

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. 01-17734, entitled: **RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1357; 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 August 27, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.)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: Councilmembers Bradley and Kennedy

WITNESS my hand officially this 27<sup>th</sup>. day of August, 2001.



Suson Shubler  
Marita Herold, CMC City Clerk  
Deputy City Clerk

RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1357; 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 installation of a Sanitary Sewer Main on Rimrock Road frontage road from just east of High Park Drive to Rim Point Drive, as more particularly described in Section 5. The total estimated costs of the Improvements are \$71,146.14. As used herein, the costs of the Improvements shall include the costs of construction and contingency, engineering, testing, and construction administration. The costs of the Improvements are to be paid from the following sources: (1) Special Improvement District bonds hereinafter described in the amount of \$43,000.00; (2) Cash contribution from three property owners totaling \$28,146.14 at \$9,382.05 each. 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 \$43,000.00. 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. 1357 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. The property included within said limits and boundaries is hereby declared to be the property benefited by the Improvements.

**Section 5. General Character of the Improvements.** The general character of the Improvements will include the installation of a sanitary sewer main in Rimrock Road frontage road in and along the southwest portion of Lillis Heights Subdivision, as shown in Exhibit C.

**Section 6. Engineer and Estimated Cost.** Engineering, Inc., P.O. Box 81345, Billings, MT 59108-1345, shall be the engineer for the District. The Engineer has estimated that the cost of the Improvements, including all incidental costs, is \$71,146.14.

**Section 7. Assessment Methods; Combination of Methods.** 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 area methods described in Section 7-12-4162, M.C.A., as particularly applied and set forth in this Section 7.

**7.1.1 Assessable Area.** All properties 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 shall equally bear the costs of Improvements and has assigned an assessable area to each lot, tract or parcel as set forth in Exhibit E hereto to arrive at an equal cost for the Improvements.

The costs of the Improvements attributable to each lot in the District is \$9,382.05. Three property owners will make cash contributions totaling \$28,146.14. That amount shall be assessed against each lot, tract, or parcel of land in the District for that part of those costs that the assessable area of such lot, tract, or parcel bears to the total assessable area of all lots, tracts, or parcels of land in the District, exclusive of streets, avenues, and alleys. The total assessable area of three properties to be assessed is 36,000.00 square feet.

The costs of the Improvements attributable to the 4 parcels in the District not making a cash contribution to the cost of the Improvements shall consist of the full cost of the Improvements assessable against each lot (\$9,382.05) for a total of \$37,528.20, plus the proportionate share of the incidental costs of issuing the Bonds (\$1,823.93 per lot). The total of \$43,400.00 shall be assessed against each lot, tract, or parcel of land in the District that is not making a cash contribution for that part of the costs of the Improvements that the assessable area of such lot, tract or parcel bears to the total assessable area of such lots, tracts, or parcels of land in the District, exclusive of streets, avenues, and alleys. The total assessable area of 4 parcels to be assessed is 48,000 square feet (12,000 square feet per lot for 4 lots). The costs of the Improvements and the properties share of the incidental costs to be financed by the Bonds assessable to these parcels per square foot of assessable area shall not exceed a total of \$.89583333. The assessment for each of the to be assessed parcels for the Improvements is shown on Exhibit E hereto.

**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 \$43,000.00 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 \$114,200.00 to \$141,300.00 and is set forth in Exhibit E. The average market value is \$123,342.86 with the median being \$118,200.00. 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 7 individually owned parcels within the district boundaries. No improvements, public or private, are located on any of the parcels within the District.

(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**. An analysis of the amount of delinquencies in the payment of outstanding special assessments or property taxes levied against the properties in the District shows that of 7 properties, zero properties are delinquent and is set forth in Exhibit E.

(e) **The Public Benefit of the Improvements**. As previously noted, the Engineer has estimated that the costs of the Improvements, including all incidental costs, to be \$71,146.14. The costs of the Improvements are to be paid from the following sources: (1) Special Improvement District bonds totaling \$43,000.00, (2) \$28,146.14 of cash contribution from three property owners, Ann Roen Ellender, Leon P. Houglum, and Charles and Elizabeth Heal. Lillis Heights Subdivision is located in the northwest corner of Billings, Montana, and the seven lots included in this SID were recently annexed into the City of Billings. Currently, all of the properties rely on septic systems for their sewage. With the construction of the improvements contemplated under this District, the parcels will have the option of connecting to the City of Billings' sanitary sewer system.

