

CERTIFICATE AS TO RESOLUTION

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 a Resolution entitled: "RESOLUTION RELATING TO A PROJECT ON BEHALF OF HW BILLINGS/WESTERN VIEW LIMITED PARTNERSHIP AND THE ISSUANCE OF REVENUE BONDS TO FINANCE THE COSTS THEREOF UNDER MONTANA CODE ANNOTATED, TITLE 90, CHAPTER 5, PART 1, AS AMENDED; CONFIRMING AND AMENDING RESOLUTION NO. 03-18044 OF THE CITY; CONFIRMING THE GRANT OF PRELIMINARY APPROVAL TO THE PROJECT; AND CALLING, AND SETTING A NEW DATE FOR, THE PUBLIC HEARING THEREON" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a meeting on December 8, 2003, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 Council Members voted in favor thereof: unanimous
_____; voted against the same: none
_____; abstained from voting thereon: none; or
were absent: Iverson and Poppler.

WITNESS my hand officially this 8th day of December, 2003.

(SEAL)

City Clerk

RESOLUTION NO. 03-18047

RESOLUTION RELATING TO A PROJECT ON BEHALF OF
HW BILLINGS/WESTERN VIEW LIMITED PARTNERSHIP
AND THE ISSUANCE OF REVENUE BONDS TO FINANCE
THE COSTS THEREOF UNDER MONTANA CODE
ANNOTATED, TITLE 90, CHAPTER 5, PART 1, AS
AMENDED; CONFIRMING AND AMENDING RESOLUTION
NO. 03-18044 OF THE CITY; CONFIRMING THE GRANT OF
PRELIMINARY APPROVAL TO THE PROJECT; AND
CALLING, AND SETTING A NEW DATE FOR, THE PUBLIC
HEARING THEREON

WHEREAS, Resolution No. 03-18044 adopted on November 24, 2003, by the City Council (the "Council") of the City of Billings, Montana (the "City") contemplated giving a certain notice in advance of a public hearing at the times required by statute;

WHEREAS, such notice has not been timely given; and

WHEREAS, the Council now desires to confirm certain provisions of Resolution No. 03-18044, and to amend certain provisions thereof primarily to change the date of the public hearing to afford time to give requisite notices thereof.

NOW, THEREFORE, BE IT RESOLVED by the Council as follows:

Section 1. Recitals. The Council confirms and approves the recitals made in Resolution No. 18044, which are restated below:

1.01. Pursuant to Montana Code Annotated, Title 90, Chapter 5, Part 1, as amended (the "Act"), the City is authorized to enter into agreements upon terms the Council considers appropriate, advantageous and not in conflict with the provisions of the Act to issue revenue bonds of the City and sell such bonds at public or private sale in such manner and at such times as may be determined by the Council to be most advantageous; and to loan the proceeds of its revenue bonds for the purpose of defraying the cost of acquiring or improving real and personal properties suitable for use for, among other things, commercial enterprises and multifamily housing, or to refund bonds or notes issued under the Act. Such revenue bonds may be secured by a pledge of the revenues to be derived by the City from a loan agreement with the borrower, by a mortgage on the project and by such other security devices as the Council may deem advantageous. Under the provisions of the Act, any bonds so issued by the City shall be special, limited obligations of the City and shall not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers.

1.02. It has been proposed that the City, pursuant to the Act, issue its revenue bonds in the approximate aggregate principal amount of \$3,900,000, in one or more series at one time or from time to time (the "Bonds"), the proceeds of which will be loaned by the City to HW Billings/Western View Limited Partnership, a Montana limited partnership (the "Borrower"), to

finance a portion of the costs to be incurred by the Borrower in the acquisition, remodeling and rehabilitation of an 84 unit multifamily rental housing complex and related improvements (the “Project”). The general partner of the Borrower will be an entity controlled by homeWORD, Inc., a Montana corporation. The Project is located on a parcel of land at 2601 Phyllis Lane in Billings, Montana. It is anticipated that the Project will constitute a “qualified residential rental project” within the meaning of the Internal Revenue Code of 1986, as amended, and related Regulations (the “Code”), and accordingly 40% of the units in the Project will be occupied by persons whose income is 60% or less of the area median gross income, as defined by the Code. The maximum aggregate principal amount of the proposed bond issue is \$3,900,000.

