

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Billings, Montana (the City), hereby certify that the attached resolution is a true copy of Resolution No. **01-17657**, entitled: **RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1352; DECLARING IT TO BE THE INTENTION OF THE CITY COUNCIL TO CREATE THE DISTRICT FOR THE PURPOSE OF UNDERTAKING CERTAIN LOCAL IMPROVEMENTS AND FINANCING THE COSTS THEREOF AND INCIDENTAL THERETO THROUGH THE ISSUANCE OF SPECIAL IMPROVEMENT DISTRICT BONDS SECURED BY THE CITY'S SPECIAL IMPROVEMENT DISTRICT REVOLVING FUND** (the Resolution" was duly adopted by the City Council of the City at a meeting on January 22, 2001, and that the meeting was duly held by the City Council 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.)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 Councilmembers voted in favor thereof: Unanimous

voted against the same: none

or were absent: Kennedy, Bradley

WITNESS my hand officially this 22nd day of January, 2001.

Marita Herold
Marita Herold, CMC City Clerk

RESOLUTION NO. 01-17657

RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1352; DECLARING IT TO BE THE INTENTION OF THE CITY COUNCIL TO CREATE THE DISTRICT FOR THE PURPOSE OF UNDERTAKING CERTAIN LOCAL IMPROVEMENTS AND FINANCING THE COSTS THEREOF AND INCIDENTAL THERETO THROUGH THE ISSUANCE OF SPECIAL IMPROVEMENT DISTRICT BONDS SECURED BY THE CITY'S SPECIAL IMPROVEMENT DISTRICT REVOLVING FUND

BE IT RESOLVED by the City Council of the City of Billings (the City), Montana, as follows:

Section 1. Proposed Improvements; Intention To Create District. The City proposes to undertake certain local Improvements (the "Improvements") to benefit certain property located in the City. The Improvements consist of the construction of a water main, as more particularly described in Section 5. The total estimated costs of the Improvements are \$341,477.23. The costs of the Improvements are to be paid from the following sources: (1) Special Improvement District bonds hereinafter described; and (2) \$251,477.23 of cash contribution by Ken Hollar, the owner of 16 of the 21 lots in the District (the "Developer Properties"), as more particularly described in Sections 6 and 9(f). It is the intention of this Council to create and establish in the City under Montana Code Annotated, Title 7, Chapter 12, Parts 41 and 42, as amended, a Special Improvement District (the "District") for the purpose of financing costs of the Improvements and paying costs incidental thereto, including costs associated with the sale and the security of Special Improvement District bonds drawn on the District (the "Bonds"), the creation and administration of the District, the funding of a deposit to the City's Special Improvement District Revolving Fund (the "Revolving Fund"). The total estimated costs of the Improvements, including such incidental costs, to be financed by the Bonds are \$90,000.00. The Bonds are to be payable primarily from special assessments to be levied against property in the District, which property will be specially benefited by the Improvements.

Section 2. Number of District. The District, if the same shall be created and established, shall be known and designated as Special Improvement District No. 1352 of the City of Billings, Montana.

Section 3. Boundaries of District. The limits and boundaries of the District are depicted on a map attached as Exhibit A hereto (which is hereby incorporated herein and made a part hereof) and more particularly described on Exhibit B hereto (which is hereby incorporated herein and made a part hereof), which boundaries are designated and confirmed as the boundaries of the District. A listing of each of the properties in the District is shown on Exhibit E hereto (which are hereby incorporated herein and made a part hereof).

Section 4. Benefited Property. The District and territory included within the limits and boundaries described in Section 3 and as shown on Exhibits A, B, and E are hereby declared to be the Special Improvement District and the territory which will benefit and be benefited by the Improvements and will be assessed for the costs of the Improvements as described in Section 7.

Section 5. General Character of the Improvements. The general character of the Improvements is the construction of the following to Burning Tree Drive and Tamarisk Drive fronting Lots 1-9, Block 55; Lots 5, 11-15, Block 56; Lot 30-35, Block 57 within Lake Hills Subdivision 22nd Filing:

- a) Water mains and services;
- b) Sanitary sewer mains and services;
- c) Street base gravel and asphalt paving;
- d) Storm drain improvements; and
- e) Concrete curb and gutter.

Section 6. Engineer and Estimated Cost. Morrison Maierle, Inc.; 2020 Grand Avenue; Billings, MT 59102, shall be the engineer for the District. The Engineer has estimated that the costs of the Improvements, including all incidental costs, is \$341,477.23. Ken Hollar will make a cash contribution to the project in the amount of \$251,477.23 as described in Section 9(f). The remaining costs of \$90,000.00, which includes costs associated with the sale of Bonds and other incidental costs, will be financed by the sale of the Bonds as described in Section 1 and assessments to pay the Bonds will be levied against the remaining parcels in the District as shown in Exhibit E (which is attached hereto and incorporated herein) and as more fully explained in Section 7.

Section 7. Assessment Methods.

7.1. Property to be Assessed. All properties within the district are to be assessed for the costs of the Improvements, as specified herein. The costs of the Improvements shall be assessed against the property in the District benefiting from the Improvements based on the Equal Amount Options described in Section 7-12-4162, M.C.A., as particularly applied and set forth in this Section 7.

7.1.1 Equal Amount Option.

As stated above, Ken Hollar, owner of 16 of the 21 lots within the District is making a cash contribution of \$251,477.23 which represents a cash contribution towards the cost of Improvements for the 16 lots.

