

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Laurel, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution No. R15-25, entitled: "RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 117; 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"), 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 April 21, 2015, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: Poehls, Herr, Stokes, Moutsier, Nelson, Dickerson, McGee and Eaton ; voted against the same: _____ ; abstained from voting thereon: _____ ; or were absent: _____ .

WITNESS my hand officially this 21st day of April, 2015.

Shirley Ewan
Clerk/Treasurer

RESOLUTION NO. R15-25

RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 117; 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 Laurel (the "City"), Montana, as follows:

Section 1. Proposed Improvements; Intention To Create District. The City proposes to undertake certain local sidewalk improvements and related improvements (collectively, the "Improvements") to benefit certain property located on and adjacent to Eighth Street and Pennsylvania Avenue in the City. The total estimated costs of the Improvements and all associated costs are \$196,000, which are to be paid from the special improvement district bonds hereinafter described. 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 the 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, and the funding of a deposit to the City's Special Improvement District Revolving Fund (the "Revolving Fund"). The total estimated cost of the Improvements, including such incidental costs, to be financed by the Bonds is \$196,000. 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, in an amount not less than \$196,000.

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. 117 of the City of Laurel, Montana.

Section 3. Boundaries of District. The limits and boundaries of the District are depicted on the maps attached as Exhibit A 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 that are subject to assessment is shown on Exhibit B hereto (which is 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 Exhibit A and described on Exhibit B are hereby declared to be the special improvement district and the territory which will benefit and be benefited by the Improvements. The properties to be assessed for the costs of the Improvements

are listed on Exhibit B. Such properties included within said limits and boundaries are hereby declared to be the property benefited by the Improvements.

Section 5. General Character of the Improvements. The general character of the Improvements is removal of existing sidewalks, construction and installation of new sidewalks, drive approaches, and related improvements. The Improvements are proposed to be constructed or installed in the District and will be owned and operated by the City.

Section 6. Engineer and Estimated Cost. The City has retained Great West Engineering, Inc., of Billings, Montana, to prepare the plans and specifications regarding the Improvements and to facilitate in the creation of the District, including estimating the cost of the Improvements to be assessed against the properties in the District, along with all incidental costs to be assessed against the District. Such costs are estimated to be \$196,000 as shown on Exhibit C.

Section 7. Assessment Methods.

7.1. Method; Property To Be Assessed. Each lot, tract, or parcel of land in the District will be assessed for their proportionate share of the costs of the Improvements based on the frontage method of assessment provided in Section 7-12-4163, M.C.A. Each property shall be assessed for the square footage costs of 4" concrete sidewalks and 6" concrete drive approaches being installed with respect to such property. Frontage of corner lots has been determined by averaging the square footage of 4" concrete sidewalks to be installed on the two abutting sides as provided in Section 7-12-4171, M.C.A. Pursuant to Section 7-12-4163(2), M.C.A., the Council has determined to spread the costs of any Improvements in street, avenue, or alley intersections among the benefited properties in the District. The total estimated costs of the Improvements to be assessed is \$196,000. The total estimated square footage of 4" concrete sidewalks to be installed in the District is 1,535 and the total estimated square footage of 6" concrete drive approaches to be installed in the District is 226. The estimated cost per square foot of 4" concrete sidewalks is approximately \$12.27 and the estimated cost per square foot of 6" concrete drive approaches is approximately \$15.11. The estimated amount of square footage of 4" concrete sidewalks and 6" concrete drive approaches to be installed from the proceeds of the Bonds for each lot, tract, or parcel, and the estimated amount of assessments for such parcels is shown on Exhibit B.

7.2. Assessment Methodology Equitable and Consistent with Benefit. This Council hereby determines that the method of assessment and the assessment of costs of the specific Improvements against the properties benefited thereby as prescribed in Section 7.1 are equitable and in proportion to and not exceeding the special benefits derived from the respective Improvements by the lots, tracts and parcels to be assessed therefor 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.

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 \$196,000 to finance the costs of the Improvements and incidental costs. Principal of and interest on the Bonds will be paid from special assessments levied against certain property 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. Of the 21 parcels in the District to be assessed for the Improvements, all of the parcels are developed. The total assessed value of the lots, parcels or tracts in the District as of April 1, 2015 ranges from \$113,600 to \$18,640,291. The special assessments to be levied under Section 7 against each applicable lot, parcel or tract in the District are less than the increase in estimated market value of the lot, parcel or tract as a result of the construction of the Improvements.

