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**MONDAY, AUGUST 25, 2008**

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

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

**AUTHORIZATION TO PUBLISH NOTICE OF PUBLIC HEARING: PERMISSIVE MEDICAL LEVY & BUDGET FY08-09**

10:18:48 AM

Members present:

Chairman Gary D. Hall  
Commissioner Joseph D. Brenneman  
Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Deputy County Attorney Jonathan Smith, Finance Comptroller Joe Garza, Lora Aspenlieder, Clerk Kile

Commissioner Lauman made a **motion** to authorize publication of the Notice of Public Hearing for the Permissive Medical Levy and authorized the Chairman to sign. Commissioner Brenneman **seconded** the motion. **Aye** - Hall, Brenneman and Lauman. Motion carried unanimously.

Commissioner Lauman made a **motion** to authorize publication of the Notice of Public Hearing for the Budget for FY 08-09 and authorized the Chairman to sign. Commissioner Brenneman **seconded** the motion. **Aye** - Hall, Brenneman and Lauman. Motion carried unanimously.

NOTICE OF PUBLIC HEARING  
PERMISSIVE MEDICAL LEVY

NOTICE IS HEREBY GIVEN, pursuant to Section 2-9-212, M.C.A., that the Board of Commissioners of Flathead County, Montana, will hold a public hearing to receive comment from the public on the Board's intention to levy \$1,216,838 for the permissive medical levy. The increase in the permissive medical levy for the 2009 fiscal year is \$257,197. The permissive medical levy is used to pay for premium contributions for the group health insurance program for County employees and is not subject to the statutory limitations on increases in County mill levies.

The public hearing will be held on the **17th day of September, 2008, at 9:30 o'clock a.m.**, in the Justice Center Community Room, 920 South Main, Kalispell, MT.

Any member of the public may appear and will be heard concerning the Board's intention to levy \$1,216,838 for the permissive medical levy.

For further information, please contact Paula Robinson, Flathead County Clerk and Recorder, 800 South Main, Kalispell, Montana 59901, Telephone 758-5530.

Written comments are encouraged and will be reviewed by the Commissioners prior to the hearing if received by the Flathead County Commissioners' Office at least three business days prior to the hearing.

DATED this 25<sup>th</sup> day of August, 2008.

BOARD OF COUNTY COMMISSIONERS  
Flathead County, Montana

By/s/Gary D. Hall  
Gary D. Hall, Chairman

Paula Robinson, Clerk

By/s/Diana Kile  
Diana Kile, Deputy

Publish on August 28 and September 4, 2008.

NOTICE OF HEARING ON PROPOSED BUDGET

**NOTICE IS HEREBY GIVEN** that the Board of County Commissioners of Flathead County, Montana, has completed the Proposed Budget for the 2008-2009 fiscal year and that said budget is on file in the Office of the Flathead County Clerk and Recorder, 800 South Main, Kalispell, Montana, and is open to public inspection.

The Board will meet on the **17<sup>th</sup> day of September, 2008, at 9:30 o'clock, a.m.** for the purpose of holding a hearing and fixing the final budget and making appropriations. Said Meeting is to be held in the Justice Center Community Room, 920 South Main, Kalispell, MT.

Any taxpayer may appear at the hearing and will be heard for or against any part of the proposed budget.

For further information, please contact Paula Robinson, Clerk and Recorder, 800 South Main, Kalispell, Montana 59901, Telephone 758-5530.

Written comments are encouraged and will be reviewed by the Commissioners prior to the hearing if received by the Flathead County Commissioners' Office at least three business days prior to the hearing.

DATED this 25<sup>th</sup> day of August, 2008.

BOARD OF COUNTY COMMISSIONERS  
Flathead County, Montana

By/s/Gary D. Hall  
Gary D. Hall, Chairman

Paula Robinson, Clerk

By/s/Diana Kile  
Diana Kile, Deputy

Publish on August 28 and September 4, 2008.

**CONSIDERATION OF INSTALLATION OF "NO THROUGH TRUCKS" SIGNS FOR PORTIONS OF MARQUARDT LANE, BELTON STAGE ROAD, HELENA FLATS ROAD AND MEADOWLAKE DRIVE**

[10:22:53 AM](#)

Members present:

Chairman Gary D. Hall  
Commissioner Joseph D. Brenneman  
Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Deputy County Attorney Jonathan Smith, Solid Works Director David Prunty, Operations Manager Road & Bridge Dept. Guy Foy, Clerk Kile

Commissioner Brenneman made a **motion** to approve installation of "No Through Trucks" signs on Marquardt Lane, Belton Stage Road, Helena Flats Road and Meadowlake Drive. Commissioner Lauman **seconded** the motion. **Aye** - Hall, Brenneman and Lauman. Motion carried unanimously.

**MONTHLY MEETING W/ JAY SCOTT, FAIRGROUNDS**

[10:30:43 AM](#)

Members present:

Chairman Gary D. Hall  
Commissioner Joseph D. Brenneman  
Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Fair Director Jay Scott, Jim Clark, Clerk Kile

Scott reported the attendance numbers were down at the Northwest Montana Fair this year according to ticket sales, yet they don't have an absolute true number on attendance with 60 and older and 12 and under admitted free this year. He then spoke about two medical issues that occurred, traffic safety on Meridian Road and the need for rubber mats for the concrete floor in the Trade Center next year.

**CONSIDERATION OF LAKESHORE PERMIT: VERHALEN**

[10:57:06 AM](#)

Members present:

Chairman Gary D. Hall  
Commissioner Joseph D. Brenneman  
Commissioner Dale W. Lauman

Others present:

Planner George Smith, Clerk Kile

Smith reviewed Lakeshore Permit FLP 08-89; an application to install shoreline remediation utilizing an off-shore underwater wave attenuation barrier. The Floodplain Administrator has determined this project is compliant with Flathead County Floodplain & Floodway Management Regulations with 17 attached conditions.

Commissioner Brenneman made a **motion** to approve Lakeshore Permit FLP 08-89 and authorized the Chairman to sign. Commissioner Lauman **seconded** the motion. **Aye** - Hall, Brenneman and Lauman. Motion carried unanimously.

**MEETING W/ CAROL COREY RE: NYVCHIK FAMILY TRANSFER**

[11:00:23 AM](#)

Members present:

Chairman Gary D. Hall  
Commissioner Joseph D. Brenneman  
Commissioner Dale W. Lauman

Others present:

Planner Andrew Hagemeyer, Fred Cory, Carol Cory, Julie Bramlet, Keith Deetz, Clerk Kile

Hagemeier reviewed the Nyvchik family transfer that was approved by the Commission on January 15, 2008 that split a 20 acre parcel located on Buffalo Trail west of Somers into 7 lots, with six of them to be given to the Nyvchik children and one retained by the owner.

Julie Bramlet reviewed the meeting held that approved the Nyvchik family transfer and noted her concerns with the approval of the family transfer and asked if there was a way for it to be re-considered. Her concerns involved safety, fire hazards, water availability and alteration of the neighborhood.

Dr. Fred Cory stated he has verified through the Somers Fire Chief that there isn't anyone on Buffalo Trail or Buffalo Lane that is in the fire district. He then expressed his concerns which included lot size, congestion on the road and the quality of their small community. Cory then reviewed the criteria in the 509D Resolution and asked that the decision made on the Nyvchik family transfer be looked at again.

Keith Deetz a neighbor of the Nyvchik's said that he can personally testify in court that Nikkolay Nyvchik has told him that he plans on selling the lots; that it is not a true family transfer as presented. He then spoke of his concern in regards to water and stated that if 7 more wells go in he will loose the water he has.

Chairman Hall said that apparently Mr. Nyvchik stated that he planned on selling 2 of the lots to finance his daughter's college education.

Commissioner Lauman stated that he was concerned about being given false information.

Commissioner Brenneman stated they try to do there very best to understand the law and apply it fairly and that Resolution 509D he feels is a flawed document, yet the only document they have to go by.

Discussion was then held relative to Resolution 509D in regards to the need to have it changed.

Commissioner Brenneman stated he would ask the County Attorney to look into the family transfer.

**DOCUMENT FOR SIGNATURE: EQUITABLE SHARING AGREEMENT AND CERTIFICATION FROM SHERIFF'S OFFICE MT 0150000**

[11:38:48 AM](#)

Members present:

Chairman Gary D. Hall  
Commissioner Joseph D. Brenneman  
Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Clerk Kile

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

**9:30 a.m. Canvass Whitefish City Election @ Election Dept.**

At 5:00 o'clock P.M., the Board continued the session until 8:00 o'clock A.M. on August 26, 2008.

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**TUESDAY, AUGUST 26, 2008**

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

**9:00 a.m. Commissioner Brenneman: Meeting at OES re: BNSF Contract with Interoperability Montana**  
**5:00 p.m. Commissioner Lauman: Refuse Board meeting @ Solid Waste District Office**

At 5:00 o'clock P.M., the Board continued the session until 8:00 o'clock A.M. on August 27, 2008.

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**WEDNESDAY, AUGUST 27, 2008**

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

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

**MONTHLY MEETING W/ DAVID PRUNTY, SOLID WASTE DISTRICT**

[9:31:11 AM](#)

Members present:

Chairman Gary D. Hall  
Commissioner Joseph D. Brenneman

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Public Works Director David Prunty, Solid Waste Director Jim Chilcote, Clerk Kile

Prunty reported a public comment period was held for the proposed consolidated container site in which concern was raised with an issue in regards to sight distance on Ashley Lake Road. He then noted the board will move forward with the proposal and come up with a solution. Discussion was then held relative to the county recycling program and the landfill gas to energy project with Flathead Electric.

**PUBLIC HEARING: SOUTH KALISPELL RURAL FIRE DISTRICT ANNEXATION/ HABERKERN**

10:08:33 AM

Members present:

Chairman Gary D. Hall

Commissioner Joseph D. Brenneman

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Clerk Kile

**Chairman Hall opened the public hearing to anyone wishing to speak in favor or opposition of annexation to South Kalispell Fire District.**

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

Commissioner Brenneman made a **motion** to approve Resolution #2160. Chairman Hall **seconded** the motion. **Aye** - Hall and Brenneman. Motion carried by quorum.

RESOLUTION NO. 2160

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 Smith Valley Fire District and be annexed to the South Kalispell Rural Fire District;

WHEREAS, the territory to be withdrawn and annexed, described on the attached Exhibit A, is located in Section 6, Township 27 North, Range 21 West, Flathead County, Montana, and is located at 45 Overlook Point, Kalispell, as shown on Exhibit B;

WHEREAS, a Notice of Public Hearing was published on August 16 and August 23, 2008, 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 of the South Kalispell Rural Fire District for the annexed property and more advantageous communications with the firefighting facilities of the South Kalispell Rural 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 being in Section 6, Township 27 North, Range 21 West, Flathead County, and located at 45 Overlook Point, Kalispell, as shown on Exhibit B, is hereby withdrawn from the Smith Valley Fire District and annexed to the South Kalispell Rural Fire District.

Dated this 27<sup>th</sup> day of August, 2008.

BOARD OF COUNTY COMMISSIONERS  
Flathead County, Montana

By/s/Gary D. Hall  
Gary D. Hall, Chairman

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

By \_\_\_\_\_  
Dale W. Lauman, Member

ATTEST:  
Paula Robinson, Clerk

By/s/Diana Kile  
Diana Kile, Deputy

Exhibit A

Those portions of the Southeast ¼ of the Northwest ¼ and the Southwest ¼ of the Northeast ¼ of Section 6, Township 27 North, Range 21 West, Flathead County, Montana, described more particularly as follows:

Beginning at the Southwest corner of the Southeast ¼ of the Southeast ¼ of the Northwest ¼; Thence along the West line of the Southeast ¼ of the Southeast ¼ of the Northwest ¼ North 00°05'17" East 537.59 feet; Thence North 89°49'10" East 168.00 feet; Thence South 72°35'28" East 74.05 feet to the beginning of a 71.87 foot radius curve to the left; Thence Easterly along the curve thru a central angle of 65°12'43" 81.80 feet; Thence North 42°11'42" East 198.32 feet to the North line of the Southeast ¼ of the Southeast ¼ of the Northwest ¼ ; Thence along the North line of the Southeast ¼ of

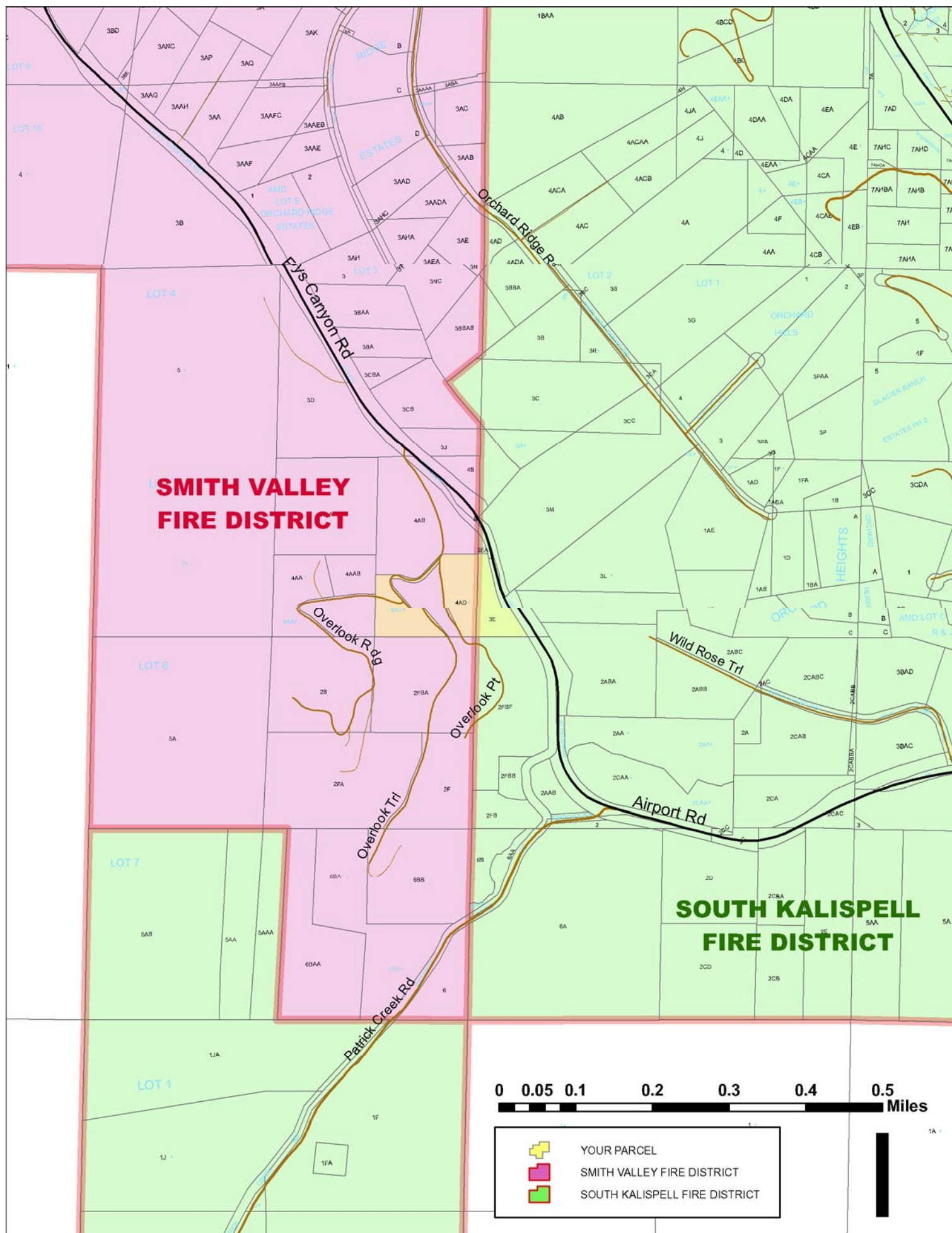


the Southeast ¼ of the Northwest ¼ and its Easterly projection North 88°16'25" East 298.27 feet the Westerly line of Foy's Canyon Road; Thence along the Westerly line of the road the following courses: South 18°00'04" East 110.54 feet to a point on a 1171.45 foot radius curve concave Northeasterly having a radial bearing of North 72°25'36" East; Thence Southeasterly along the curve thru a central angle of 06°01'02" 123.03 feet to the beginning of a 471.19 foot radius compound curve to the left; Thence Southeasterly along the curve thru a central angle of 15°29'21" 127.38 feet; Thence South 39°04'47" East 137.25 feet to the beginning of a 1179.22 foot radius curve to the right; Thence Southeasterly along the curve thru a central angle of 09°27'17" 194.59 feet; Thence South 29°37'30" East 81.02 feet to the South line of the Southwest ¼ of the Southwest ¼ of the Northeast ¼; Thence leaving the Westerly line of the road, along the South line of the North ½ of Section 6 South 88°40'30" West 515.45 feet; Thence North 27°55'37" West 264.73 feet; Thence North 05°36'25" West 181.01 feet; Thence North 09°32'03" West 199.70 feet; Thence South 42°11'42" West 146.99 feet to the beginning of a 101.87 foot radius curve to the right; Thence Westerly along the curve thru a central angle of 65°12'43" 115.95 feet; Thence North 72°35'28" West 69.41 feet; Thence South 89°49'10" West 58.46 feet; Thence South 13°35'00" East 47.96 feet; Thence South 41°43'05" East 602.07 feet to the South line of the Northwest ¼; Thence along the South line South 88°40'30" West 517.87 feet to the Point of Beginning containing 10.331 acres of land.

