
MONDAY, JULY 6, 2009

The Board of County Commissioners met in continued session at 8:00 o'clock A.M. Chairman Lauman, Commissioners Brenneman and Dupont, and Clerk Robinson were present.

NO MEETINGS SCHEDULED

At 5:00 o'clock P.M., the Board continued the session until 8:00 o'clock A.M. on July 7, 2009.

TUESDAY, JULY 7, 2009

The Board of County Commissioners met in continued session at 8:00 o'clock A.M. Chairman Lauman, Commissioners Brenneman and Dupont, and Clerk Robinson were present.

Chairman Lauman opened public comment on matters within the Commissions' Jurisdiction, no one present to speak, Chairman Lauman closed the public comment period.

MEETING W/ GEORGE SMITH/PLANNING & ZONING OFFICE RE: LAKESHORE PERMIT/FLP 09-83 WILLS

[9:15:26 AM](#)

Members present:

Chairman Dale W. Lauman
Commissioner Joseph D. Brenneman
Commissioner James R. Dupont

Others present:

Assistant Mike Pence, Planner George Smith, Clerk DeReu

Smith reviewed an application from Harvey Wills to construct an unusual sized configuration dock that is being proposed as a single dock with four slips. He noted it appears to be an application for a residential dock, but that it looks like it would subsequently be functioning as a private marina. He then explained he took the application, but refused the fees from the applicant and is looking for direction from the commission as to whether it can be permitted as a residential dock under a minor variance.

Commissioner Brenneman suggested the applicant obtain a permit that can be allowed without a waiver.

Smith stated he would inform the applicant that he has the option of reducing the dock to 100 feet as allowed under regulations or that he has a right to come in with an application for a private marina.

MONTHLY MEETING W/ DAVE PRUNTY & GUY FOY, ROAD DEPT

[9:32:02 AM](#)

Members present:

Chairman Dale W. Lauman
Commissioner Joseph D. Brenneman
Commissioner James R. Dupont

Others present:

Assistant Mike Pence, Deputy County Attorney Peter Steele, Public Works Director Dave Prunty, Operations Manager Road & Bridge Dept. Guy Foy, Road & Bridge Foreman Ovila Byrd, Clerk DeReu

Prunty presented an anticipated overlay list for the summer construction season and explained subdivision laws in regards to the criteria behind why some roads are overlaid and others are not. He explained many roads do need an overlay yet are pre 1973 roads and legally are not subdivisions and questioned if we want to continue to let them deteriorate vs going in and putting an overlay on them.

Steele explained in 1973 the subdivision law came into effect where the county asked that the developer putting in a subdivision maintain the roads within the subdivision but that the roads be open to the public. He then noted there is a statute that gives the commissioners discretion to maintain what roads they want to maintain.

Prunty then spoke about roads established post 1973 – 1983 and that the commissioners said they could not continue to take on these roads; that they would not have the funding and that maintenance would need to be done through a homeowners association.

Discussion was held relative to money budgeted for providing maintenance on county roads and assets diminishing if roads are not overlaid. Discussion also included drainage issues on roads.

Prunty noted the overlay list included 2.3 miles on Page 1 and 11.98 miles on Page 2.

Commissioner Dupont made a **motion** to approve the projected projects on Page 1 and Page 2. Chairman Lauman **seconded** the motion. **Aye** - Lauman, Brenneman and Dupont. Motion carried unanimously.

Prunty then spoke about McDowell Drive and Siderius Lane which were left in bad shape after a contractor piped in water and sewer at the request of the citizens. He explained meetings and negotiations have been held with the contractor in order to get the road repaired.

TUESDAY, JULY 7, 2009
(Continued)

MONTHLY MEETING W/ RAEANN CAMPBELL, HUMAN RESOURCE OFFICE

[10:08:37 AM](#)

Members present:

Chairman Dale W. Lauman
Commissioner Joseph D. Brenneman
Commissioner James R. Dupont

Others present:

Assistant Mike Pence, HR Director Raeann Campbell, Clerk DeReu

Campbell presented the June personnel transactions.

Commissioner Brenneman made a **motion** to approve the June personnel transactions. Commissioner Dupont **seconded** the motion. **Aye** - Lauman, Brenneman and Dupont. Motion carried unanimously.

Campbell then reported the trust fund balance is at \$2.9 million and stated she was notified by Western States the MOD factor on workman's comp will be 1.10 to 1.01 which will result in premium savings of \$95,000. She then reported she has been working on payroll training, health renewals and sexual harassment training which was held at FVCC. Also noted was the health risk assessment participation rate overall within the county was 73 percent.

MEETING W/ ERIC MULCAHY/SANDS SURVEYING RE: WAPITI WOODS REFUND

[10:14:11 AM](#)

Members present:

Chairman Dale W. Lauman
Commissioner Joseph D. Brenneman
Commissioner James R. Dupont

Others present:

Assistant Mike Pence, Eric Mulcahy, Tom Sands, Clerk DeReu

Mulcahy stated the application in question is for the last phase of Wapiti Woods that he started working on approximately one year ago. He then reviewed the history of the project with the jurisdictional changes over the past year. Mulcahy stated when he put his application in with the county it was agreed that the Planning & Zoning Office would take his application through sufficiency review and then they would wait for the judges ruling; if the judge ruled for the county then they would continue and if the judge ruled for the city he would revise his application to become a city application. He then stated he was told by Mr. Harris the regulations say you only get half of a refund from the application fees submitted; his recollection from their conversations is that he would get a full refund which he felt was the agreement made.

Discussion was held relative to the amount of work done by the Planning and Zoning Office and the percentage of that work done that could be used by the applicant.

Commissioner Brenneman made a **motion** to refund the full amount requested. Commissioner Dupont **seconded** the motion. **Aye** - Lauman, Brenneman and Dupont. Motion carried unanimously.

BOARD APPOINTMENT: BIGFORK FIRE DISTRICT

[10:30:26 AM](#)

Members present:

Chairman Dale W. Lauman
Commissioner Joseph D. Brenneman
Commissioner James R. Dupont

Others present:

Assistant Mike Pence, Clerk DeReu

Commissioner Brenneman made a **motion** to appoint Zach Anderson to the Bigfork Fire District. Commissioner Dupont **seconded** the motion. **Aye** - Lauman, Brenneman and Dupont. Motion carried unanimously.

CONSIDERATION OF PRINTING BIDS: HEALTH DEPT

[10:37:26 AM](#)

Members present:

Chairman Dale W. Lauman
Commissioner Joseph D. Brenneman
Commissioner James R. Dupont

Others present:

Assistant Mike Pence, Clerk DeReu

Commissioner Brenneman made a **motion** to approve the print bid from Great Northern Printing for 4 sets of business cards for \$99.80 and 500 appointment cards for \$24.95 for the Health Department. Commissioner Dupont **seconded** the motion. **Aye** - Lauman, Brenneman and Dupont. Motion carried unanimously

Commissioner Brenneman made a **motion** to approve the print bid from North Star Printing for 200 mosquito control service request forms for \$44.00, prescription books for Anna McCracken for \$84.00 and prescription books for Michelle Nail-Noftsinger for \$84.00. Commissioner Dupont **seconded** the motion. **Aye** - Lauman, Brenneman and Dupont. Motion carried unanimously.

TUESDAY, JULY 7, 2009
(Continued)

OPEN AND AWARD BIDS AND CONSIDERATION OF ADOPTION OF RESOLUTION: BOND SALE/911 CENTER

11:00:00 AM

Members present:

Chairman Dale W. Lauman
Commissioner Joseph D. Brenneman
Commissioner James R. Dupont

Others present:

Assistant Mike Pence, Deputy County Attorney Jonathan Smith, Aaron T. Rudio, Vice President, Public Finance with DA Davidson, Finance Comptroller Joe Garza, Cindy Dooley, Laura Aspenlieder, Clerk DeReu

At 11:00 AM on July 7, 2009 Clerk DeReu phoned the Clerk and Recorder's Office and confirmed with Deputy Judy Stack there were no additional paper bids submitted for \$6.1 million in General Obligation Bond, Series 2009.

There was brief discussion regarding the rates submitted for the Bond Sale for the Emergency Coordination Center. The rate accepted was at 3.707566% for the Bond at purchase price of \$6,109,679.50 plus accrued interest. This bid was awarded to D.A. Davidson & Co., of Great Falls, Montana.

Commissioner Brenneman made a **motion** to approve Resolution 2211A and authorized the chairman to sign. Commissioner Dupont **seconded** the motion. **Aye** - Lauman, Brenneman and Dupont. Motion carried unanimously.

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of Flathead County, Montana (the "County"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "RESOLUTION RELATING TO \$6,100,000 GENERAL OBLIGATION BONDS, SERIES 2009; AWARDING THE SALE THEREOF AND APPROVING CERTAIN MATTERS WITH RESPECT THERETO" (the "Resolution"), on file in the original records of the County in my legal custody; that the Resolution was duly adopted by the Board of Commissioners of the County at a regular meeting on July 7, 2009, and that the meeting was duly held by the Board of Commissioners 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 Commissioners voted in favor thereof: Dale W. Lauman, Chairman, Joseph D. Brenneman, Member and James R. Dupont, Member; voted against the same: _____; abstained from voting thereon: _____; or were absent: _____.

WITNESS my hand and seal officially this 7th day of July, 2009.



