

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. 98- 17319, entitled: "RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1336; 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 AND REPEALING AND SUPERSEDING RESOLUTION NO. 97-17239" (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 January 12, 1998, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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

abstained from voting thereon: NONE

or were absent: NONE

WITNESS my hand officially this 12 day of Jan, 1998.

Marita Herold
City Clerk

RESOLUTION NO. 98- 17319

RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1336; 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 AND REPEALING AND SUPERSEDING RESOLUTION NO. 97-17239.

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

Section 1. Recitals; Repeal of Resolution No. 97-17239. On July 14, 1997, the City Council of the City of Billings approved Resolution No. 97-17239, declaring it to be the City's intention to create Special Improvement District No. 1336. Changes have occurred within the District that make it necessary and desirable to repeal Resolution No. 97-17239, and to proceed anew with the creation of Special Improvement District No. 1336.

Section 2. 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 water, sanitary sewer, storm drain, street paving, curb and gutter, sidewalk, and appurtenant devices, as more particularly described in Section 5. The total estimated costs of the Improvements are \$699,636.18. 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; and (2) \$349,818.18 of cash contribution by Lakeside Properties, Inc., the owner of 22 of the 27 lots in the District (the "Lakewood Properties"), as more particularly described in Sections 7 and 10(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 a portion of 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 costs of the Improvements, including such incidental costs, to be financed by the Bonds are \$405,000. The Bonds are to be payable primarily from special assessments to be levied against

property in the District, which property will be specially benefitted by the Improvements in an amount not less than \$405,000.

Section 3. Number of District. The District, if the same shall be created and established, shall be known and designated as Special Improvement District No. 1336 of the City of Billings, Montana.

Section 4. 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 Exhibits C and D hereto (which are hereby incorporated herein and made a part hereof).

Section 5. Benefitted Property. The District and territory included within the limits and boundaries described in Section 4 and as shown on Exhibits A, B, C, and D are hereby declared to be the Special Improvement District and the territory which will benefit and be benefitted by the Improvements and will be assessed for the costs of the Improvements as described in Section 2. The property included within said limits and boundaries is hereby declared to be the property benefitted by the Improvements.

Section 6. General Character of the Improvements. The general character of the Improvements is the construction of the following in the southerly 2,100' of Wentworth Drive:

- a) Water Mains and Services;
- b) Sanitary Sewer Mains and Services;
- c) Storm Drain Mains, Inlets, Laterals, and Weirs;
- d) Street Base Gravel and Asphalt Paving; and
- e) Concrete Curb, Gutter, and Sidewalk.

Section 7. Engineer and Estimated Cost. Engineering, Inc. shall be the engineer for the District. The Engineer has estimated that the costs of the Improvements, including all incidental costs, is \$754,818.18. The principle developer, Lakewood Properties, Inc., will make a cash contribution to the project in the amount of \$349,818.18, as described in Section 10(f). The

remaining costs of \$405,000, 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 2 and assessments to pay the Bonds will be levied against all twenty-seven (27) parcels in the District as shown in Exhibit C (which is attached hereto and incorporated herein) and as more fully explained in Section 8.

Section 8. Assessment Methods.

8.1. 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 benefitting from the Improvements, based on the assessable area and equal amount method of assessment described in Section 7-12-4162, M.C.A., as particularly applied and set forth in this Section 8.

8.2. 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 Exhibits C and D hereto to arrive at an equal cost for the Improvements.

The costs of the Improvements attributable to each lot in the District is \$25,912.46. The owner of the Lakewood Properties will make a cash contribution of \$349,818.18 which represents a cash contribution toward the costs of Improvements for each of the 22 lots in the amount of \$15,900.83. The balance of the costs of the Improvements attributable to the Lakeside Properties is \$10,011.63 per lot or \$220,255.86 which shall be financed from the proceeds of the Bonds. That amount, plus the Lakewood Properties proportionate share of the incidental costs to be financed by the Bonds (\$1,598.22 per lot), shall be assessed against each lot, tract, or parcel of land in the District that is owned by Lakewood Properties for that part of those costs that the assessable area of such lot, tract or parcel bears to the total assessable area of all Lakewood Properties lots, tracts, or parcels of land in the District, exclusive of streets, avenues, and alleys. The total assessable area of Lakewood Properties parcels to be assessed is 262,768 square feet (11,944 square feet per lot for twenty-two [22] lots). The costs of the Improvements and the

properties share of the incidental costs to be financed by the Bonds assessable to Lakewood Properties parcels per square foot of assessable area shall not exceed \$0.972023420. The assessment for each of the Lakewood Properties parcels is shown on Exhibit C hereto.