Subject to and together with private road and utility easements.

Subject to easements of record excepting parcel 272106-XXX-3E which is already in the South Kalispell Rural Fire District.

Exhibit B



**CONSIDERATION OF HR TRANSMITTALS: CRIME VICTIM ADVOCATE/ COUNTY ATTORNEY'S OFFICE**

[10:09:52 AM](#)

Members present:

Chairman Gary D. Hall  
Commissioner Joseph D. Brenneman

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, County Attorney Ed Corrigan, Vicki Eggum, Finance Comptroller Joe Garza, Clerk Kile

Corrigan explained the crime victim advocate is currently an employee from Violence Free Crisis and he feels the time has come to make this person a county employee and a member of his office.

Commissioner Brenneman made a **motion** to approve the HR Transmittals for a Crime Victim Advocate and authorized the Chairman to sign. Chairman Hall **seconded** the motion. **Aye** - Hall and Brenneman. Motion carried by quorum.

**CONSIDERATION OF EXTENSION: COTTONWOOD ESTATES**

[10:15:56 AM](#)

Members present:

Chairman Gary D. Hall  
Commissioner Joseph D. Brenneman

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Planning & Zoning Director Jeff Harris, Eric Mulcahy, Clerk Kile

Harris noted a one year extension has been requested for Cottonwood Estates; file FPP 05-42.

Commissioner Brenneman made a **motion** to approve a one year extension for Cottonwood Estates. Chairman Hall **seconded** the motion. **Aye** - Hall and Brenneman. Motion carried by quorum.

**BOARD APPOINTMENTS: AOA & CRESTON RURAL FIRE DISTRICT**

[10:18:50 AM](#)

Members present:

Chairman Gary D. Hall  
Commissioner Joseph D. Brenneman

Members absent:

Commissioner Dale W. Lauman

Others present:

Clerk Kile

Commissioner Brenneman made a **motion** to appoint Colleen Sund to the AOA Board and Tom Arnone to the Creston Rural Fire District. Chairman Hall **seconded** the motion. **Aye** - Hall and Brenneman. Motion carried by quorum.

**MEETING W/ JAMES FREYHOLTZ/ MDOT RE: SPEED LIMIT FOR U.S. 2 AND WEST GLACIER**

[10:30:46 AM](#)

Members present:

Chairman Gary D. Hall  
Commissioner Joseph D. Brenneman

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, James Freyholtz, Clerk Kile

Freyholtz presented a speed limit investigation report for U.S. 2 west of West Glacier that was requested in response to concerned business owners located along U.S. 2 west of West Glacier. The report presented included accident history, travel speeds and conclusions and recommendations.

**11:00 a.m. County Attorney meeting @ Co. Atty's Office**

At 5:00 o'clock P.M., the Board continued the session until 8:00 o'clock A.M. on August 28, 2008.

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## THURSDAY, AUGUST 28, 2008

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

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

### MEETING W/ ERIC MULCAHY/ SANDS SURVEYING RE: LAKESIDE ESTATES PHASE III

[9:00:36 AM](#)

Members present:

Chairman Gary D. Hall  
Commissioner Joseph D. Brenneman

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Planning & Zoning Director Jeff Harris, Planner Allison Mouch, Deputy County Attorney Peter Steele, Eric Mulcahy, Doug Siderius, Brett Birk, Clerk Kile

Mulcahy explained that final plat for Lakeside Estates, Phase III was submitted to the Planning Office 26 days before it expired and because of the Judge's court ruling the county would not process the application. He then noted they will be bringing in a new preliminary plat on the subdivision and would like to continue building infrastructure for Phase III while the process of preliminary plat is going through approval.

Discussion was held relative to state law, expiration dates and the procedure involved in processing applications.

Doug Siderius stated they are asking for the ability to continue working and move forward with the project; that they will re-submit and go through the necessary process again.

Commissioner Brenneman noted for the record that with the concurrence of Chairman Hall that they understand this is a unique situation and that subdivision regulation 4.1.1 does not apply to this situation; they understand that construction will be on going even though preliminary plat is being re-applied for.

### DOCUMENT FOR SIGNATURE: NORTHWEST HEALTHCARE SERVICE AGREEMENT/ EAGLE TRANSIT

[9:28:29 AM](#)

Members present:

Chairman Gary D. Hall  
Commissioner Joseph D. Brenneman

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, AOA Director Jim Atkinson, Clerk Kile

Commissioner Brenneman made a **motion** to approve the Northwest Healthcare Service Agreement for AOA and authorized the Chairman to sign. Chairman Hall **seconded** the motion. **Aye** - Hall and Brenneman. Motion carried by quorum.

### DOCUMENT FOR SIGNATURE: NORTHWEST MONTANA HUMAN RESOURCES CONTRACT/ AOA

[9:30:17 AM](#)

Members present:

Chairman Gary D. Hall  
Commissioner Joseph D. Brenneman

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, AOA Director Jim Atkinson, Clerk Kile

Atkinson noted the contract is for mobile home repairs.

Commissioner Brenneman made a **motion** to approve the Northwest Montana Human Resource Contract for AOA and authorized the Chairman to sign. Chairman Hall **seconded** the motion. **Aye** - Hall and Brenneman. Motion carried by quorum.

### CONSIDERATION OF PRINTING BIDS: GIS

[9:36:49 AM](#)

Members present:

Chairman Gary D. Hall  
Commissioner Joseph D. Brenneman

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Clerk Kile

Commissioner Brenneman made a **motion** to approve the print bid from Insty Prints for business cards for \$49.90. Chairman Hall **seconded** the motion. **Aye** - Hall and Brenneman. Motion carried by quorum.

**BUDGET AMENDMENT: WIC & MEDICARE HEALTH DEPT.**

[9:38:12 AM](#)

Members present:  
 Chairman Gary D. Hall  
 Commissioner Joseph D. Brenneman  
 Members absent:  
 Commissioner Dale W. Lauman  
 Others present:  
 Assistant Mike Pence, Clerk Kile

Commissioner Brenneman made a **motion** to approve Budget Resolution #2161. Chairman Hall **seconded** the motion. **Aye** - Hall and Brenneman. Motion carried by quorum.

BUDGET AMENDMENT RESOLUTION NO. 2161

**WHEREAS**, the Board of Commissioners has determined, and various department heads have requested and verified, that budget revisions between line items for Fiscal Year 2007-2008, are required, and;

**WHEREAS**, Section 7-6-4031, M.C.A. and Budget Resolution No. 1689, allow budget transfers to be made between items in the same fund.

**NOW, THEREFORE, BE IT RESOLVED**, that the attached list of transfers and revisions shall be made in the budget for Flathead County for Fiscal Year 2007-2008; and

**BE IT FURTHER RESOLVED**, that this Resolution and the attached list of transfers and revisions shall be entered into the minutes of the Board of Commissioners.

DATED this 28<sup>th</sup> day of August 2008.

BOARD OF COUNTY COMMISSIONERS  
 Flathead County, Montana

By/s/Gary D. Hall  
 Gary D. Hall, Chairman

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

By \_\_\_\_\_  
 Dale W. Lauman, Member

ATTEST:  
 Paula Robinson, Clerk

By/s/Diana Kile  
 Diana Kile, Deputy

DATE OF ISSUE:		8/20/08		VOUCHER #:		
DATE OF RECORD:				Entered by:		
				Resolution # 2161		
Fund	Dept	ACTIVITY	OBJECT	ACCOUNT DESCRIPTION	DEBIT	CREDIT
2971	0191	331141		WIC REVENUE	4,615.00	
2971	0191	440171	228	EDUCATIONAL SUPPLIES		4,615.00
				<b>BUDGET AMENDMENT FY08</b>		
<b>Explanation</b>					4,615.00	4,615.00
<b>Budget Amendment for WIC FY08</b>						

Commissioner Brenneman made a **motion** to approve Budget Resolution #2162. Chairman Hall **seconded** the motion. **Aye** - Hall and Brenneman. Motion carried by quorum.

BUDGET AMENDMENT RESOLUTION NO. 2162

**WHEREAS**, the Board of Commissioners has determined, and various department heads have requested and verified, that budget revisions between line items for Fiscal Year 2007-2008, are required, and;

**WHEREAS**, Section 7-6-4031, M.C.A. and Budget Resolution No. 1689, allow budget transfers to be made between items in the same fund.

**NOW, THEREFORE, BE IT RESOLVED**, that the attached list of transfers and revisions shall be made in the budget for Flathead County for Fiscal Year 2007-2008; and



**BE IT FURTHER RESOLVED**, that this Resolution and the attached list of transfers and revisions shall be entered into the minutes of the Board of Commissioners.

DATED this 28<sup>th</sup> day of August 2008.

BOARD OF COUNTY COMMISSIONERS  
Flathead County, Montana

By/s/Gary D. Hall  
Gary D. Hall, Chairman

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

By \_\_\_\_\_  
Dale W. Lauman, Member

ATTEST:

Paula Robinson, Clerk

By/s/Diana Kile  
Diana Kile, Deputy

<b>DATE OF ISSUE:</b>		8/22/08				<b>VOUCHER #:</b>	
<b>DATE OF RECORD:</b>				FY 08 / RESOLUTION # 2162		<b>Entered by:</b>	
<b>Fund</b>	<b>Dept</b>	<b>ACTIVITY</b>	<b>OBJECT</b>	<b>ACCOUNT DESCRIPTION</b>	<b>DEBIT</b>	<b>CREDIT</b>	
2374	0224.	344121		MEDICARE	282,952.00		
2374	0224.	440180	398	OTHER CONTRACTED SERVICES		282,952.00	
					<b>BUDGET AMENDMENT</b>	282,952.00	282,952.00
<b>Home Health received more Medicare revenue. We need amend Medicare revenue &amp; Other Contracted Services.</b>							
					<u>Approved by:</u>	Joe Russell	
					<u>Date:</u>	8/22/2008	

**MEETING W/ ADELE KRANTZ, TREASURER RE: CANCEL 5 YEAR AND OLDER PERSONAL PROPERTY TAXES**

9:42:48 AM

Members present:

Chairman Gary D. Hall  
Commissioner Joseph D. Brenneman

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Treasurer Adele Krantz, Clerk Kile

Commissioner Brenneman made a **motion** to adopt Resolution #2163. Chairman Hall **seconded** the motion. **Aye** - Hall and Brenneman. Motion carried by quorum.

RESOLUTION NO. 2163

**WHEREAS**, Section 15-16-119, M.C.A., requires that the County Treasurer attempt to collect personal property taxes by issuance of writs of execution to the Sheriff's Department to seize and sell personal property which taxes are delinquent;

**WHEREAS**, Section 15-24-202, M.C.A., requires payment of personal property taxes for mobile homes that are not attached to real property and said taxes, if not paid, can be collected pursuant to the terms of Section 15-16-119, M.C.A.;

**WHEREAS**, the Treasurer has issued writs and the Sheriff has attempted to collect the taxes on the list attached hereto as Exhibit A but has been unable to locate property to seize and sell in order to collect those taxes; and

**WHEREAS**, Section 15-16-701, M.C.A., requires that the County Treasurer present to the commissioners a list of delinquent personal property taxes that are five years or more delinquent to make corrections and for cancellation by the Commissioners within 30 days.

**NOW, THEREFORE, IT IS HEREBY RESOLVED**, by the Board of Commissioners of Flathead County, that the list of personal property taxes shown as due on Exhibit A hereto are hereby declared to be uncollectible and the Treasurer is directed to cancel said taxes.

Dated this 28<sup>th</sup> day of August, 2008.

BOARD OF COUNTY COMMISSIONERS  
Flathead County, Montana

By/s/Gary D. Hall  
Gary D. Hall, Chairman

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

By \_\_\_\_\_  
Dale W. Lauman, Member

ATTEST:  
Paula Robinson, Clerk

By/s/Diana Kile  
Diana Kile, Deputy

EXHIBIT A					
2008					
CANCELLATION OF TAXES 5 YEARS OLD & OLDER PERSONAL PROPERTY 15-16-701				FLATHEAD COUNTY TREASURER ADELE KRANTZ	
COMMISSIONERS RESOLUTION: DIRECTS DOR TO INACTIVATE ACCOUNTS & TREASURER'S OFFICE TO CANCEL TAXES					
ASSESSOR #	BUSINESS PERS PROP	TAX YRS	TAX AMOUNT	CANCEL AMT	EXPLANATION
P203010	LOUDEN, HUGH	2002	\$781.45	\$0.00	SHERIFF COLLECTING
TOTALS BUSINESS PERS PROPERTY				\$0.00	TOTAL TO CANCEL
ASSESSOR #	MOBILE HOME PERS PROP	TAX YRS	TAX AMOUNT	CANCEL AMT	EXPLANATION
T170520	HALL, LAVON C/O ROBINSON	2002 -2008	\$996.93	\$250.23	VOID 2002'S ONLY
T171500	LAMB, CLAYTON	2002 -2008	\$1,652.78	\$141.91	VOID 2002'S ONLY
T202590	NORTON, ROMONA L	2001 -2008	\$2,019.61	\$0.00	LIEN FILED & SHERIFF SALE
T237575	MORRISON-LUKENBILL	2000 -2008	\$1,997.77	\$667.80	VOID 2000,2001 & 2002'S
T260450	ARNDT, HOWARD & DEE L	2001 -2008	\$1,539.68	\$0.00	FILING A LIEN
T275800	BRUNI, TINA	2002 -2008	\$1,037.86	\$95.22	VOID 2002'S ONLY
T300058	HALL, LAVON C/O ROBINSON	2002 -2008	\$703.00	\$99.15	VOID 2002'S ONLY
TOTALS MOBILE HOME				\$1,254.31	TOTAL TO CANCEL

**CLOSE BOND SALE & CONSIDERATION OF RESOLUTION OF INTENT TO LEVY TAXES: RSID #143 (RESTHAVEN), #144 (LODGEPOLE) AND #145 (SNOWHOST)**

[10:00:48 AM](#)

Members present:

Chairman Gary D. Hall  
Commissioner Joseph D. Brenneman

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Deputy County Attorney Jonathan Smith, Treasurer Adele Krantz, Clerk Kile

Smith noted the resolutions authorize issuance of the bonds and the terms thereof.

