

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being a duly qualified and acting recording officer of the City of Billings, Montana (the "City"), do hereby certify that the attached resolution is a true copy of Resolution No. 97-17a50 entitled: "RESOLUTION RELATING TO A PROJECT ON BEHALF OF WEST PARK PARTNERSHIP AND THE ISSUANCE OF REVENUE BONDS TO FINANCE AND REFINANCE THE COSTS THEREOF UNDER MONTANA CODE ANNOTATED, TITLE 90, CHAPTER 5, PART 1, AS AMENDED; GRANTING PRELIMINARY APPROVAL THERETO AND CALLING A 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 July 28, 1997, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: Elison

WITNESS my hand officially this 28th day of July, 1997.

Marita Hessel
City Clerk

RESOLUTION NO. 97-17a50

RESOLUTION RELATING TO A PROJECT ON BEHALF OF WEST PARK PARTNERSHIP AND THE ISSUANCE OF REVENUE BONDS TO FINANCE AND REFERENCE THE COSTS THEREOF UNDER MONTANA CODE ANNOTATED, TITLE 90, CHAPTER 5, PART 1, AS AMENDED; GRANTING PRELIMINARY APPROVAL THERETO AND CALLING A PUBLIC HEARING THEREON

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

Section 1. Recitals.

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 governing body considers advantageous and not in conflict with the provisions of the Act to issue its revenue bonds and sell such bonds at public or private sale in such manner and at such times as may be determined by this body 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 multifamily housing. 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 may be deemed advantageous. Under the provisions of the Act, any bonds so issued by the City shall be special limited obligations of the City and the bonds and the interest thereon shall not constitute nor give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers.

1.02. West Park Partnership, a Minnesota general partnership (the "Borrower") has proposed that the City, pursuant to the Act, issue its revenue bonds (the "Series 1997 Bonds") in the approximate aggregate principal amount of \$14,000,000, in one or more series, at one time or from time to time, the proceeds of which will be loaned by the City to the Borrower to finance the following: (i) refunding and prepaying the outstanding principal amount of the Variable Rate Demand Multi-Family Housing Revenue Bonds (West Park Retirement Center Project), 1985 Series (the "Series 1985 Bonds"), issued by the City in the original aggregate principal amount of \$7,500,000, to finance a 177-unit multifamily rental housing facility, known as the West Park Retirement Center, located at 2351 Solomon Avenue in the City (the "Project"); (ii) all or a portion of the costs of the acquisition and improvement of the Project that were not financed with the proceeds of the Series 1985 Bonds; and (iii) the costs of issuing the Series 1997 Bonds (including funding any necessary reserves) and the costs of redeeming and prepaying the Series 1985 Bonds. The Project is owned by the Borrower.

Section 2. Preliminary Findings. Based on representations made by the Borrower to the City to date, the Council hereby makes preliminary findings, determinations, and declarations, subject to final findings, determinations, and declarations following the public hearing called pursuant to Section 4, as follows:

- (a) The Project is a multifamily housing facility eligible for financing and refinancing under the Act and the City is authorized to issue revenue bonds in one or more series to defray the costs of making a loan to the Borrower, the proceeds of which will be used to redeem and prepay the Series 1985 Bonds and to finance a portion or all of the costs of acquiring, constructing, equipping, and improving the Project (not paid

from the proceeds of the Series 1985 Bonds), funding a debt service reserve fund for the Series 1997 Bonds, and paying certain costs and expenses incident to the issuance and sale of the Series 1997 Bonds, including any security for the Series 1997 Bonds, and to enter into a Loan Agreement with the Borrower requiring loan repayments from the Borrower in amounts sufficient to repay the loan when due and requiring the Borrower to pay all costs of maintaining and insuring the Project, including taxes thereon.

(b) The loan repayments to be made by the Borrower under the Loan Agreement, shall be established at a level and payable in installments at times sufficient to pay all principal of, premium, if any, and interest on the Series 1997 Bonds when due.