The costs of the Improvements attributable to the five (5) parcels in the District not making a cash contribution to the cost of the Improvements (the "Non-Lakewood Properties"), shall consist of the full cost of the Improvements assessable against each lot (\$25,912.46) for a total of \$129,562.30, plus the proportionate share of the incidental costs of issuing the Bonds (\$4,004.21 per lot). The total of \$149,583.35 shall be assessed against each lot, tract, or parcel of land in the District that is not owned by Lakewood Properties 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 all non-Lakewood Properties lots, tracts, or parcels of land in the District, exclusive of streets, avenues, and alleys. The total assessable area of non-Lakewood Properties parcels is 59,720 square feet (11,944 square feet per lot for five [5] lots). The costs of the Improvements and the properties share of the incidental costs to be financed by the Bonds assessable to non-Lakewood Properties parcels per square foot of assessable area shall not exceed a total of \$2.504744642. The assessment for each of the non-Lakewood Properties parcels for the Improvements is shown on Exhibit C hereto.

Section 9. Payment of Assessments. The special assessments for the cost 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 10. Method of Financing; Pledge of Revolving Fund; Findings and Determinations. The City will issue the Bonds in an aggregate principal amount not to exceed \$405,000 in order to finance a portion of the costs of the Improvements. Principal of and interest on the Bonds will be paid from special assessments levied against the twenty-seven (27) parcels in the District, as described in Section 8 hereof. 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, is set forth in Exhibits E and F hereto (which are hereby incorporated herein and made a part hereof). The special assessments to be levied under Section 8 against each lot, parcel or tract in the District is less than the increase in estimated market value of the lot, parcel or tracts a result of the construction of the Improvements.

b) Diversity of Property Ownership. There are a total of twenty-seven (27) parcels within the district boundaries. No improvements, public or private, are located on any of the parcels within the District.

Twenty-two (22) of these parcels are owned by Lakewood Properties, Inc. There are four (4) owners of the remaining five (5) lots, with Mark Thirud owning two (2) lots, and three (3) separate individual parties owning one (1) lot each.

c) Comparison of Special Assessments, Property Taxes and Market Value. As noted on Exhibit E, the average market value for all lots within the District is \$2,257 with a low of \$1,248, a high of \$3,840, and a median of \$1,488. This low market value is directly related to the fact that these lots are unable to be developed until such time as the Improvements contemplated under this District are installed.

Discussions with local real estate professionals indicate that the existing market values in no way represent the true market value of subdivided golf course properties served by full public improvements. The market value of other recently developed subdivisions in Billings with similar sized parcels with similar types of surrounding units, have market values of between \$30,000 and \$50,000. According to local real estate professionals, it is expected that these lots, given their location inside of Lakehills Golf Course, would have similar, if not higher, market values upon the completion of the improvements contemplated by this district.

It is expected that the increase in market value will exceed the sum of the special assessments and current property taxes.

All of the parcels included within this district are subject to existing assessments under existing Special Improvement Districts 1245 and 1259. As shown on Exhibit G attached hereto and incorporated herein, SID 1245 is scheduled for payout in 1999. The average payoff under this SID is \$32.45 with a low of \$24.76 and a high of \$45.42. The average annual principal payment is \$22.65. SID 1259 will be paid out in the year 2000 and has an average payoff per parcel of \$121.89, a low of \$92.84, and a high of \$170.35. The average annual principal payment is \$42.81.

Given the low average payoff amount and per year principal payment, these existing special assessments, together with the assessments proposed under this District, when considered relative to the increase of market value of the properties as described above, would not be expected to create an unusual need for loans from the Revolving Fund.

d) Delinquencies. Exhibit H (attached hereto and incorporated herein) shows the delinquency history of the parcels included within this district for tax years 1992 through 1997. Obviously, the parcels within this 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. This District represents the initial phase of development of these parcels. Lakewood Properties has exercised their options on the twenty-two (22) lots within the District area 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. In addition, the cash contributions referenced in Sections 7 and 10(f) reflect participation by Lakewood Properties for twenty-two (22) lots that they own, and provides additional security that, in order to recover their initial cash investment, Lakewood Properties will make their annual tax and District special assessment payments.

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. Improvements contemplated under this 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 Storm Water Management Master Plan.

f) Other Factors. As previously noted, the majority property owner in this District, Lakewood Properties, Inc., will pay a cash contribution to the project. The total cash contribution is equal to \$349,800.18 (\$15,900.83 per parcel) and represents approximately 50% of the construction and administrative costs of the Improvements. This contribution is necessary to

satisfy the City's Special Improvement District Policy regarding raw land subdivisions. As described in Section 8.1.1, the parcels owned by Lakewood Properties will be assessed for the remainder of their proportionate share of the total District costs (\$255,416.65 total assessment, \$11,609.85 per parcel).