All properties, not making a cash contribution, in the District will be assessed for their proportionate share of the costs of the improvements. For the purposes of equitably apportioning special benefit to each lot, tract or parcel of land in the District, the Engineer has determined that each lot, tract, or parcel of land shall equally bear the costs of the improvements as set forth in Part III hereto to arrive at an equal cost for the improvements. The total estimated cost of the improvements is \$90,000.00 and shall be assessed against each lot, tract, or parcel of land within the District on an equal amount basis based on the bid price to be received. The equal amount assessment will not exceed \$18,000.00.

7.2. Assessment Methodologies Equitable and Consistent With Benefit. This Council hereby determines that the methods of assessment and the assessment of costs of the specific improvements against the properties benefited thereby as prescribed in this Section 7 are equitable in proportion to and not exceeding the special benefits derived from the respective improvements by the lots, tracts, and parcels to be assessed therefore within the District.

Section 8. Payment of Assessments. The special assessments for the costs of the Improvements shall be payable over a term not exceeding 15 years, each in equal semiannual installments of principal, plus interest, or equal semiannual payments of principal and interest, as this Council shall prescribe in the resolution authorizing the issuance of the Bonds. Property Owners have the right to prepay assessments as provided by law. Further, all owners shall have the opportunity to prepay their assessments prior to sale of the SID bonds.

Section 9. Method of Financing; Pledge of Revolving Fund; Findings and Determinations.

The City will issue the Bonds in an aggregate principal amount not to exceed \$90,000.00 in order to finance the costs of the Improvements. Principal of and interest on the Bonds will be paid from special assessments levied against the properties in the District. This Council further finds it is in the public interest, and in the best interest of the City and the District, to secure payment of principal of and interest on the Bonds by the Revolving Fund and hereby authorizes the city to enter into the undertakings and agreements authorized in Section 7-12-4225 in respect of the Bonds.

In determining to authorize such undertakings and agreements, this Council has taken into

consideration the following factors:

(a) Estimated Market Value of Parcels. The estimated market value of the lots, parcels, or tracts in the District as of the date of adoption of this resolution, as estimated, by the County Assessor for property tax purposes ranges from \$1,224 to \$3,684, and is set forth in Exhibit E. The average market value is \$2,226.95 with the median being \$1,487.00. The special assessments to be levied under Section 7 against each lot, parcel, or tract in the District is less than the increase in estimated value of the lot, parcel, or tract as a result of the construction of the Improvements.

(b) Diversity of Property Ownership. There are a total of 21 parcels within the district boundaries. No improvements, public or private, are located on any of the parcels within the District. Sixteen (16) of these parcels are owned by Ken Hollar. The remaining 5 lots are owned by separate owners.

(c) Comparison of Special Assessments and Property Taxes and Market Value. Based on an analysis of the aggregate amount of the proposed, any outstanding special assessments (whether or not delinquent), and any delinquent property taxes (as well as any known industrial development bonds theretofore issued and secured by a mortgage against a parcel in the District) against each lot, parcel, or tract in the District in comparison to the estimated market value of such lot, parcel, or tract after the Improvements, the City concludes that, overall, the estimated market value of the lots, tracts, or parcels of land in the District exceeds the sum of special assessments, delinquent property taxes, and current assessments and is set forth in Exhibit E.

(d) Delinquencies. Exhibit F (attached hereto and incorporated herein) shows the delinquency history of the parcels included within this district to tax years 1995 through 1997. Obviously, the parcels within the District have a long history of delinquent tax payments. The primary basis for the large delinquency rate has been attributed to the inability to develop these lots due to the lack of public improvements. Historically, these parcels, together with other undeveloped parcels in Lake Hills Subdivision, have been delinquent for three or more years and subsequently were placed on County tax rolls. These parcels would then be obtained at County Tax Auction. Many times they were purchased sight unseen by non-resident owners. The attraction to bidding on the properties was the fact that they were located within the interior of the Lake Hills Golf Course. However, upon discovering that the parcel could not be developed, the new owner would let the parcels, once again, become delinquent and the parcel would ultimately return to the County tax rolls.

During the last several years, the County Clerk and Recorder, under approval of the County Commissioners, abandoned the practice of placing individual tax deed parcels from this area on the County Tax Deed Auction. Rather, he aggregated the delinquent tax parcels into groups of parcels and then negotiated with local developers to acquire these parcels in whole. In this particular area, Lakewood Properties, Inc. acquired options on approximately 200 parcels in Lake Hills Subdivision. Lakewood Properties has exercised their options on the lots within Lake Hills Subdivision and do, in fact, own fee title interest in the properties. Based on past history of other developments by Lakewood Properties, no unusual rate of delinquency would be expected.

As noted above, the primary reason why the properties within this area have become delinquent in the past is due to the inability for these parcels to develop given the lack of public improvements. Given the desirable location of these parcels (within the interior of Lake Hills Golf Course) and the high levels of residential development currently occurring in Billings (including adjacent areas of Lake Hills Subdivision that do have existing public improvements), it would be

expected that development on the lots within this District would begin almost immediately.

Therefore, given the ability to now develop these in a relatively short time frame, it is unlikely that unusual delinquencies in tax payments will occur. As a result, loans from the Revolving Fund to this District would not be anticipated.

(e) **The Public Benefit of the Improvements.** The total estimated cost of installing these public improvements is \$341,477.23, the full cost of which would be recovered through direct assessments to property owners within the District and a cash contribution of \$251,477.23. The public improvements contemplated under the terms of this proposed District are required by the City Subdivision, Site Development and Zoning Ordinances in order for the parcels to develop with single family residential structures. (It should be noted that all lands within the District are zoned Residential, R-9600, the least dense residential zoning in Billings.) Further, the improvements contemplated under this District are consistent with the improvements recommended under the Lake Hills Stormwater Management Master Plan.