## **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 \$43,000.00 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 evidenced 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 (September 21, 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 24<sup>th</sup> day of September 2001, at 7:30 p.m., in the Council Chambers, at 220 North 27<sup>th</sup> 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 September 6 and September 13, 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 27<sup>th</sup> day of August 2001.



*Charles F. Tooley*  
CHARLES F. TOOLEY, MAYOR

ATTEST:



*Susan Shubler*  
\_\_\_\_\_  
Marita Herold, CMC/AAE      City Clerk

*Deputy City Clerk*

# EXHIBIT A

## SID 1357 Lillis Heights Subdivision

### DISTRICT MAP

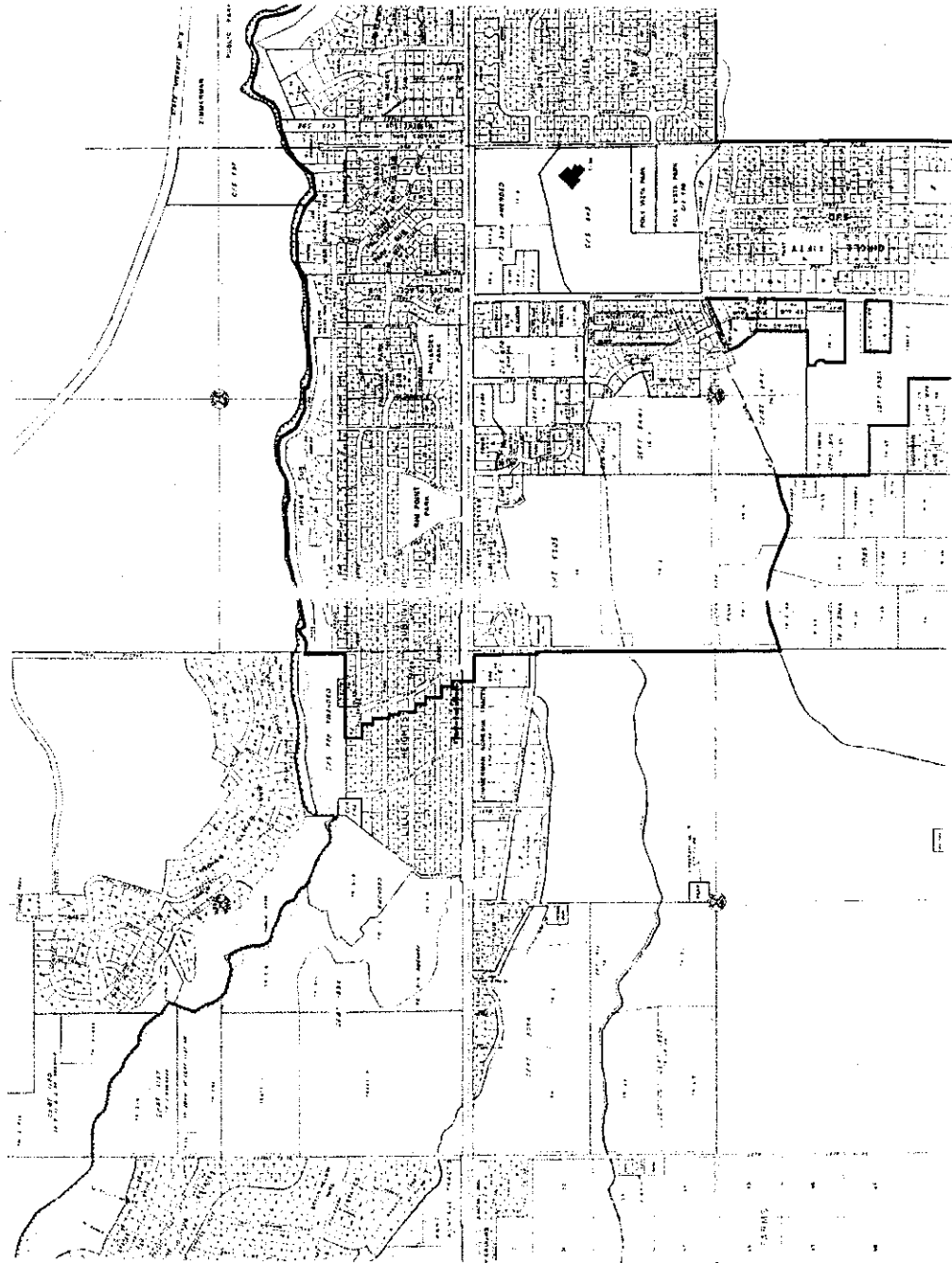
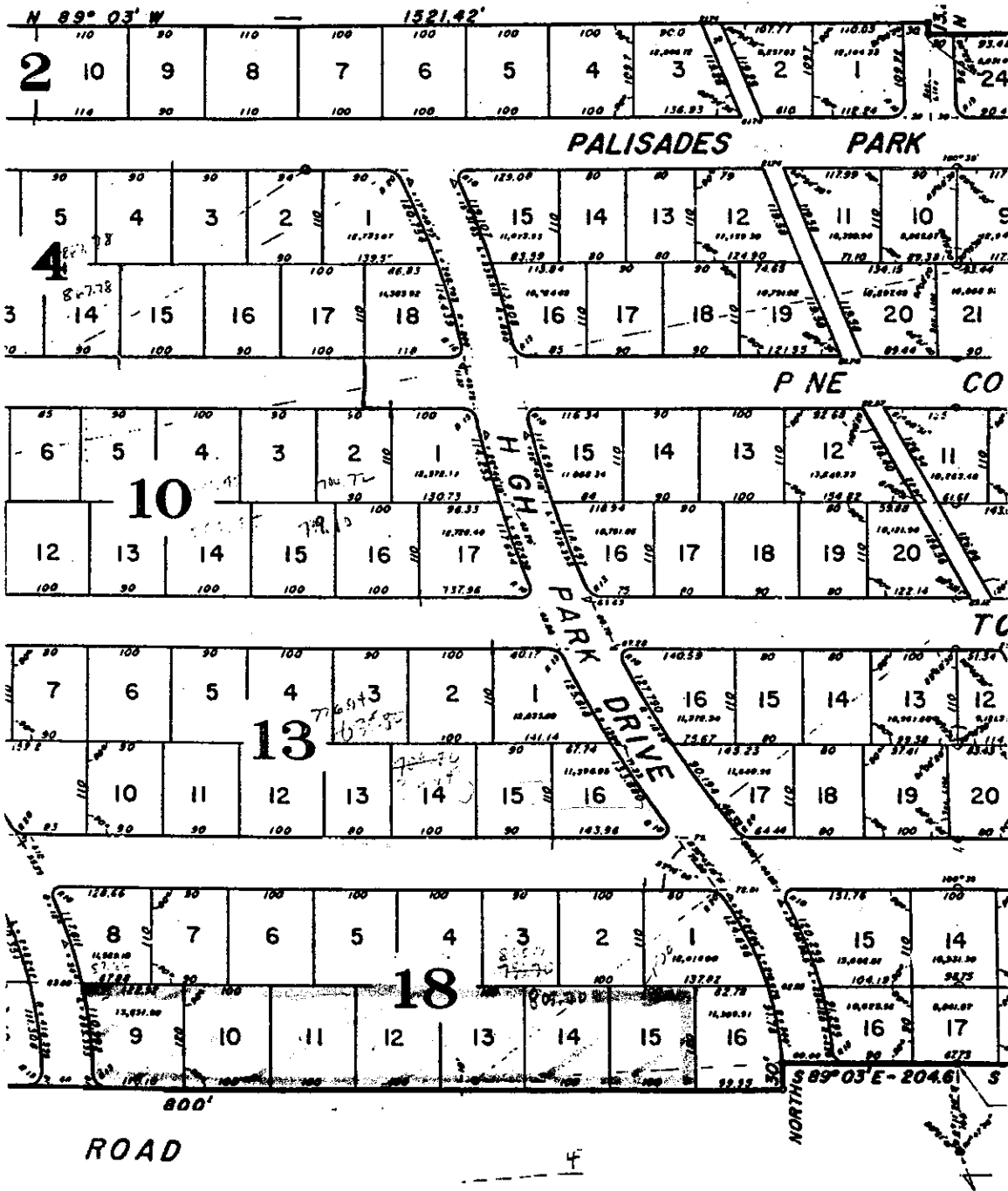


EXHIBIT A (cont.)