The Lakewood Properties are shown on Exhibit I, attached hereto and incorporated herein.

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 6, 1998), 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 9th day of February, 1998 at 7:30 p.m., in the City Council Chamber, at City Hall, 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 22 and January 29, 1998, 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 12th day of January, 1998.



Charles F. Tooley
Charles F. Tooley, MAYOR

Resolution 98- 17319

Attest:

Marita Herold
Marita Herold, CMC CITY CLERK

TRACT B
 CERTIFICATE 793
 LAKE HILLS GOLF COURSE

TRACT A
 CERTIFICATE 793
 LAKE HILLS GOLF COURSE

EXISTING LAKE

DISTRICT
 BOUNDARY

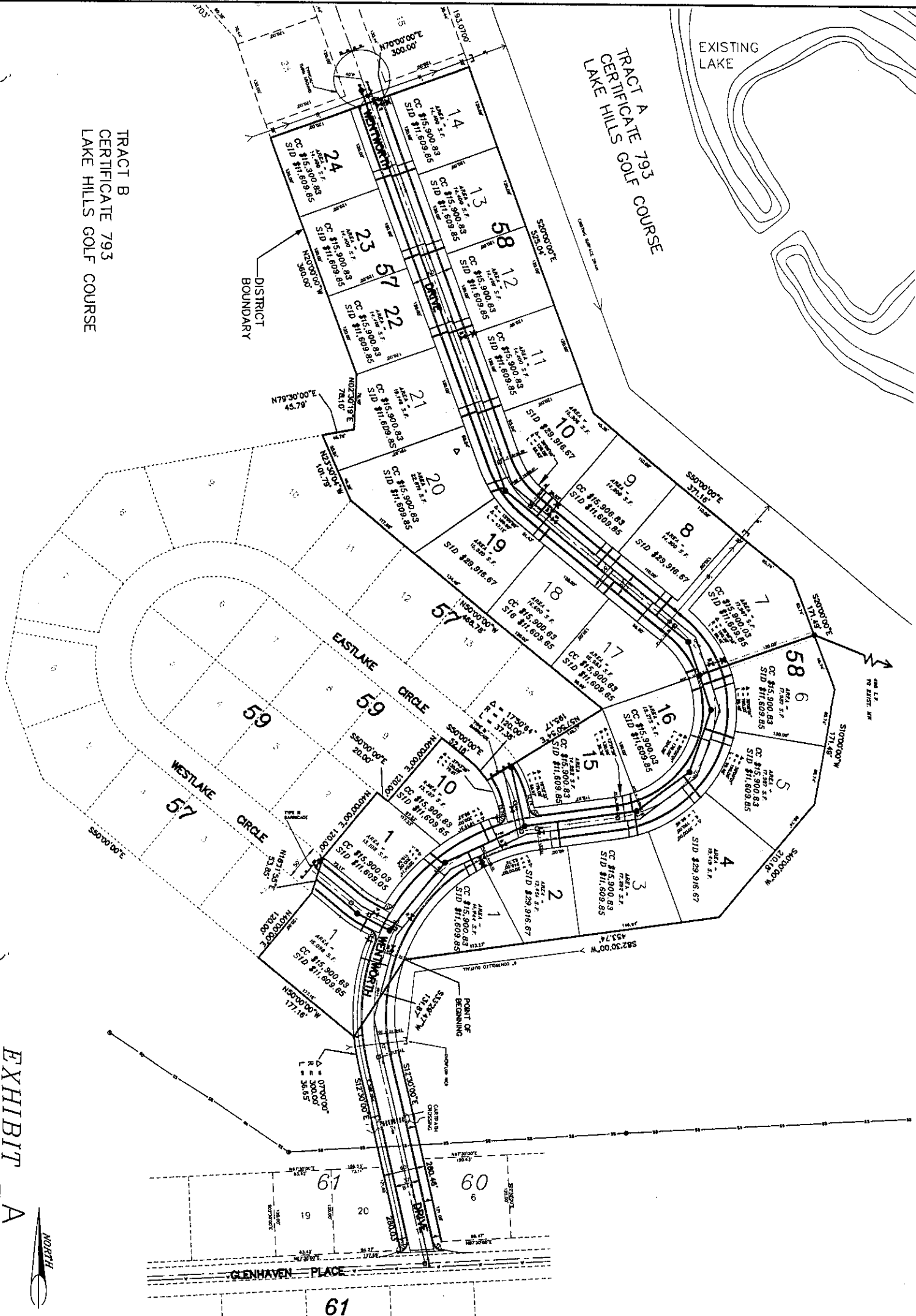


EXHIBIT A



SID 1336
 TO SERVE PORTIONS OF WENTWORTH DRIVE
 SITUATED IN LAKE HILLS SUBDIVISION, 23rd & 24th FILING
 BILLINGS, YELLOWSTONE COUNTY, MONTANA