Commissioner Brenneman made a **motion** to approve Resolution #2031D. Chairman Hall **seconded** the motion. **Aye** - Hall and Brenneman. Motion carried by quorum.

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 Resolution No. 2031D entitled: "RESOLUTION RELATING TO \$344,000 RURAL SPECIAL IMPROVEMENT DISTRICT BONDS (RURAL SPECIAL IMPROVEMENT DISTRICT NO. 143); FIXING THE FORM AND DETAILS AND PROVIDING FOR THE EXECUTION AND DELIVERY THEREOF AND SECURITY THEREFOR" (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 meeting on March 28, 2007, 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: Chairman Hall & Commissioner Brenneman, voted against the same: \_\_\_\_\_; abstained from voting thereon: \_\_\_\_\_; or were absent: Commissioner Brenneman.

WITNESS my hand officially this 28<sup>th</sup> day of August, 2008.



Paula Robinson, Clerk & Recorder

By/s/Diana Kile  
Deputy

RESOLUTION NO. 2031 D

RESOLUTION RELATING TO \$344,000 RURAL SPECIAL IMPROVEMENT DISTRICT BONDS (RURAL SPECIAL IMPROVEMENT DISTRICT NO. 143); FIXING THE FORM AND DETAILS AND PROVIDING FOR THE EXECUTION AND DELIVERY THEREOF AND SECURITY THEREFOR

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

Section 1. Recitals. It is hereby found, determined and declared as follows:

1.01. Resolution of Intention. By Resolution No. 2031, adopted March 28, 2007, (the "Resolution of Intention"), this Board declared its intention to create Rural Special Improvement District No. 143 (the "District"), for the purpose of making special improvements for the special benefit of the District. The Resolution of Intention designated the number of the District, described the boundaries thereof, stated whether the District was an extended district and stated the general character of the improvements to be made (collectively, the "Improvements") and an approximate estimate of the costs thereof, in accordance with the provisions of Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended (the "Act"). By the Resolution of Intention this Board also declared its intention to cause the cost and expense of making the improvements specially benefiting the District to be assessed against the properties included within the boundaries thereof in accordance with one or more methods of assessment authorized in Montana Code Annotated, Section 7-12-215 1 and as set forth in the Resolution of Intention.

In the Resolution of Intention, this Board further found that it is in the public interest, and in the best interest of the County and the District, to secure payment of principal of and interest on the Bonds by the Rural Special Improvement District Revolving Fund of the County, on the basis of the factors required to be considered under Section 7-12-2185 of the Act. Those findings are hereby ratified and confirmed.

1.02. Notice. Notice of the passage of the Resolution of Intention was given by two publications, with at least six days between publications, in a qualified newspaper of general circulation in the County, as required by Montana Code Annotated, Sections 7-12-2105(1) and 7-1-2121. Notice of the passage of the Resolution of Intention was also mailed to all persons, firms or corporations or the agents thereof having real property within the District listed in their names upon the last completed assessment roll for state, county and school district taxes, at their last known addresses. The notice described the general character of the Improvements, stated the estimated cost of the Improvements and the method or methods of assessment of such costs against properties in the District, specified the time when and the place where the Board would hear and pass upon all protests made against the making of the Improvements or the creation or extension of the District, referred to the appropriate Resolution of Intention as being on file in the office of the County Clerk and Recorder for a description of the boundaries of the District, all in accordance with the provisions of the Resolution of Intention, and included a statement that, subject to the limitations of Section 7-12-2182 of the Act, the general fund of the County may be used to provide loans to the revolving fund or a general tax levy may be imposed on all taxable property in the County to meet the financial requirements of the revolving fund.

1.03. Creation of District. At the time and place specified in the notices hereinabove described, this Board met to hear, consider and pass upon all protests made against the making of the Improvements and the creation of the District, and, after consideration thereof, it was determined and declared that insufficient protests against the creation or extension of the District or the proposed work had been filed in the time and manner provided by law by the owners of the property to be assessed for the Improvements in the respective District, and this Board did therefore create Rural Special Improvement District No. 143 by Resolution No. 2031A, adopted May 3, 2007, and ordered the proposed Improvements in the District in accordance with the Resolution of Intention. In the resolution creating the District, the Board of County Commissioners also confirmed the findings it made with respect to the pledge of the Revolving Fund in the Resolution of Intention.

1.04. Construction Contract. Plans, specifications, maps, profiles and surveys for construction of the Improvements were prepared by the engineers acting for the County, and were thereupon examined and approved by this Board. Advertisements for bids for construction of the Improvements to the District were published in the official newspapers of the County in accordance with the provisions of Montana Code Annotated, Section 7-12-2132, after which the bids theretofore received were opened and examined. After referring the bids to the engineers for the County it was determined that the lowest regular proposals for the furnishing of all work and materials required for constructing the Improvements to the District in accordance with the approved plans and specifications were the following:

<u>Work</u>	<u>Bidder</u>	<u>Contract Price</u>
Application of crushed gravel, a tack coat and asphalt paving on approximately 100,000 square feet of Rest Haven Drive and Plaza Road, and installation of culverts for improved drainage.	Schellinger Construction Co.	\$242,430.00

A Contract for the construction of the Improvements to District will be awarded to said bidder, and upon the issuance of the Bonds the County and the successful bidder will enter into a written contract for construction of the Improvements to the District upon the bidders having executed and filed bonds satisfactory to this Board and in the form and manner provided by Montana Code Annotated, Title 18, Chapter 2, Part 2.

1.05. Costs. It is currently estimated that the costs and expenses connected with and incidental to the formation of the District to the County to be assessed against properties in the District, including costs of preparation of plans, specifications, maps, profiles, engineering superintendence and inspection, preparation of assessment rolls, expenses of making the assessments, the cost of work and materials and all other costs and expenses, including the deposit of proceeds in the Revolving Fund are \$344,000. Such amount will be levied and assessed upon the assessable property within the District on the basis described in the Resolution of Intention. This Board has jurisdiction and is required by law to levy and assess such amounts, to collect such special assessments and credit the same to the rural special improvement district account created for the District, which account is to be maintained on the official books and records of the County separate from all other County funds, within the Rural Special Improvement District No. 143 Sinking Fund (the "Sinking Fund") for the payment of principal and interest when due on the bonds herein authorized.

1.06. Sale and Issuance of Bonds. For the purpose of financing the costs and expenses of making the Improvements, which are to be assessed against the property within the District as provided in the Resolution of Intention, pursuant to Resolution No. 2031 B, adopted July 31, 2008, this Board determined that the issuance and sale of bonds was in the best interests of the County and the District.

Advertisements for bids for the purchase of the Bonds were published in accordance with the provisions of Montana Code Annotated, Sections 7-12-2172, 7-7-4252 and 17-5-106. Pursuant to Resolution No. 2031 C, adopted on August 19, 2008, this Board authorized the County to enter into a contract with Bitterroot Valley Bank, of Lolo, Montana (the "Purchaser"), as the lowest responsible bidder pursuant to which the Purchaser agreed to purchase from the County the Bonds at a purchase price of \$344,000.00, at the rate of interest of 4.6% per annum.

1.07. Recitals. All acts, conditions and things required by the Constitution and laws of the State of Montana, including Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended, in order to make the Bonds valid and binding special 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.

Section 2. The Bonds.

2.01. Principal Amount, Maturities, Denominations, Date, Interest Rates. For the purpose of paying the costs and expenses incurred in construction of the Improvements, and in anticipation of the collection of special assessments to be levied therefor, and in accordance with the proposal described in Section 1.06, the County shall forthwith issue and deliver to the Purchaser the Bonds payable solely from the Sinking Fund and denominated "Rural Special Improvement District Bonds (Rural Special Improvement District No. 143)." The Bonds shall be dated, as originally issued and be registered as of August 28, 2008, shall each be in the denomination of \$5,000 or any integral multiple thereof of single maturities (except that one Bond maturing in 2023 shall be in the principal amount of \$14,000), shall mature on July 1 in the years and principal amounts set forth below, and Bonds maturing in such years and principal amounts shall bear interest from the date of original issuance until paid or duly called for redemption at the rate of 4.6 % per annum:

Year	Amount	Year	Amount
2009	\$25,000	2017	\$25,000
2010	25,000	2018	25,000
2011	25,000	2019	20,000
2012	25,000	2020	20,000
2013	25,000	2021	20,000
2014	25,000	2022	20,000
2015	25,000	2023	14,000
2016	25,000		

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

2.02. Interest Payment Dates. Interest on the Bonds shall be payable on each January 1 and July 1, commencing January 1, 2009, to the owners of record thereof as such appear on the bond registrar at the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day. Upon the original delivery of the Bonds to the Purchaser and upon each subsequent transfer or exchange of a Bond pursuant to Section 2.04, the Registrar shall date each Bond as of the date of its authentication.

2.03. Method of Payment. The Bonds shall be issued in certificate form. The interest on and, upon surrender thereof at the operations center of the Registrar (as hereinafter defined), the principal of each Bond, shall be payable by check or draft drawn on the Registrar.

2.04. Registration. The County hereby appoints the Clerk and Recorder to act as registrar, transfer agent and paying agent (the "Registrar"). The County reserves the right to appoint a bank, trust company or financial institution as 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. This Section 2.04 shall establish a system of registration for the Bonds as defined in the Registration Act.

The effect of registration and the rights and duties of the County and the Registrar with respect thereto shall be as follows:

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

(b) Transfer. 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 requested by the transferor. The Registrar may, however, close the books for registration of any transfer of any Bond or portion thereof selected or called for redemption. No transfer or exchange of a Bond shall affect its order of registration for purposes of redemption pursuant to Section 2.05.

(c) Exchange. 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 duly authorized 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 of Bonds or exchange of Bonds (except an exchange upon a partial redemption of a Bond), 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 destroyed, stolen or lost, 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 destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar 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, destroyed, stolen or lost 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.

#### 2.05. Redemption.

(a) Mandatory Redemption. If on any interest payment date there will be a balance in the Sinking Fund after payment of the principal and interest due on all Bonds drawn against it, either from the prepayment of special assessments levied in the District or from the transfer of surplus money from the Construction Subaccounts to the Principal Subaccounts as provided in Section 3.02 or otherwise, the County Clerk and Recorder shall call for redemption on the interest payment date outstanding Bonds, or portions thereof, in an amount which, together with the interest thereon to the interest payment date, will equal the amount of such funds on deposit in the Sinking Fund on that date. The redemption price shall equal the amount of the principal amount of the Bonds to be redeemed plus interest accrued to the date of redemption.

(b) Optional Redemption. The Bonds are subject to redemption, in whole or in part, at the option of the County from sources of funds available therefor other than those described under Section 2.05(a) on the terms of this paragraph. The Bonds with stated maturities on or after July 1, 2014 will be subject to redemption on July 1, 2013, and any date thereafter, at the option of the County, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium.

(c) Selection of Bonds for Redemption; Partial Redemption. If less than all of the Bonds are to be redeemed, Bonds shall be redeemed in order of the stated maturities thereof. If less than all Bonds of a stated maturity are to be redeemed, the Bonds of such maturity shall be selected for redemption in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair. Upon partial redemption of a Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount thereof outstanding.

(d) Notice and Effect of Redemption. The date of redemption and the principal amount of the Bonds shall be fixed by the County Treasurer, who shall give notice thereof to the Registrar in sufficient time for the Registrar to give notice, by first class mail, postage prepaid, or by other means required by the securities depository, to the owner or owners of such Bonds at their addresses appearing in the bond register, of the numbers of the Bonds or portions thereof to be redeemed and the date on which payment will be made, which date shall be not less than thirty (30) days after the date of mailing notice. On the date so fixed interest on the Bonds or portions thereof so redeemed shall cease.

(e) Notification to the Paying Agent. Upon request by the County under the above sections 2.05(a) and 2.05(b), the Registrar shall give notice of redemption as directed provided that the County has given the Registrar such request at least 45 days prior to the redemption date.

2.06. 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.

2.07. Execution, Registration and Delivery. The Bonds shall be prepared under the direction of the County Clerk and Recorder and shall be executed on behalf of the County by the signatures of the Chair of the Board of County Commissioners, the County Clerk and Recorder and the County Treasurer and sealed with the official seal of the County; provided that the signatures and the corporate seal may be printed, engraved or lithographed facsimiles of the originals. 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 of any Bond, 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. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless 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. The Bonds shall be registered in order of their serial numbers by the Registrar, as attested by the Certificate of Authentication, as of the date of delivery of the Bonds. When the Bonds have been so executed, authenticated and registered, 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. The Purchaser shall not be obligated to see to the application of the purchase price, but from the proceeds of the Bonds the County Clerk and Recorder shall credit forthwith \$17,200 to the Revolving Fund, as required by Section 7-12-4169(2) of the Act; and the balance of such proceeds to the Construction Subaccount in the District Account, to be used solely for the purposes described in Section 3.02.

#### 2.08. Issuance of the Bonds.

(a) The Bonds shall be initially issued in certificate form, 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 Bitterroot Valley Bank, of Lolo, Montana. The Registrar and the County may treat Bitterroot Valley Bank, of Lolo, Montana 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 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 payment 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 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 the Registrar of the Bonds. So long as any Bond is registered in the name of Bitterroot Valley Bank, of Lolo, Montana, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Bitterroot Valley Bank, of Lolo, Montana, 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 Bitterroot Valley Bank, of Lolo, Montana shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the County to make payments of principal and interest.

In the event that any transfer or exchange of Bonds is permitted under paragraph 2.04 (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.

### Section 3. Sinking Fund; Assessments.

3.01. Sinking Fund. There is hereby created and established the Sinking Fund designated as the "Rural Special Improvement District Sinking Fund" which shall be maintained by the County Clerk and Recorder on the books and records of the County separate and apart from all other funds of the County. Within the Sinking Fund there shall be maintained separate accounts for the District, designated accordingly (collectively, the "District Account"). Within the District Account there shall be maintained three separate subaccounts, designated as the "Construction Subaccount," "Principal Subaccount," "Interest Subaccount."

3.02. Construction Subaccount. There shall be credited to the Construction Subaccount in the District Account the proceeds of the sale of the Bonds as provided in Section 2.07. Any earnings on investment of money in a Construction Subaccount shall be retained therein. All costs and expenses of constructing the Improvements to be paid from proceeds of the Bonds in and for the benefit of a District shall be paid from time to time as incurred and allowed from the Construction Subaccount in the respective District Account in accordance with the provisions of applicable law, and money in the Construction Subaccount shall be used for no other purpose, except payment of costs of issuance and administration of the District; provided that upon completion of the Improvements in or for the benefit of a District and after all claims and expenses with respect to such Improvements and costs of issuance and District administration have been fully paid and satisfied, any money remaining in said Construction Subaccount shall be transferred to the Principal Subaccount and used to redeem Bonds as provided in Section 3.03.