(f) **Other Factors.** As previously noted, Ken Hollar, owner of 16 of the 21 lots in the District, will pay a cash contribution to the project. The total cash contribution is equal to \$251,477.23 and represents 73.64 percent of the construction and administrative costs of the Improvements. This condition is necessary to satisfy the City's Special Improvement District Policy regarding raw land subdivision.

Section 10. Reimbursement Expenditures.

10.01. Regulations. 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.

10.02. Prior Expenditures. 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 Improvements have been paid by the City before the date 60 days before the date of adoption of this resolution.

10.03. Declaration of Intent. The City reasonably expects to reimburse the expenditures made for costs of the Improvements out of the proceeds of Bonds in an estimated maximum aggregate principal amount of \$90,000.00 after the date of payment of all or a portion

of the costs of the Improvements. 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.

10.04. Budgetary Matters. 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 Improvements, 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.

10.05. Reimbursement Allocations. 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 Improvements. Each allocation shall be evidence by an entry on the official books and records of the City maintained for the Bonds or the Improvements and shall specifically identify the actual original expenditure being reimbursed.

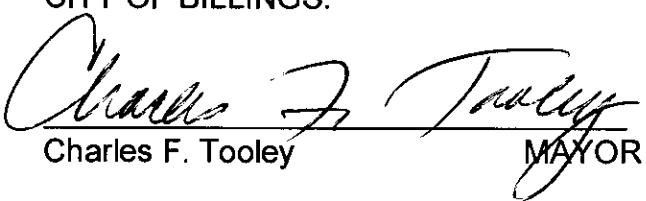
Section 11. Public Hearing Protests. At any time within fifteen (15) days from and after the date of the first publication of the notice of the passage and approval of this resolution, any owner of real property within the District subject to assessment and taxation for the cost and expense of making the Improvements may make and file with the City Clerk until 5:00 p.m., M.T., on the expiration date of said 15-day period (February 9, 2001), written protest against the proposed improvements, or against the extension or creation of the District or both, and this Council will at its next regular meeting after the expiration of the fifteen (15) days in which such protests in writing can be made and filed, proceed to hear all such protests so made and filed; which said, regular meeting will be held on Monday the 12th day of February 2001, at 7:30 p.m., in the Council Chambers, at 220 North 27th Street, in Billings, Montana.

Section 12. Notice of Passage of Resolution of Intention. The City Clerk is hereby authorized and directed to publish or cause to be published a copy of a notice of the passage of this resolution in the Billings Times, a newspaper of general circulation in the county on January 25 and February 1, 2001, in the form and manner prescribed by law, and to mail or cause to be mailed a copy of said notice to every person, firm, corporation, or the agent of such person, firm, or corporation having real property within the District listed in his or her name upon the last completed assessment roll for state, county, and school district taxes, at his last-known address, on or before the same day such notice is first published.

PASSED AND ADOPTED by the City Council of the City of Billings, Montana, this 22nd day of January 2001.



CITY OF BILLINGS:


Charles F. Tooley
MAYOR

Attest:

RES NO 01-17657

Marita Herold
Marita Herold, CMC/AAE City Clerk

EXHIBIT A

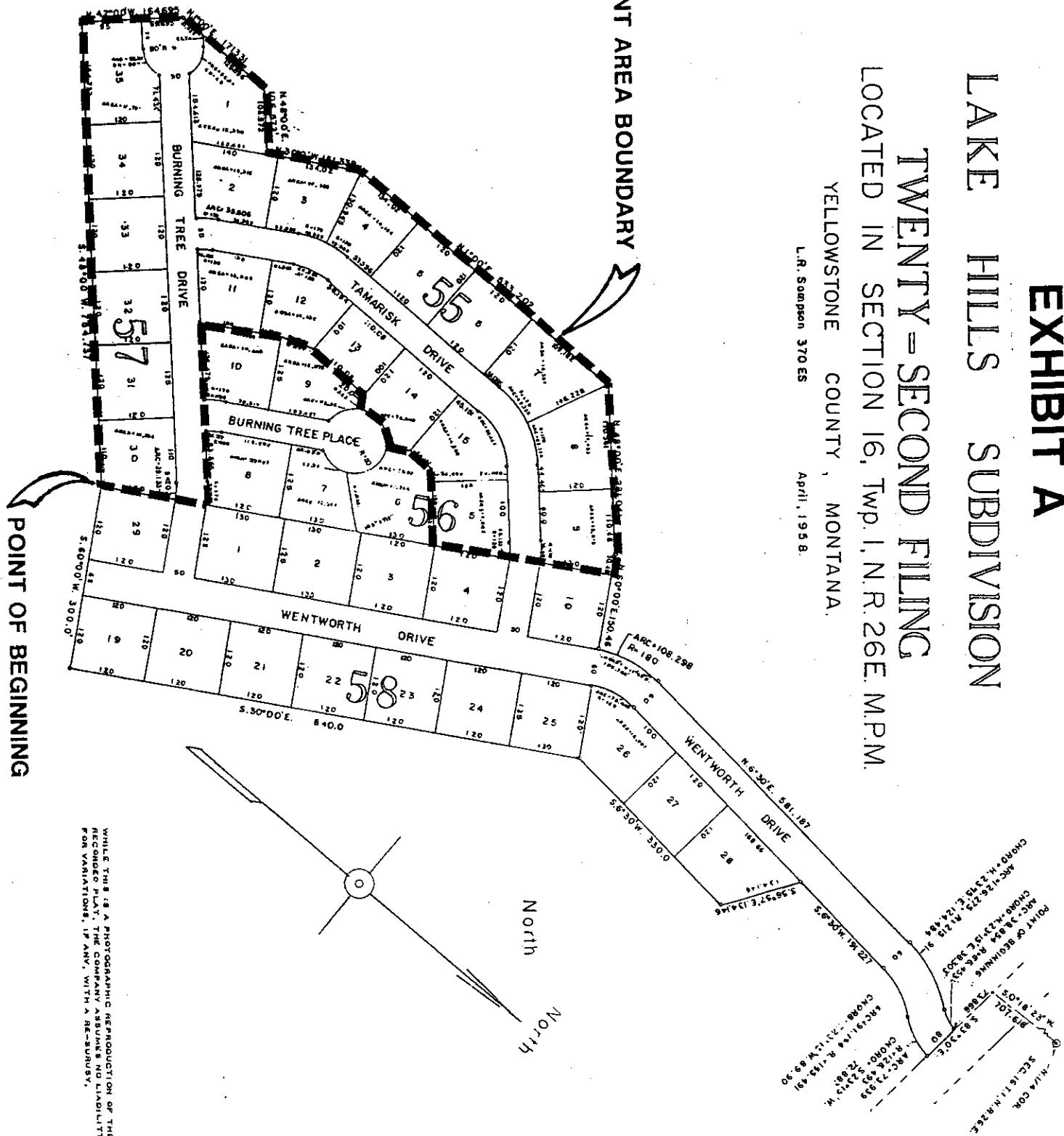
LAKE HILLS SUBDIVISION

TWENTY-SECOND FILING
LOCATED IN SECTION 16, Twp. 1, N.R. 26E. M.P.M.

YELLOWSTONE COUNTY, MONTANA.

L.R. Sompach 370 ES
April, 1958.

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WHILE THIS IS A PHOTOGRAPHIC REPRODUCTION OF THE RECONDED PLAT, THE COMPANY ASSUMES NO LIABILITY FOR VARIATIONS, IF ANY, WITH A RE-SURVEY.

Exhibit B
LEGAL DESCRIPTION
OF
CURB AND GUTTER, SIDEWALK, ASPHALT PAVING, WATER SYSTEM,
SANITARY SEWER SYSTEM, AND STORM DRAIN SYSTEM
S.I.D. 1352

Located in Section 16, Township 1 North, Range 26 East, P.M.M., Yellowstone County, Montana, being more particularly described as follows:

Beginning at the Northeasterly corner of Lot 30, Block 57, Lake Hills Subdivision, 22nd filing; thence Southwesterly on and along the Southerly lines of Lots 30 thru 35, Block 57, Lake Hills Subdivision, 22nd filing, to the Southwesterly corner of said Lot 35, Block 57; thence Northwesterly on and along the Westerly line of Lot 35, Block 57 to the Northwesterly corner of said Lot 35, Block 57; thence continuing Northwesterly on and along the Northwesterly extension of the Westerly line of said Lot 35, Block 57, to a point of intersection with the Southerly extension of the Westerly line of Lot 1, Block 55, Lake Hills Subdivision, 22nd filing; thence on and along said Southerly extension and Westerly line of Lot 1, Block 55, to the Northwesterly corner of said Lot 1, Block 55; thence Northeasterly on and along the Northerly line of said Lot 1, Block 55, to the Northeasterly corner of said Lot 1, Block 55, being also a point on the Westerly line of Lot 2, Block 55, Lake Hills Subdivision, 22nd filing; thence on and along the Westerly lines of Lots 2 thru 7, Block 55, Lake Hills Subdivision, 22nd filing to the Northwesterly corner of Lot 8, Block 55, Lake Hills Subdivision, 22nd filing; thence Northeasterly on and along the Northerly line of Lots 8 and 9, Block 55 to the Northeasterly corner of said Lot 9, Block 55; Thence Southeasterly to the Southeasterly corner of Lot 5, Block 56, Lake Hills Subdivision, 22nd filing; thence Southwesterly on and along the Southerly line of said Lot 5, Block 56, to the Southwesterly corner of said Lot 6, Block 56, being also the Northeasterly corner of Lot 15, Block 56, Lake Hills Subdivision, 22nd filing; thence Southerly on and along the Easterly lines of Lots 15, 14, 13, 12 and 11, Block 56, to the Southeast corner of said Lot 11, Block 56, being also a point of the Northerly right-of-way line of Burning Tree Drive; thence Northeasterly on and along said Northerly right-of-way line of Burning Tree Drive to the Southeasterly corner of Lot 8, Block 56, Lake Hills Subdivision, 22nd filing; thence Southeasterly to the point of beginning.

Excluding all existing streets, avenues, roads, alleys, public parks, and public rights-of-way.

Exhibit "C"
OPINION OF PROBABLE PROJECT COST

Ken Hollar Development

Location: Tamarisk Drive & Burning Tree Drive
 Lake Hills Subdivision, 22nd Filing