DISTRICT BOUNDARY MAP



ENGINEERING, INC.
 CONSULTING ENGINEERS & LAND SURVEYORS

SUITE 200 CREEKSIDE
 1001 SO. 24TH ST. WEST
 BILLINGS, MONTANA 59108-1345
 401-655-5255

DATE	3/29/97
BY	ACJ
REVISION	6/27/97
	11/29/97 12/2/97
	12/28/97 12/29/97
APPROVED BY	
QUALITY ASSURANCE	
SCALE	Not to Scale
FILE	WENTWORTH
PROJECT NO.	24072.02

EXHIBIT B

DISTRICT BOUNDARY DESCRIPTION

SID 1336

LAKE HILLS SUBDIVISION, 23RD AND 24TH FILINGS WENTWORTH DRIVE

The district boundary encompasses a gross area, exclusive of streets and other rights-of-way, of 420,141 square feet in Lots 1 and 15 thru 24, Block 57; Lots 1 thru 14, Block 58; and Lots 1 and 10, Block 59; Lake Hills Subdivision, 23rd and 24th Filings with a total net assessable area of 322,488 square feet more particularly described as follows:

Beginning at a point which is the southwest corner of Lot 1, Block 58, Lake Hills Subdivision; thence, S33°29'47"W a distance of 131.87 feet; thence, N50°00'00"W a distance of 177.16 feet; thence, N40°00'00"E a distance of 120.00 feet; thence, N18°11'55"E a distance of 53.85 feet; thence, N40°00'00"E a distance of 120.00 feet; thence, S50°00'00"E a distance of 20.00 feet; thence, N40°00'00"E a distance of 120.00 feet; thence, S50°00'00"E a distance of 52.18 feet; thence, along a curve to the right with $\Delta = 17^{\circ}50'54''$, $R = 120.00$ feet a distance of 37.38 feet; thence, N57°50'54"E a distance of 195.17 feet; thence, N50°00'00"W a distance of 468.77 feet; thence, N23°30'04"W a distance of 101.79 feet; N79°30'00"E a distance of 45.79 feet; thence, N02°30'19"E a distance of 78.10 feet; thence, N20°00'00"W a distance of 360.00 feet; thence, N70°00'00"E a distance of 300.00 feet; S20°00'00"E a distance of 525.04 feet; thence, S50°00'00"E a distance of 371.10 feet; thence, S20°00'00"E a distance of 171.49 feet; thence, S10°00'00"W a distance of 171.49 feet; thence, S40°00'00"W a distance of 210.18 feet; thence, S82°30'00"W a distance of 453.74 feet to the point of beginning encompassing a gross area of 420,141 square feet, and a net assessable area of 322,488 square feet; same being 11,944 square feet of assessable area in each of said 27 lots within the district.

SPECIAL IMPROVEMENT DISTRICT ASSESSMENT DATA

PART III

December 31, 1997
 S.I.D NUMBER: 1336, Lake Hills 23rd & 24th Filing, Phase 1
 COMPLETED BY: John Stewart
 CONSULTING FIRM: ENGINEERING, INC.