3.03. Principal Subaccounts and Interest Subaccounts. Money in the Principal Subaccount and the Interest Subaccount shall be used only for payment of the principal of and interest on the Bonds as such payments become due or to redeem Bonds. From the proceeds of the Bonds, there shall be deposited in the Interest Subaccount any interest on the Bonds accrued to the date of their delivery, pro rata, in proportion to the principal amount of Bonds issued for such District as set forth in Section 1.06.

Upon collection of the installment of principal and interest due on November 30 and May 31 of each fiscal year on the special assessments to be levied with respect to the Improvements in the District, the County Clerk and Recorder shall credit to the Interest Subaccount in the respective District Account so much of said special assessments as is collected as interest payment and the balance thereof to the respective Principal Subaccount. Any installment of any special assessment paid prior to its due date with interest accrued thereon to the next succeeding interest payment date shall be credited with respect to principal and interest payments in the same manner as other assessments are credited to the District Accounts. All money in the Interest Subaccount and the Principal Subaccount shall be used first to pay interest due, and any remaining money shall be used to pay Bonds then due and, if money is available, to redeem Bonds in accordance with Section 2.05; provided that any money transferred to a Principal Subaccount from the Construction Subaccount pursuant to Section 3.02 shall be applied to redeem Bonds to the extent possible on the next interest payment date for which notice of redemption may properly be given pursuant to Section 2.05. Redemption of Bonds shall be as provided in Section 2.05, and interest shall be paid as accrued thereon to the date of redemption, in accordance with the provisions of Section 7-12-2 174 of the Act.

3.04. Loans from Revolving Fund. The Board shall annually or more often if necessary issue an order authorizing a loan or advance from the Rural Special Improvement District Revolving Fund of the County (the "Revolving Fund") to the District Account in an amount sufficient to make good any deficiency then existing in the Interest Subaccount, and shall issue an order authorizing a loan or advance from the Revolving Fund to the District Account in an amount sufficient to make good any deficiency then existing in the Principal Subaccount, in such order and in each case to the extent that money is available in the Revolving Fund. A deficiency shall be deemed to exist in a Principal Subaccount or an Interest Subaccount in a District Account if the money on deposit therein on any June 15 or December 15 (excluding amounts in the Principal Subaccount representing prepaid special assessments) is less than the amount necessary to pay Bonds due (other than upon redemption), and interest on all Bonds payable, on the next succeeding interest payment date.

Pursuant to a Resolution adopted on May 11, 1984, the County has undertaken and agreed to provide funds for the Revolving Fund by levying such tax or making such loan from the General Fund as authorized by Montana Code Annotated, Section 7-12-2182. In the event that the balance on hand in the Revolving Fund fifteen days prior to any date when interest is due on special improvement district bonds or warrants of the County is not sufficient to make good all deficiencies then existing in the special improvement district funds for which the County has covenanted to make loans from the Revolving Fund, the balance on hand in the Revolving Fund shall be allocated to the funds of the special improvement District in which such deficiencies then exist in proportion to the amounts of the deficiencies on the respective dates of receipt of such money, until all interest accrued on such special improvement district bonds or warrants of the County has been paid. On any date when all accrued interest on special improvement district bonds and warrants of the County payable from funds for which the County has covenanted to make loans from the Revolving Fund has been paid, any balance remaining in the Revolving Fund shall be lent or advanced to the special improvement district funds for payment and

redemption of bonds to the extent the special improvement district funds are deficient for such purpose, and, if money in the Revolving Fund is insufficient therefor, pro rata, in an amount proportionate to the amount of such deficiency.

The County hereby determines, covenants and agrees to levy the property tax described in the immediately preceding paragraph to provide funds for the Revolving Fund so long as any Bonds are outstanding to the extent required under the provisions of this Resolution and the Act, even though such property tax levy may, under applicable law, require that property tax levies of the County for other purposes be reduced correspondingly. Thus, while any property tax levy to be made by the County to provide funds for the Revolving Fund is subject to levy limits under current law, the County agrees to levy property taxes to provide funds for the Revolving Fund to the extent described in this paragraph and, if necessary, to reduce other property tax levies correspondingly to meet applicable levy limits.

Section 4. Covenants. The County covenants and agrees with the owners from time to time of each of the Bonds that until all the Bonds and interest thereon are fully paid:

4.01. Compliance with Resolution. The County will hold the Sinking Fund and the Revolving Fund as trust funds, separate and apart from all of its other funds, and the County, its officers and agents, will comply with all covenants and agreements contained in this resolution. The provisions hereinabove made with respect to the Sinking Fund and the Revolving Fund are in accordance with the undertaking and agreement of the County made in connection with the public offering of the Bonds and the sale of the Bonds as set forth in Section 1.06.

4.02. Construction of Improvements. The County will do all acts and things necessary to enforce the provisions of the construction contracts and bonds referred to in Section 1.04 and to ensure the completion of the Improvements for the benefit of the District in accordance with the plans and specifications and within the time therein provided, and will pay all costs thereof promptly as incurred and allowed, out of the District Accounts and within the amount of the proceeds of the Bonds appropriated thereto.

4.03. Levy of Assessments. The County will do all acts and things necessary for the final and valid levy of special assessments upon all assessable real property within the boundaries of the District in accordance with the Constitution and laws of the State of Montana and the Constitution of the United States in an aggregate principal amount not less than \$344,000.

Such special assessments shall be levied on the basis or bases prescribed in the Resolution of Intention and, as authorized by Montana Code Annotated, Section 7-12-4190(2), shall be payable in equal semiannual installments of principal and interest. The unpaid installments of the assessments shall bear interest at an annual rate determined each fiscal year equal to the sum of: (i) the average annual interest rate borne by the Bonds, plus (ii) one-half of one percent (0.50%) per annum. The assessments will be payable in installments on the 30th day of November in each of years 2008 through 2022 and on the 31st day of May in the years 2009 through 2023, inclusive, if not theretofore paid, and shall become delinquent on such date unless paid in full. The payment due on any installment date shall be the amount necessary to amortize, over the 15-year term in substantially equal semiannual payments, the principal amount of the assessment, together with interest to accrue thereon over said term at the interest rate thereon; provided that the amount of each such installment shall be adjusted each fiscal year to an amount equal to the amount necessary to amortize fully the then outstanding principal amount of the assessment (excluding any delinquent amounts), plus interest accrued at the interest rate on the assessments then in effect in the number of installments then remaining until July 1, 2023. There shall be added to the first installment payment of each assessment interest on the entire assessment from the date of original registration of the Bonds to January 1, 2009. The assessments shall constitute a lien upon and against the property against which they are made and levied, which lien may be extinguished only by payment of the assessment with all penalties, costs and interest as provided in Montana Code Annotated, Section 7-12-2168. No tax deed issued with respect to any lot or parcel of land shall operate as payment of any installment of the assessment thereon which is payable after the execution of such deed, and any tax deed so issued shall convey title subject only to the lien of said future installments, as provided in Montana Code Annotated, Section 15-18-2 14.

4.04. Reassessment. If at any time and for whatever reason any special assessment or tax herein agreed to be levied is held invalid, the County and this Board, its officers and employees, will take all steps necessary to correct the same and to reassess and re-levy the same, including the ordering of work, with the same force and effect as if made at the time provided by law, ordinance or resolution relating thereto, and will reassess and re-levy the same with the same force and effect as an original levy thereof, as authorized in Montana Code Annotated, Section 7-12-2165. Any special assessment, or reassessment or re-levy shall, so far as is practicable, be levied and collected as it would have been if the first levy had been enforced including the levy and collection of any interest accrued on the first levy.

If proceeds of the Bonds, including investment income thereon, are applied to the redemption of such Bonds, as provided in Montana Code Annotated, Sections 7-12-2173 and 7-12-2174, or if refunding bonds are issued and the principal amount of the outstanding Bonds of the District is decreased or increased, the County will reduce or increase, respectively, the assessments levied in the respective District and then outstanding pro rata by the principal amount of such prepayment or the increment above or below the outstanding principal amount of bonds represented by the refunding bonds. The County and this Board, its officers and employees will reassess and re-levy such assessments, with the same effect as an original levy, in such reduced or increased amounts in accordance with the provisions of Montana Code Annotated, Sections 7-12-2158 through 7-12-2159.

4.05. Absence of Litigation. There is now no litigation pending or, to the best knowledge of the County, threatened questioning the validity or regularity of the creation of the District, the contracts for construction of the Improvements or the undertaking and agreement of the County to levy special assessments therefor and to make good any deficiency in the collection thereof through the levy of taxes for and the making of advances from the Revolving Fund, or the right and power of the County to issue the Bonds or in any manner questioning the existence of any condition precedent to the exercise of the County's powers in these matters. If any such litigation should be initiated or threatened, the County will forthwith notify in writing the Purchaser, and will furnish the Purchaser a copy of all documents, including pleadings, in connection with such litigation.

4.06. Waiver of Penalty and Interest. The County covenants not to waive the payment of penalty or interest on delinquent assessments levied on property in the District for costs of the Improvements, unless the County determines, by resolution of the Board of County Commissioners, that such waiver is in the best interest of the owners of the outstanding Bonds.

#### Section 5. Tax Matters.

5.01. Use of Improvements. The Improvements will be owned and operated by the County and available for use by members of the general public on a substantially equal basis. The County shall not enter into any lease, use or other agreement with any non-governmental person relating to the use of the Improvements or security for the payment of the

Bonds which might cause the Bonds to be considered "private activity bonds" or "private loan bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code").

5.02. General Covenant. The County covenants and agrees with the owners 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 which would cause the interest on the Bonds to become includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations (the "Regulations"), and covenants to take any and all actions within its powers to ensure that the interest on the Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

5.03. Arbitrage Certification. The Chair of the Board, the County Clerk and Recorder and the County Treasurer, being the officers of the County charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds, it is reasonably expected that the proceeds of the Bonds will be used in a manner that would not cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations.

5.04. Arbitrage Rebate Exemption.

(a) The County hereby represents that the Bonds qualify for the exception for small governmental units to the arbitrage rebate provisions contained in Section 148(f) of the Code. Specifically, the County represents:

(1) Substantially all (not less than 95%) of the proceeds of the Bonds (except for amounts to be applied to the payment of costs of issuance or representing accrued interest) will be used for local governmental activities of the County.

(2) The aggregate face amount of all "tax-exempt bonds" (including warrants, contracts, leases and other indebtedness, but excluding private activity bonds and current refunding bonds) issued by or on behalf of the County and all subordinate entities thereof during 2008 is not reasonably expected to exceed \$5,000,000. To date in 2008, the County has issued no such tax-exempt bonds, and in the calendar years 2002 through 2007, the County issued no such tax-exempt bonds, except its \$523,000 Rural Special Improvement District No. 138 Bonds and its \$508,000 Pooled Rural Special Improvement Bonds.

(b) If notwithstanding the provisions of paragraph (a) of this Section 5.04, the arbitrage rebate provisions of Section 148(f) of the Code apply to the Bonds, the County hereby covenants and agrees to make the determinations, retain records and rebate to the United States the amounts at the times and in the manner required by said Section 148(f).

5.05. Information Reporting. The County shall file with the Secretary of the Treasury, not later than November 15, 2008, a statement concerning the Bonds containing the information required by Section 149(e) of the Code.

5.06. "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 purposes of Section 265(b)(3) of the Code. The County has not designated any obligations in 2008 other than the Bonds under Section 265(b)(3). The County hereby represents that it does not anticipate that obligations bearing interest not includable in gross income for purposes of federal income taxation under Section 103 of the Code (including refunding obligations as provided in Section 265(b)(3) of the Code and including "qualified 501(c)(3) bonds" but excluding other "private activity bonds," as defined in Sections 141(a) and 145(a) of the Code) will be issued by or on behalf of the County and all "subordinate entities" of the County in 2008 in an amount greater than \$10,000,000.

Section 6. Authentication of Transcript. The officers of the County are hereby authorized and directed to furnish to the Purchaser and to bond counsel certified copies of all proceedings relating to the issuance of the Bonds and such other certificates and affidavits as may be required to show the right, power and authority of the County to issue the Bonds, and all statements contained in and shown by such instruments, including any heretofore furnished, shall constitute representations of the County as to the truth of the statements purported to be shown thereby.

Section 7. Discharge.

7.01. General. When the liability of the County on all Bonds issued under and secured by this resolution has been discharged as provided in this Section 7, all pledges, covenants and other rights granted by this resolution to the owners of such obligations shall cease.

7.02. Payment. The County may discharge its liability with reference to any Bond or installment of interest thereon which is due on any date by on or before that date depositing with the Registrar funds sufficient, or, if a County officer is the Registrar, mailing to the registered owner of such Bond a check or draft in a sum sufficient and providing proceeds available, for the payment thereof in full; or if any Bond or installment of interest thereon shall not be paid when due, the County may nevertheless discharge its liability with reference thereto by depositing with the Registrar funds sufficient, or, if a County officer is the Registrar, by mailing to the registered owner thereof a check or draft in a sum sufficient and providing proceeds available, for the payment thereof in full with interest accrued to the date of such deposit or mailing.

7.03. Prepayment. The County may also discharge its obligations with respect to any Bonds called for redemption on any date when they are prepayable according to their terms, by on or before that date depositing with the Registrar funds sufficient, or, if a County officer is the Registrar, mailing to the registered owner of such Bond a check or a draft in a sum sufficient and providing proceeds available, for the payment of the principal, interest and redemption premium, if any, which are then due; provided that notice of such redemption has been duly given as provided herein or irrevocably provided for.

7.04. Escrow. The County may also at any time discharge its liability in its entirety with reference to the 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 which 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 and interest to become due on all Bonds on or before maturity or, if any Bond has been duly called for redemption or notice of such redemption has been irrevocably provided for, on or before the designated redemption date.

Section 8. Repeals and Effective Date.



8.01. Repeal. All provisions of other Resolution and other actions and proceedings of the County and this Board that are in any way inconsistent with the terms and provisions of this resolution are repealed, amended and rescinded to the full extent necessary to give full force and effect to the provisions of this resolution.

8.02. Effective Date. This resolution shall take effect immediately upon its passage and adoption by this Board.

PASSED by the Board of County Commissioners of Flathead County, Montana, this 28<sup>th</sup> day of August, 2008.

BOARD OF COUNTY COMMISSIONERS

Flathead County, Montana

By/s/Gary D. Hall  
Gary D. Hall, Chairman

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

By \_\_\_\_\_  
Dale W. Lauman, Member

ATTEST:  
Paula Robinson, Clerk

By/s/Diana Kile  
Diana Kile, Deputy

EXHIBIT A

UNITED STATES OF AMERICA  
STATE OF MONTANA

FLATHEAD COUNTY

RURAL SPECIAL IMPROVEMENT  
DISTRICT BONDS  
(Rural Special Improvement District No. 143)

Interest at the rate per annum specified below  
payable January 1, 2009, and  
semiannually thereafter

on the 1st day of January and the 1st day of July in each year.

FOR VALUE RECEIVED, Flathead County, Montana, will pay to the registered owner identified above, or registered assigns, on the maturity date specified above the principal amount specified above, solely from the revenues hereinafter specified, as authorized by Resolution No. 2031D adopted August 28, 2008 (the "Resolution"), all subject to the provisions hereinafter described relating to the redemption of this Bond before maturity. This Bond bears interest at the rate per annum specified above from the date of registration of this Bond, as expressed herein, or from such later date to which interest hereon has been paid or duly provided for, until the maturity date specified above or an earlier date on which this Bond shall have been duly called for redemption by the County Clerk and Recorder. Interest on this Bond is payable semiannually, commencing January 1, 2009, on the first day of January and the first day of July in each year, to the owner of record of this Bond appearing as such in the bond register as of the close of business on the 15th day (whether or not such is a business day) of the immediately preceding month. Interest on and, upon presentation and surrender hereof at the principal office of the bond registrar and paying agent hereinafter named, the principal of this Bond are payable by check or draft of the Flathead County Clerk and Recorder, of Kalispell, Montana, as bond registrar and paying agent, or its successor designated under the Resolution (the "Registrar"). The principal of and interest on this Bond are payable in lawful money of the United States of America.