Water, Sewer, Storm Drain, and Street Improvements

8-Jan-01

Item	Quantity	Unit	Unit Price	Item Cost
8" PVC Water Pipe	1540	LF	\$ 24	\$ 36,960
8" Valve	4	EA	\$ 800	\$ 3,200
8" Bend	7	EA	\$ 225	\$ 1,575
8" Tee	4	EA	\$ 250	\$ 1,000
8" Plug	1	EA	\$ 250	\$ 250
Fire Hydrant Setting (w/ Valve and Pipe)	3	EA	\$ 2,600	\$ 7,800
Water Service	22	EA	\$ 600	\$ 13,200
Connect to Existing	2	EA	\$ 1,000	\$ 2,000
8" PVC Sanitary Sewer	1470	LF	\$ 24	\$ 35,280
48" Manholes	8	EA	\$ 1,800	\$ 14,400
Sanitary Sewer Services	22	EA	\$ 600	\$ 13,200
Connect to Existing	2	EA	\$ 500	\$ 1,000
12" Storm Drain	155	LF	\$ 30	\$ 4,650
S.D. Inlets	2	EA	\$ 1,200	\$ 2,400
Concrete Curb & Gutter	3271	LF	\$ 12	\$ 39,252
Asphalt Surfacing (3")	1143	TON	\$ 25	\$ 28,575
Asphalt Oil (6%)	69	TON	\$ 150	\$ 10,350
1 1/2" Base Gravel	1711	CY	\$ 13	\$ 22,243
Concrete Wheelchair Ramp (2ea)	190	SF	\$ 5	\$ 950
Concrete Valley Gutter (Tam./BrnTree)	158	SF	\$ 5	\$ 790
Street/Traffic Signs	1	EA	\$ 260	\$ 260
5' Sidewalk	2053	SF	\$ 3	\$ 6,159
Sub-Total			\$ 245,494	
Mobil/Demobil (4%)	1	LS	9,819.76	\$ 9,819.76
Taxes, Bond, Insurance (3%)	1	LS	7,364.82	\$ 7,364.82
Sub-Total			\$262,678.58	
Contingency (7%)				\$18,387.50
Sub-Total			\$281,066.08	
Engineering & GeoTech Report				\$44,029.00
GeoTechnical Testing (const)				\$2,000.00
Total Project Cost				<u>\$327,095.08</u>

H:\0787\003\040\REVISED JAN 01\Revised Tamarick Cost Estimate.xls]1

Exhibit "C"

SID 1352

Total Construction	281,066.08	85.15%
Total Engineering	46,029.00	13.95%
Total Creation & Advanced Costs	<u>2,970.84</u>	0.90%
Total	\$330,065.92	

Hollar Contribution to SID 1352:	16 Lots / 21 Lots	= 76.19%
Construction	214,144.25	85.15%
Engineering	35,069.50	13.95%
Creation & Advanced Costs	<u>2,263.48</u>	0.90%
Total	\$251,477.23	

Totals minus Hollar Contribution to SID 1352:

Total Construction	66,921.83	85.15%
Total Engineering	10,959.50	13.95%
Creation & Advanced Costs	<u>707.36</u>	0.90%
Total	\$78,588.69	

Total Lots in the District = 21

Cost / Ea. = 330,065.92 / 21 = \$15,717.42 / Ea.

SID Lots = 5

SID Contribution for 5 Lots = 5 Lots x (\$15,717.74) = \$78,588.69

Construction & Engineering Attributable to Bonds

Total = (\$330,065.92 - \$251,477.23)	= \$78,588.69
Construction = (\$281,066.08 - \$214,144.25)	= \$66,921.83
Engineering = (\$46,029.00 - \$35,069.50)	= \$10,959.50
Creation & Advanced Costs = (2,970.84 - \$2,263.48)	= \$ 707.36

Finance Fee (2.5% of const.)	= \$1,673.01
Admin. Fee (2.5% of const.)	= <u>\$1,673.01</u>
	\$ 81,934.71

Bond Breakdown = (\$81,934.71 / 91.5%) = \$89,546.13

Revolving Fund (5%)	= \$4,477.31
Bond Discount (3.5%)	= \$3,134.11
Round off	= <u>\$ 453.87</u>
Total	= \$ 8,065.29

Total Bond = \$ 90,000.00

Exhibit "C"
ENGINEER'S ANALYSIS OF PROBABLE COST
S.I.D. No.1352
LAKE HILLS SUB, 22nd FILING, TAMARISK DRIVE & BURNING TREE DRIVE

EQUAL AMOUNT OPTION

COST PER LOT

\$90,000 / 5	=	\$18,000.00
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HOLLAR CASH CONTRIBUTION TO DISTRICT	=	\$251,477.23
PLUS 1% PRIVATE CONTRACT FEE	=	\$2,514.77
TOTAL CASH CONTRIBUTION REQUIRED	=	\$253,992.00

Exhibit D
DESCRIPTION OF IMPROVEMENTS
SID 1352
LAKE HILL SUBDIVISION, 22nd FILING
TAMARISK DRIVE & BURNING TREE DRIVE

- 1. Water mains, and fire hydrants will be installed in Tamarisk Drive from the connection to the existing main at the West end of Lot 10, Block 55, to the intersection of Burning Tree Drive. In Burning Tree Drive from the connection to the existing main at the West end of Lot 1, Block 56, to the cul-de-sac at the west end of Burning Tree Drive.**
- 2. Sewer mains, and manholes will be installed in Tamarisk Drive from the connection to the existing main at the West end of Lot 10, Block 55, & in Burning Tree Drive from the connection to the existing main at the West end of Lot 1, Block 56.**
- 3. Curb & Gutter will be installed along both sides of Tamarisk Drive from the West end of Lot 10, Block 55, to the intersection of Burning Tree Drive, & along both sides of Burning Tree Drive from the West end of Lot 1, Block 56, to the West end of Burning Tree Drive.**