(b) Diversity of Property Ownership. There are 21 parcels of land in the District to be assessed for the Improvements, all of which are under individual ownership.

(c) Comparison of Special Assessments and Property Taxes and Market Value. The assessed value of each applicable parcel is greater than the amount of the assessment to be levied against it.

(d) Delinquencies. There are no outstanding special assessments levied against property in the District. The historical rate of tax delinquencies in the District is not greater than the City as a whole. None of the 21 parcels in the District to be assessed for the Improvements have tax delinquencies as of April 1, 2015.

(e) The Public Benefit of the Improvements. The Improvements will result in safer, more usable sidewalks and are of special benefit to the public and to the properties in the District.

Section 10. 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 only those subject to assessment for the cost and expense of making the Improvements may make and file with the City Clerk/Treasurer's office until 5:00 p.m., M.T., on the expiration date of the 15-day period (May 8, 2015), written protest against the proposed Improvements, or against the creation of the District or both. Such protest must be in writing, identify the property in the District owned by the protestor and be signed by all owners of the property. The protest must be delivered to the City Clerk/Treasurer's office, who shall endorse thereon the date of its receipt by the City Clerk/Treasurer or the Deputy Clerk. 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 regular meeting will be held on May 19, 2015, at 6:30 p.m., in the Council Chambers, at 115 West First Street, in Laurel, Montana.

Section 11. Notice of Passage of Resolution of Intention. The City Clerk/Treasurer or the Deputy 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 *Laurel Outlook*, a newspaper of general circulation in the City on April 23 and April 30, 2015, 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, City, and school district taxes, at his last-known address, on or before the same day such notice is first published.

Section 12. Reimbursement Expenditures.

12.1. 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.

12.2 Prior Expenditures. Other than (i) expenditures to be paid or reimbursed from sources other than the Bonds, (ii) expenditures constituting preliminary expenditures within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iii) 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.

12.3. 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 \$196,000 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.

12.4. 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.

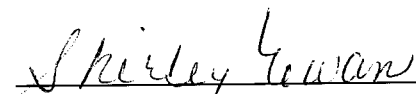
12.5. Reimbursement Allocations. The City Clerk/Treasurer shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Bonds to reimburse the source of temporary financing used by the City to make 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.

PASSED AND ADOPTED by the City Council of the City of Laurel, Montana, this 21st day of April, 2015.