This Bond is one of an issue in the aggregate principal amount of \$344,000 (the "Bonds"), all of like date of original issue and tenor, except as to serial number, denomination,

date, interest rate, maturity date and redemption privilege. The Bonds are issued pursuant to and in full conformity with the Constitution and laws of the State of Montana thereunto enabling, including Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended, and ordinances and Resolution duly adopted by the governing body of the City, including the Resolution, to finance the costs of certain local improvements (the "Improvements") for the special benefit of property located in Rural Special Improvement District No. 143 of the County (the "District"). The Bonds are issuable only as certificate bonds of single maturities in denominations of \$5,000 or any integral multiple thereof (except one issued in the amount of \$14,000).

This Bond is payable from the collection of a special tax or assessment levied upon all assessable real property within the boundaries of the District, in an aggregate principal amount of not less than \$344,000, except as such amount may be reduced or increased in accordance with provisions of Montana law. Such assessments constitute a lien against the assessable real estate within the District, and the Bonds are not general obligations of the County.

The County has also validly established a Rural Special Improvement District Revolving Fund (the "Revolving Fund") to secure the payment of certain of its rural special improvement district bonds, including the Bonds. The County has also agreed, to the extent permitted by the Act, to issue orders annually authorizing loans or advances from the Revolving Fund to the Rural Special Improvement District Sinking Fund of the County established for RSID No. 143 (the "Sinking Fund"), in amounts sufficient to make good any deficiency in the Sinking Fund to pay principal of or interest on the Bonds, to the extent that funds are available in the Revolving Fund, and to provide funds for the Revolving Fund by annually making a tax levy or loan from its general fund in an amount sufficient for that purpose, subject to the limitation that no such tax levy or loan may in any year cause the balance in the Revolving Fund to exceed five percent of the principal amount of the County's then outstanding rural special improvement district bonds secured thereby and the durational limitations specified in the Act. Thus, while any property tax levy to be made by the County to provide funds for the Revolving Fund is subject to levy limits under current law, the County has agreed in the Resolution to levy property taxes to provide funds for the Revolving Fund to the extent described in this paragraph and, if necessary, to reduce other property tax levies correspondingly to meet applicable levy limits.

The Bonds are subject to mandatory redemption in order of stated maturities and within a stated maturity in \$5,000 principal amounts selected by lot or other manner deemed fair by the Registrar on any interest payment date if, after paying all principal and interest then due on the Bonds, there are funds to the credit of the Sinking Fund, from the prepayment of assessments levied in the District or from surplus proceeds of the Bonds not required to pay costs of the Improvements, for the redemption thereof, and in the manner provided for the redemption of the same. The Bonds maturing on and after July 1, 2014 are subject to redemption at the option of the County from sources of funds available therefor other than those noted in the previous sentence, including, without limitation, from the proceeds of refunding rural special improvement district bonds or warrants, on July 1, 2013 and any date thereafter. The redemption price is equal to the principal amount of the Bonds or portions thereof to be redeemed plus interest accrued thereon to the date of redemption, without premium. The date of redemption shall be fixed by the County Clerk and Recorder, who shall give notice thereof to the Registrar in sufficient time for the Registrar to give notice, by first class mail, postage prepaid, or by other means required by the securities depository, to the owner or owners of such Bonds at their addresses shown on the bond register, of the Bonds or portions thereof to be redeemed and the date on which payment will be made, which date shall not be less than thirty (30) days after the date of mailing of notice, on which date so fixed interest shall cease. On the date so fixed interest on the Bonds or portions thereof so redeemed shall cease to accrue. 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 have been designated by the County as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the County at 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 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 things required to be done precedent to the issuance of this Bond have been properly done, happened and been performed in the manner prescribed by the laws of the State of Montana and the Resolution and ordinances of Flathead County, Montana, relating to the issuance thereof; 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 original issuance and 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 herein shall have been executed by the Registrar by the manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, Flathead County, Montana, by its Board of County Commissioners, has caused this Bond and the certificate on the reverse hereof to be executed by the signatures of the Chair of the Board of County Commissioners, the County Clerk and Recorder and the County Treasurer, and by the official seal of the County.

By/s/Gary D. Hall  
Chair, Board of County Commissioners

By/s/Paula Robinson  
County Clerk and Recorder

By/s/Adele Krantz  
County Treasurer

Dated:

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/s/Diana Kile  
Deputy, Clerk and Recorder



Commissioner Brenneman made a **motion** to approve Resolution #2113D. Chairman Hall **seconded** the motion. **Aye** - Hall and Brenneman. Motion carried by quorum.

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 Resolution No. 2113D entitled: "RESOLUTION RELATING TO \$430,820 RURAL SPECIAL IMPROVEMENT DISTRICT BONDS (RURAL SPECIAL IMPROVEMENT DISTRICT NO. 144); FIXING THE FORM AND DETAILS AND PROVIDING FOR THE EXECUTION AND DELIVERY THEREOF AND SECURITY THEREFOR" (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 meeting on March 28, 2007, 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: Chairman Hall & Commissioner Brenneman, voted against the same: \_\_\_\_\_; abstained from voting thereon: \_\_\_\_\_; or were absent: Commissioner Lauman.

WITNESS my hand officially this 28<sup>th</sup> day of August, 2008.

Paula Robinson, Clerk & Recorder

By/s/Diana Kile  
Deputy



#### RESOLUTION NO. 2113 D

RESOLUTION RELATING TO \$430,820 RURAL SPECIAL IMPROVEMENT DISTRICT BONDS (RURAL SPECIAL IMPROVEMENT DISTRICT NO. 144); FIXING THE FORM AND DETAILS AND PROVIDING FOR THE EXECUTION AND DELIVERY THEREOF AND SECURITY THEREFOR

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

Section 1. Recitals. It is hereby found, determined and declared as follows:

1.01. Resolution of Intention. By Resolution No. 2113, adopted December 4, 2007, (the "Resolution of Intention"), this Board declared its intention to create Rural Special Improvement District No. 144 (the "District"), for the purpose of making special improvements for the special benefit of the District. The Resolution of Intention designated the number of the District, described the boundaries thereof, stated whether the District was an extended district and stated the general character of the improvements to be made (collectively, the "Improvements") and an approximate estimate of the costs thereof, in accordance with the provisions of Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended (the "Act"). By the Resolution of Intention this Board also declared its intention to cause the cost and expense of making the improvements specially benefiting the District to be assessed against the properties included within the boundaries thereof in accordance with one or more methods of assessment authorized in Montana Code Annotated, Section 7-12-215 1 and as set forth in the Resolution of Intention.

In the Resolution of Intention, this Board further found that it is in the public interest, and in the best interest of the County and the District, to secure payment of principal of and interest on the Bonds by the Rural Special Improvement District Revolving Fund of the County, on the basis of the factors required to be considered under Section 7-12-2185 of the Act. Those findings are hereby ratified and confirmed.

1.02. Notice. Notice of the passage of the Resolution of Intention was given by two publications, with at least six days between publications, in a qualified newspaper of general circulation in the County, as required by Montana Code Annotated, Sections 7-12-2105(1) and 7-1-2121. Notice of the passage of the Resolution of Intention was also mailed to all persons, firms or corporations or the agents thereof having real property within the District listed in their names upon the last completed assessment roll for state, county and school district taxes, at their last known addresses. The notice described the general character of the Improvements, stated the estimated cost of the Improvements and the method or methods of assessment of such costs against properties in the District, specified the time when and the place where the Board would hear and pass upon all protests made against the making of the Improvements or the creation or extension of the District, referred to the appropriate Resolution of Intention as being on file in the office of the County Clerk and Recorder for a description of the boundaries of the District, all in accordance with the provisions of the Resolution of Intention, and included a statement that, subject to the limitations of Section 7-12-2182 of the Act, the general fund of the County may be used to provide loans to the revolving fund or a general tax levy may be imposed on all taxable property in the County to meet the financial requirements of the revolving fund.

1.03. Creation of District. At the time and place specified in the notices hereinabove described, this Board met to hear, consider and pass upon all protests made against the making of the Improvements and the creation of the District, and, after consideration thereof, it was determined and declared that insufficient protests against the creation or extension of the District or the proposed work had been filed in the time and manner provided by law by the owners of the property to be assessed for the Improvements in the respective District, and this Board did therefore create Rural Special Improvement District No. 144 by Resolution No. 2113A, adopted January 8, 2008, and ordered the proposed Improvements in the District in accordance with the Resolution of Intention. In the resolution creating the District, the Board of County Commissioners also confirmed the findings it made with respect to the pledge of the Revolving Fund in the Resolution of Intention.

1.04. Construction Contract. Plans, specifications, maps, profiles and surveys for construction of the Improvements were prepared by the engineers acting for the County, and were thereupon examined and approved by this Board. Advertisements for bids for construction of the Improvements to the District were published in the official newspapers of the County in accordance with the provisions of Montana Code Annotated, Section 7-12-2132, after which the bids theretofore received were opened and examined. After referring the bids to the engineers for the County it was determined that the lowest regular proposals for the furnishing of all work and materials required for constructing the Improvements to the District in accordance with the approved plans and specifications were the following:

<u>Work</u>	<u>Bidder</u>	<u>Contract Price</u>
Application of crushed gravel, a tack coat and asphalt paving on approximately 130,000 square feet of Lodgepole Drive and installation of culverts for improved drainage.	Goose Bay Construction Company	\$348,217.10

A Contract for the construction of the Improvements to District will be awarded to said bidder, and upon the issuance of the Bonds the County and the successful bidder will enter into a written contract for construction of the Improvements to the District upon the bidders having executed and filed bonds satisfactory to this Board and in the form and manner provided by Montana Code Annotated, Title 18, Chapter 2, Part 2.

1.05. Costs. It is currently estimated that the costs and expenses connected with and incidental to the formation of the District to the County to be assessed against properties in the District, including costs of preparation of plans, specifications, maps, profiles, engineering superintendence and inspection, preparation of assessment rolls, expenses of making the assessments, the cost of work and materials and all other costs and expenses, including the deposit of proceeds in the Revolving Fund are \$430,820. Such amount will be levied and assessed upon the assessable property within the District on the basis described in the Resolution of Intention. This Board has jurisdiction and is required by law to levy and assess such amounts, to collect such special assessments and credit the same to the rural special improvement district account created for the District, which account is to be maintained on the official books and records of the County separate from all other County funds, within the Rural Special Improvement District No. 144 Sinking Fund (the "Sinking Fund") for the payment of principal and interest when due on the bonds herein authorized.

1.06. Sale and Issuance of Bonds. For the purpose of financing the costs and expenses of making the Improvements, which are to be assessed against the property within the District as provided in the Resolution of Intention, pursuant to Resolution No. 2113 B, adopted July 31, 2008, this Board determined that the issuance and sale of bonds was in the best interests of the County and the District.

Advertisements for bids for the purchase of the Bonds were published in accordance with the provisions of Montana Code Annotated, Sections 7-12-2172, 7-7-4252 and 17-5-106. Pursuant to Resolution No. 2113 D, adopted on August 19, 2008, this Board authorized the County to enter into a contract with Bitterroot Valley Bank, of Lolo, Montana (the "Purchaser"), as the lowest responsible bidder pursuant to which the Purchaser agreed to purchase from the County the Bonds at a purchase price of \$430,820.00, at the rate of interest of 4.6% per annum.

1.07. Recitals. All acts, conditions and things required by the Constitution and laws of the State of Montana, including Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended, in order to make the Bonds valid and binding special 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.

Section 2. The Bonds.

2.01. Principal Amount, Maturities, Denominations, Date, Interest Rates. For the purpose of paying the costs and expenses incurred in construction of the Improvements, and in anticipation of the collection of special assessments to be levied therefor, and in accordance with the proposal described in Section 1.06, the County shall forthwith issue and deliver to the Purchaser the Bonds payable solely from the Sinking Fund and denominated "Rural Special Improvement District Bonds (Rural Special Improvement District No. 144)." The Bonds shall be dated, as originally issued and be registered as of August 28, 2008, shall each be in the denomination of \$5,000 or any integral multiple thereof of single maturities (except that one Bond maturing in 2023 shall be in the principal amount of \$10,820), shall mature on July 1 in the years and principal amounts set forth below, and Bonds maturing in such years and principal amounts shall bear interest from the date of original issuance until paid or duly called for redemption at the rate of 4.6 % per annum:

Year	Amount	Year	Amount
2009	\$30,000	2017	\$30,000
2010	30,000	2018	30,000
2011	30,000	2019	30,000
2012	30,000	2020	30,000
2013	30,000	2021	30,000
2014	30,000	2022	30,000
2015	30,000	2023	10,820
2016	30,000		

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

2.02. Interest Payment Dates. Interest on the Bonds shall be payable on each January 1 and July 1, commencing January 1, 2009, to the owners of record thereof as such appear on the bond registrar at the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day. Upon the original delivery of the Bonds to the Purchaser and upon each subsequent transfer or exchange of a Bond pursuant to Section 2.04, the Registrar shall date each Bond as of the date of its authentication.

2.03. Method of Payment. The Bonds shall be issued in certificate form. The interest on and, upon surrender thereof at the operations center of the Registrar (as hereinafter defined), the principal of each Bond, shall be payable by check or draft drawn on the Registrar.

2.04. Registration. The County hereby appoints the Clerk and Recorder to act as registrar, transfer agent and paying agent (the "Registrar"). The County reserves the right to appoint a bank, trust company or financial institution as 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. This Section 2.04 shall establish a system of registration for the Bonds as defined in the Registration Act.

The effect of registration and the rights and duties of the County and the Registrar with respect thereto shall be as follows:

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

(b) Transfer. 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 requested by the transferor. The Registrar may, however, close the books for registration of any transfer of any Bond or portion thereof selected or called for redemption. No transfer or exchange of a Bond shall affect its order of registration for purposes of redemption pursuant to Section 2.05.



(c) Exchange. 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 duly authorized 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 of Bonds or exchange of Bonds (except an exchange upon a partial redemption of a Bond), 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 destroyed, stolen or lost, 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 destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar 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, destroyed, stolen or lost 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.

#### 2.05. Redemption.

(a) Mandatory Redemption. If on any interest payment date there will be a balance in the Sinking Fund after payment of the principal and interest due on all Bonds drawn against it, either from the prepayment of special assessments levied in the District or from the transfer of surplus money from the Construction Subaccounts to the Principal Subaccounts as provided in Section 3.02 or otherwise, the County Clerk and Recorder shall call for redemption on the interest payment date outstanding Bonds, or portions thereof, in an amount which, together with the interest thereon to the interest payment date, will equal the amount of such funds on deposit in the Sinking Fund on that date. The redemption price shall equal the amount of the principal amount of the Bonds to be redeemed plus interest accrued to the date of redemption.

(b) Optional Redemption. The Bonds are subject to redemption, in whole or in part, at the option of the County from sources of funds available therefor other than those described under Section 2.05(a) on the terms of this paragraph. The Bonds with stated maturities on or after July 1, 2014 will be subject to redemption on July 1, 2013, and any date thereafter, at the option of the County, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium.

(c) Selection of Bonds for Redemption; Partial Redemption. If less than all of the Bonds are to be redeemed, Bonds shall be redeemed in order of the stated maturities thereof. If less than all Bonds of a stated maturity are to be redeemed, the Bonds of such maturity shall be selected for redemption in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair. Upon partial redemption of a Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount thereof outstanding.