(c) In preliminarily authorizing the issuance of the Series 1997 Bonds, the City's purpose is, and the effect thereof will be, to provide the most appropriate financing for the Project and to thereby carry out the original purposes of the City in issuing the Series 1985 Bonds (as found in Resolution No. 85-15020, adopted by the City Council of the City on August 19, 1985), which were to promote the public welfare of the City and its residents by providing for the construction of a retirement facility within the City thereby improving housing facilities for elderly residents, including those of low and moderate income and increasing construction and long-term employment opportunities for present and future residents, promoting and stimulating economic activity within the City, and increasing and providing a better balance for the tax base of the City and overlapping taxing jurisdictions otherwise furthering the purposes and policies of the Act.

(d) The issuance of the Series 1997 Bonds is in the best interest of the City and its residents.

Section 3. Preliminary Approval. This Council hereby gives preliminary approval to the issuance of the Series 1997 Bonds, in the approximate aggregate principal amount of \$14,000,000, to finance all or a portion of the costs referred to in Section 1 and 2 hereof, subject to final approval following the public hearing provided for in Section 4, and subject to final determination by this Council that the financing and refinancing of the Project and the issuance of the Series 1997 Bonds are in the best interest of the City.

Section 4. Public Hearing. Under Section 90-5-104 of the Act the City is required, prior to the issuance of the Series 1997 Bonds, to conduct a public hearing duly noticed by this Council on the proposed financing of the Project and the issuance of the Series 1997 Bonds. Pursuant to such authority, a public hearing on the proposed financing of the Project and the issuance of the Series 1997 Bonds shall be called and held by this Council on Aug 25, 1997, at 7:30 p.m., in the Council Chambers, in the City Hall, 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, a weekly newspaper of general circulation in 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 following form:

NOTICE OF PUBLIC HEARING ON A PROJECT 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 of the City of Billings, Montana (the "City"), will meet on Monday, August 25, 1997, at 7:30 p.m., M.S.T., in the Council Chambers, in the City Hall in Billings, Montana, for the purpose of conducting a public hearing on a proposal that the City issue its revenue bonds, at one time or from time to time and in one or more series (collectively, the "Series 1997 Bonds"), under Montana Code Annotated, Title 90, Chapter 5, Part 1, as amended (the "Act"), on behalf of West Park Partnership, a Minnesota general partnership (the "Borrower").

In 1985, the City issued its Variable Rate Demand Multi-Family Housing Revenue Bonds (West Park Retirement Center Project), 1985 Series (the "Series 1985 Bonds"), in the original aggregate principal amount of \$7,500,000, to finance the acquisition, construction, and equipping of a 177-unit multifamily rental housing facility, known as the West Park Retirement Center, located at 2351 Solomon Avenue in the City (the "Project"). If authorized to be issued by the City Council of the City, a portion of the proceeds of the Series 1997 Bonds will be applied to the redemption and prepayment of the Series 1985 Bonds. A portion of the proceeds of the Series 1997 Bonds will also be applied to the payment or reimbursement of certain costs of the Project not previously financed, to the payment of the costs of issuing the Series 1997 Bonds, and to fund a debt service reserve fund to secure the Series 1997 Bonds. The Project is owned by the Borrower. The maximum aggregate principal amount of the proposed Series 1997 Bonds is \$14,000,000.

The Series 1997 Bonds may be secured by a pledge of the revenues to be derived by the City from a loan agreement with the Borrower and by such other security devices, if any, as may be deemed advantageous. The Series 1997 Bonds will be special, limited obligations of the City, and the Series 1997 Bonds and interest thereon will be payable solely from the revenues pledged to the payment thereof and will not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers. No holder of any Series 1997 Bonds will ever have the right to compel any exercise of the taxing power of the City to pay the Series 1997 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 Series 1997 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:

Nathan Tubergen
Director of Finance & Administrative Services
City Hall
P.O. Box 1178
Billings, Montana 59103
Telephone (406) 657-8207
Facsimile (406) 657-8390

Dated: July 28, 1997.