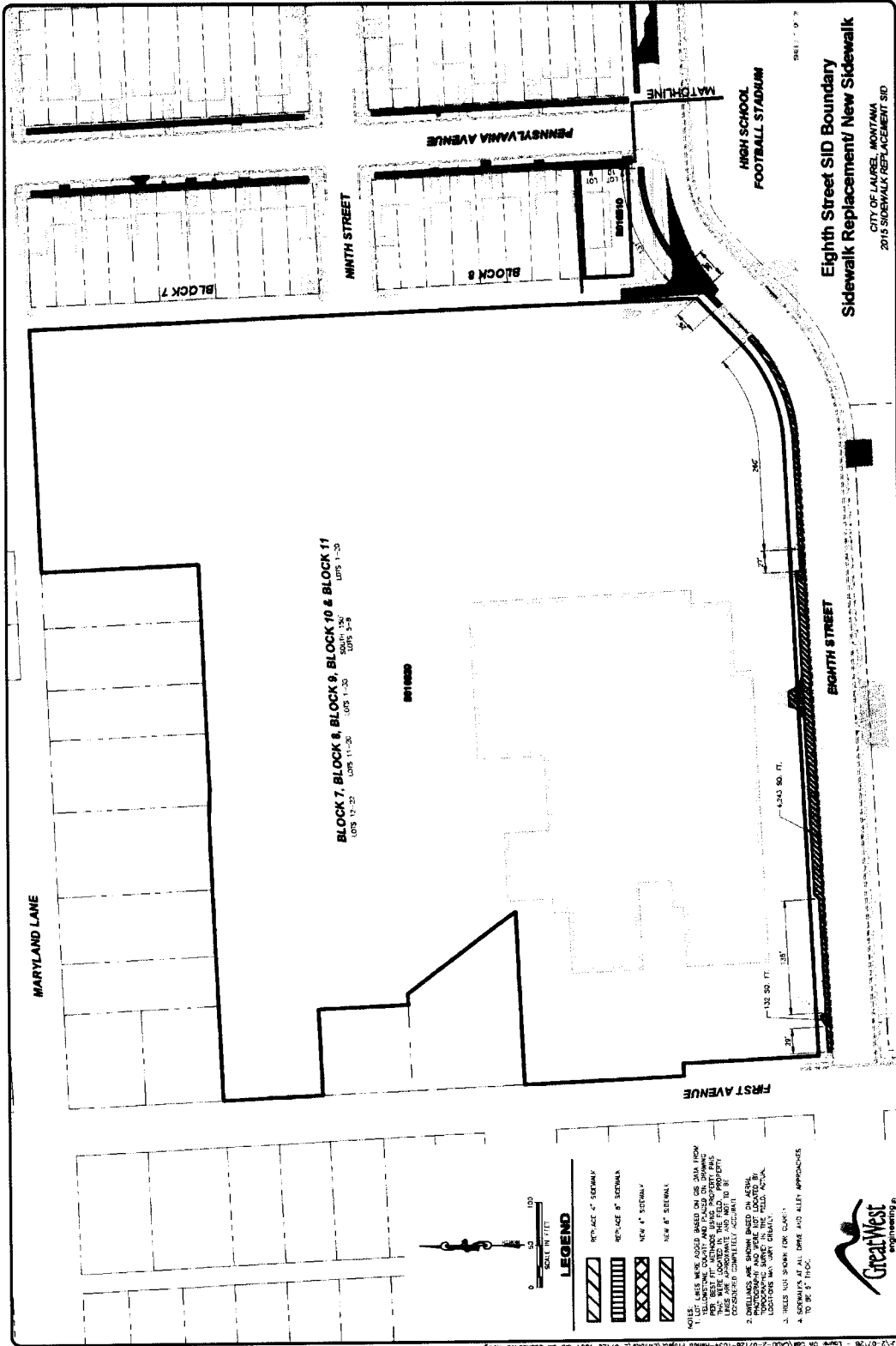
Mayor

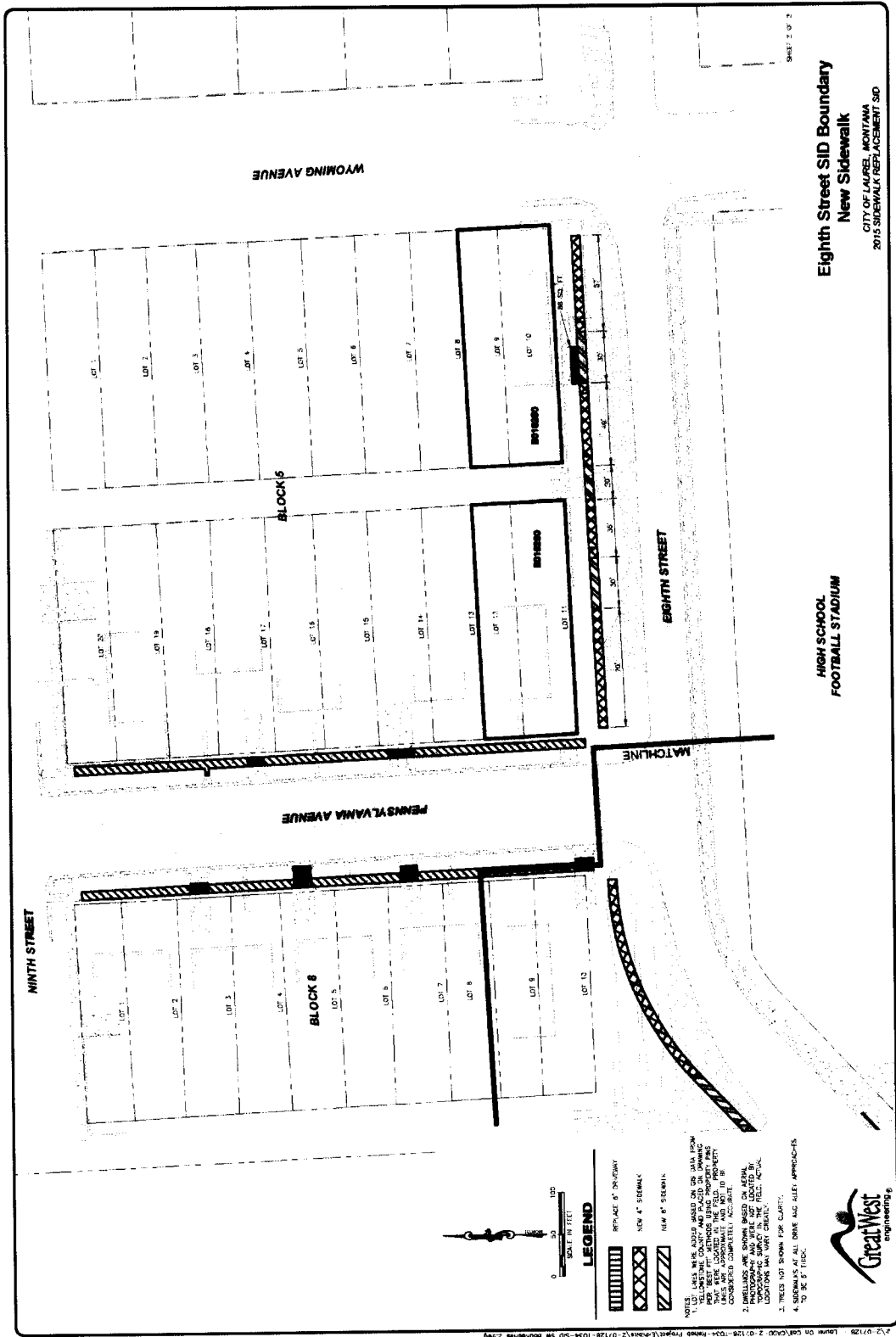
Attest:



Clerk/Treasurer

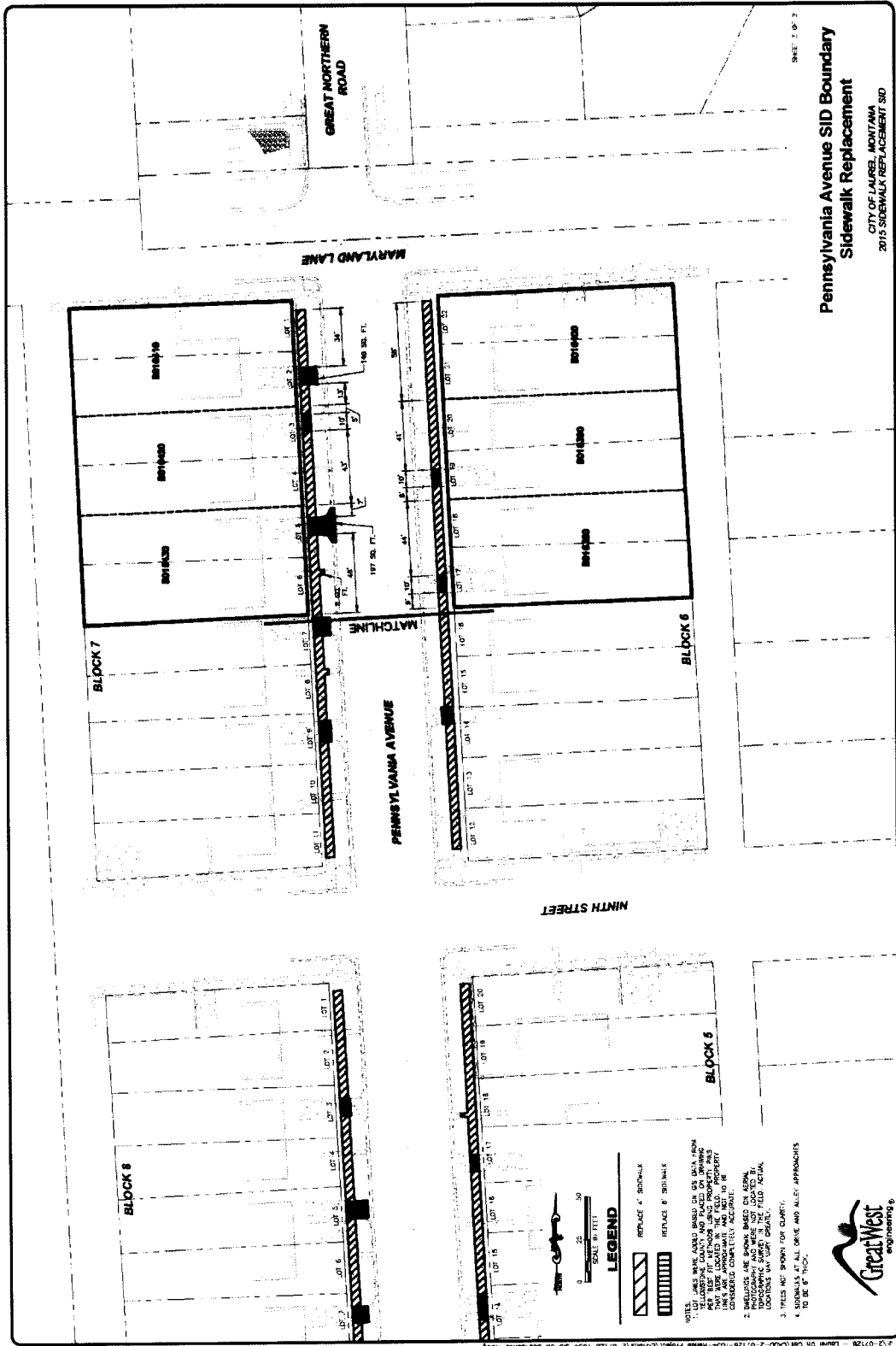
EXHIBIT A





**Eighth Street Sid Boundary
New Sidewalk**
CITY OF LAUREL, MONTANA
2015 SIDEWALK REPLACEMENT SD

**HIGH SCHOOL
FOOTBALL STADIUM**



SHEET 1 OF 2
**Pennsylvania Avenue Sid Boundary
 Sidewalk Replacement**
 CITY OF LAUREL, MONTANA
 2015 SIDEWALK REPLACEMENT SID

EXHIBIT B

Tax Code	Full Name	Address	Short Legal Description	Total Assessed Value	Taxable Value*	Total 4" Sq. Ft. Responsibility	Cost per Sq. Ft. (K*\$12.27)	6" Sq. Ft. Responsibility (Includes Approaches)	Cost per Square Foot (K*\$15.11)	Total Improvement Cost (P+R)	Total Principal Assessment Per Year (L/15)	% by Owner of Total District
SID 117 - Eighth Street and Pennsylvania Avenue												
B01626	Terry Stokes	803 Pennsylvania	Morris Blk 5 lots 11-12	\$143,900.00	\$76,267.00	587.0	\$7,202.11	150	\$2,266.50	\$9,468.61	\$631.24	4.8%
B01627	Wayne E & Marian R Halvorson	805 Pennsylvania	Blk 5 Lots 13-14	\$160,800.00	\$85,224.00	245.0	\$3,006.68	75	\$1,133.25	\$4,139.93	\$276.00	2.1%
B01628	Joseph & Crista Couture	809 Pennsylvania	Blk 5 Lots 15-16	\$113,600.00	\$60,208.00	314.2	\$3,855.37		\$0.00	\$3,855.37	\$257.02	2.0%
B01629	Scott C & Linda M Metcalf	815 Pennsylvania	Blk 5 Lots 17-18	\$135,400.00	\$71,762.00	285.6	\$3,503.77		\$755.50	\$4,259.27	\$283.95	2.2%
B01630	Ernest Freund	404 E. 9th Street	Blk 5 Lots 19-20	\$166,300.00	\$88,139.00	293.3	\$3,598.34		\$0.00	\$3,598.34	\$239.89	1.8%
B01636	William G Mountsier	901 Pennsylvania	Blk 6 Lots 12-13	\$178,500.00	\$94,605.00	277.6	\$3,405.57		\$0.00	\$3,405.57	\$227.04	1.7%
B01637	Herbert L & Linda S Lindal	907 Pennsylvania	Blk 6 Lots 14-16	\$148,300.00	\$78,599.00	417.6	\$5,123.74		\$1,057.70	\$6,181.44	\$412.10	3.2%