Section 2. Preliminary Findings. Based on representations made by representatives of the Borrower to the City, the Council hereby confirms and approves the following preliminary findings, determinations and declarations made in Resolution No. 03-18044, except as expressly modified below, subject to final findings, determinations and declarations following the public hearing called pursuant to Section 4:

(a) The Project, as proposed, will be suitable for use as a commercial enterprise and multifamily housing project eligible for financing under the Act.

(b) The City is authorized by the Act to issue its revenue bonds to defray the costs of making a loan to the Borrower, the proceeds of which will be used to finance part or all of the costs of developing, constructing, and equipping the Project and the costs and expenses incident to the issuance and sale of the Bonds, and to enter into an agreement (the “Loan Agreement”) with the Borrower requiring loan repayments from the Borrower in amounts and at times sufficient to pay the principal of and interest on the Bonds when due and requiring the Borrower to pay all costs of maintaining and insuring the Project, including taxes thereon or payments in lieu thereof, as shall be negotiated between representatives of the Borrower and the City.

(c) In preliminarily authorizing the development, construction, and equipping of the Project and the issuance of the Bonds, the City’s purpose is and the Council believes the effect thereof will be to promote the public welfare of the City and its residents by providing additional housing facilities for residents of the City, including particularly persons of low to very low income, providing additional employment during construction of the Project, promoting and stimulating economic activity within the City, stabilizing housing and providing or sustaining a better balanced tax base of the City and overlapping taxing jurisdictions, and otherwise furthering the purposes and policies of the Act.

(d) The undertaking of the Project and the issuance of the Bonds to finance all or a portion of the costs thereof are in the public interest.

Section 3. Confirmation of Preliminary Approval. This Council gave pursuant to Resolution No. 03-18044 and hereby confirms that it has given and gives preliminary approval to the Project and the issuance of the Bonds in the approximate aggregate principal amount of \$3,900,000 to finance all or a portion of the costs thereof, subject to final approval following the

public hearing provided for in Section 4, and subject to final determination by the Council that the financing of the Project and the issuance of the Bonds are in the best interest of the City.

Section 4. Amended Public Hearing Date. Section 90-5-104 of the Act requires that, prior to the issuance of the Bonds, a public hearing duly noticed shall be held by the Council on the proposed Project and the issuance of the Bonds to finance the costs thereof. The date originally scheduled in Resolution No. 03-18044 for the public hearing on the proposed Project and the issuance of the Bonds to finance the costs thereof (i.e., the date hereof) is hereby amended so that timely notice may be given. Such public hearing shall be held by the Council on January 12, 2004, at 6:30 p.m., in the Council Chambers, 2nd Floor of the Police Facility, 220 North 27th Street, Billings, Montana.

Section 5. Notice of Hearing. The City Clerk is hereby authorized and directed to cause notice of the public hearing to be published in *The Billings Times*, the official newspaper of the City, once a week for three consecutive weeks before the date of the hearing, as required by Section 90-5-104(1) of the Act. The notice shall be published in substantially the form attached hereto as Exhibit A hereto (which is incorporated by reference and made a part hereof) and on the dates provided therein.

Section 6. Costs. The Council confirms that the Borrower will pay, or upon demand reimburse the City for payment of, any and all costs incurred by the City in connection with the Project and the issuance of the Bonds, whether or not the Project is carried to completion and whether or not the Bonds are issued.