(d) Notice and Effect of Redemption. The date of redemption and the principal amount of the Bonds shall be fixed by the County Treasurer, who shall give notice thereof to the Registrar in sufficient time for the Registrar to give notice, by first class mail, postage prepaid, or by other means required by the securities depository, to the owner or owners of such Bonds at their addresses appearing in the bond register, of the numbers of the Bonds or portions thereof to be redeemed and the date on which payment will be made, which date shall be not less than thirty (30) days after the date of mailing notice. On the date so fixed interest on the Bonds or portions thereof so redeemed shall cease.

(e) Notification to the Paying Agent. Upon request by the County under the above sections 2.05(a) and 2.05(b), the Registrar shall give notice of redemption as directed provided that the County has given the Registrar such request at least 45 days prior to the redemption date.

2.06. 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.

2.07. Execution, Registration and Delivery. The Bonds shall be prepared under the direction of the County Clerk and Recorder and shall be executed on behalf of the County by the signatures of the Chair of the Board of County Commissioners, the County Clerk and Recorder and the County Treasurer and sealed with the official seal of the County; provided that the signatures and the corporate seal may be printed, engraved or lithographed facsimiles of the originals. 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 of any Bond, 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. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless 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. The Bonds shall be registered in order of their serial numbers by the Registrar, as attested by the Certificate of Authentication, as of the date of delivery of the Bonds. When the Bonds have been so executed, authenticated and registered, 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. The Purchaser shall not be obligated to see to the application of the purchase price, but from the proceeds of the Bonds the County Clerk and Recorder shall credit forthwith \$21,540 to the

Revolving Fund, as required by Section 7-12-4169(2) of the Act; and the balance of such proceeds to the Construction Subaccount in the District Account, to be used solely for the purposes described in Section 3.02.

#### 2.08. Issuance of the Bonds.

(a) The Bonds shall be initially issued in certificate form, 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 Bitterroot Valley Bank, of Lolo, Montana. The Registrar and the County may treat Bitterroot Valley Bank, of Lolo, Montana 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 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 payment 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 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 the Registrar of the Bonds. So long as any Bond is registered in the name of Bitterroot Valley Bank, of Lolo, Montana, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Bitterroot Valley Bank, of Lolo, Montana, 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 Bitterroot Valley Bank, of Lolo, Montana shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the County to make payments of principal and interest.

In the event that any transfer or exchange of Bonds is permitted under paragraph 2.04 (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.

#### Section 3. Sinking Fund; Assessments.

3.01. Sinking Fund. There is hereby created and established the Sinking Fund designated as the "Rural Special Improvement District Sinking Fund" which shall be maintained by the County Clerk and Recorder on the books and records of the County separate and apart from all other funds of the County. Within the Sinking Fund there shall be maintained separate accounts for the District, designated accordingly (collectively, the "District Account"). Within the District Account there shall be maintained three separate subaccounts, designated as the "Construction Subaccount," "Principal Subaccount," "Interest Subaccount."

3.02. Construction Subaccount. There shall be credited to the Construction Subaccount in the District Account the proceeds of the sale of the Bonds as provided in Section 2.07. Any earnings on investment of money in a Construction Subaccount shall be retained therein. All costs and expenses of constructing the Improvements to be paid from proceeds of the Bonds in and for the benefit of a District shall be paid from time to time as incurred and allowed from the Construction Subaccount in the respective District Account in accordance with the provisions of applicable law, and money in the Construction Subaccount shall be used for no other purpose, except payment of costs of issuance and administration of the District; provided that upon completion of the Improvements in or for the benefit of a District and after all claims and expenses with respect to such Improvements and costs of issuance and District administration have been fully paid and satisfied, any money remaining in said Construction Subaccount shall be transferred to the Principal Subaccount and used to redeem Bonds as provided in Section 3.03.

3.03. Principal Subaccounts and Interest Subaccounts. Money in the Principal Subaccount and the Interest Subaccount shall be used only for payment of the principal of and interest on the Bonds as such payments become due or to redeem Bonds. From the proceeds of the Bonds, there shall be deposited in the Interest Subaccount any interest on the Bonds accrued to the date of their delivery, pro rata, in proportion to the principal amount of Bonds issued for such District as set forth in Section 1.06.

Upon collection of the installment of principal and interest due on November 30 and May 31 of each fiscal year on the special assessments to be levied with respect to the Improvements in the District, the County Clerk and Recorder shall credit to the Interest Subaccount in the respective District Account so much of said special assessments as is collected as interest payment and the balance thereof to the respective Principal Subaccount. Any installment of any special assessment paid prior to its due date with interest accrued thereon to the next succeeding interest payment date shall be credited with respect to principal and interest payments in the same manner as other assessments are credited to the District Accounts. All money in the Interest Subaccount and the Principal Subaccount shall be used first to pay interest due, and any remaining money shall be used to pay Bonds then due and, if money is available, to redeem Bonds in accordance with Section 2.05; provided that any money transferred to a Principal Subaccount from the Construction Subaccount pursuant to Section 3.02 shall be applied to redeem Bonds to the extent possible on the next interest payment date for which notice of redemption may properly be given pursuant to Section 2.05. Redemption of Bonds shall be as provided in Section 2.05, and interest shall be paid as accrued thereon to the date of redemption, in accordance with the provisions of Section 7-12-2 174 of the Act.

3.04. Loans from Revolving Fund. The Board shall annually or more often if necessary issue an order authorizing a loan or advance from the Rural Special Improvement District Revolving Fund of the County (the "Revolving Fund") to the District Account in an amount sufficient to make good any deficiency then existing in the Interest Subaccount, and shall issue an order authorizing a loan or advance from the Revolving Fund to the District Account in an amount sufficient to make good any deficiency then existing in the Principal Subaccount, in such order and in each case to the extent that money is available in the Revolving Fund. A deficiency shall be deemed to exist in a Principal Subaccount or an Interest Subaccount in a District Account if the money on deposit therein on any June 15 or December 15 (excluding amounts in the Principal Subaccount representing prepaid special assessments) is less than the amount necessary to pay Bonds due (other than upon redemption), and interest on all Bonds payable, on the next succeeding interest payment date.

Pursuant to a Resolution adopted on May 11, 1984, the County has undertaken and agreed to provide funds for the Revolving Fund by levying such tax or making such loan from the General Fund as authorized by Montana Code Annotated, Section 7-12-2182. In the event that the balance on hand in the Revolving Fund fifteen days prior to any date when interest is due on special improvement district bonds or warrants of the County is not sufficient to make good all deficiencies then existing in the special improvement district funds for which the County has covenanted to make loans from the Revolving Fund, the balance on hand in the Revolving Fund shall be allocated to the funds of the special improvement

District in which such deficiencies then exist in proportion to the amounts of the deficiencies on the respective dates of receipt of such money, until all interest accrued on such special improvement district bonds or warrants of the County has been paid. On any date when all accrued interest on special improvement district bonds and warrants of the County payable from funds for which the County has covenanted to make loans from the Revolving Fund has been paid, any balance remaining in the Revolving Fund shall be lent or advanced to the special improvement district funds for payment and redemption of bonds to the extent the special improvement district funds are deficient for such purpose, and, if money in the Revolving Fund is insufficient therefor, pro rata, in an amount proportionate to the amount of such deficiency.

The County hereby determines, covenants and agrees to levy the property tax described in the immediately preceding paragraph to provide funds for the Revolving Fund so long as any Bonds are outstanding to the extent required under the provisions of this Resolution and the Act, even though such property tax levy may, under applicable law, require that property tax levies of the County for other purposes be reduced correspondingly. Thus, while any property tax levy to be made by the County to provide funds for the Revolving Fund is subject to levy limits under current law, the County agrees to levy property taxes to provide funds for the Revolving Fund to the extent described in this paragraph and, if necessary, to reduce other property tax levies correspondingly to meet applicable levy limits.

Section 4. Covenants. The County covenants and agrees with the owners from time to time of each of the Bonds that until all the Bonds and interest thereon are fully paid:

4.01. Compliance with Resolution. The County will hold the Sinking Fund and the Revolving Fund as trust funds, separate and apart from all of its other funds, and the County, its officers and agents, will comply with all covenants and agreements contained in this resolution. The provisions hereinabove made with respect to the Sinking Fund and the Revolving Fund are in accordance with the undertaking and agreement of the County made in connection with the public offering of the Bonds and the sale of the Bonds as set forth in Section 1.06.

4.02. Construction of Improvements. The County will do all acts and things necessary to enforce the provisions of the construction contracts and bonds referred to in Section 1.04 and to ensure the completion of the Improvements for the benefit of the District in accordance with the plans and specifications and within the time therein provided, and will pay all costs thereof promptly as incurred and allowed, out of the District Accounts and within the amount of the proceeds of the Bonds appropriated thereto.

4.03. Levy of Assessments. The County will do all acts and things necessary for the final and valid levy of special assessments upon all assessable real property within the boundaries of the District in accordance with the Constitution and laws of the State of Montana and the Constitution of the United States in an aggregate principal amount not less than \$430,820.

Such special assessments shall be levied on the basis or bases prescribed in the Resolution of Intention and, as authorized by Montana Code Annotated, Section 7-12-4190(2), shall be payable in equal semiannual installments of principal and interest. The unpaid installments of the assessments shall bear interest at an annual rate determined each fiscal year equal to the sum of: (i) the average annual interest rate borne by the Bonds, plus (ii) one-half of one percent (0.50%) per annum. The assessments will be payable in installments on the 30th day of November in each of years 2008 through 2022 and on the 31st day of May in the years 2009 through 2023, inclusive, if not theretofore paid, and shall become delinquent on such date unless paid in full. The payment due on any installment date shall be the amount necessary to amortize, over the 15-year term in substantially equal semiannual payments, the principal amount of the assessment, together with interest to accrue thereon over said term at the interest rate thereon; provided that the amount of each such installment shall be adjusted each fiscal year to an amount equal to the amount necessary to amortize fully the then outstanding principal amount of the assessment (excluding any delinquent amounts), plus interest accrued at the interest rate on the assessments then in effect in the number of installments then remaining until July 1, 2023. There shall be added to the first installment payment of each assessment interest on the entire assessment from the date of original registration of the Bonds to January 1, 2009. The assessments shall constitute a lien upon and against the property against which they are made and levied, which lien may be extinguished only by payment of the assessment with all penalties, costs and interest as provided in Montana Code Annotated, Section 7-12-2168. No tax deed issued with respect to any lot or parcel of land shall operate as payment of any installment of the assessment thereon which is payable after the execution of such deed, and any tax deed so issued shall convey title subject only to the lien of said future installments, as provided in Montana Code Annotated, Section 15-18-2 14.

4.04. Reassessment. If at any time and for whatever reason any special assessment or tax herein agreed to be levied is held invalid, the County and this Board, its officers and employees, will take all steps necessary to correct the same and to reassess and re-levy the same, including the ordering of work, with the same force and effect as if made at the time provided by law, ordinance or resolution relating thereto, and will reassess and re-levy the same with the same force and effect as an original levy thereof, as authorized in Montana Code Annotated, Section 7-12-2165. Any special assessment, or reassessment or re-levy shall, so far as is practicable, be levied and collected as it would have been if the first levy had been enforced including the levy and collection of any interest accrued on the first levy.

If proceeds of the Bonds, including investment income thereon, are applied to the redemption of such Bonds, as provided in Montana Code Annotated, Sections 7-12-2173 and 7-12-2174, or if refunding bonds are issued and the principal amount of the outstanding Bonds of the District is decreased or increased, the County will reduce or increase, respectively, the assessments levied in the respective District and then outstanding pro rata by the principal amount of such prepayment or the increment above or below the outstanding principal amount of bonds represented by the refunding bonds. The County and this Board, its officers and employees will reassess and re-levy such assessments, with the same effect as an original levy, in such reduced or increased amounts in accordance with the provisions of Montana Code Annotated, Sections 7-12-2158 through 7-12-2159.

4.05. Absence of Litigation. There is now no litigation pending or, to the best knowledge of the County, threatened questioning the validity or regularity of the creation of the District, the contracts for construction of the Improvements or the undertaking and agreement of the County to levy special assessments therefor and to make good any deficiency in the collection thereof through the levy of taxes for and the making of advances from the Revolving Fund, or the right and power of the County to issue the Bonds or in any manner questioning the existence of any condition precedent to the exercise of the County's powers in these matters. If any such litigation should be initiated or threatened, the County will forthwith notify in writing the Purchaser, and will furnish the Purchaser a copy of all documents, including pleadings, in connection with such litigation.

4.06. Waiver of Penalty and Interest. The County covenants not to waive the payment of penalty or interest on delinquent assessments levied on property in the District for costs of the Improvements, unless the County determines, by resolution of the Board of County Commissioners, that such waiver is in the best interest of the owners of the outstanding Bonds.

Section 5. Tax Matters.

5.01. Use of Improvements. The Improvements will be owned and operated by the County and available for use by members of the general public on a substantially equal basis. The County shall not enter into any lease, use or other agreement with any non-governmental person relating to the use of the Improvements or security for the payment of the Bonds which might cause the Bonds to be considered "private activity bonds" or "private loan bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code").

5.02. General Covenant. The County covenants and agrees with the owners 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 which would cause the interest on the Bonds to become includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations (the "Regulations"), and covenants to take any and all actions within its powers to ensure that the interest on the Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

5.03. Arbitrage Certification. The Chair of the Board, the County Clerk and Recorder and the County Treasurer, being the officers of the County charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds, it is reasonably expected that the proceeds of the Bonds will be used in a manner that would not cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations.

5.04. Arbitrage Rebate Exemption.

(a) The County hereby represents that the Bonds qualify for the exception for small governmental units to the arbitrage rebate provisions contained in Section 148(f) of the Code. Specifically, the County represents:

(1) Substantially all (not less than 95%) of the proceeds of the Bonds (except for amounts to be applied to the payment of costs of issuance or representing accrued interest) will be used for local governmental activities of the County.

(2) The aggregate face amount of all "tax-exempt bonds" (including warrants, contracts, leases and other indebtedness, but excluding private activity bonds and current refunding bonds) issued by or on behalf of the County and all subordinate entities thereof during 2008 is not reasonably expected to exceed \$5,000,000. To date in 2008, the County has issued no such tax-exempt bonds, and in the calendar years 2002 through 2007, the County issued no such tax-exempt bonds, except its \$523,000 Rural Special Improvement District No. 138 Bonds and its \$508,000 Pooled Rural Special Improvement Bonds.

(b) If notwithstanding the provisions of paragraph (a) of this Section 5.04, the arbitrage rebate provisions of Section 148(f) of the Code apply to the Bonds, the County hereby covenants and agrees to make the determinations, retain records and rebate to the United States the amounts at the times and in the manner required by said Section 148(f).

5.05. Information Reporting. The County shall file with the Secretary of the Treasury, not later than November 15, 2008, a statement concerning the Bonds containing the information required by Section 149(e) of the Code.

5.06. "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 purposes of Section 265(b)(3) of the Code. The County has not designated any obligations in 2008 other than the Bonds under Section 265(b)(3). The County hereby represents that it does not anticipate that obligations bearing interest not includable in gross income for purposes of federal income taxation under Section 103 of the Code (including refunding obligations as provided in Section 265(b)(3) of the Code and including "qualified 501(c)(3) bonds" but excluding other "private activity bonds," as defined in Sections 141(a) and 145(a) of the Code) will be issued by or on behalf of the County and all "subordinate entities" of the County in 2008 in an amount greater than \$10,000,000.