SID 1352**Exhibit E**

Tax Code	SID #	SID Pay-off	Delinquent	SID 1352 Assessment	SID Pay-off + Delinquent + SID 1352 Assessment	Estimated Market Value	Estimated Market Value After Improvements
A-22716					\$ 15,717.42	\$ 3,486.00	\$ 19,203.42
A-22717			\$ 399.40		\$ 16,116.82	\$ 1,393.00	\$ 17,110.42
A-22718				\$ 18,000.00	\$ 18,000.00	\$ 3,274.00	\$ 21,274.00
A-22719			\$ 370.96		\$ 16,088.38	\$ 1,348.00	\$ 17,065.42
A-22720			\$ 376.30		\$ 16,093.72	\$ 1,357.00	\$ 17,074.42
A-22721				\$ 18,000.00	\$ 18,000.00	\$ 3,295.00	\$ 21,295.00
A-22722					\$ 15,717.42	\$ 3,482.00	\$ 19,199.42
A-22723			\$ 459.80		\$ 16,177.22	\$ 1,487.00	\$ 17,204.42
A-22724				\$ 18,000.00	\$ 18,000.00	\$ 3,684.00	\$ 21,684.00
A-22730			\$ 359.20		\$ 16,076.62	\$ 1,338.00	\$ 17,055.42
A-22736			\$ 349.22		\$ 16,066.64	\$ 1,322.00	\$ 17,039.42
A-22737				\$ 18,000.00	\$ 18,000.00	\$ 3,269.00	\$ 21,269.00
A-22738			\$ 286.14		\$ 16,003.56	\$ 1,224.00	\$ 16,941.42
A-22739					\$ 15,717.42	\$ 3,295.00	\$ 19,012.42
A-22740			\$ 368.17		\$ 16,085.59	\$ 1,349.00	\$ 17,066.42
A-22770			\$ 371.67		\$ 16,089.09	\$ 1,369.00	\$ 17,086.42
A-22771			\$ 386.11		\$ 16,103.53	\$ 3,295.00	\$ 19,012.42
A-22772			\$ 379.32		\$ 16,096.74	\$ 1,357.00	\$ 17,074.42
A-22773				\$ 18,000.00	\$ 18,000.00	\$ 3,295.00	\$ 21,295.00
A-22774			\$ 371.67		\$ 16,089.09	\$ 1,357.00	\$ 17,074.42
A-22775			\$ 456.19		\$ 16,173.61	\$ 1,490.00	\$ 17,207.42
Average		\$ 379.55	\$ 16,260.89		\$ 16,495.85	\$ 2,226.95	\$ 18,487.84
Median		\$ 371.67	\$ 15,717.42		\$ 16,093.72	\$ 1,487.00	\$ 17,204.42
Low		\$ 286.14	\$ 15,717.42		\$ 15,717.42	\$ 1,224.00	\$ 16,941.42
High		\$ 459.80	\$ 18,000.00		\$ 18,000.00	\$ 3,684.00	\$ 21,684.00

Note: The areas shaded represent the parcels making a cash contribution to the District

SID 1352**Exhibit F**
Summary of Delinquency Data

Tax Code	Block	Lot	1995	1996	1997	Total
A-22716	55	1				\$0.00
A-22717	55	2	\$137.40	\$132.34	\$129.66	\$399.40
A-22718	55	3				\$0.00
A-22719	55	4	\$127.60	\$122.92	\$120.44	\$370.96
A-22720	55	5	\$129.45	\$124.69	\$122.16	\$376.30
A-22721	55	6				\$0.00
A-22722	55	7				\$0.00
A-22723	55	8	\$158.20	\$152.35	\$149.25	\$459.80
A-22724	55	9				\$0.00
A-22730	56	5	\$125.12	\$120.53	\$113.55	\$359.20
A-22736	56	11	\$121.69	\$117.22	\$110.31	\$349.22
A-22737	56	12				\$0.00
A-22738	56	13	\$99.84	\$96.21	\$90.09	\$286.14
A-22739	56	14				\$0.00
A-22740	56	15	\$128.24	\$123.53	\$116.40	\$368.17
A-22770	57	30	\$129.45	\$124.69	\$117.53	\$371.67
A-22771	57	31	\$136.57	\$131.81	\$117.73	\$386.11
A-22772	57	32	\$132.08	\$127.23	\$120.01	\$379.32
A-22773	57	33				\$0.00
A-22774	57	34	\$129.45	\$124.69	\$117.53	\$371.67
A-22775	57	35	\$158.70	\$152.83	\$144.66	\$456.19
Total			\$1,713.79	\$1,651.04	\$1,569.32	\$4,934.15

Note: All delinquent properties shown are County tax deeds purchased by Lakewoods Properties, Inc., Ken Hollar, President

**AMERICAN
TITLE
&
ESCROW**

BILLINGS
1216 16TH STREET WEST, SUITE 21
BILLINGS, MONTANA 59102-4198
(406) 248-7877
FAX: (406) 248-7875
billings@amtidemontana.com

RED LODGE
PO. BOX 10
RED LODGE, MONTANA 59068
(406) 446-2603
FAX: (406) 446-2604
redlodge@amtidemontana.com

HARDIN
409 N. CENTER AVENUE
HARDIN, MONTANA 59034
(406) 665-3797
FAX: (406) 665-1099
hardin@amtidemontana.com

LIVINGSTON
219 SOUTH MAIN, SUITE B
LIVINGSTON, MONTANA 59047
(406) 222-0362
FAX: (406) 222-8764
livingston@amtidemontana.com

ROUNDUP
PO. BOX 838
ROUNDUP, MONTANA 59072
(406) 323-3165
FAX: (406) 323-3311
roundup@amtidemontana.com

December 22, 2000

Attn: Ivan P. Borer
Morrison Maierle, Inc.
2020 Grand Avenue
Billings, MT 59102

RE: Ownership Report
Our File # 3-74648

At your request, we have searched our tract indices derived from the records of Yellowstone County, Montana, to determine the record owners and contract purchasers if any, of the hereinafter described real property; and as of December 15, 2000 at 7:30 A.M., we report as follows on the attached pages.