DISTRICT MAP





## **EXHIBIT B**

**SID 1357**

### **Lillis Heights Subdivision**

### **LEGAL DESCRIPTION**

A tract of land being Lots 9, 10, 11, 12, 13, 14 and 15, Block 18 of Lillis Heights Subdivision, situated in the SE1/4 of Section 29, T1N, R25E, P.M.M., Yellowstone County, Montana, said tract being more particularly described as follows:

Beginning at point which is the southwest corner of Lot 16, Block 18 Lillis Heights Subdivision; thence, from said point of beginning, along the north right-of-way line of Rimrock Road, N89°03'00"W a distance of 695.13 feet; thence, continuing along said north right-of-way line, along a curve to the right with a radius of 15.00 feet a distance of 23.41 feet (chord bearing N44°20'25"W, chord distance 21.11 feet) to a point on the east right-of-way line of Rim Point Drive; thence, along said east right-of-way line, along a curve to the left with a radius of 478.34 feet a distance of 106.15 feet (chord bearing N05°59'16"W, chord distance 105.93 feet) to the south west corner of Lot 8, Block 18, Lillis Heights Subdivision; thence, along the south line of Lots 8, 7, 6, 5, 4, 3, 2 and 1 of said Block 18, S89°03'00"E a distance of 722.92 feet to the northwest corner of Lot 16 of said Block 18; thence, along the west line of said Lot 16, S00°57'00"W a distance of 120.00 feet to the point of beginning. Said tract containing an area of 85,632 square feet.

# **EXHIBIT C**

## **SID 1357 Lillis Heights Subdivision**

### **PROJECT DESCRIPTION**

Special Improvement District No. 1357 shall construct the following improvements to Lillis Heights Subdivision.

- 1) Internal improvements to Lillis Heights Subdivision will consist of the extension of sanitary sewer west on the Rimrock Road frontage road to service Lots 9-15, Block 18.



**ENGINEERING, INC.**  
Consulting Engineers and Land Surveyors

## EXHIBIT D

16-Aug-01  
1039

**Lots 9-15, Block 18, Lillis Heights  
7 Lots**

**Preliminary  
Engineer's Opinion of Probable Cost  
S.I.D. Option**

To provide sanitary Sewer to lots 9-15, Block 18, Lillis Heights Subdivision. net area = approx. 85,632 S.F.  
This estimate is Preliminary, based on concept only, no design effort has been completed to date.

### Schedule I - Sanitary Sewer

ITEM NO.	QTY.	UNIT	DESCRIPTION	UNIT PRICE	TOTAL PRICE
101	1	LS	Mobilization and Insurance	\$ 2,269.00 /LS	= \$ 2,269.00
102	1	EA	Connect to Existing Sewer	\$ 1,500.00 /EA	= \$ 1,500.00
103	2	EA	Basic Sanitary Sewer Manhole	\$ 1,750.00 /LF	= \$ 3,500.00
104	15	VF	Extra Depth Manhole	\$ 75.00 /VF	= \$ 1,125.00
105	810	LF	8-inch Sanitary Sewer Main	\$ 30.00 /LF	= \$ 24,300.00
106	7	EA	8x8x6-inch Service Tee	\$ 150.00 /EA	= \$ 1,050.00
107	280	LF	6-inch Service Pipe	\$ 25.50 /LF	= \$ 7,140.00
108	7	EA	6-inch Service Cap	\$ 28.00 /EA	= \$ 196.00
109	1,400	SY	Street Restoration, Frontage Road	\$ 2.50 /SY	= \$ 3,500.00
110	8	EA	Utility Crossings	\$ 100.00 /EA	= \$ 800.00
<b>Subtotal - Schedule I - Sanitary Sewer</b>					<b>= \$ 45,380.00</b>

<b>Schedule I - Sewer</b>	= \$	<b>45,380.00</b>
<b>Construction Total</b>	= \$	<b>45,380.00</b>
Construction Contingency (10%)	= \$	<u>4,538.00</u>
<b>Total Construction Plus Contingencies</b>	= \$	<b><u>49,918.00</u></b>