CITY OF BILLINGS

ESTIMATE PER PRELIMINARY PLANS
 ESTIMATE PER BID PRICES
 FINAL PER ACTUAL CONSTRUCTION

S.I.D. COSTS:
 \$405,000.00

Lot/Block	TAX I.D. NUMBER	AREA OF ASSMT. COST PER S.F.	SPECIAL IMPROVEMENT DISTRICT ADDITIONS FOR THE SAME TAX CODE						TOTAL COST												
			6-13	14-22	23	24-30	31-40	41-54		55	58-62	63-71	73-71	73-96							
			CODE	QUANTITY	UNIT	RATE	CODE	QUANTITY	UNIT	RATE	CODE	QUANTITY	UNIT	RATE	CODE	QUANTITY	UNIT	RATE			
9/58	A-22784	11,944	0	0		\$0.00	0	0			0	0			0	0			\$11,609.85		
10/58	A-22785	11,944	9	11,944	Sq Ft	\$1.6327212	0	0			0	0			0	0			\$29,916.67		
11/58	A-22786	11,944	0	0		\$0.00	0	0			0	0			0	0			\$11,609.85		
12/58	A-22787	11,944	0	0		\$0.00	0	0			0	0			0	0			\$11,609.85		
13/58	A-22788	11,944	0	0		\$0.00	0	0			0	0			0	0			\$11,609.85		
14/58	A-22789	11,944	0	0		\$0.00	0	0			0	0			0	0			\$11,609.85		
1/59	A-22804	11,944	0	0		\$0.00	0	0			0	0			0	0			\$11,609.85		
10/59	A-22813	11,944	0	0		\$0.00	0	0			0	0			0	0			\$11,609.85		
TOTAL:							59,720					0.00					0.00				\$405,000.00

SUMMARY OF ASSESSMENT AREAS
S.I.D. 1336 ,LAKE HILLS, WENTWORTH DR.
Sorted by Tax Code Number

BLOCK AND LOT	Tax Code	Lot Area Square Feet	Assessment Area Square Feet
BLOCK 57			
LOT 1	A-22741	16,098	11,944
LOT 15	A-22755	14,282	11,944
LOT 16	A-22756	13,273	11,944
LOT 17	A-22757	16,983	11,944
LOT 18	A-22758	15,600	11,944
LOT 19	A-22759	15,320	11,944
LOT 20	A-22760	22,871	11,944
LOT 21	A-22761	19,146	11,944
LOT 22	A-22762	14,400	11,944
LOT 23	A-22763	14,400	11,944
LOT 24	A-22764	14,400	11,944
BLOCK 58			
LOT 1	A-22776	11,944	11,944
LOT 2	A-22777	13,051	11,944
LOT 3	A-22778	17,292	11,944
LOT 4	A-22779	19,019	11,944
LOT 5	A-22780	17,987	11,944
LOT 6	A-22781	17,987	11,944
LOT 7	A-22782	17,987	11,944
LOT 8	A-22783	14,300	11,944
LOT 9	A-22784	14,300	11,944
LOT 10	A-22785	15,306	11,944
LOT 11	A-22786	14,400	11,944
LOT 12	A-22787	14,400	11,944
LOT 13	A-22788	14,400	11,944
LOT 14	A-22789	14,400	11,944
BLOCK 59			
LOT 1	A-22804	13,108	11,944
LOT 10	A-22813	13,487	11,944
Project Total Square Feet Lot Area		420,141	
Project Total Square Feet Assessment Area			322,488

EXHIBIT E

S.I.D. 1336

Sorted by Market Value

LAKE HILLS SUBDIVISION, 23rd & 24th FILING, Phase 1

(E2)

81,078.09

December 31, 1997

BLOCK	LOT	Tax Code	MARKET VALUE	TAXABLE VALUE	SID ASSESSMENT
58	1	A-22776	\$1,248.00	\$48.00	\$11,609.85
59	1	A-22804	\$1,294.00	\$50.00	\$11,609.85
57	16	A-22756	\$1,305.00	\$50.00	\$11,609.85
59	10	A-22813	\$1,309.00	\$51.00	\$11,609.85
58	9	A-22784	\$1,342.00	\$52.00	\$11,609.85
57	22	A-22762	\$1,346.00	\$52.00	\$11,609.85
57	23	A-22763	\$1,346.00	\$52.00	\$11,609.85
58	11	A-22786	\$1,346.00	\$52.00	\$11,609.85
58	13	A-22788	\$1,346.00	\$52.00	\$11,609.85
57	18	A-22758	\$1,394.00	\$54.00	\$11,609.85
57	1	A-22741	\$1,414.00	\$55.00	\$11,609.85
57	17	A-22757	\$1,449.00	\$56.00	\$11,609.85
58	3	A-22778	\$1,462.00	\$56.00	\$11,609.85
58	7	A-22782	\$1,488.00	\$57.00	\$11,609.85
58	5	A-22780	\$1,569.00	\$61.00	\$11,609.85
57	20	A-22760	\$1,646.00	\$64.00	\$11,609.85
58	2	A-22777	\$3,231.00	\$125.00	\$29,916.67
57	15	A-22755	\$3,353.00	\$129.00	\$11,609.85
58	8	A-22783	\$3,355.00	\$130.00	\$29,916.67
57	24	A-22764	\$3,365.00	\$130.00	\$11,609.85
58	12	A-22787	\$3,365.00	\$130.00	\$11,609.85
58	14	A-22789	\$3,365.00	\$130.00	\$11,609.85
58	10	A-22785	\$3,456.00	\$133.00	\$29,916.67
58	6	A-22781	\$3,721.00	\$144.00	\$11,609.85
57	19	A-22759	\$3,757.00	\$145.00	\$29,916.67
58	4	A-22779	\$3,827.00	\$148.00	\$29,916.67
57	21	A-22761	\$3,840.00	\$148.00	\$11,609.85
TOTAL			\$60,939.00	\$2,354.00	\$405,000.00
LOWEST VALUE			= \$1,248.00	\$48.00	\$11,609.85
HIGHEST VALUE			= \$3,840.00	\$148.00	\$29,916.67
AVERAGE VALUE			= \$2,257.00	\$87.19	\$15,000.00
MEDIAN VALUE			= \$1,488.00	\$57.00	\$11,609.85