Duana DeReu, Deputy
County Clerk and Recorder

RESOLUTION NO. 2211A

RESOLUTION RELATING TO \$6,100,000 GENERAL OBLIGATION BONDS, SERIES 2009; AWARDING THE SALE THEREOF AND APPROVING CERTAIN MATTERS WITH RESPECT THERETO
BE IT RESOLVED by the Board of Commissioners (the "Board") of Flathead County, Montana (the "County"),
as follows:

1. This Board on June 18, 2009 adopted Resolution No. 2211 providing for the public sale of \$6,100,000 General Obligation Bonds, Series 2009 (the "Bonds") to finance all or a portion of the costs of a Project described therein. Notice of the sale has been duly published in accordance with Montana Code Annotated, Sections 7-7-2252 and 17-5-106. Pursuant to the notice of sale, seven sealed bids and bids transmitted electronically through Parity™ for the purchase of the Bonds were received at or before the time specified for receipt of bids. The bids have been opened and publicly read and considered, and the purchase price, interest rates and true interest cost under the terms of each bid have been determined.

2. The bid of D.A. Davidson, of Great Falls, MT (the "Purchaser"), attached as Exhibit A, to purchase the Bonds of the County, is hereby determined to comply with the notice of sale, and to be the lowest, most reasonable bid for the purchase of the Bonds. The bid of the Purchaser is hereby accepted by the Board and the sale of the Bonds is hereby awarded to the Purchaser. The bid security of the Purchaser shall be retained pending delivery of the payment for the Bonds and the bid security of all other bidders shall be promptly returned.

3. The Chair and the County Clerk and Recorder are hereby authorized and directed to execute on behalf of the County a contract for the sale of the Bonds with the Purchaser.

4. The Preliminary Official Statement relating to the Bonds, dated June 29, 2009, is hereby approved. The officers of the County are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement and to deliver to the Purchaser within seven business days after the date of adoption of this resolution copies of the Official Statement in accordance with the Terms and Conditions of Sale, supplemented so as to contain the terms of the Bonds as set forth in this resolution and the reoffering and other information provided by the Purchaser for inclusion in the Official Statement.

5. This Board shall prescribe the form and security for the Bonds in a subsequent resolution.
Passed by the Board of County Commissioners of Flathead County, Montana, this 7th day of July, 2009.

Flathead County Board of Commissioners
By/s/Dale W. Lauman
Dale W. Lauman, Chairman

ATTEST:
Paula Robinson
Clerk and Recorder

By/s/D. DeReu

Exhibit "A"

D.A. Davidson & Co. - Denver, CO's Bid
Flathead County
\$6,100,000 General Obligation Bonds, Series 2009



For the aggregate principal amount of \$6,100,000.00, we will pay you \$6,109,679.50, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Bond Insurance
07/01/2010	195M	3.0000	
07/01/2011	205M	3.0000	
07/01/2012	215M	3.0000	
07/01/2013	230M	2.3750	
07/01/2014	240M	3.0000	
07/01/2015	250M	3.0000	
07/01/2016	260M	3.0000	
07/01/2017	270M	3.0000	
07/01/2018	275M	3.5000	
07/01/2019	285M	3.5000	
07/01/2020	300M	3.2500	
07/01/2021	310M	3.5000	
07/01/2022	325M	3.5500	
07/01/2023			
07/01/2024	695M	3.7500	
07/01/2025			
07/01/2026	760M	4.0000	
07/01/2027			
07/01/2028			
07/01/2029	1,285M	4.1250	

Total Interest Cost: \$2,713,137.50
 Premium: \$9,679.50
 Net Interest Cost: \$2,703,458.00
 TIC: 3.707566
 Total Insurance Premium: \$0.00
 Time Last Bid Received On: 07/07/2009 10:56:21 MDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: D.A. Davidson & Co., Denver, CO
 Contact: Amy Kohrs
 Title:
 Telephone: 303-764-6013
 Fax: 303-764-6003

Issuer Name: Flathead County Company Name: D.A. Davidson
 Accepted By: [Signature] Accepted By: [Signature]
 Date: 7/7/09 Date: 7/7/09

TUESDAY, JULY 7, 2009
(Continued)

At 5:00 o'clock P.M., the Board continued the session until 8:00 o'clock A.M. on July 8, 2009.

WEDNESDAY, JULY 8, 2009

The Board of County Commissioners met in continued session at 8:00 o'clock A.M. Chairman Lauman, Commissioners Brenneman and Dupont, and Clerk Robinson were present.

Chairman Lauman opened public comment on matters within the Commissions' Jurisdiction, no one present to speak, Chairman Lauman closed the public comment period.

At 5:00 o'clock P.M., the Board continued the session until 8:00 o'clock A.M. on July 9, 2009.

THURSDAY, JULY 9, 2009

The Board of County Commissioners met in continued session at 8:00 o'clock A.M. Chairman Lauman, Commissioners Brenneman and Dupont, and Clerk Robinson were present.

Chairman Lauman opened public comment on matters within the Commissions' Jurisdiction.

Gary Krueger, 805 Church Drive said he reported to the commission approximately three weeks ago that he is being denied due process in a Conditional Use Permit application. He then said before he was allowed to present his case before the Board of Adjustments that Mr. Harris and Deputy County Attorney Peter Steele reported to the board that gravel extraction did in fact have a definition; the FCZR do not have a definition for gravel extraction. He then said they were reporting from a CUP that had been done from a gravel pit sometime earlier. Krueger went on to say if this county is going to start regulating zoning ordinances from old CUP or from what was done in the past and not after legislative process which this board is responsible for, we are going to have more problems with lawsuits and appeals being filed through the system. He then asked that the commission get a copy of the hearing before the Board of Adjustments to witness the way Flathead County zoning ordinances were misrepresented with the definition they used being written by the Planning Office, and having never been through public comment or resolution process to change zoning text but is used in a case before the Board of Adjustments. He then read the language from the Supreme Court that states: If the language of an ordinance is plain and unambiguous it is not subject to interpretation or open to construction but must be accepted and enforced as written. He further stated Mr. Harris and Mr. Steele violated his due process.

Donna Thornton, 151 Amatasia Lane said she came in to address the upcoming budget for the Planning and Zoning Office. She stated she requested documents from the Finance Department in order to find out how much has been spent on the Lakeside Neighborhood Plan by county taxpayers. A letter received on July 6, 2009 from Joe Garza states that the Finance Department does not keep records on individual departments and hours worked on projects, although he did find three warrants in the amount of \$27.65, \$50.00 and \$677.39 from a mailing done in May of this year. The cost of writing neighborhood plans was then reviewed as well as planning fee reductions over the past couple of years and salary costs. Thornton asked that the budget not be approved.

Jim Etzler, 1600 Whalebone Drive stated he has been trying to get information from the Planning & Zoning Office in regards to the dollars spent on the Spring Creek Zoning District which he hasn't been able to get. He then asked what actions have been taken pertaining to the meeting held last week in regards to comments made by attorneys and Dale Williams.

Bev Etzler, 1600 Whalebone Drive stated there is a scheduled public meeting for the Lakeside Neighborhood Plan on July 14 which she feels should be put on hold until further investigation.

Doug Scarff, 202 Lone Pine Road recommended the letters for appointment to the Smith Valley Fire Board be reviewed before appointments are made. He then stated the board needs a better balance.

Gerald Young, 200 Kookoosnit Trail encouraged the commission to appoint Doug Scarff and Tracy Bielz to the Smith Valley Fire Board.

Pete Jacobson, 935 Blacktail Road presented a photo to the commission of his property where a neighbor has established a firing range. He then stated a deputy has been called out and has determined it is safe. Jacobson further stated the property owner has suggested to him that he call him to see when they are shooting which he feels he shouldn't have to do in order to go onto his property. He then asked for direction as to what he could do.

Dixie Missman, 863 Blacktail Road spoke about the firing range and explained no petition has been submitted for the shooting range which they are under the assumption there is more than one person shooting at a time. She then stated she is concerned about the noise and that it is frightening animals.

No one else rising to speak, Chairman Lauman closed the public comment period.

THURSDAY, JULY 9, 2009
(Continued)

MONTHLY MEETING W/ JEFF HARRIS, PLANNING & ZONING OFFICE

9:03:41 AM

Members present:

- Chairman Dale W. Lauman
- Commissioner Joseph D. Brenneman
- Commissioner James R. Dupont

Others present:

- Assistant Mike Pence, Planning & Zoning Director Jeff Harris, Finance Comptroller Joe Garza, Jim Etzler, Bev Etzler, Donna Thornton, Pauline Dyer, Clerk DeReu

Harris presented a fiscal year report that summarized the statistics for major subdivision that went through the entire process at the Planning and Zoning Office. The report included staff's recommendation, Planning Board's recommendation and the Commissioner's decision for each application submitted. Harris then spoke about George Smith representing the county at the Whitefish City Council public hearing in regards to Whitefish lakeshore regulations, in which he stated Mr. Smith was not specifically speaking on behalf of the commission. The following end of year report was then summarized.