This is not a title report and no examination of the title to the premises herein described has been made. For this reason, no liability is assumed hereunder, and the Company will not be responsible for errors or omissions contained herein.

Sincerely,
AMERICAN TITLE AND ESCROW
BY:

Carol Kirby

Enclosure/st

1. RECORD OWNER(S): Lakewood Properties, Inc.
TAX CODE: A22716, A22717, A22719, A22720, A22722, A22723,
MAILING ADDRESS: 616 Omalley Dr
Billings, MT 59102-2557
DESCRIPTION: Lots 1, 2, 4, 5, 7 and 8, Block 55, of Lake Hills Subdivision, Twenty-Second Filing, in the City of Billings, Yellowstone County, Montana, according to the official plat on file in the office of the Clerk and Recorder of said County, under Document #612472.

2. RECORD OWNER(S): Betty L. Bhatti
TAX CODE: A22718
MAILING ADDRESS: 3085 Machado Ave.
Santa Clara, CA 95051-1627
DESCRIPTION: Lot 3, Block 55, of Lake Hills Subdivision, Twenty-Second Filing, in the City of Billings, Yellowstone County, Montana, according to the official plat on file in the office of the Clerk and Recorder of said County, under Document #612472.

3. RECORD OWNER(S): Schneiter Enterprises
TAX CODE: A22721
MAILING ADDRESS: 2009 Brassy Dr
Las Vegas, NV 89122-2033
and
8858 So 1240 East
Sandy, UT 84070
DESCRIPTION: Lot 6, Block 55, of Lake Hills Subdivision, Twenty-Second, in the City of Billings, Yellowstone County, Montana, according to the official plat on file in the office of the Clerk and Recorder of said County, under Document #612472.

4. RECORD OWNER(S): Jay S. Stott and Marsha M. Stott
TAX CODE: A22724

MAILING ADDRESS: 2906 Saratoga Trl
Billings, MT 59105-4544

DESCRIPTION: Lot 9, Block 55, of Lake Hills Subdivision,
Twenty-Second Filing, in the City of Billings,
Yellowstone County, Montana, according to the
official plat on file in the office of the Clerk
and Recorder of said County, under Document
#612472.

5. RECORD OWNER(S): Lakewood Properties, Inc.

TAX CODE: A22730, A22736, A22738, A22739, A22740

MAILING ADDRESS: 616 Omalley Dr
Billings, MT 59102-2557

DESCRIPTION: Lots 5, 11, 13, 14 and 15, Block 56, of Lake
Hills Subdivision, Twenty-Second Filing, in the
City of Billings, Yellowstone County, Montana,
according to the official plat on file in the
office of the Clerk and Recorder of said County,
under Document #612472.

6. RECORD OWNER(S): Gary W. Bowers and Cynthia A. Bowers

TAX CODE: A22737

MAILING ADDRESS: 2413 River Oaks Dr
Billings, MT 59105-3675

DESCRIPTION: Lot 12, Block 56, of Lake Hills Subdivision,
Twenty-Second Filing, in the City of Billings,
Yellowstone County, Montana, according to the
official plat on file in the office of the Clerk
and Recorder of said County, under Document
#612472.

7. RECORD OWNER(S): Lakewood Properties, Inc.

TAX CODE: A22770, A22771, A22772, A22774, A22775

MAILING ADDRESS: 616 Omalley Dr
Billings, MT 59102-2557

DESCRIPTION: Lots 30, 31, 32, 34 and 35, Block 57, of Lake
Hills Subdivision, Twenty-Second Filing, in the
City of Billings, Yellowstone County, Montana,

according to the official plat on file in the office of the Clerk and Recorder of said County, under Document #612472.

8. RECORD OWNER(S): Michael J. Victorino and Cynthia A. Victorino

TAX CODE: A22773

MAILING ADDRESS: 660 Calero St
Milpitas, CA 95035-4328

DESCRIPTION: Lot 33, Block 57, of Lake Hills Subdivision, Twenty-Second Filing, in the City of Billings, Yellowstone County, Montana, according to the official plat on file in the office of the Clerk and Recorder of said County, under Document #612472.

End of Report

CITY OF BILLINGS, MONTANA
SPECIAL IMPROVEMENT DISTRICT ASSESSMENT DATA
PART TWO

CONSULTANT TO COMPLETE:	DATE: <u>1/08/2001</u>	* DATA PROCESSING * CARDS COLS.		
S.I.D. NO. <u>1352</u>		* A&B 2 - 5		
<u>S.I.D. DESCRIPTION</u> <u>Lake Hills Subdivision</u> <u>22nd Filing, Tamarisk Drive & Burning Tree Drive</u>		* A 6 - 39		
YEARS TO BE ASSESSED <u>15</u>		* A 59 - 60		
TOTAL S.I.D. AREA <u>N/A</u>		* A 61 - 71		
MEASUREMENT <u>SQ.FT.</u> <u>L.F.</u> <u>X</u> OTHER		*		
S.I.D. COSTS:				
<input checked="" type="checkbox"/> ESTIMATED PER PRELIMINARY PLANS <input type="checkbox"/> ESTIMATED PER BID PRICES <input type="checkbox"/> FINAL PER ACTUAL CONSTRUCTION				
S.I.D. MAIN IMPR. COST		<u>\$ 90,000.00</u>	*	
SPECIAL ADDITIONS:				
CODE	Quantity	Unit Cost	Total	
1 CURB & GUTTER			*	
2 DRIVE APPROACH			*	
3 WATER SERVICE			*	
4 SAN. SERVICE			*	
5 SIDEWALK			*	
6 ALLEY IMPROV.			*	
9 OTHER RATE			*	
9 BASE RATE	<u>5</u>	<u>18,000</u>	<u>90,000</u>	*
TOTAL PROJECT COST		<u>\$ 90,000.00</u>	* A 89 - 96	