Section 6. Authentication of Transcript. The officers of the County are hereby authorized and directed to furnish to the Purchaser and to bond counsel certified copies of all proceedings relating to the issuance of the Bonds and such other certificates and affidavits as may be required to show the right, power and authority of the County to issue the Bonds, and all statements contained in and shown by such instruments, including any heretofore furnished, shall constitute representations of the County as to the truth of the statements purported to be shown thereby.

Section 7. Discharge.

7.01. General. When the liability of the County on all Bonds issued under and secured by this resolution has been discharged as provided in this Section 7, all pledges, covenants and other rights granted by this resolution to the owners of such obligations shall cease.

7.02. Payment. The County may discharge its liability with reference to any Bond or installment of interest thereon which is due on any date by on or before that date depositing with the Registrar funds sufficient, or, if a County officer is the Registrar, mailing to the registered owner of such Bond a check or draft in a sum sufficient and providing proceeds available, for the payment thereof in full; or if any Bond or installment of interest thereon shall not be paid when due, the County may nevertheless discharge its liability with reference thereto by depositing with the Registrar funds sufficient, or, if a County officer is the Registrar, by mailing to the registered owner thereof a check or draft in a sum sufficient and providing proceeds available, for the payment thereof in full with interest accrued to the date of such deposit or mailing.

7.03. Prepayment. The County may also discharge its obligations with respect to any Bonds called for redemption on any date when they are prepayable according to their terms, by on or before that date depositing with the Registrar funds sufficient, or, if a County officer is the Registrar, mailing to the registered owner of such Bond a check or a draft in a sum sufficient and providing proceeds available, for the payment of the principal, interest and redemption premium, if any, which are then due; provided that notice of such redemption has been duly given as provided herein or irrevocably provided for.

7.04. Escrow. The County may also at any time discharge its liability in its entirety with reference to the 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 which 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 and interest to become due on all Bonds on or before maturity or, if any Bond has been duly called for redemption or notice of such redemption has been irrevocably provided for, on or before the designated redemption date.

Section 8. Repeals and Effective Date.

8.01. Repeal. All provisions of other Resolution and other actions and proceedings of the County and this Board that are in any way inconsistent with the terms and provisions of this resolution are repealed, amended and rescinded to the full extent necessary to give full force and effect to the provisions of this resolution.

8.02. Effective Date. This resolution shall take effect immediately upon its passage and adoption by this Board.

PASSED by the Board of County Commissioners of Flathead County, Montana, this 28<sup>th</sup> day of August, 2008.

BOARD OF COUNTY COMMISSIONERS  
Flathead County, Montana

By/s/Gary D. Hall  
Gary D. Hall, Chairman

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

By \_\_\_\_\_  
Dale W. Lauman, Member

ATTEST:  
Paula Robinson, Clerk

By/s/Diana Kile  
Diana Kile, Deputy

EXHIBIT A

UNITED STATES OF AMERICA  
STATE OF MONTANA

FLATHEAD COUNTY

RURAL SPECIAL IMPROVEMENT  
DISTRICT BONDS  
(Rural Special Improvement District No. 144)

Interest at the rate per annum specified below  
payable January 1, 2009, and  
semiannually thereafter

on the 1st day of January and the 1st day of July in each year.

FOR VALUE RECEIVED, Flathead County, Montana, will pay to the registered owner identified above, or registered assigns, on the maturity date specified above the principal amount specified above, solely from the revenues hereinafter specified, as authorized by Resolution No. 2113D adopted August 28, 2008 (the "Resolution"), all subject to the provisions hereinafter described relating to the redemption of this Bond before maturity. This Bond bears interest at the rate per annum specified above from the date of registration of this Bond, as expressed herein, or from such later date to which interest hereon has been paid or duly provided for, until the maturity date specified above or an earlier date on which this Bond shall have been duly called for redemption by the County Clerk and Recorder. Interest on this Bond is payable semiannually, commencing January 1, 2009, on the first day of January and the first day of July in each year, to the owner of record of this Bond appearing as such in the bond register as of the close of business on the 15th day (whether or not such is a business day) of the immediately preceding month. Interest on and, upon presentation and surrender hereof at the principal office of the bond registrar and paying agent hereinafter named, the principal of this Bond are payable by check or draft of the Flathead County Clerk and Recorder, of Kalispell, Montana, as bond registrar and paying agent, or its successor designated under the Resolution (the "Registrar"). The principal of and interest on this Bond are payable in lawful money of the United States of America.

This Bond is one of an issue in the aggregate principal amount of \$430,820 (the "Bonds"), all of like date of original issue and tenor, except as to serial number, denomination, date, interest rate, maturity date and redemption privilege. The Bonds are issued pursuant to and in full conformity with the Constitution and laws of the State of Montana thereunto enabling, including Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended, and ordinances and Resolution duly adopted by the governing body of the City, including the Resolution, to finance the costs of certain local improvements (the "Improvements") for the special benefit of property located in Rural Special Improvement District No. 144 of the County (the "District"). The Bonds are issuable only as certificate bonds of single maturities in denominations of \$5,000 or any integral multiple thereof (except one to be issued in the amount of \$10,820).

The County has also validly established a Rural Special Improvement District Revolving Fund (the "Revolving Fund") to secure the payment of certain of its rural special improvement district bonds, including the Bonds. The County has also agreed, to the extent permitted by the Act, to issue orders annually authorizing loans or advances from the Revolving Fund to the Rural Special Improvement District Sinking Fund of the County established for RSID No. 144 (the "Sinking Fund"), in amounts sufficient to make good any deficiency in the Sinking Fund to pay principal of or interest on the Bonds, to the extent that funds are available in the Revolving Fund, and to provide funds for the Revolving Fund by annually making a tax levy or loan from its general fund in an amount sufficient for that purpose, subject to the limitation that no such tax levy or loan may in any year cause the balance in the Revolving Fund to exceed five percent of the principal amount of the County's then outstanding rural special improvement district bonds secured thereby and the durational limitations specified in the Act. Thus, while any property tax levy to be made by the County to provide funds for the Revolving Fund is subject to levy limits under current law, the County has agreed in the Resolution to levy property taxes to provide funds for the Revolving Fund to the extent described in this paragraph and, if necessary, to reduce other property tax levies correspondingly to meet applicable levy limits.

The Bonds are subject to mandatory redemption in order of stated maturities and within a stated maturity in \$5,000 principal amounts selected by lot or other manner deemed fair by the Registrar on any interest payment date if, after paying all principal and interest then due on the Bonds, there are funds to the credit of the Sinking Fund, from the prepayment of assessments levied in the District or from surplus proceeds of the Bonds not required to pay costs of the Improvements, for the redemption thereof, and in the manner provided for the redemption of the same. The Bonds maturing on and after July 1, 2014 are subject to redemption at the option of the County from sources of funds available therefor other than those noted in the previous sentence, including, without limitation, from the proceeds of



refunding rural special improvement district bonds or warrants, on July 1, 2013 and any date thereafter. The redemption price is equal to the principal amount of the Bonds or portions thereof to be redeemed plus interest accrued thereon to the date of redemption, without premium. The date of redemption shall be fixed by the County Clerk and Recorder, who shall give notice thereof to the Registrar in sufficient time for the Registrar to give notice, by first class mail, postage prepaid, or by other means required by the securities depository, to the owner or owners of such Bonds at their addresses shown on the bond register, of the Bonds or portions thereof to be redeemed and the date on which payment will be made, which date shall not be less than thirty (30) days after the date of mailing of notice, on which date so fixed interest shall cease. On the date so fixed interest on the Bonds or portions thereof so redeemed shall cease to accrue. 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 have been designated by the County as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the County at 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 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 things required to be done precedent to the issuance of this Bond have been properly done, happened and been performed in the manner prescribed by the laws of the State of Montana and the Resolution and ordinances of Flathead County, Montana, relating to the issuance thereof; 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 original issuance and 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 herein shall have been executed by the Registrar by the manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, Flathead County, Montana, by its Board of County Commissioners, has caused this Bond and the certificate on the reverse hereof to be executed by the signatures of the Chair of the Board of County Commissioners, the County Clerk and Recorder and the County Treasurer, and by the official seal of the County.

By/s/Gary D. Hall  
Chair, Board of County Commissioners

By/s/Paula Robinson  
County Clerk and Recorder

By/s/Adele Krantz  
County Treasurer

Dated:

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/s/Diana Kile  
Deputy, Clerk and Recorder



Commissioner Brenneman made a **motion** to approve Resolution #2112D. Chairman Hall **seconded** the motion. **Aye** - Hall and Brenneman. Motion carried by quorum.

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 Resolution No. 2112D entitled: "RESOLUTION RELATING TO \$274,000 RURAL SPECIAL IMPROVEMENT DISTRICT BONDS (RURAL SPECIAL IMPROVEMENT DISTRICT NO. 145); FIXING THE FORM AND DETAILS AND PROVIDING FOR THE EXECUTION AND DELIVERY THEREOF AND SECURITY THEREFOR" (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 meeting on March 28, 2007, 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: Chairman Hall & Commissioner Brenneman, voted against the same: \_\_\_\_\_; abstained from voting thereon: \_\_\_\_\_; or were absent: \_\_\_\_\_

Commissioner Lauman.

WITNESS my hand officially this 28<sup>th</sup> day of August, 2008.

Paula Robinson, Clerk & Recorder



By/s/Diana Kile  
Deputy

RESOLUTION NO. 2112 D

RESOLUTION RELATING TO \$274,000 RURAL SPECIAL IMPROVEMENT DISTRICT BONDS (RURAL SPECIAL IMPROVEMENT DISTRICT NO. 145); FIXING THE FORM AND DETAILS AND PROVIDING FOR THE EXECUTION AND DELIVERY THEREOF AND SECURITY THEREFOR

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

Section 1. Recitals. It is hereby found, determined and declared as follows:

1.01. Receipt of Petition. This Board received a petition, (the "Petition") to create and establish in the County under Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended (the "Act"), a rural special improvement district for the purpose of financing certain local improvements to benefit certain property located in the County and included within the proposed district. The Petition was signed by all owners of the property in the proposed district and the owners expressly consented in the Petition to the creation of the proposed district on the terms and conditions hereinafter specified.

1.02. Creation of District. Based on the Petition and Sections 7-12-2102(2), 7-12-2109(2) and 7-12-2113(2)(d) of the Act, this Board had jurisdiction to consider the Petition, and finding it in the best interest of the County, determined to create Rural Special Improvement District No. 145 (the "District") by the adoption of Resolution No. 2112 A on April 2, 2008, and order the Improvements on the terms and conditions thereafter prescribed, for the purpose of financing costs of the Improvements and paying costs incidental thereto, including costs associated with the sale and the security of rural special improvement district bonds of the County drawn on the District (the "Bonds"), the creation and administration of the District, and the funding of a deposit to the County's Rural Special Improvement District Revolving Fund (the "Revolving Fund"). The total estimated costs of the Improvements, including such incidental costs, to be financed by the Bonds are \$274,000.00. The Bonds are to be payable primarily from special assessments to be levied against property in the District, which property will be specially benefitted by the Improvements in an amount not less than \$274,000.00.

1.03. Construction Contract. Plans, specifications, maps, profiles and surveys for construction of the Improvements were prepared by the engineers acting for the County, and were thereupon examined and approved by this Board. Advertisements for bids for construction of the Improvements to the District were published in the official newspapers of the County in accordance with the provisions of Montana Code Annotated, Section 7-12-2132, after which the bids theretofore received were opened and examined. After referring the bids to the engineers

for the County it was determined that the lowest regular proposals for the furnishing of all work and materials required for constructing the Improvements to the District in accordance with the approved plans and specifications were the following:

<u>Work</u>	<u>Bidder</u>	<u>Contract Price</u>
Application of crushed gravel, a tack coat and asphalt paving on approximately 72,000 square feet on Snowghost Drive and installation of culverts for improved drainage.	Knife River Construction	\$223,622.50

A Contract for the construction of the Improvements to District will be awarded to said bidder, and upon the issuance of the Bonds the County and the successful bidder will enter into a written contract for construction of the Improvements to the District upon the bidders having executed and filed bonds satisfactory to this Board and in the form and manner provided by Montana Code Annotated, Title 18, Chapter 2, Part 2.

1.04. Costs. It is currently estimated that the costs and expenses connected with and incidental to the formation of the District to the County to be assessed against properties in the District, including costs of preparation of plans, specifications, maps, profiles, engineering superintendence and inspection, preparation of assessment rolls, expenses of making the assessments, the cost of work and materials and all other costs and expenses, including the deposit of proceeds in the Revolving Fund are \$274,000. Such amount will be levied and assessed upon the assessable property within the District on the basis described in the Resolution of Intention. This Board has jurisdiction and is required by law to levy and assess such amounts, to collect such special assessments and credit the same to the rural special improvement district account created for the District, which account is to be maintained on the official books and records of the County separate from all other County funds, within the Rural Special Improvement District No. 145 Sinking Fund (the "Sinking Fund") for the payment of principal and interest when due on the bonds herein authorized.

1.05. Sale and Issuance of Bonds. For the purpose of financing the costs and expenses of making the Improvements, which are to be assessed against the property within the District as provided in the Resolution of Intention, pursuant to Resolution No. 2112 B, adopted July 31, 2008, this Board determined that the issuance and sale of bonds was in the best interests of the County and the District.

Advertisements for bids for the purchase of the Bonds were published in accordance with the provisions of Montana Code Annotated, Sections 7-12-2172, 7-7-4252 and 17-5-106. Pursuant to Resolution No. 2112 C, adopted on August 19, 2008, this Board authorized the County to enter into a contract with Bitterroot Valley Bank, of Lolo, Montana (the "Purchaser"), as the lowest responsible bidder pursuant to which the Purchaser agreed to purchase from the County the Bonds at a purchase price of \$274,000.00, at the rate of interest of 4.7% per annum.

1.07. Recitals. All acts, conditions and things required by the Constitution and laws of the State of Montana, including Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended, in order to make the Bonds valid and binding special 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.

Section 2. The Bonds.

2.01. Principal Amount, Maturities, Denominations, Date, Interest Rates. For the purpose of paying the costs and expenses incurred in construction of the Improvements, and in anticipation of the collection of special assessments to be levied therefor, and in accordance with the proposal described in Section 1.06, the County shall forthwith issue and deliver to the Purchaser the Bonds payable solely from the Sinking Fund and denominated "Rural Special Improvement District Bonds (Rural Special Improvement District No. 145)." The Bonds shall be dated, as originally issued and be registered as of August 28, 2008, shall each be in the denomination of \$5,000 or any integral multiple thereof of single maturities (except that one Bond maturing in 2028 shall be in the principal amount of \$9,000), shall mature on July 1 in the years and principal amounts set forth below, and Bonds maturing in such years and principal amounts shall bear interest from the date of original issuance until paid or duly called for redemption at the rate of 4.7 % per annum:

Year	Amount	Year	Amount
2009	\$15,000	2019	\$15,000
2010	15,000	2020	15,000
2011	15,000	2021	15,000
2012	15,000	2022	15,000
2013	15,000	2023	15,000
2014	15,000	2024	10,000
2015	15,000	2025	10,000
2016	15,000	2026	10,000
2017	15,000	2027	10,000
2018	15,000	2028	9,000

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

2.02. Interest Payment Dates. Interest on the Bonds shall be payable on each January 1 and July 1, commencing January 1, 2009, to the owners of record thereof as such appear on the bond registrar at the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day. Upon the original delivery of the Bonds to the Purchaser and upon each subsequent transfer or exchange of a Bond pursuant to Section 2.04, the Registrar shall date each Bond as of the date of its authentication.