Yearly Activity Report
Flathead County Planning & Zoning Office
July 1, 2008 – June 30, 2009

FEES COLLECTED:

FY09 Total	\$ 162,544.10
FY08 Total	\$ 257,679.85

<u>Applications Received:</u>	<u>FY09 Total</u>	<u>FY08 Total</u>
Canyon Major Land Use Review	1	2
Canyon Minor Land Use Review	3	0
Conditional Use Permits (Administrative)	3	5
Conditional Use Permits	17	24
Conservation Easements	4	7
Decay Violations	7	9
Final Plats	41	68
Final Plats w/Waiver of Prelim Plat	1	2
Appeal		
<u>Applications Received:</u>	<u>FY09 Total</u>	<u>FY08 Total</u>
Billboard Violations	2	2
Flathead County Lakeshore Permits	124	111
Flathead Lakeshore Regulations Text Amendment	0	0
Flathead County Lakeshore Variances	0	5
Flathead Lakeshore Violations	10	6
Floodplain Map Amendment	4	14
Floodplain Development Permits	26	50
Floodplain Violations	2	6
Floodplain Regs Text Amnd	0	2
Flathead Public Agency Exemption	1	0
Growth Policy Map Amd	3	2
Major Preliminary Plats	15	32
Minor Preliminary Plats	13	14
<u>Applications Received:</u>	<u>FY09 Total</u>	<u>FY08 Total</u>
Preliminary PUD	1	1
Final PUD	1	2
Revised Preliminary Plat	1	4
Subdivision Regulations Text Amd	0	0
Subdivision Violations	1	1
Zone Change Requests	9	15
Zoning Variances	9	5
Zoning Violations	18	39
Zoning Regs Text Amd	3	6
Zoning District	2	1
<u>TOTAL APPLICATIONS:</u>	<u>322</u>	<u>433</u>

PHONE LOGS:	<u>FY08</u>	<u>FY09</u>
	6802	6145

Harris then stated they are attempting to adjust their office budget according to the incoming revenue stream. He further stated a response is being prepared in regards to allegations made at the July 1, 2009 meeting. Discussion was then held relative to a Board of Adjustment decision in regards to an application for a concrete plant in West Valley Zoning District that was denied.

THURSDAY, JULY 9, 2009
(Continued)

STATUS REPORT ON TRANSPORTATION PLAN

[9:28:41 AM](#)

Members present:

Chairman Dale W. Lauman
Commissioner Joseph D. Brenneman
Commissioner James R. Dupont

Others present:

Assistant Mike Pence, Planning and Zoning Director Jeff Harris, April Gerth, Scott Randall, Clerk DeReu

Harris summarized the history of the Transportation Plan authorized by the commission 1½ years ago which is being prepared by Peccia and Associates.

April Gerth reviewed the events leading up to the planning process which included collection of data, looking at existing conditions and identifying the intersections that need to be studied. This information is put into a report and given to MDOT in order for them to create an existing conditions model of all roadways and network within the county. Gerth stated once the model is received back from MDOT they work with Planning & Zoning to project where the land use is going to be in the county and it is then given back to MDOT for them to create a future model. From there they determine alternate recommendations to look at and it is again given back to MDOT to process and create new models. She explained the report will be based on 2007 information with a medium base growth which is scheduled to be presented in a draft form in August with the final report expected in October.

MONTHLY MEETING W/ JOE GARZA, FINANCE DEPARTMENT

[10:00:43 AM](#)

Members present:

Chairman Dale W. Lauman
Commissioner Joseph D. Brenneman
Commissioner James R. Dupont

Others present:

Assistant Mike Pence, Finance Comptroller Joe Garza, Clerk Kile

Garza presented a FY10 Preliminary Tax Levy Requirement Schedule to the commission and reviewed the tax levy and non-levied funds. He then reported the capital outlay proposed to be included in the FY10 budget is \$5.1 million.

PUBLIC HEARING: ANNEXATION TO SOUTH KALISPELL FIRE DISTRICT/BORDEN

[10:19:48 AM](#)

Members present:

Chairman Dale W. Lauman
Commissioner Joseph D. Brenneman
Commissioner James R. Dupont

Others present:

Assistant Mike Pence, Deputy County Attorney Jonathan Smith, Clerk DeReu

Chairman Lauman opened the public hearing to anyone wishing to speak in favor or opposition of annexing property into South Kalispell Fire District.

No one rising to speak, Chairman Lauman closed the public hearing.

Commissioner Brenneman made a **motion** to adopt Resolution #2214. Commissioner Dupont **seconded** the motion. **Aye** - Lauman, Brenneman and Dupont. Motion carried unanimously.

RESOLUTION NO. 2214

WHEREAS, the Board of Commissioners of Flathead County, Montana, received a petition, pursuant to Section 7-33-2126, M.C.A., requesting that certain property be allowed to withdraw from the Somers Fire District and be annexed to the South Kalispell Fire District;

WHEREAS, the territory to be withdrawn and annexed, described on the attached Exhibit A, is located in Sections 4 and 5 of Township 27 North, Range 21 West, Flathead County, Montana;

WHEREAS, a Notice of Public Hearing was published on June 20 and June 27, 2009, giving notice that the Commissioners would hear protests to the requested withdrawal and annexation;

WHEREAS, the Board of Commissioners conducted the public hearing as noticed and received input from the public on the requested withdrawal and annexation; and

WHEREAS, the Board of Commissioners has determined that the requested withdrawal and annexation would result in a more advantageous proximity to the firefighting facilities and more advantageous communications with the firefighting facilities of the South Kalispell Fire District for the annexed property.

THURSDAY, JULY 9, 2009
(Continued)

NOW, THEREFORE, IT IS HEREBY RESOLVED, by the Board of Commissioners of Flathead County, that the petition is granted and the property described on the attached Exhibit A, located in Section 4 and 5 of Township 27 North, Range 21 West, Flathead County, Montana, is hereby withdrawn from the Somers Fire District and annexed to the South Kalispell Fire District.

Dated this 9th day of July, 2009.

BOARD OF COUNTY COMMISSIONERS
Flathead County, Montana

By/s/Dale W. Lauman
Dale W. Lauman, Chairman

By/s/Joseph D. Brenneman
Joseph D. Brenneman, Member

By/s/James R. Dupont
James R. Dupont, Member

ATTEST:
Paula Robinson, Clerk

By/s/D. DeReu
D. DeReu, Deputy

EXHIBIT "A"

Parcel A of COS 18497: That portion in the Southwest Quarter of Section 4, Township 27 North, Range 21 West, P.M.M., Flathead County, Montana.

Parcel B of COS 18497: That portion in the Southwest ¼ of Section 5 and Southwest ¼ of Section 4, Township 27 North, Range 21 West, P.M.M., Flathead County, Montana. Subject to and together with easement of record; excepting parcel already annexed into South Kalispell Fire District.

CONTINUATION OF CONSIDERATION OF RELEASE OF OLD COLLATERAL AND ACCEPTANCE OF NEW SIA & COLLATERAL: HARVEST VIEW

[10:24:55 AM](#)

Members present:

Chairman Dale W. Lauman
Commissioner Joseph D. Brenneman
Commissioner James R. Dupont

Others present:

Assistant Mike Pence, Assistant Planning & Zoning Director BJ Grieve, Olaf Ervin, Bill Koenig, Bret Birk, Clerk DeReu

Grieve reported the commission initially met on July 2, 2009 in regards to accepting a new SIA and the meeting was continued. He then explained engineer certification has been received regarding improvements still needed which include fire hydrants, storm sewer facilities and a pump house; the SIA expires on October 2, 2009 and contains Exhibit "B" with engineer certification. Grieve noted a new check was not received but they are still in possession of the old SIA check.

Bill Koenig stated he would like them to use the old check and use it as collateral or to cash it.

Chairman Lauman noted the check is in the amount of \$85,120.00 dated 8/15/2007.

Commissioner Brenneman made a **motion** to accept a new SIA and retain the check as collateral. Commissioner Dupont **seconded** the motion. **Aye** - Lauman, Brenneman and Dupont. Motion carried unanimously.

DOCUMENT FOR SIGNATURE: FORMAL AWARD OF HOMELAND SECURITY EMPG/OES

[10:36:51 AM](#)

Members present:

Chairman Dale W. Lauman
Commissioner Joseph D. Brenneman
Commissioner James R. Dupont

Others present:

Assistant Mike Pence, Interim OES Director Cindy Mullaney, Clerk DeReu

Commissioner Brenneman made a **motion** to approve the document for signature and authorized the chairman to sign. Commissioner Dupont **seconded** the motion. **Aye** - Lauman, Brenneman and Dupont. Motion carried unanimously.

THURSDAY, JULY 9, 2009
(Continued)

PUBLIC HEARING: ANNEXATION TO SMITH VALLEY FIRE DISTRICT/ MCGRATH

[10:44:44 AM](#)

Members present:

Chairman Dale W. Lauman
Commissioner Joseph D. Brenneman
Commissioner James R. Dupont

Others present:

Assistant Mike Pence, Deputy County Attorney Jonathan Smith, Clerk DeReu

Chairman Lauman opened the public hearing to anyone wishing to speak in favor or opposition.

No one rising to speak, Chairman Lauman closed the public hearing.

Commissioner Dupont made a **motion** to approve Resolution 2215. Commissioner Brenneman **seconded** the motion. **Aye** - Lauman, Brenneman and Dupont. Motion carried unanimously.