EXHIBIT F**S.I.D. 1336****Sorted by Assessment Value****LAKE HILLS SUBDIVISION, 23rd & 24th FILING, Phase 1**

(E3)

81,078.09

December 31, 1997

BLOCK	LOT	Tax Code	MARKET VALUE	TAXABLE VALUE	SID ASSESSMENT
58	1	A-22776	\$1,248.00	\$48.00	\$11,609.85
59	1	A-22804	\$1,294.00	\$50.00	\$11,609.85
57	16	A-22756	\$1,305.00	\$50.00	\$11,609.85
59	10	A-22813	\$1,309.00	\$51.00	\$11,609.85
58	9	A-22784	\$1,342.00	\$52.00	\$11,609.85
57	22	A-22762	\$1,346.00	\$52.00	\$11,609.85
57	23	A-22763	\$1,346.00	\$52.00	\$11,609.85
58	11	A-22786	\$1,346.00	\$52.00	\$11,609.85
58	13	A-22788	\$1,346.00	\$52.00	\$11,609.85
57	18	A-22758	\$1,394.00	\$54.00	\$11,609.85
57	1	A-22741	\$1,414.00	\$55.00	\$11,609.85
57	17	A-22757	\$1,449.00	\$56.00	\$11,609.85
58	3	A-22778	\$1,462.00	\$56.00	\$11,609.85
58	7	A-22782	\$1,488.00	\$57.00	\$11,609.85
58	5	A-22780	\$1,569.00	\$61.00	\$11,609.85
57	20	A-22760	\$1,646.00	\$64.00	\$11,609.85
57	15	A-22755	\$3,353.00	\$129.00	\$11,609.85
57	24	A-22764	\$3,365.00	\$130.00	\$11,609.85
58	12	A-22787	\$3,365.00	\$130.00	\$11,609.85
58	14	A-22789	\$3,365.00	\$130.00	\$11,609.85
58	6	A-22781	\$3,721.00	\$144.00	\$11,609.85
57	21	A-22761	\$3,840.00	\$148.00	\$11,609.85
58	2	A-22777	\$3,231.00	\$125.00	\$29,916.67
58	8	A-22783	\$3,355.00	\$130.00	\$29,916.67
58	10	A-22785	\$3,456.00	\$133.00	\$29,916.67
57	19	A-22759	\$3,757.00	\$145.00	\$29,916.67
58	4	A-22779	\$3,827.00	\$148.00	\$29,916.67
TOTAL			\$60,939.00	\$2,354.00	\$405,000.00
LOWEST VALUE			= \$1,248.00	\$48.00	\$11,609.85
HIGHEST VALUE			= \$3,840.00	\$148.00	\$29,916.67
AVERAGE VALUE			= \$2,257.00	\$87.19	\$15,000.00
MEDIAN VALUE			= \$1,488.00	\$57.00	\$11,609.85

EXHIBIT G

SUMMARY OF EXISTING SID DATA

S.I.D. 1336

LAKE HILLS SUBDIVISION, 23rd & 24th FILING

(SIDATA)

81,078.09

December 31, 1997

SID 1245, Payout in 1999, @ 6.209165% Interest
 SID 1259, Payout in 2000, @ 8.613% Interest