**Administrative Costs (SID):**

S.I.D. Precreation Documents	= \$	1,200.00
Engineering Design	= \$	3,494.00
Construction Inspection and Staking	= \$	3,494.00
City advanced costs	= \$	500.00
Quality Control and Testing	= \$	<u>749.00</u>
<b>Subtotal Project Costs</b>		<b>\$ 59,355.00</b>
PUD Trunk Sewer Fee (\$.07/s.f. +4%)	= \$	6,234.00
PUD extension app. Fee	= \$	60.32
DEQ review fee	= \$	<u>25.00</u>
<b>Subtotal</b>		<b>\$ 65,674.32</b>
Cash Contribution		<u>28,146.14</u>
<b>Subtotal</b>		<b>\$ 37,528.18</b>
City Administrative fee (2.5%)	= \$	713.04
City Finance Fee (2.5%)	= \$	713.04
<b>Subtotal of Administrative Costs</b>		<b>\$ 1,426.08</b>

**SUBTOTAL CONSTRUCTION AND ADMIN. COSTS = \$ 38,954.26**

<b>Revolving fund contribution (5%)</b>	= \$	2,150.00
<b>Bond discounting Fee (3.5%)</b>	= \$	1,505.00
<b>Bond Rounding</b>	= \$	390.74

**TOTAL ESTIMATED PROJECT COSTS = \$ 43,000.00**

Note: PUD wastewater system development fee will be due to each property owner at the time of connection, based on a 3/4-inch water meter the fee would be \$884.00.

## SID 1357

### Exhibit E

Tax Code	SID #	SID Pay-off	Delinquent	SID 1357 Assessment	SID Pay-off + Delinquent + SID 1357 Assessment	Estimated Market Value	Estimated Market Value After Improvements
C-09182					\$ 9,382.05	\$ 114,200.00	\$ 123,582.05
C-09183				\$ 10,750.00	\$ 10,750.00	\$ 124,100.00	\$ 134,850.00
C-09184					\$ 9,382.05	\$ 118,000.00	\$ 127,382.05
C-09185				\$ 10,750.00	\$ 10,750.00	\$ 141,300.00	\$ 152,050.00
C-09186					\$ 9,382.05	\$ 118,200.00	\$ 127,582.05
C-09187				\$ 10,750.00	\$ 10,750.00	\$ 114,700.00	\$ 125,450.00
C-09188				\$ 10,750.00	\$ 10,750.00	\$ 132,900.00	\$ 143,650.00
<b>Average</b>		\$ -		\$ 10,163.74	\$ 10,163.74	\$ 123,342.86	\$ 133,506.59
<b>Medlan</b>		\$ -		\$ 10,750.00	\$ 10,750.00	\$ 118,200.00	\$ 127,582.05
<b>Low</b>		\$ -		\$ 9,382.05	\$ 9,382.05	\$ 114,200.00	\$ 123,582.05
<b>High</b>		\$ -		\$ 10,750.00	\$ 10,750.00	\$ 141,300.00	\$ 152,050.00
<b>Note: Shaded areas represent properties paying for improvements by cash contribution.</b>							

SID COSTS:  
XXX ESTIMATE PER PRELIMINARY PLANS  
 \_\_\_\_\_ ESTIMATE PER BID PRICES  
 \_\_\_\_\_ FINAL PER ACTUAL CONSTRUCTION

DATE: 7/11/01  
 SID NUMBER: 1357  
 COMPLETED BY: Cavin Noddings, P.E.  
 CONSULTANT: Engineering, Inc.

BLK	LOT	TAX I.D. NUMBER 6-13	ASSESSABLE AREA (S.F.) <sup>1</sup>	ASSESSMENT ITEMS SID COSTS + TRUNK SEWER FEES (\$0.89583333/S.F.) <sup>2</sup>	TOTAL CDST
18	9	C-09182	12,000		\$9,382.05
	10	C-09183	12,000	\$10,749.99996000	\$10,750.00
	11	C-09184	12,000		\$9,382.05
	12	C-09185	12,000	\$10,749.99996000	\$10,750.00
	13	C-09186	12,000		\$9,382.05
	14	C-09187	12,000	\$10,749.99996000	\$10,750.00
	15	C-09188	12,000	\$10,749.99996000	\$10,750.00
PAGE 1					

1 The assessment area is not equal to the actual lot area in all cases. Since each lot is receiving an equal benefit by the SID, the assessment area of each lot was made equal.