RESOLUTION NO. 2215

WHEREAS, the Board of Commissioners of Flathead County, Montana, received a petition, pursuant to Section 7-33-2126, M.C.A., requesting that certain property be allowed to withdraw from the South Kalispell Fire District and be annexed to the Smith Valley Fire District;

WHEREAS, the territory to be withdrawn and annexed, described as described on the attached Exhibit A, is located in Section 6, Township 27 North, Range 21 West, Flathead County, Montana also known as 695 Foy's Canyon Rd, Kalispell, MT;

WHEREAS, a Notice of Public Hearing was published on June 16 and June 23, 2009, giving notice that the Commissioners would hear protests to the requested withdrawal and annexation;

WHEREAS, the Board of Commissioners conducted the public hearing as noticed and received input from the public on the requested withdrawal and annexation; and

WHEREAS, the Board of Commissioners has determined that the requested withdrawal and annexation would result in a more advantageous proximity to the firefighting facilities and more advantageous communications with the firefighting facilities of the Smith Valley Fire District for the annexed property.

NOW, THEREFORE, IT IS HEREBY RESOLVED, by the Board of Commissioners of Flathead County, that the petition is granted and the property described on the attached Exhibit A, is located in Section 6, Township 27 North, Range 21 West, Flathead County, is hereby withdrawn from the South Kalispell Fire District and annexed to the Smith Valley Fire District.

Dated this 9th day of July, 2009.

BOARD OF COUNTY COMMISSIONERS
Flathead County, Montana

By/s/Dale W. Lauman
Dale W. Lauman, Chairman

By/s/Joseph D. Brenneman
Joseph D. Brenneman, Member

By/s/James R. Dupont
James R. Dupont, Member

ATTEST:
Paula Robinson, Clerk

By/s/D. DeReu
D. DeReu, Deputy

EXHIBIT "A"

THE SOUTHEASTERLY PORTION OF THE FOLLOWING:

That portion of the North Half, Section 6, Township 27 North, Range 21 West, P.M., M., Flathead County, Montana, described as follows:

Beginning at the Southwest corner of Parcel 2 per Certificate of Survey No. 3915, which point is on the Easterly line of a County Road and is on a 1570.00 foot radius curve concave Northeasterly having a radial bearing of North 45°47'48" East; thence along the West line of Parcel 2, also being the Easterly line of the County Road Northwesterly along the curve thru a central angle of 11°07'51" a distance of 305.00 feet to a point; thence North 61°35'50" East a distance of 543.86 feet to a point; thence South 21°10'12" East a distance of 30.90 feet to a point; thence South 33°40'48" East a distance of 289.93 feet to a point; thence South 43°15'00" East a distance of 270.00 feet to a point; thence South 39°10'06" East a distance of 36.95 feet to the South line of said Parcel 2; thence along the South line South 89°54'00" West a distance of 668.53 feet to the point of the beginning.

Show as Parcel 2 of Certificate of Survey No. 4963.

Except Parcel conveyed to the State of Montana by Bargain and Sale Deed recorded April 26, 1994 as Document #9411615250, records of Flathead County, Montana.

THURSDAY, JULY 9, 2009
(Continued)

MILL CREEK AMENDED PUD: PUBLIC HEARING

10:59:35 AM

Members present:

Chairman Dale W. Lauman
Commissioner Joseph D. Brenneman
Commissioner James R. Dupont

Others present:

Assistant Mike Pence, Deputy County Attorney Jonathan Smith, Assistant Planning & Zoning Director BJ Grieve,
Mike Frazier, Dennis Beams, Luanne McCarthy, Clerk DeReu

Grieve reported this is an amendment to the existing PUD plan. The PUD plan was submitted with the PUD preliminary plat and both were approved. The final plat of Mill Creek subdivision was also approved. The preliminary PUD plan allowed for flexibility regarding zoning. According to Grieve there have been ownership issues and as a result of this the preliminary PUD plan has not been finalized and some original commitments have not been met. Grieve stated that the applicants and the planning department have agreed on a revision to the preliminary plan. Grieve explained the process the applicants and the planning department agreed upon.

Chairman Lauman opened the public hearing to anyone wishing to speak in favor or opposition.

Mike Frazier from Frazier Management and Consulting and is representing the applicants. Frazier agreed this is a zoning issue and explained they are simply amending the preliminary PUD to match what was completed in subdivision. Frazier stated the clubhouse will be delayed until 70% of the individual lot owners agree to pay for it. The Bigfork Land Use Advisory Committee and the Planning Board have recommended approval. There was discussion and verification regarding the wording of the staff report and preliminary report.

No one else rising to speak, Chairman Lauman closed the public hearing

Commissioner Brenneman made a **motion** to adopt Resolution No.1817 A. Commissioner Dupont **seconded** the motion. **Aye** - Lauman, Brenneman and Dupont. Motion carried unanimously.

RESOLUTION NO. 1817A

WHEREAS, the Board of Commissioners of Flathead County, Montana, held a public hearing, following the publication of legal notice, on the 11th day of April, 2005, to consider a proposal to approve a Planned Unit Development (PUD) in the Holt Zoning District on property zoned R-2 (One Family Limited Residential);

WHEREAS, the Board of Commissioners did hear public comment on the proposed Planned Unit Development at that hearing and, after reviewing the recommendation of the Flathead County Planning Board regarding the proposed Planned Unit Development, adopted Resolution No. 1817 on April 25, 2005, granting preliminary approval to the proposed Planned Unit Development (PUD) in the Holt Zoning District, allowing for the overlay of approximately 37 acres to be developed in 9 phases, including a clubhouse, townhouse lots, triplexes and duplexes, and conditionally approving deviations from the R-2 requirements for minimum lot size, minimum lot width, side-corner setbacks and allowance of recreational facilities;

WHEREAS, the development encompassed within the conditionally approved PUD has changed ownership prior to a majority of the lots being sold and the new owners have requested amendments to the conditions of the original PUD approval;

WHEREAS, the Flathead County Planning Board reviewed the proposed amendments and has recommended that amendments to the Planned Unit Development be approved by the Board of Commissioners; and

WHEREAS, the Board of Commissioners of Flathead County, Montana, held a public hearing, following the publication of legal notice, on the 9th day of July, 2009, to consider the proposal to approve amendments to the conditions of the approval of the Planned Unit Development (PUD) in the Holt Zoning District on property zoned R-2 (One Family Limited Residential).

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of Flathead County, Montana, in accordance with Section 3.31.020.4, Flathead County Zoning Regulations, hereby conditionally approves amendment of the applicant's narrative and the conditions of the original PUD preliminary plan approval including those regarding the requirement for a clubhouse, the clubhouse lot, and certain dust provisions, as recommended by the Flathead County Planning Board.

BE IT FURTHER RESOLVED that the applicant shall submit a final plan showing compliance with the conditions of the proposed overlay Planned Unit Development, as amended hereby, prior to re-designation of the property as a Planned Unit Development.

DATED this 9th day of July, 2009.

BOARD OF COUNTY COMMISSIONERS
Flathead County, Montana

By/s/Dale W. Lauman
Dale W. Lauman, Chairman

By/s/Joseph D. Brenneman
Joseph D. Brenneman, Member

By/s/James R. Dupont
James R. Dupont, Member

ATTEST:
Paula Robinson, Clerk

By/s/D. DeReu
D. DeReu, Deputy

THURSDAY, JULY 9, 2009
(Continued)

BOARD APPOINTMENTS: SMITH VALLEY FIRE DISTRICT & HEALTH BOARD

[11:14:32 AM](#)

Members present:

Chairman Dale W. Lauman
Commissioner Joseph D. Brenneman
Commissioner James R. Dupont

Others present:

Assistant Mike Pence, Doug Scarff, Marvin Berg, Kevin Bruce, Gerald Young, Tracie Bielz, Art Bielz, Denise Scarff, Clerk DeReu

Commissioner Dupont commented he has known Doug Scarff for a long time and certainly would not have had a problem appointing him to the position, but knowing that an election was recently held and he lost that it would be in direct conflict with the rules of justice. He then stated in his heart he doesn't feel he can appoint someone who just lost an election and expressed his appreciation for serving.

Commissioner Dupont made a **motion** to appoint Janice Seaman to the Smith Valley Fire Department Board of Trustees. Commissioner Brenneman **seconded** the motion. **Aye** - Lauman, Brenneman and Dupont. Motion carried unanimously.

Chairman Lauman made a **motion** to appoint Chuck Hunt to the Smith Valley Fire Department Board of Trustees. Commissioner Brenneman **seconded** the motion. **Aye** - Lauman, Brenneman and Dupont. Motion carried unanimously.

Commissioner Brenneman made a **motion** to appoint Dr. David Myerowitz to the Health Board. Commissioner Dupont **seconded** the motion. **Aye** - Lauman, Brenneman and Dupont. Motion carried unanimously.