B01638	Rhoda J & Richard G Cook	911 Pennsylvania	Blk 6 Lots 17-18	\$130,100.00	\$68,953.00	280.3	\$3,439.51		\$755.50	\$4,195.01	\$279.67	2.1%
B01639	Gary P Mueller	915 Pennsylvania	Blk 6 Lots 19-20	\$156,400.00	\$82,892.00	259.4	\$3,182.49		\$755.50	\$3,937.99	\$262.53	2.0%
B01640	Eric J Knopp	406 E. Maryland Ln	Blk 6 Lots 21-22	\$155,700.00	\$82,521.00	303.7	\$3,726.86		\$0.00	\$3,726.86	\$248.46	1.9%
B01645	Kevin L & Amy J Budge	902 Pennsylvania	Blk 7 Lots 9-11	\$200,300.00	\$106,159.00	387.2	\$4,750.42		\$1,329.68	\$6,080.10	\$405.34	3.1%
B01644	Judith J. Goodale	908 Pennsylvania	Blk 7 Lots 7-8	\$123,600.00	\$65,508.00	270.5	\$3,319.23		\$1,511.00	\$4,830.23	\$322.02	2.5%
B01643	Kristopher L Lorash	912 Pennsylvania	Blk 7 Lots 5-6	\$127,600.00	\$67,628.00	296.8	\$3,642.09		\$2,976.67	\$6,618.76	\$441.25	3.4%
B01642	Damon E. Roach	916 Pennsylvania	Blk 7 Lots 3-4	\$124,900.00	\$66,197.00	254.1	\$3,118.23		\$755.50	\$3,873.73	\$258.25	2.0%
B01641	Michael O'Malley	318 E. Maryland	Blk 7 Lots 1-2	\$146,000.00	\$77,380.00	253.9	\$3,115.06		\$2,115.40	\$5,230.46	\$348.70	2.7%
B01651	Gary M Olson	804 Pennsylvania	Blk 8 Lots 9-10	\$141,700.00	\$75,101.00	481.0	\$5,901.60		\$1,208.80	\$7,110.40	\$474.03	3.6%
B01650	Mary Jo Kellison	810 Pennsylvania	Blk 8 Lots 7-8	\$137,100.00	\$72,663.00	261.6	\$3,209.63		\$1,359.90	\$4,569.53	\$304.64	2.3%
B01649	Mary Jo Kellison	810 Pennsylvania	Blk 8 Lots 5-6	\$144,500.00	\$76,585.00	284.7	\$3,493.81		\$1,964.30	\$5,458.11	\$363.87	2.8%
B01648	Denise L Brady	814 Pennsylvania	Blk 8 Lots 3-4	\$121,200.00	\$64,236.00	259.9	\$3,189.27		\$906.60	\$4,095.87	\$273.06	2.1%
B01647	Heath & Marlaina Myers	820 Pennsylvania	Blk 8 Lots 1-2	\$120,300.00	\$63,759.00	288.0	\$3,534.09		\$0.00	\$3,534.09	\$235.61	1.8%

