thereof: Julith Saker, Brad Pollman,
Julie Wallace, Karen Wendel and the following voted against the same: NONE, whereupon the resolution was declared duly passed and adopted and was signed by the Mayor and attested by the Town Clerk-Treasurer.