COS REVIEW: BUKOWSKI

[11:18:29 AM](#)

Members present:

Chairman Dale W. Lauman
Commissioner Joseph D. Brenneman
Commissioner James R. Dupont

Others present:

Assistant Mike Pence, Planner Dianna Broadie, Stephan Bukowski, Joe Kauffman, Clerk DeReu

Broadie reviewed the proposal to divide a 23 acre parcel located on the west side of Columbia Falls Stage Road between Kalispell and Columbia Falls into the following:

Tract 1 3.61 Acres to be transferred to Stephan Bukowski, husband
Tract 2 19.39 Acres to be retained by Lara Kristeen Bukowski

- December 2000, Stephan A. Bukowski and Janine C. Bukowski purchased 3 lots, Tracts 1, 2 and 3 of COS 14508. (Tract 3 was later sold to the McLean's on July 19, 2004.)
- February 2003, Janine C. Bukowski quit claimed Tracts 1, 2 & 3 to Stephan A. Bukowski
- July 2004, Stephan A. Bukowski family used Tracts 1 & 2 to do a BLA together with a family transfer to the following:
 - Lara B. Bukowski Wife
 - Elaine Bukowski Daughter
 - Arthur Bukowski Father
 - Marcia Bukowski Mother
- February 2006, Elaine Bukowski QCD her parcel to Lara K. Bukowski
- March 2006, Marcia Bukowski QCD her parcel to Lara K. Bukowski
- March 2006, Arthur Bukowski QCD his parcel to Lara K. Bukowski
- March 2006, Lara B. Bukowski QCD both her parcels to Lara K. Bukowski
- October 2008, Stephan Bukowski QCD Tract 1 to Lara K. Bukowski and Stephan Bukowski
- May 2009, Stephan and Lara K. Bukowski QCD Tract 1 to Lara K. Bukowski

Stephan Bukowski explained the history and ownership of the property from the time he purchased it.

Commissioner Brenneman questioned Mr. Bukowski in regards to his intentions with the property.

Stephan Bukowski stated they would eventually like to build on the acreage.

Commissioner Brenneman asked if he intended to sell off the property anytime soon.

Stephan Bukowski stated that it depends on economics at this time.

Commissioner Brenneman asked Joe Kauffman if he felt this was an evasion of the subdivision and platting act in his professional opinion.

Joe Kauffman replied that he did not.

THURSDAY, JULY 9, 2009
(Continued)

Commissioner Dupont made a **motion** to approve the COS Review for Bukowski. Commissioner Brenneman **seconded** the motion. **Aye** - Lauman, Brenneman and Dupont. Motion carried unanimously.

CONTINUATION OF MEETING W/JOE GARZA/FINANCE DEPT. RE: PRELIMINARY BUDGET FY09-10

[11:34:47 AM](#)

Members present:

Chairman Dale W. Lauman
Commissioner Joseph D. Brenneman
Commissioner James R. Dupont

Others present:

Assistant Mike Pence, County Attorney Jonathan Smith, Finance Comptroller Joe Garza, Planning & Zoning Director Jeff Harris, Mary Sevier, Jed Fisher, Laura Aspenleider, Wendy Marquardt, Adele Krantz, Clerk DeReu

Pence read a handout prepared for the Commissioners. Pence expressed his appreciation to the Finance Department along with the department heads, elected officials and support staff for their hard work in facilitating the budget process. Pence reported that across the board our management team has complied with the budget guidelines provided by the board of commissioners to reduce expenditure appropriations from FY 2009.

Pence reported "The expenditure budget includes significant funding for our capital improvement program (CIP) totaling \$5,109,669 compared to \$5,037,534 last year. Some of the larger departments CIP budgets include Solid Waste (\$790,300), E-911/Emergency (\$1,318,000), Road/Bridge (\$574,431), Transportation/Eagle Transit (\$980,585), AOA (\$20,875), Clerk of Court (\$13,950), Sheriff (\$400,600), Finance (\$300,000), Library (\$100,000), Detention Center (\$60,000), Fair (\$15,500), GIS (\$5,000), Health (\$185,500), Building Maintenance Projects (\$137,259), Weed Program (\$51,001), Parks (\$27,718), Treasurer (\$10,000), IT (\$118,950). The Commissioners and our management team continue their commitment to follow the completed and approved CIP in the budgeting process."

Pence also reported the County has reduced FTE due to lower revenues in some areas and the overall economic downturn. He stated over the past three years we have reduced personnel at the road and bridge department by 8 FTE. In addition to that large reduction, we have 7.5 FTE positions held in vacancy mode including personnel reductions at the clerk/recorder, commissioner and planning offices. The solid waste department is reduced by 1 FTE position. There are some vacancies coming up at both the planning and treasurer offices that will not likely be replaced in the short term. This effort to hold on filling FTE positions is a big factor in being able to hold the line on expenditures due to the economic and budgetary challenges we are all facing.

Pence stated it would likely be late September to conduct our official budget public hearing and consider final approval of the budget and tax levies for FY 2010.

There was a brief discussion amongst the Commissioners regarding the 1.9% COLA approved for county personnel in this budget.

Commissioner Dupont made a **motion** to approve the preliminary budget. Commissioner Brenneman **seconded** the motion. **Aye** - Lauman, Brenneman and Dupont. Motion carried unanimously.

CONSIDERATION OF ADOPTION OF RESOLUTION: SET TERMS OF \$6.1 MILLION BOND ISSUE/911 CENTER

[11:47:53 AM](#)

Members present:

Chairman Dale W. Lauman
Commissioner Joseph D. Brenneman
Commissioner James R. Dupont

Others present:

Assistant Mike Pence, County Attorney Jonathan Smith, Clerk DeReu

Jonathan reported this is the next step in issuing the Bond for the 911 Center prepared by the Bond Council, Dan Simmons, out of Missoula and recommends it be signed.

Commissioner Brenneman made a **motion** to approve Resolution 2211B and authorize Chairman to sign. Commissioner Dupont **seconded** the motion. **Aye** - Lauman, Brenneman and Dupont. Motion carried unanimously.

THURSDAY, JULY 9, 2009
(Continued)

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of Flathead County, Montana (the "County"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "RESOLUTION RELATING TO \$6,100,000 GENERAL OBLIGATION BONDS, SERIES 2009; DETERMINING THE FORM AND DETAILS, AUTHORIZING THE EXECUTION AND DELIVERY AND LEVYING TAXES FOR THE PAYMENT THEREOF" (the "Resolution"), on file in the original records of the County in my legal custody; that the Resolution was duly adopted by the Board of County Commissioners of the County at a regular meeting on July 9, 2009, and that the meeting was duly held by the Board of County Commissioners 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 Commissioners voted in favor thereof: Dale W. Lauman, Chairman, James R. Dupont, Member, and Joseph D. Brenneman, Member; voted against the same: _____; abstained from voting thereon: _____; or were absent: _____.



WITNESS my hand and seal officially this 9th day of July, 2009.

Duana DeReu, Deputy
County Clerk and Recorder

RESOLUTION NO. 2211 B

RESOLUTION RELATING TO \$6,100,000 GENERAL OBLIGATION BONDS, SERIES 2009; DETERMINING THE FORM AND DETAILS, AUTHORIZING THE EXECUTION AND DELIVERY AND LEVYING TAXES FOR THE PAYMENT THEREOF

BE IT RESOLVED by the Board of County Commissioners (the "Board") of Flathead County, Montana (the "County"), as follows:

Section 1. Authorization and Sale; Recitals.

1.01. Authorization and Sale. At an election duly called and held November 4, 2008, the electors of the County authorized this Board to issue and sell up to \$6,900,000 principal amount of general obligation bonds of the County for the purpose of paying the costs of acquiring rights and interests in and to a parcel of land located near Stillwater Road in the vicinity of the new Forest Service Building, in Kalispell, Montana, or another suitable location within Flathead County; of designing, constructing, equipping and furnishing thereon an Emergency Coordination Center (the "Project"); and paying costs associated with the sale and issuance of the bonds. On June 18, 2009, the County authorized and provided for the issuance and sale of its general obligation bonds in the amount of \$6,100,000 (the "Bonds") to fund costs of the Project and pay costs of issuing the Bonds. Pursuant to such authorization, this Board at a public sale duly noticed and held on July 7, 2009, awarded the sale of the Bonds to D.A. Davidson & Co., of Great Falls, Montana (the "Purchaser"), on a bid to purchase the Bonds at a price of \$6,109,679.50 plus accrued interest to the date of delivery, if any, the Bonds to bear interest at the rates designated by the Purchaser in such bid and as set forth in Section 2.01 of this resolution, which rates result in a true interest cost of 3.707566%. The rates of interest designated by the Purchaser result in a total dollar interest cost of \$2,713,137.68. It is hereby found, determined and declared that the interest rates designated by the Purchaser and set forth in Section 2.01 are consistent with the Purchaser's bid accepted by this Board on July 7, 2009 and are hereby approved. It is now desirable, proper and in the best interest of the County that the form and details of the Bonds be set forth and prescribed in the official proceedings of this Board.

1.02. Recitals. All acts, conditions and things required by the Constitution and laws of the State of Montana, including Montana Code Annotated, Title 7, Chapter 7, Parts 21 and 22, as amended (the "Act"), in order to make the Bonds valid and binding general obligations in accordance with their terms and in accordance with the terms of this resolution have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required.

The indebtedness to be evidenced by the Bonds, together with all other indebtedness of the County, will not exceed 2.50% of the total assessed value of taxable property, determined as provided in Section 15-8-111, M.C.A., within Flathead County, Montana, as ascertained by the last assessment for state and county taxes.

Section 2. Bond Terms, Execution and Delivery.