BLOCK AND LOT	Tax Code	Current Payoff		Annual Principal Payment		Total Annual Payment
		SID 1245	SID 1259	SID 1245	SID 1259	
BLOCK 57						
LOT 1	A-22741	\$33.39	\$125.25	\$23.26	\$43.98	\$67.24
LOT 15	A-22755	\$29.56	\$111.10	\$20.64	\$39.00	\$59.64
LOT 16	A-22756	\$27.52	\$103.29	\$19.18	\$36.26	\$55.44
LOT 17	A-22757	\$35.21	\$132.08	\$24.54	\$46.40	\$70.94
LOT 18	A-22758	\$32.27	\$121.37	\$22.56	\$42.62	\$65.18
LOT 19	A-22759	\$31.75	\$119.14	\$22.14	\$41.86	\$64.00
LOT 20	A-22760	\$45.42	\$170.35	\$31.66	\$59.86	\$91.52
LOT 21	A-22761	\$39.63	\$148.84	\$27.68	\$52.32	\$80.00
LOT 22	A-22762	\$29.80	\$112.05	\$20.82	\$39.34	\$60.16
LOT 23	A-22763	\$29.80	\$112.05	\$20.82	\$39.34	\$60.16
LOT 24	A-22764	\$29.80	\$112.05	\$20.82	\$39.34	\$60.16
BLOCK 58						
LOT 1	A-22776	\$24.76	\$92.84	\$17.26	\$32.64	\$49.90
LOT 2	A-22777	\$27.14	\$101.75	\$18.90	\$35.74	\$54.64
LOT 3	A-22778	\$35.79	\$134.56	\$25.00	\$47.24	\$72.24
LOT 4	A-22779	\$39.36	\$147.98	\$27.50	\$51.96	\$79.46
LOT 5	A-22780	\$37.26	\$139.96	\$26.00	\$49.14	\$75.14
LOT 6	A-22781	\$37.26	\$139.96	\$26.00	\$49.14	\$75.14
LOT 7	A-22782	\$37.18	\$139.70	\$25.96	\$49.06	\$75.02
LOT 8	A-22783	\$29.57	\$111.14	\$20.68	\$39.08	\$59.76
LOT 9	A-22784	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LOT 10	A-22785	\$31.72	\$119.02	\$22.12	\$41.82	\$63.94
LOT 11	A-22786	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LOT 12	A-22787	\$29.80	\$112.05	\$20.82	\$39.34	\$60.16
LOT 13	A-22788	\$29.80	\$112.05	\$20.82	\$39.34	\$60.16
LOT 14	A-22789	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BLOCK 59						
LOT 1	A-22804	\$27.19	\$101.90	\$18.94	\$35.82	\$54.76
LOT 10	A-22813	\$27.88	\$104.89	\$19.50	\$36.84	\$56.34
Totals =		\$778.86	\$3,704.23	\$543.62	\$1,027.48	\$1,571.10
Total SID 1245 =			\$2,925.37			
Total SID 1259 =						

EXHIBIT H
SUMMARY OF TAX DELINQUENCY DATA

(TaxDelIQ)
 81,078.09
 December 31, 1997

S.I.D. 1336
 LAKE HILLS SUBDIVISION, 23rd & 24th FILING

BLOCK AND LOT	Tax Code	Delinquent ? (if yes, amount given), Year						Total Years Delinquent	
		1992	1993	1994	1995	1996	1997		
BLOCK 57									
LOT 1	A-22741	+	\$255.54	\$164.94	\$161.92	\$162.41	\$158.16	NO	5
LOT 15	A-22755	+	\$196.99	\$178.47	\$177.83	\$177.87	\$176.16	NO	5
LOT 16	A-22756	+	\$182.96	\$138.00	\$135.24	\$136.01	\$132.79	NO	5
LOT 17	A-22757	+	\$234.04	\$173.14	\$169.36	\$170.42	\$166.12	NO	5
LOT 18	A-22758	+	\$212.32	\$160.16	\$156.77	\$157.71	\$153.83	NO	5
LOT 19	A-22759	+	NO	NO	NO	NO	NO	\$95.78	1
LOT 20	A-22760	+	\$302.26	\$219.77	\$214.63	\$216.13	\$210.39	NO	5
LOT 21	A-22761	+	\$304.27	\$229.22	\$227.58	\$227.87	\$224.98	NO	5
LOT 22	A-22762	+	\$228.66	\$148.76	\$145.69	\$146.55	\$143.01	NO	5
LOT 23	A-22763	+	\$228.66	\$148.76	\$145.69	\$146.55	\$143.01	NO	5
LOT 24	A-22764	+	NO	NO	NO	NO	NO	NO	0
BLOCK 58									
LOT 1	A-22776	+	\$189.91	\$125.50	\$123.11	\$123.78	\$120.96	NO	5
LOT 2	A-22777	+	NO	NO	NO	NO	NO	NO	0
LOT 3	A-22778	+	\$274.80	\$175.87	\$171.99	\$173.10	\$168.68	NO	5
LOT 4	A-22779	+	NO	NO	NO	NO	NO	NO	0
LOT 5	A-22780	+	\$285.31	\$183.99	\$180.03	\$181.17	\$176.65	NO	5
LOT 6	A-22781	+	\$285.31	\$217.34	\$215.94	\$216.19	\$213.60	NO	5
LOT 7	A-22782	+	\$285.04	\$182.14	\$178.08	\$179.23	\$174.28	NO	5
LOT 8	A-22783	+	NO	NO	NO	NO	NO	NO	0
LOT 9	A-22784	+	\$227.02	\$147.90	\$144.85	\$145.71	\$142.21	NO	5
LOT 10	A-22785	+	NO	NO	NO	NO	NO	NO	0
LOT 11	A-22786	+	\$228.66	\$148.76	\$145.69	\$146.55	\$143.01	NO	5
LOT 12	A-22787	+	\$228.66	\$179.98	\$179.33	\$179.34	\$177.61	NO	5
LOT 13	A-22788	+	\$228.66	\$148.76	\$145.69	\$146.55	\$143.01	NO	5
LOT 14	A-22789	+	\$228.66	\$179.98	\$179.33	\$179.34	\$177.61	NO	5
BLOCK 59									
LOT 1	A-22804	+	NO	\$136.53	\$133.85	\$134.62	\$131.45	NO	4
LOT 10	A-22813	+	\$185.63	\$140.27	\$137.48	\$138.29	\$135.02	NO	5
Total per Year =			\$4,793.36	\$3,528.24	\$3,470.08	\$3,485.39	\$3,412.54	\$95.78	
Total Six Years =									\$18,785.39