BY ORDER OF THE CITY COUNCIL

Marita Newold

City Clerk of the City of Billings

Section 6. Designation of Underwriter and Bond Counsel. Piper Jaffray, Inc. is hereby designated and authorized to act as underwriter with respect to the offer, sale, and issuance of the Series 1997 Bonds. The law firm of Gray, Plant, Mooty, Mooty & Bennett, P.A., is hereby designated and authorized to act as bond counsel with respect to the Series 1997 Bonds. In cooperation with the City Attorney, bond counsel is authorized to prepare the necessary documentation with respect to the issuance of the Series 1997 Bonds, subject to final review and approval by this Council. The City shall have no obligation to pay the fees or expenses of the underwriter or bond counsel. Such fees and expenses may be paid from the proceeds of the Series 1997 Bonds and shall, in any event, constitute an obligation of the Borrower.

Section 7. Costs. 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, the issuance of the Series 1997 Bonds, and the redemption and prepayment of the Series 1985 Bonds, whether or not the Project is carried to completion and whether or not the Series 1997 Bonds are issued.

Section 8. Commitment Conditional. The adoption of this resolution does not constitute a guarantee or a firm commitment that the City will issue the Series 1997 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 Series 1997 Bonds to finance the costs thereof is not in the public interest or inconsistent with the purposes of the Act, the City reserves the right not to give final approval to the issuance of the Series 1997 Bonds. The City also retains the right, in its sole discretion, to withdraw from participation and accordingly not issue the Series 1997 Bonds should the Council, at any time prior to the issuance thereof, determine that it is in the best interests of the City not to issue the Series 1997 Bonds or should the parties to the transaction be unable to reach agreement as to the terms and conditions of any of the documents for the transaction.


Section 9. Amendment to the Indenture and Loan Agreement. In order to facilitate a redemption of the Series 1985 Bonds on December 1, 1997, the Borrower has caused the following documents to be prepared and submitted to the City: (i) Supplemental Indenture Number One, dated as of August 1, 1997 (the "Supplemental Indenture"), between the City and Norwest Bank Minnesota, National Association, as trustee (the "Trustee"); and (ii) Amendment Number One to the Loan Agreement, dated as of August 1, 1997 (the "Amendment"), between the City and the Borrower. The Supplemental Indenture and the Amendment are hereby approved in the forms now on file with the City Clerk, subject to such modifications as are deemed appropriate and are approved by the Mayor and the City Attorney, which approval shall be conclusively evidenced by the execution of the Supplemental Indenture and the Amendment by the Mayor and the City Clerk. The Mayor and the City Clerk are hereby authorized to

execute and deliver the Supplemental Indenture and the Amendment on behalf of the City. The Mayor and the City Clerk are also authorized and directed to execute such other instruments as may be required to give effect to the transactions herein contemplated. In the absence or disability of the Mayor, any of the documents or instruments referenced herein may be executed by the acting Mayor and in the absence or disability of the City Clerk by such officer of the City who, in the opinion of the City Attorney, may execute such documents or instruments. The Mayor and the City Clerk and the other officers of the City are authorized and directed to furnish to the Trustee, the underwriter, and bond counsel certified copies of all proceedings and records of the City relating to the Supplemental Indenture and the Amendment, and such other affidavits and certificates as may be required with respect to the Supplemental Indenture and the Amendment. All such certified copies, affidavits, and certificates, including any heretofore furnished, shall constitute representations of the City as to the statements contained therein.


Section 10. Effective Date. This Resolution shall become effective immediately upon its passage and approval.

Passed and approved by the City Council of the City of Billings, Montana, on this 28th day of July, 1997.





Mayor



City Clerk

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