2.01. Term of Bonds. The Bonds shall be designated "General Obligation Bonds, Series 2009." The Bonds shall be in the denomination of \$5,000 each or any integral multiple thereof of single maturities. The Bonds shall mature on July 1 in the years and amounts listed below, and Bonds maturing in such years and amounts shall bear interest from date of original issue until paid or duly called for redemption (or until subject to mandatory sinking fund redemption as to the term bonds maturing in 2024, 2026, and 2029) at the rates shown opposite such years and amounts, as follows:

THURSDAY, JULY 9, 2009
(Continued)

<u>Year</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Rate</u>
2010	\$195,000	3.000%	2018	\$275,000	3.500%
2011	205,000	3.000	2019	285,000	3.500
2012	215,000	3.000	2020	300,000	3.250
2013	230,000	2.375	2021	310,000	3.500
2014	240,000	3.000	2022	325,000	3.550
2015	250,000	3.000	2024*	695,000	3.750
2016	260,000	3.000	2026*	760,000	4.000
2017	270,000	3.000	2029*	1,285,000	4.125

*Term bond subject to mandatory sinking fund redemption as set forth in Section 2.07 below.

Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

2.02. Registered Form, Interest Payment Dates. The Bonds shall be issuable only in fully registered form, and the ownership of the Bonds shall be transferred only upon the bond register of the County hereinafter described. The interest on the Bonds shall be payable on January 1 and July 1 in each year, commencing January 1, 2010. Interest on the Bonds shall be payable to the owners of record thereof as such appear on the bond register as of the close of business on the fifteenth day of the month immediately preceding each interest payment date, whether or not such day is a business day. Interest on, and upon presentation and surrender thereof, the principal of each Bond, and, upon presentation and surrender thereof, shall be payable by check or draft issued by the Registrar described herein.

2.03. Dated Date. Each Bond shall be originally dated as of July 17, 2009, and upon authentication of any Bond the Bond Registrar, Transfer Agent and Paying Agent shall indicate thereon the date of such authentication.

2.04. Registration. The County shall appoint, and shall maintain, a bond registrar, transfer agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the County and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal office a bond register in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender to the Registrar for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as the case may be, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment date.

(c) Exchange of Bonds. Whenever any Bond is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount, interest rate and maturity, as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the County.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The County and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the County upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond lost, stolen or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the County and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the County. If the mutilated, lost, stolen or destroyed Bond has already matured or such Bond has been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment.

THURSDAY, JULY 9, 2009
(Continued)

2.05. Appointment of Initial Registrar. The County hereby appoints U.S. Bank National Association, of Seattle, Washington, to act as registrar, transfer agent and paying agent (the "Registrar"). The County reserves the right to appoint a successor bond registrar, transfer agent or paying agent, as authorized by the Model Public Obligations Registration Act of Montana, Montana Code Annotated, Title 17, Chapter 5, Part 11, as amended (the "Registration Act"), but the County agrees to pay the reasonable and customary charges of the Registrar for the services performed.

2.06. Optional Redemption. Bonds maturing in the years 2010 through 2019 shall not be subject to redemption prior to maturity, but Bonds maturing in the years 2020 through 2029 (including the term bonds) shall each be subject to redemption at the option of the County, in whole or in part, and if in part from such stated maturities and in such principal amounts as the County may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair), on July 1, 2019 and any date thereafter, at a price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium. The date of redemption and the principal amount of the Bonds to be redeemed optionally shall be fixed by the County Treasurer who shall give notice thereof to the Registrar at least forty-five days prior to the date of optional redemption. The Registrar shall, at least thirty days prior to the designated redemption date, cause notice of optional redemption to be mailed, by first class mail, to the registered owners of each Bond to be redeemed at their addresses as they appear on the bond register described in Section 2.04, but no defect in or failure to give such mailed notice shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. The notice of optional redemption shall specify the redemption date, redemption price, the numbers, interest rates and CUSIP numbers of the Bonds to be redeemed and the place at which the Bonds are to be surrendered for payment, which is the principal office of the Registrar. Official notice of redemption having been given as aforesaid, the Bonds or portions thereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the County shall default in the payment of the redemption price) such Bonds or portions thereof shall cease to bear interest.

In addition to the notice prescribed by the preceding paragraph, the Registrar shall also give, or cause to be given, notice of the optional redemption of any Bond or Bonds or portions thereof at least 35 days before the redemption date by certified or first-class mail or telecopy to the Purchaser and all registered securities depositories then in the business of holding substantial amounts of obligations of the character of the Bonds (such depository now being The Depository Trust Company, of New York, New York) and one or more national information services that disseminate information regarding municipal bond redemptions; provided that any defect in or any failure to give any notice of redemption prescribed by this paragraph shall not affect the validity of the proceedings for the redemption of any Bond or portion thereof.

2.07. Mandatory Sinking Fund Redemption. The Bonds having stated maturities in 2024, 2026, and 2029 are subject to mandatory sinking fund redemption on July 1 in the respective years and the respective principal amounts set forth below in \$5,000 principal amounts selected by the Registrar, by lot or other manner it deems fair, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date:

Stated Maturity of Term Bond (July 1)	Sinking Fund Payment Date (July 1)	Principal Amount on Sinking Fund Payment Date
2024	2023	\$340,000
2026	2025	\$370,000
2029	2027	\$405,000
	2028	\$430,000

If the term bonds with stated maturities in 2024, 2026, and 2029 are not previously purchased by the County in the open market or prepaid, in respect of the term bond maturing in 2024, \$355,000 in principal amount would remain to mature in 2024, in respect of the term bond maturing in 2026, \$390,000 in principal amount would remain to mature in 2026, and in respect of the term bond maturing in 2029, \$450,000 in principal amount would remain to mature in 2029. The principal amounts of the term bonds having stated maturities in 2024, 2026, and 2029 required to be redeemed on the above Sinking Fund Payment Date shall be reduced by the principal amount of such term bonds theretofore redeemed at the option of the Board and as to which amounts have not been previously applied to reduce the principal amount of such bonds on a Sinking Fund Payment Date.

2.08. Form. The Bonds shall be drawn in substantially the form set forth in Exhibit A hereto, and by this reference made a part hereof, with such modifications as are permitted by the Act.

2.09. Execution and Delivery. The Bonds shall be forthwith prepared for execution under the direction of the County Clerk and Recorder, and shall be executed on behalf of the County by the signatures of the Chairman of the Board of County Commissioners, the County Treasurer, and the County Clerk and Recorder, provided that said signatures and the seal may be printed, engraved or lithographed facsimiles thereof. The seal of the County need not be impressed or imprinted on any Bond. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery thereof, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. When the Bonds have been so executed by said County officers, they shall be registered by the County Treasurer in accordance with Montana Code Annotated, Section 7-7-2257. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless and until a certificate of authentication on such Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds have been fully executed and authenticated, they shall be delivered by the Registrar to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

THURSDAY, JULY 9, 2009
(Continued)

2.10. Securities Depository for the Bonds.

(a) For purposes of this Section 2.10, the following terms shall have the following meanings:

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person's subrogee.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

"DTC" shall mean The Depository Trust Company of New York, New York.

"Participant" shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

"Representation Letter" shall mean the Blanket Issuer Letter of Representations from the County to DTC, attached to this resolution as Exhibit B, which is hereby incorporated by reference and made a part hereof.

(b) The Bonds shall be initially issued as separately authenticated fully registered Bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the County may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this Resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the County shall be affected by any notice to the contrary. Neither the Registrar nor the County shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other Person which is not shown on the Bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this Resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No Person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the County to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the County determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of Bond certificates, the County may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the County and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The Representation Letter sets forth certain matters with respect to, among other things, notices, consents and approvals by registered owners of the Bonds and Beneficial Owners and payments on the Bonds. The Registrar shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this resolution.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this Resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of Bond certificates and the method of payment of principal of and interest on such Bonds in the form of Bond certificates.

Section 3. Security Provisions.

3.01. Construction Account; Use of Proceeds. There is hereby created a special account designated as the "2009 Construction Account" (the "Construction Account"), to be held by the County Treasurer of the County separate and apart from all other funds of the County. The County will appropriate to the Construction Account (a) the proceeds of the sale of the Bonds in the amount of \$6,100,000 and (b) all income derived from the investment of amounts on hand in the Construction Account. The Construction Account shall be used solely to defray expenses of the Project and to pay costs of issuance associated with the sale and issuance of the Bonds, and may, if necessary, be used for the transfer to the Debt Service Account described in Section 3.02 of amounts sufficient for the payment of interest and principal, if any, due upon the Bonds prior to the completion and payment of all costs of the Project. Upon completion and payment of all costs of the Project, any remaining proceeds of Bonds in the Construction Account shall be credited and paid to the Debt Service Account.

3.02. Debt Service Account. So long as any of the Bonds are outstanding and any principal thereof or interest thereon unpaid, the County Treasurer shall maintain a separate and special 2009 Debt Service Account (the "Debt Service Account") to be used for no purpose other than the payment of the principal of and interest on the Bonds. The County irrevocably appropriates to the Debt Service Account: (a) any proceeds of the Bonds in excess of \$6,100,000 that are payable to the County, (b) all funds to be credited and paid thereto in accordance with the provisions of Section 3.01, (c) any taxes levied in accordance with this resolution, (d) all income derived from the investment of amounts on hand in the Debt Service Account, and (e) such other money as shall be received and appropriated to the Debt Service Account from time to time.

THURSDAY, JULY 9, 2009
(Continued)

Section 4. Tax Levies. The full faith, credit and taxing powers of the County shall be and are hereby irrevocably pledged to the payment of the Bonds and interest due thereon, and the County shall cause taxes to be levied annually on all taxable property in the County, without limitation as to rate or amount, sufficient to pay the interest on the Bonds when it falls due and to pay and discharge the principal at maturity of each and all of the Bonds as they respectively become due.