Section 7. Commitment Conditional. The Council confirms that the adoption of this resolution does not constitute a guarantee or a firm commitment that the City will issue the Bonds as requested by the Borrower. If, based on comments received at the public hearing to be held pursuant to this resolution or other information made available to or obtained by the City during its review of the Project, it appears that the Project or the issuance of Bonds to finance the costs thereof is not in the public interest or is inconsistent with the purposes of the Act, the City reserves the right not to authorize the issuance of the Bonds. The City also retains the right, in its sole discretion, to withdraw from participation and accordingly not issue the Bonds if the Council, at any time prior to the issuance thereof, determines that it is in the best interests of the City not to issue the Bonds or if the City and other parties to the transaction are unable to reach agreement as to the terms and conditions of any of the documents for the transaction.

Section 8. Reimbursement of Costs Paid Before Bonds Are Issued.

The reimbursement provisions set forth in Resolution No. 03-18044 are approved and confirmed in all respects, and are and shall be effective as of the date of adoption of Resolution No. 03-18044 (i.e., November 24, 2003).

Section 9. Effect of Resolution. Except as expressly amended hereby, Resolution No. 03-18044 remains in full force and effect as of the date of its adoption. This resolution shall be effective on the date of its adoption or passage.

Passed by the City Council of the City of Billings, Montana, this 8th day of December, 2003.

Mayor

Attest: _____
City Clerk

EXHIBIT A

NOTICE OF PUBLIC HEARING ON A PROPOSED PROJECT FOR HW BILLINGS/WESTERN VIEW LIMITED PARTNERSHIP AND THE ISSUANCE OF REVENUE BONDS UNDER MONTANA CODE ANNOTATED, TITLE 90, CHAPTER 5, PART 1, AS AMENDED, TO FINANCE THE COSTS THEREOF

CITY OF BILLINGS, MONTANA

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of City of Billings, Montana (the "City"), will meet on January 12, 2004, at 6:30 p.m., M.T., in the Council Chambers, 2nd Floor of the Police Facility, 220 North 27th Street, Billings, Montana, for the purpose of conducting a public hearing on a proposal that the City issue its revenue bonds (the "Bonds"), under Montana Code Annotated, Title 90, Chapter 5, Part 1, as amended (the "Act"), on behalf of HW Billings/Western View Limited Partnership, a Montana limited partnership (the "Borrower").

The proceeds of the Bonds, if issued, are to be used to provide funds to finance a portion of the costs to be incurred by the Borrower in the acquisition, remodeling and rehabilitation of an 84 unit multifamily rental housing complex and related improvements (the "Project"). The general partner of the Borrower is homeWORD, Inc., a Montana nonprofit corporation. The Project will be located on a parcel of land at 2601 Phyllis Lane, Billings, Montana. It is anticipated that the Project will constitute a "qualified residential rental project" within the meaning of the Internal Revenue Code of 1986, as amended, and related regulations (the "Code"), and accordingly 40% of the units in the Project will be occupied by persons whose income is 60% or less of the area median gross income, as defined by the Code. The maximum aggregate principal amount of the proposed bond issue is \$3,900,000. The Act provides that the maximum term for such Bonds is 40 years.

The Bonds will be secured by a pledge of the revenues to be derived by the City from a loan agreement and any other agreements or instruments with the Borrower and may further be secured by a rated letter of credit. The Bonds will be special, limited obligations of the City, and the Bonds and interest thereon will be payable solely from the revenues pledged to the payment thereof. No holder of any of the Bonds will ever have the right to compel any exercise of the taxing power of the City to pay the Bonds or the interest thereon, nor to enforce payment thereof against any property of the City except money payable by the Borrower to the City and pledged to the payment of the Bonds.

All persons interested may appear and be heard at the time and place set forth above, or may file written comments with the City Clerk prior to the date of the hearing set forth above. Further information may be obtained from Andrea Turcott, Assistant to the Director of Administrative Services, 210 North 27th Street, Billings, Montana 59101, telephone (406) 657-8222.

Dated: December 8, 2003.

BY ORDER CITY COUNCIL

City Clerk

Publish: December 18, 24 and 31, 2003.