+ = County Tax Deed Purchased By Lakewood Properties, Inc.

EXHIBIT I

SUMMARY OF ASSESSMENT AREAS
S.I.D. 1336 ,LAKE HILLS, WENTWORTH DR.
Sorted by Tax Code Number

(E1H)

81,078.09

Dec. 31, 1997

BLOCK AND LOT	Tax Code	Lot		Assessment		Cost	
		Area	Square Feet	Area	Square Feet	Per Lot	Per Lot
						CASH	S.I.D.
BLOCK 57							
LOT 1	A-22741	16,098		11,944		\$15,900.83	\$11,609.85
LOT 15	A-22755	14,282		11,944		\$15,900.83	\$11,609.85
LOT 16	A-22756	13,273		11,944		\$15,900.83	\$11,609.85
LOT 17	A-22757	16,983		11,944		\$15,900.83	\$11,609.85
LOT 18	A-22758	15,600		11,944		\$15,900.83	\$11,609.85
LOT 19	A-22759	15,320		11,944		\$29,916.67	\$29,916.67
LOT 20	A-22760	22,871		11,944		\$15,900.83	\$11,609.85
LOT 21	A-22761	19,146		11,944		\$15,900.83	\$11,609.85
LOT 22	A-22762	14,400		11,944		\$15,900.83	\$11,609.85
LOT 23	A-22763	14,400		11,944		\$15,900.83	\$11,609.85
LOT 24	A-22764	14,400		11,944		\$15,900.83	\$11,609.85
BLOCK 58							
LOT 1	A-22776	11,944		11,944		\$15,900.83	\$11,609.85
LOT 2	A-22777	13,051		11,944		\$29,916.67	\$29,916.67
LOT 3	A-22778	17,292		11,944		\$15,900.83	\$11,609.85
LOT 4	A-22779	19,019		11,944		\$29,916.67	\$29,916.67
LOT 5	A-22780	17,987		11,944		\$15,900.83	\$11,609.85
LOT 6	A-22781	17,987		11,944		\$15,900.83	\$11,609.85
LOT 7	A-22782	17,987		11,944		\$15,900.83	\$11,609.85
LOT 8	A-22783	14,300		11,944		\$29,916.67	\$29,916.67
LOT 9	A-22784	14,300		11,944		\$15,900.83	\$11,609.85
LOT 10	A-22785	15,306		11,944		\$29,916.67	\$29,916.67
LOT 11	A-22786	14,400		11,944		\$15,900.83	\$11,609.85
LOT 12	A-22787	14,400		11,944		\$15,900.83	\$11,609.85
LOT 13	A-22788	14,400		11,944		\$15,900.83	\$11,609.85
LOT 14	A-22789	14,400		11,944		\$15,900.83	\$11,609.85
BLOCK 59							
LOT 1	A-22804	13,108		11,944		\$15,900.83	\$11,609.85
LOT 10	A-22813	13,487		11,944		\$15,900.83	\$11,609.85
						\$349,818.18	\$405,000.00

Project Total Square Feet Lot Area 420,141

Project Total Square Feet Assessment Area 322,488