Section 5. Arbitrage and Certification of Proceedings.

5.01. Certification. The Chairman of the Board of County Commissioners, the County Treasurer, and the County Clerk and Recorder, being among the officers of the County charged with the responsibility for issuing the Bonds, are authorized and directed to execute and deliver to the Purchaser a certification in accordance with the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations, Section 1.148-2(b), stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable Treasury Regulations. The certification shall further state that to the best of the knowledge and belief of the certifying officers no other facts, estimates or circumstances exist which would materially change this expectation.

5.02. Covenant. The County covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action that would cause the interest on the Bonds to become subject to taxation under the applicable provisions of the Code and the Treasury Regulations, and covenants and agrees that it will take or cause its officers, employees or agents to take any action within its or their powers to prevent the interest on the Bonds from becoming includable in gross income for purposes of federal income taxation under the Code and applicable Treasury Regulations.

5.03. Arbitrage Rebate. The County acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The County covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for the exception from the rebate requirement under Section 148(f)(4)(C) of the Code and no "gross proceeds" of the Bonds (other than amounts constituting a "bona fide debt service fund") arise during or after the expenditure of the sale proceeds thereof. In furtherance of the foregoing, the Chairman of the Board of County Commissioners, the County Treasurer, and the County Clerk and Recorder are hereby authorized and directed to execute an arbitrage and rebate certificate and agreement or other tax certificate, substantially in the form to be prepared by Bond Counsel, and the County hereby covenants and agrees to observe and perform the covenants and agreements contained therein, unless amended or terminated in accordance with the provisions thereof.

5.05. Designation as Qualified Tax-Exempt Obligations. Pursuant to Section 265(b)(3)(B)(ii) of the Code, the County hereby designates the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code. The County has not designated any bonds in 2009 under Section 265(b)(3) other than the Bonds. The County hereby represents that it does not anticipate that the County and all "subordinate entities" of the County will issue in 2009 obligations bearing interest exempt from federal income taxation under Section 103 of the Code (including "qualified 502(c)(3) bonds" but excluding other "private activity bonds," as defined in Sections 141(a) and 145(a) of the Code) in an amount greater than \$30,000,000.

5.06. Information Reporting. The County shall file with the Secretary of the Treasury, not later than November 15, 2009, a statement concerning the Bonds containing the information required by Section 149(e) of the Code.

Section 6. Defeasance.

6.01. General. When the liability of the County on all Bonds issued under and secured by this resolution and all interest thereon has been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of such Bonds shall cease.

6.02. Maturity. The County may discharge its liability with reference to all Bonds and interest thereon which are due on any date by depositing with the Registrar for such Bonds on or before the date a sum sufficient for the payment thereof in full; or if any Bond or interest thereon shall not be paid when due, the County may nevertheless discharge its liability with reference thereto by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

6.03. Redemption. The County may also discharge its liability with reference to any prepayable Bonds which are called for redemption on any date in accordance with their terms, by depositing with the Registrar on or before that date an amount equal to the principal, interest and redemption premium, if any, which are then due thereon, provided that notice of such redemption has been duly given as provided in this resolution.

6.04. Escrow. The County may also at any time discharge its liability in its entirety with reference to any Bonds subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities that are general obligations of the United States or securities of United States agencies that are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to provide funds sufficient to pay all principal, interest and redemption premiums, if any, to become due on such Bonds at their stated maturities or, if such Bonds are prepayable and notice of redemption thereof has been given or irrevocably provided for, to such earlier redemption date; provided, however, that if such deposit is made more than 90 days before the stated maturities or redemption date of the Bonds to be discharged, the County shall have received a written opinion of Bond Counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bond from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity date.

THURSDAY, JULY 9, 2009
(Continued)

Section 7. Continuing Disclosure.

(a) Limited Exemption from Rule. The Securities and Exchange Commission (the "SEC") has promulgated amendments to Rule 15c2-12 under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (as in effect and interpreted from time to time, the "Rule") which govern the obligations of certain underwriters to require that issuers of municipal bonds enter into contracts for the benefit of the bondholders to provide continuing disclosure with respect to the Bonds. This Board hereby finds, determines and declares that the Bonds are exempt from the application of paragraph (b)(5) of the Rule by reason of the exemption granted in paragraph (d)(2) thereof. Specifically, this Board hereby finds that the only "obligated person" (within the meaning of the Rule) with respect to the Bonds is the County and that, giving effect to the issuance of the Bonds and any other securities required to be integrated with the Bonds, there will be approximately \$6,100,000 (and, in any event, no more than \$10 million) in principal amount of municipal securities outstanding on the date of issuance of the Bonds as to which the County is an obligated person (excluding municipal securities exempt from the Rule under paragraph (d)(1) thereof because, among other things, they were issued in minimum denominations of \$100,000). In making such finding, the County hereby represents that it has not issued within the six months before the date of issuance of the Bonds and that it reasonably expects that it will not issue within six months after the date of issuance of the Bonds, other securities of the County of substantially the same security and providing financing for the same general purpose or purposes as the Bonds. The exemption from the Rule for the Bonds is conditioned upon the County agreeing to provide certain continuing disclosure as hereinafter provided. The County has complied in all material respects with any undertaking previously entered into by it under the Rule.

(b) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of the Rule, which will enhance the marketability of the Bonds, the County hereby makes the covenants and agreements contained in this Section 7 for the benefit of the Owners (as hereinafter defined) from time to time of the Bonds.

If the County fails to comply with any provisions of this Section 7, any person aggrieved thereby, including the Owners of any Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this Section 7, including an action for specific performance or a writ of mandamus. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder. Notwithstanding anything to the contrary contained herein, in no event shall a default under this Section 7 constitute a default under the Bonds or under any other provision of this resolution.

As used in this Section 7, "Owner" or "Bondowner" means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as defined below) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, "Beneficial Owner" means, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

(c) Information To Be Disclosed. The County will provide, either directly or indirectly through an agent designated by the County, the following information at the following times in an appropriate manner:

(1) At least annually to the Municipal Securities Rulemaking Board ("MSRB") in an electronic format as prescribed by the MSRB, the information of the type described below, which information may be unaudited and which, for financial statement information, shall be for the most recent fiscal year of the County, and, for other such information, the information most recently prepared by the County on a customary basis and publicly available under applicable data privacy or other laws (the "Disclosure Information"):

(A) audited financial statements of the County for the then most recent completed fiscal year or if unavailable as of the date of request, updated financial results for the then most recent completed fiscal year similar to the format shown in Appendix A to the Official Statement relating to the Bonds (the "Official Statement");

(B) updated figures for the County for the then current fiscal year to include general obligation bonds outstanding, market valuation, taxable valuation, estimated County population, and debt capacity;

(C) a description of any additional borrowing or future financing of the County;

(D) tax levy figures for the then current fiscal year in format similar to the table in the section captioned "Tax Levies" in the Official Statement;

(E) tax collection figures for the then most recent completed fiscal year in format similar to the table in the section captioned "Tax Collections" in the Official Statement; and

(F) a list of the major taxpayers of the County for the then current fiscal year in format similar to the table in the section captioned "Major Taxpayers" in the Official Statement.

Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to each then nationally recognized municipal securities information repository ("NRMSIR") under the Rule or the SEC or as then otherwise allowed by the SEC. The Electronic Municipal Market Access system ("EMMA") operated by the MSRB as a NRMSIR shall be the primary repository for continuing disclosure under the Rule. If the document incorporated by reference is a final official statement, it must also be available from MSRB. The County shall clearly identify in the Disclosure Information each document so incorporated by reference.

If the Disclosure Information is changed because it is no longer compiled or publicly available or this paragraph (c)(1) is amended as permitted by subsection (d), then the County shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of information provided.

THURSDAY, JULY 9, 2009
(Continued)

(2) In a timely manner, to the MSRB, notice of the occurrence of any of the following events which is a Material Fact (as hereinafter defined): principal and interest payment delinquencies; non-payment related defaults; unscheduled draws on debt service reserves reflecting financial difficulties; unscheduled draws on credit enhancements reflecting financial difficulties; substitution of credit or liquidity providers, or their failure to perform; adverse tax opinions or events affecting the tax-exempt status of the security; modifications to rights of security holders; bond calls; defeasances; release, substitution, or sale of property securing repayment of the securities; and rating changes.

As used herein, a "Material Fact" is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a "Material Fact" is also an event that would be deemed "material" for purposes of the purchase, holding or sale of a bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

(3) In a timely manner, to the MSRB, notice of the occurrence of any of the following events or conditions:

(A) the failure of the County to provide Disclosure Information at the time specified in this Section 7;

(B) the amendment or supplementing of this Section 7 pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the County under subsection (d)(2);

(C) the termination of the obligations of the County under this Section 7 pursuant to subsection (d); or

(D) any change in the fiscal year of the County.

(4) All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB or required under EMMA.

(d) Term; Amendments; Interpretation.