2 SID costs and trunk sewer fees was calculated on a per lot basis with each lot being assessed an equal cost corresponding to the equal benefit being received by each lot.

Note: Shaded areas represent cash contributions by property owners

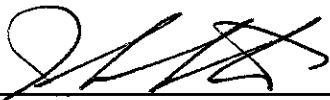
**CERTIFICATE OF CONSULTING ENGINEER  
REGARDING SPECIAL IMPROVEMENT DISTRICT NO. 1357**

We, the undersigned engineering firm, are the consulting engineers for the City of Billings (the City) for Special Improvement District No. 1357 (the District) and with respect thereto we have entered into a Consulting Engineer's Agreement (the Agreement) with the City dated the 18<sup>th</sup> day of MM, 2001.

Pursuant to the Agreement and in our capacity as consulting engineer we have prepared and provided to the City: i) the proposed map of the District, which is attached hereto as Exhibit A (the District Map); ii) the legal description of the District, which is attached hereto as Exhibit B; iii) a description of the improvements proposed to be constructed within and by the District (the Improvements), which is attached hereto as Exhibit C; iv) the estimated costs of the Improvements, which is attached hereto as Exhibit D; v) a copy of the title report showing the ownership of all real property included in the District, as it appears of record for the last assessment for state, county and school district taxes (the Ownership Report), which is attached hereto; vi) the assessment data for the District, which is attached hereto as Part II; vii) a list of each of the properties (by tax account number) proposed to be assessed for the Improvements to be constructed in the District and the estimated assessments for each (the Assessment List), which is attached hereto as Part III; viii) and a Bond Cost Analysis for SID 1357.

With respect to the foregoing, we hereby certify as follows: i) the District Map accurately depicts all lots, parcels and tracts of land in the District and the assessable areas thereof and the location and nature of all the Improvements; ii) the boundaries of the District as reflected on the District Map correspond to the legal description of the District attached as Exhibit B; iii) the District includes only those properties that, in our professional judgment, derive a special benefit from the Improvements; iv) the Improvements to be constructed by the District are accurately described in Exhibit C; v) the Ownership Report lists the name and addresses of all property owners to whom notice of the intention to create the District must be mailed under Montana Code Annotated, Section 7-12-4106(2); vi) the Assessment List enumerates by tax code all lots, tracts, and parcels of property in the District and accurately states the principal amount of the assessment estimated to be assessed thereupon, calculated in accordance with the method of assessment adopted in the resolution of intention to create the District.

Dated this 18<sup>th</sup> day of MM, 2001.

  
\_\_\_\_\_  
Consulting Engineer for  
Special Improvement District No. 1357

CITY OF BILLINGS  
Recommended Bonding Cost Analysis:

Submitted by: Engineering, Inc.  
Special Improvement District No. 1357

Date: 8/15/2001  
Project Number: 01039

Nature of Improvement:

Location: Lots 9-15, Block 18, Lillis Heights Subdivision

Bids Received:

Successful Bidder(s):

SID CONSTRUCTION	\$49,918.00
ENGINEERING COSTS	\$6,988.00
TESTING FEES	\$749.00
POSTING AND BONDING	\$500.00
CREATION DOCUMENTS	<u>\$1,200.00</u>
SUBTOTAL PROJECT COSTS	<b>\$59,355.00</b>
TRUNK SEWER FEES	\$6,234.00
PUD EXTENSION APPLICATION FEE	\$60.32
DEQ REVIEW FEE	\$25.00
SUBTOTAL	<b>\$65,674.32</b>
CASH CONTRIBUTION	<u>\$28,146.14</u>
SUBTOTAL	<b>\$37,528.18</b>
CITY ADMINISTRATIVE COSTS (2.5%)	\$713.04
CITY FINANCE FEES (2.5%)	\$713.04
SUBTOTAL OF ADMINISTRATIVE COSTS	<u>\$1,426.08</u>
SUBTOTAL PROJECT COSTS	<b>\$38,954.26</b>
5% CONTRIBUTION TO REVOLVING FUND	\$2,150.00
3.5% BOND DISCOUNTING FEE	\$1,505.00
BOND ROUNDING	<u>\$390.74</u>
<b>TOTAL COST</b>	<b>\$43,000.00</b>

Engineering, 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 \_\_\_\_\_, 20\_\_\_\_.