Tax Code	Full Name	Address	Short Legal Description	Total Assessed Value	Taxable Value*	Total 4" Sq. Ft. Responsibility	Cost per Sq. Ft (K*\$12.27)	6" Sq. Ft. Responsibility (Includes Approaches)	Cost per Square Foot (K*\$15.11)	Total Improvement Cost (P+R)	Total Principal Assessment Per Year (L/15)	% by Owner of Total District
B01652	School District # 7	410 Colorado Avenue	Block 7 Lot 12	\$18,640,291.00	\$14,632,628.00	6946.3	\$85,230.99	135	\$2,039.85	\$87,270.84	\$5,818.06	44.5%
B01625	William Staudinger	804 Wyoming Avenue	Block 5 Lot 9	\$150,200.00	\$79,606.00	568.2	\$6,971.32	236	\$3,565.96	\$10,537.28	\$702.49	5.4%
TOTALS						13815.8	\$169,520.17	1751	\$26,457.61	\$195,977.78		100.0%

EXHIBIT C

**Probable Costs
SID 117
Sidewalk Improvements**

		4" Benefit	6"Benefit
SID 117		88%	12%
Mobilization	16,300.00	14,344.00	1,956.00
Sidewalk Removal	37,675.00	33,154.00	4,521.00
New 4" Concrete	99,775.00	99,775.00	
New 6" Concrete	16,950.00		16,950.00
3" Thick Asphalt Paving Patching	1,190.00	1,047.20	142.80
Traffic Control	2,200.00	1,936.00	264.00
Sod, Overseed, and Fertilizer	6,000.00	5,280.00	720.00
	<u>180,090.00</u>	155,536.20	24,553.80
Cost to Finance	180,090.00		
Costs of Issuance	6,000.00	5,280.00	720.00
Revolving Fund Deposit	9,800.00	8,624.00	1,176.00
Rounding amount	110.00	<u>96.80</u>	<u>13.20</u>
		169,537.00	26,463.00
Total Costs	196,000.00		

Price Per Unit = E20/total sq. ft.	12.27	15.11
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