(1) The covenants of the County in this Section 7 shall remain in effect so long as any Bonds are outstanding. Notwithstanding the preceding sentence, however, the obligations of the County under this Section 7 shall terminate and be without further effect as of any date on which the County delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the County to comply with the requirements of this Section 7 will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

(2) This Section 7 may be amended or supplemented by the County from time to time, without notice to or the consent of the Owners of any Bonds, by a resolution of this Board filed in the office of the Clerk of the County accompanied by an opinion of Bond Counsel, who may rely on certificates of the County and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the County or the type of operations conducted by the County, or (b) is required by, or better complies with, the provisions of paragraph (d)(2) of the Rule; (ii) this Section 7 as so amended or supplemented would have complied with the requirements of paragraph (d)(2) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule. This Section 7 is entered into to comply with, and should be construed so as to satisfy the requirements of, paragraph (d)(2) of the Rule.

PASSED by the Board of County Commissioners of Flathead County, Montana, this 9th day of July, 2009.

By/s/Dale W. Lauman
Chairman of the Board of Commissioners

Attest:

By/s/D. DeReu
County Clerk and Recorder



EXHIBIT A

(Face of the Bonds)

UNITED STATES OF AMERICA
STATE OF MONTANA

FLATHEAD COUNTY

GENERAL OBLIGATION BOND, SERIES 2009

No. R-_____ \$_____ .00

<u>Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
%	July 1,	July 17, 2009	

REGISTERED OWNER: CEDE & CO.
PRINCIPAL AMOUNT: AND NO/100 DOLLARS

Flathead County, Montana (the "County") acknowledges itself to be indebted and for value received hereby promises to pay to the registered owner named above, or registered assigns, the principal amount specified above on the maturity date specified above or, if this Bond is prepayable as stated herein, on any date prior thereto on which this Bond shall have been duly called for redemption, and to pay interest on said principal amount to the registered owner hereof from July 17, 2009 or from such later date to which interest has been paid or duly provided for until this Bond is paid or, if this Bond is prepayable, until it has been duly called for redemption, at the rate specified above. Principal of this Bond is payable upon presentation and surrender hereof to U.S. Bank National Association, as Bond Registrar, Transfer Agent and Paying Agent, at its operations center in St. Paul, Minnesota, or its successor designated under the Resolution, as hereinafter defined (the "Registrar"). Interest on this Bond is payable semiannually on each January 1 and July 1, commencing on January 1, 2010, by check or draft mailed by the Registrar to the person in whose name this Bond is registered as of the close of business on the 15th day (whether or not a Business Day) of the immediately preceding month, at the address of such person as it appears on the bond register maintained by the Registrar. "Business Day" means any day other than a Saturday, Sunday or legal holiday of the State of Montana.

The principal of and interest on this Bond are payable in lawful money of the United States of America. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith, credit and taxing powers of the County have been and are hereby irrevocably pledged.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the County.

This Bond is one of an issue in the total principal amount of \$6,100,000 (the "Bonds"), all of like date of original issue and tenor except as to serial number, denomination, maturity date, interest rate and redemption privilege, all authorized by the favorable vote of more than the requisite majority of the qualified electors of the County voting on the question of the issuance thereof at an election duly held, for the purpose of paying the costs of acquiring rights and interests in and to a parcel of land; of designing, constructing, equipping and furnishing thereon an Emergency Coordination Center; and of paying costs associated with the sale and issuance of the Bonds, all pursuant to resolutions duly adopted by the Board of County Commissioners, including Resolution No. 2211B adopted on July 9, 2009 (the "Resolution"), and in full conformity with the Constitution and laws of the State of Montana thereunto enabling. The Bonds are issuable only as fully registered Bonds of single maturities, in denominations of \$5,000 or any integral multiple thereof.

The Bonds maturing in the years 2010 through 2019 are payable on their respective stated maturity dates without option of prior payment, but Bonds having stated maturity dates in the years 2020 through 2029 are each subject to redemption at the option of the County, in whole or in part, and if in part from such stated maturities and in such principal amounts as the County may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair), on July 1, 2019 and any date thereafter, at a price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium. The date of optional redemption and the principal amount of the Bonds shall be fixed by the County Treasurer who shall give notice thereof to the Registrar at least forty-five days prior to the date of redemption. The Registrar shall, at least thirty days prior to the designated optional redemption date, cause notice of redemption to be mailed, by first class mail, to the registered owners of each Bond to be redeemed at their addresses as they appear on the bond register. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

The Bonds having stated maturities in 2024, 2026, and 2029 are subject to mandatory sinking fund redemption on July 1 in the respective years and the respective principal amounts set forth below in \$5,000 principal amounts selected by the Registrar, by lot or other manner it deems fair, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date:

Stated Maturity of Term Bond (July 1)	Sinking Fund Payment Date (July 1)	Principal Amount on Sinking Fund Payment Date
2024	2023	\$340,000
2026	2025	\$370,000
2029	2027	\$405,000
	2028	\$430,000

If the term bonds with stated maturities in 2024, 2026, and 2029 are not previously purchased by the County in the open market or prepaid, in respect of the term bond maturing in 2024, \$355,000 in principal amount would remain to mature in 2024, in respect of the term bond maturing in 2026, \$390,000 in principal amount would remain to mature in 2026, and in respect of the term bond maturing in 2029, \$450,000 in principal amount would remain to mature in 2029. The principal amounts of the term bonds having stated maturities in 2024, 2026, and 2029 required to be redeemed on the above Sinking Fund Payment Date shall be reduced by the principal amount of such term bonds theretofore redeemed at the option of the Board and as to which amounts have not been previously applied to reduce the principal amount of such bonds on a Sinking Fund Payment Date.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the County in the principal office of the Registrar, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his attorney, and may also be surrendered in exchange for Bonds of other authorized denominations. Upon any such transfer or exchange, the County will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The County and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the County nor the Registrar shall be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Montana to be done, to exist, to happen and to be performed precedent to and in the issuance of this Bond, in order to make it a valid and binding general obligation of the County according to its terms, have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required; that the Board of County Commissioners will annually levy an ad valorem tax on all of the taxable property in the County sufficient to pay the interest hereon when it falls due and also to pay and discharge the principal of this Bond at maturity; that this Bond, together with all other indebtedness of the County outstanding on the date of original issue hereof and on the date of the delivery of the Bonds of this issue to the original purchaser thereof, does not exceed any constitutional or statutory limitation of indebtedness; and that the opinion attached hereto is a true copy of the legal opinion given by Bond Counsel with reference to the Bonds, dated the date of delivery of the Bonds.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by the manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, Flathead County, State of Montana, by its Board of County Commissioners, has caused this Bond to be executed by the facsimile signatures of the Chairman of the Board of County Commissioners, the County Treasurer, and the County Clerk and Recorder, and by a facsimile of the official seal of the County.

(Facsimile Signature)
Chairman, Board of County Commissioners

(Facsimile Signature)
County Treasurer

(Facsimile Signature)
County Clerk and Recorder

(Facsimile Seal)

Date of Authentication:

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

U.S. BANK NATIONAL ASSOCIATION,
as Bond Registrar, Transfer Agent,
and Paying Agent

By _____

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --	as tenants in common	UTMA.....Custodian..... (Cust) (Minor)
TEN ENT --	as tenants by the entireties	
JT TEN --	as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minor Act..... (State)

Additional abbreviations may also be used.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____
PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
assignment
OF ASSIGNEE
appears

/ _____ /
enlargement

NOTICE: The signature to this
must correspond with the name as it
upon the face of the within Bond in every
particular, without alteration or
or any change whatsoever.

Signature Guarantee:

Signature(s) must be guaranteed by an
"eligible guarantor institution" meeting
the requirements of the Registrar, which
requirements include membership or
participation in STAMP or such other
"signature guaranty program" as may
be determined by the Registrar in addition
to or in substitution for STAMP, all in
accordance with the Securities Exchange
Act of 1934, as amended.

EXHIBIT B

The Depository Trust Company
A subsidiary of The Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS
[To be Completed by Issuer]

Flathead County, Montana

[Name of Issuer]

August 3, 2004

[Date]

[For Municipal Issues:
Underwriting Department—Eligibility; 50th Floor]
[For Corporate Issues:
General Counsel's Office; 49th Floor]
The Depository Trust Company
55 Water Street
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

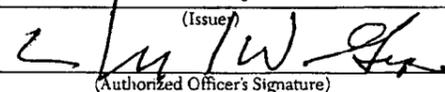
To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

Flathead County, Montana

By:  (Authorized Officer's Signature)

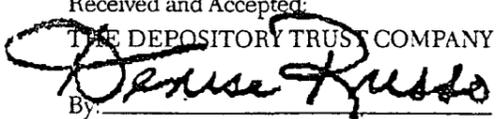
Howard W. Gipe, Chair, Board of Co. Commissioners
(Print Name)

800 South Main Street
(Street Address)

Kalispell, Montana 59901-5400
(City) (State) (Country) (Zip Code)

(406) 758-5503
(Phone Number)

(E-mail Address)

Received and Accepted:
THE DEPOSITORY TRUST COMPANY

By: _____



The Depository Trust &
Clearing Corporation

[2/02]

(To Blanket Issuer Letter of Representations)

**SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity

of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC [nor its nominee], Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

At 5:00 o'clock P.M., the Board continued the session until 8:00 o'clock A.M. on July 10, 2009.

FRIDAY, JULY 10, 2009

The Board of County Commissioners met in continued session at 8:00 o'clock A.M. Chairman Lauman, Commissioners Brenneman and Dupont, and Clerk Robinson were present.

NO MEETINGS SCHEDULED

At 5:00 o'clock P.M., the Board continued the session until 8:00 o'clock A.M. on July 13, 2009.