(ALL COSTS TO INCLUDE PRORATE SHARE OF ADMINISTRATIVE COSTS)

CITY CENTRAL SUPPORT SERVICES TO COMPLETE:		*
FIRST YEAR TO BE ASSESSED		* A 40 - 41
TYPE ASSESSMENT: <u>PENDING</u> <u>FINAL</u>		* A 42
INTEREST RATE:		* A 53 - 58
BOND ISSUE DATE:		* A 73 - 78

S.I.D. NUMBER 1352, Lake Hills, Tamarisk Dr. & Burning Tree Dr.
 COMPLETED BY: Woody Woods
 CONSULTING FIRM: MORRISON-MAIERLE, INC.

S.I.D. COSTS

\$99,600.00 ESTIMATE PER PRELIMINARY PLANS

ESTIMATE PER BID PRICES

FINAL PER ACTUAL CONSTRUCTION

Lot/ Block	TAX I.D. NUMBER 6-13	AREA OF ASSESSMENT			SPECIAL IMPROVEMENT DISTRICT ADDITIONS FOR THE SAME TAX CODE			SPECIAL IMPROVEMENT DISTRICT ADDITIONS FOR THE SAME TAX CODE			TOTAL CDST			
		COST PER EA. \$0.00	CODE 23	QUANTITY 24-38	UNIT 31-40	RATE 41-44	CODE 56	QUANTITY 24-30	UNIT 31-40	RATE 73-88	CODE 55	QUANTITY 58-62	UNIT 63-71	RATE 73-86
0155	A22716	0	0	0			0	0			0	0		\$0.00
0255	A22717	0	0	0			0	0			0	0		\$0.00
0355	A22718	1	0	1 EA		\$18,000.00	8	8			0	0		\$18,000.00
0455	A22719	0	0	0			0	0			0	0		\$0.00
0555	A22720	0	0	0			0	0			0	0		\$0.00
0655	A22721	1	0	1 EA		\$18,000.00	0	8			0	0		\$18,000.00
0755	A22722	0	0	0			0	0			0	0		\$0.00
0855	A22723	0	0	0			0	0			0	0		\$0.00
0955	A22724	1	0	1 EA		\$18,000.00	8	8			0	0		\$18,000.00
0556	A22730	0	0	0			0	0			0	0		\$0.00
1156	A22736	0	0	0			0	0			0	0		\$0.00
1256	A22737	1	0	1 EA		\$18,000.00	0	8			0	0		\$18,000.00
1356	A22738	0	0	0			0	0			0	0		\$0.00
1456	A22739	0	0	0			0	0			0	0		\$0.00
1556	A22740	0	0	0			0	0			0	0		\$0.00
3057	A22770	0	0	0			0	0			0	0		\$0.00
3157	A22771	0	0	0			0	0			0	0		\$0.00
3257	A22772	0	0	0			0	0			0	0		\$0.00
3357	A22773	1	0	1 EA		\$18,000.00	0	8			0	0		\$18,000.00
3457	A22774	0	0	0			0	0			0	0		\$0.00
3557	A22775	0	0	0			0	0			0	0		\$0.00
		5					6.00				5			\$66,000.00

CITY OF BILLINGS
Recommended Bonding Cost Analysis:

Submitted by: Morrison-Maierle, Inc.

Date: 1/08/2001

Special Improvement District No. 1352

Project Number: 0787.003/040/0211

Nature of Improvement:

Location: Lake Hills Subdivision, 22nd Filing, Tamarisk Drive & Burning Tree Drive

Bids Received:

Successful Bidder (s):

<u>SCHEDULE</u>	<u>CONTRACTOR</u>
AMOUNT OF SID CONSTRUCTION	\$ 281,066.08
ENGINEERING COSTS	44,029.00
TESTING FEES	2,000.00
* ADVANCED COSTS	912.60
OTHER COSTS: SID CREATION	2,000.00
Sewer Extension Application	<u>58.24</u>
SUBTOTAL PROJECT COSTS	<u>48,999.84</u>
NEW SUBTOTAL PROJECT COSTS	330,065.92
LESS CONTRIBUTIONS: Ken Hollar Cash Contribution	<u>-251,478.79</u>
NEW SUBTOTAL PROJECT COSTS	78,587.13
SID ADMINISTRATION (2.5% CONST.)	1,673.01
FINANCE DEPT. FEE (2.5 % CONSTR.)	<u>1,673.01</u>
SUBTOTAL OF SID - ADMINISTRATIVE COSTS.	<u>3,346.02</u>
SUBTOTAL PROJECT COST	81,933.15
5% CONTRIBUTION TO SID	
REVOLVING FUND	4,477.22
3-1/2% BOND DISCOUNT	3,134.06
ROUNDOFF	<u>455.57</u>
TOTAL COST	<u>\$ 90,000.00</u>

* Includes legal advertising, cost of bonds and postage.
(\$900 plus 60 cents per tax code)

Morrison-Maierle, Inc.
Preparing Organization

Bonds awarded to

Interest Rate _____ % Date Bonds _____, 20_____
 Bonds @ \$ _____ Total Issue \$ _____
 Premium \$ _____ Bonds to be paid annually commencing January 1, _____ and shall
 mature January 1, _____.
 Approved this _____ day of _____, 19 _____.

Engineer for the District

Director of Finance

City Engineer