2.03. Method of Payment. The Bonds shall be issued in certificate form. The interest on and, upon surrender thereof at the operations center of the Registrar (as hereinafter defined), the principal of each Bond, shall be payable by check or draft drawn on the Registrar.

2.04. Registration. The County hereby appoints the Clerk and Recorder to act as registrar, transfer agent and paying agent (the "Registrar"). The County reserves the right to appoint a bank, trust company or financial institution as 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. This Section 2.04 shall establish a system of registration for the Bonds as defined in the Registration Act.

The effect of registration and the rights and duties of the County and the Registrar with respect thereto shall be as follows:

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

(b) Transfer. 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 requested by the transferor. The Registrar may, however, close the books for registration of any transfer of any Bond or portion thereof selected or called for redemption. No transfer or exchange of a Bond shall affect its order of registration for purposes of redemption pursuant to Section 2.05.

(c) Exchange. 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 duly authorized 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 of Bonds or exchange of Bonds (except an exchange upon a partial redemption of a Bond), 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 destroyed, stolen or lost, 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 destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar 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, destroyed, stolen or lost 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.

#### 2.05. Redemption.

(a) Mandatory Redemption. If on any interest payment date there will be a balance in the Sinking Fund after payment of the principal and interest due on all Bonds drawn against it, either from the prepayment of special assessments levied in the District or from the transfer of surplus money from the Construction Subaccounts to the Principal Subaccounts as provided in Section 3.02 or otherwise, the County Clerk and Recorder shall call for redemption on the interest payment date outstanding Bonds, or portions thereof, in an amount which, together with the interest thereon to the interest payment date, will equal the amount of such funds on deposit in the Sinking Fund on that date. The redemption price shall equal the amount of the principal amount of the Bonds to be redeemed plus interest accrued to the date of redemption.

(b) Optional Redemption. The Bonds are subject to redemption, in whole or in part, at the option of the County from sources of funds available therefor other than those described under Section 2.05(a) on the terms of this paragraph. The Bonds with stated maturities on or after July 1, 2014 will be subject to redemption on July 1, 2013, and any date thereafter, at the option of the County, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium.

(c) Selection of Bonds for Redemption; Partial Redemption. If less than all of the Bonds are to be redeemed, Bonds shall be redeemed in order of the stated maturities thereof. If less than all Bonds of a stated maturity are to be redeemed, the Bonds of such maturity shall be selected for redemption in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair. Upon partial redemption of a Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount thereof outstanding.

(d) Notice and Effect of Redemption. The date of redemption and the principal amount of the Bonds shall be fixed by the County Treasurer, who shall give notice thereof to the Registrar in sufficient time for the Registrar to give notice, by first class mail, postage prepaid, or by other means required by the securities depository, to the owner or owners of such Bonds at their addresses appearing in the bond register, of the numbers of the Bonds or portions thereof to be redeemed and the date on which payment will be made, which date shall be not less than thirty (30) days after the date of mailing notice. On the date so fixed interest on the Bonds or portions thereof so redeemed shall cease.

(e) Notification to the Paying Agent. Upon request by the County under the above sections 2.05(a) and 2.05(b), the Registrar shall give notice of redemption as directed provided that the County has given the Registrar such request at least 45 days prior to the redemption date.

2.06. 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.

2.07. Execution, Registration and Delivery. The Bonds shall be prepared under the direction of the County Clerk and Recorder and shall be executed on behalf of the County by the signatures of the Chair of the Board of County Commissioners, the County Clerk and Recorder and the County Treasurer and sealed with the official seal of the County; provided that the signatures and the corporate seal may be printed, engraved or lithographed facsimiles of the originals. 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 of any Bond, 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. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless 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. The Bonds shall be registered in order of their serial numbers by the Registrar, as attested by the Certificate of Authentication, as of the date of delivery of the Bonds. When the Bonds have been so executed, authenticated and registered, 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. The Purchaser shall not be obligated to see to the application of the purchase price, but from the proceeds of the Bonds the County Clerk and Recorder shall credit forthwith \$13,700 to the Revolving Fund, as required by Section 7-12-4169(2) of the Act; and the balance of such proceeds to the Construction Subaccount in the District Account, to be used solely for the purposes described in Section 3.02.

2.08. Issuance of the Bonds.

(a) The Bonds shall be initially issued in certificate form, 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 Bitterroot Valley Bank, of Lolo, Montana. The Registrar and the County may treat Bitterroot Valley Bank, of Lolo, Montana 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 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 payment 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 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 the Registrar of the Bonds. So long as any Bond is registered in the name of Bitterroot Valley Bank, of Lolo, Montana, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Bitterroot Valley Bank, of Lolo, Montana, 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 Bitterroot Valley Bank, of Lolo, Montana shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the County to make payments of principal and interest.

In the event that any transfer or exchange of Bonds is permitted under paragraph 2.04 (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.

Section 3. Sinking Fund; Assessments.

3.01. Sinking Fund. There is hereby created and established the Sinking Fund designated as the "Rural Special Improvement District Sinking Fund" which shall be maintained by the County Clerk and Recorder on the books and records of the County separate and apart from all other funds of the County. Within the Sinking Fund there shall be maintained separate accounts for the District, designated accordingly (collectively, the "District Account"). Within the District Account there shall be maintained three separate subaccounts, designated as the "Construction Subaccount," "Principal Subaccount," "Interest Subaccount."

3.02. Construction Subaccount. There shall be credited to the Construction Subaccount in the District Account the proceeds of the sale of the Bonds as provided in Section 2.07. Any earnings on investment of money in a Construction Subaccount shall be retained therein. All costs and expenses of constructing the Improvements to be paid from proceeds of the Bonds in and for the benefit of a District shall be paid from time to time as incurred and allowed from the Construction Subaccount in the respective District Account in accordance with the provisions of applicable law, and money in the Construction Subaccount shall be used for no other purpose, except payment of costs of issuance and administration of the District; provided that upon completion of the Improvements in or for the benefit of a District and after all claims and expenses with respect to such Improvements and costs of issuance and District administration have been fully paid and satisfied, any money remaining in said Construction Subaccount shall be transferred to the Principal Subaccount and used to redeem Bonds as provided in Section 3.03.

3.03. Principal Subaccounts and Interest Subaccounts. Money in the Principal Subaccount and the Interest Subaccount shall be used only for payment of the principal of and interest on the Bonds as such payments become due or to redeem Bonds. From the proceeds of the Bonds, there shall be deposited in the Interest Subaccount any interest on the Bonds accrued to the date of their delivery, pro rata, in proportion to the principal amount of Bonds issued for such District as set forth in Section 1.06.

Upon collection of the installment of principal and interest due on November 30 and May 31 of each fiscal year on the special assessments to be levied with respect to the Improvements in the District, the County Clerk and Recorder shall credit to the Interest Subaccount in the respective District Account so much of said special assessments as is collected as interest payment and the balance thereof to the respective Principal Subaccount. Any installment of any special assessment paid prior to its due date with interest accrued thereon to the next succeeding interest payment date shall be credited with respect to principal and interest payments in the same manner as other assessments are credited to the District Accounts. All money in the Interest Subaccount and the Principal Subaccount shall be used first to pay interest due, and any remaining money shall be used to pay Bonds then due and, if money is available, to redeem Bonds in accordance with Section 2.05; provided that any money transferred to a Principal Subaccount from the Construction Subaccount pursuant to Section 3.02 shall be applied to redeem Bonds to the extent possible on the next interest payment date for which notice of redemption may properly be given pursuant to Section 2.05. Redemption of Bonds shall be as provided in Section 2.05, and interest shall be paid as accrued thereon to the date of redemption, in accordance with the provisions of Section 7-12-2 174 of the Act.

3.04. Loans from Revolving Fund. The Board shall annually or more often if necessary issue an order authorizing a loan or advance from the Rural Special Improvement District Revolving Fund of the County (the "Revolving Fund") to the



District Account in an amount sufficient to make good any deficiency then existing in the Interest Subaccount, and shall issue an order authorizing a loan or advance from the Revolving Fund to the District Account in an amount sufficient to make good any deficiency then existing in the Principal Subaccount, in such order and in each case to the extent that money is available in the Revolving Fund. A deficiency shall be deemed to exist in a Principal Subaccount or an Interest Subaccount in a District Account if the money on deposit therein on any June 15 or December 15 (excluding amounts in the Principal Subaccount representing prepaid special assessments) is less than the amount necessary to pay Bonds due (other than upon redemption), and interest on all Bonds payable, on the next succeeding interest payment date.

Pursuant to a Resolution adopted on May 11, 1984, the County has undertaken and agreed to provide funds for the Revolving Fund by levying such tax or making such loan from the General Fund as authorized by Montana Code Annotated, Section 7-12-2182. In the event that the balance on hand in the Revolving Fund fifteen days prior to any date when interest is due on special improvement district bonds or warrants of the County is not sufficient to make good all deficiencies then existing in the special improvement district funds for which the County has covenanted to make loans from the Revolving Fund, the balance on hand in the Revolving Fund shall be allocated to the funds of the special improvement District in which such deficiencies then exist in proportion to the amounts of the deficiencies on the respective dates of receipt of such money, until all interest accrued on such special improvement district bonds or warrants of the County has been paid. On any date when all accrued interest on special improvement district bonds and warrants of the County payable from funds for which the County has covenanted to make loans from the Revolving Fund has been paid, any balance remaining in the Revolving Fund shall be lent or advanced to the special improvement district funds for payment and redemption of bonds to the extent the special improvement district funds are deficient for such purpose, and, if money in the Revolving Fund is insufficient therefor, pro rata, in an amount proportionate to the amount of such deficiency.

The County hereby determines, covenants and agrees to levy the property tax described in the immediately preceding paragraph to provide funds for the Revolving Fund so long as any Bonds are outstanding to the extent required under the provisions of this Resolution and the Act, even though such property tax levy may, under applicable law, require that property tax levies of the County for other purposes be reduced correspondingly. Thus, while any property tax levy to be made by the County to provide funds for the Revolving Fund is subject to levy limits under current law, the County agrees to levy property taxes to provide funds for the Revolving Fund to the extent described in this paragraph and, if necessary, to reduce other property tax levies correspondingly to meet applicable levy limits.

Section 4. Covenants. The County covenants and agrees with the owners from time to time of each of the Bonds that until all the Bonds and interest thereon are fully paid:

4.01. Compliance with Resolution. The County will hold the Sinking Fund and the Revolving Fund as trust funds, separate and apart from all of its other funds, and the County, its officers and agents, will comply with all covenants and agreements contained in this resolution. The provisions hereinabove made with respect to the Sinking Fund and the Revolving Fund are in accordance with the undertaking and agreement of the County made in connection with the public offering of the Bonds and the sale of the Bonds as set forth in Section 1.06.

4.02. Construction of Improvements. The County will do all acts and things necessary to enforce the provisions of the construction contracts and bonds referred to in Section 1.04 and to ensure the completion of the Improvements for the benefit of the District in accordance with the plans and specifications and within the time therein provided, and will pay all costs thereof promptly as incurred and allowed, out of the District Accounts and within the amount of the proceeds of the Bonds appropriated thereto.

4.03. Levy of Assessments. The County will do all acts and things necessary for the final and valid levy of special assessments upon all assessable real property within the boundaries of the District in accordance with the Constitution and laws of the State of Montana and the Constitution of the United States in an aggregate principal amount not less than \$274,000.

Such special assessments shall be levied on the basis or bases prescribed in the Resolution of Intention and, as authorized by Montana Code Annotated, Section 7-12-4190(2), shall be payable in equal semiannual installments of principal and interest. The unpaid installments of the assessments shall bear interest at an annual rate determined each fiscal year equal to the sum of: (i) the average annual interest rate borne by the Bonds, plus (ii) one-half of one percent (0.50%) per annum. The assessments will be payable in installments on the 30th day of November in each of years 2008 through 2027 and on the 31st day of May in the years 2009 through 2028, inclusive, if not theretofore paid, and shall become delinquent on such date unless paid in full. The payment due on any installment date shall be the amount necessary to amortize, over the 20-year term in substantially equal semiannual payments, the principal amount of the assessment, together with interest to accrue thereon over said term at the interest rate thereon; provided that the amount of each such installment shall be adjusted each fiscal year to an amount equal to the amount necessary to amortize fully the then outstanding principal amount of the assessment (excluding any delinquent amounts), plus interest accrued at the interest rate on the assessments then in effect in the number of installments then remaining until July 1, 2028. There shall be added to the first installment payment of each assessment interest on the entire assessment from the date of original registration of the Bonds to January 1, 2009. The assessments shall constitute a lien upon and against the property against which they are made and levied, which lien may be extinguished only by payment of the assessment with all penalties, costs and interest as provided in Montana Code Annotated, Section 7-12-2168. No tax deed issued with respect to any lot or parcel of land shall operate as payment of any installment of the assessment thereon which is payable after the execution of such deed, and any tax deed so issued shall convey title subject only to the lien of said future installments, as provided in Montana Code Annotated, Section 15-18-2 14.

4.04. Reassessment. If at any time and for whatever reason any special assessment or tax herein agreed to be levied is held invalid, the County and this Board, its officers and employees, will take all steps necessary to correct the same and to reassess and re-levy the same, including the ordering of work, with the same force and effect as if made at the time provided by law, ordinance or resolution relating thereto, and will reassess and re-levy the same with the same force and effect as an original levy thereof, as authorized in Montana Code Annotated, Section 7-12-2165. Any special assessment, or reassessment or re-levy shall, so far as is practicable, be levied and collected as it would have been if the first levy had been enforced including the levy and collection of any interest accrued on the first levy.

If proceeds of the Bonds, including investment income thereon, are applied to the redemption of such Bonds, as provided in Montana Code Annotated, Sections 7-12-2173 and 7-12-2174, or if refunding bonds are issued and the principal amount of the outstanding Bonds of the District is decreased or increased, the County will reduce or increase, respectively, the assessments levied in the respective District and then outstanding pro rata by the principal amount of such prepayment or the increment above or below the outstanding principal amount of bonds represented by the refunding bonds. The County and this Board, its officers and employees will reassess and re-levy such assessments, with the same effect as an original levy, in such reduced or increased amounts in accordance with the provisions of Montana Code Annotated, Sections 7-12-2158 through 7-12-2159.

4.05. Absence of Litigation. There is now no litigation pending or, to the best knowledge of the County, threatened questioning the validity or regularity of the creation of the District, the contracts for construction of the Improvements or the undertaking and agreement of the County to levy special assessments therefor and to make good any deficiency in the collection thereof through the levy of taxes for and the making of advances from the Revolving Fund, or the right and power of the County to issue the Bonds or in any manner questioning the existence of any condition precedent to the exercise of the County's powers in these matters. If any such litigation should be initiated or threatened, the County will forthwith notify in writing the Purchaser, and will furnish the Purchaser a copy of all documents, including pleadings, in connection with such litigation.

4.06. Waiver of Penalty and Interest. The County covenants not to waive the payment of penalty or interest on delinquent assessments levied on property in the District for costs of the Improvements, unless the County determines, by resolution of the Board of County Commissioners, that such waiver is in the best interest of the owners of the outstanding Bonds.

#### Section 5. Tax Matters.

5.01. Use of Improvements. The Improvements will be owned and operated by the County and available for use by members of the general public on a substantially equal basis. The County shall not enter into any lease, use or other agreement with any non-governmental person relating to the use of the Improvements or security for the payment of the Bonds which might cause the Bonds to be considered "private activity bonds" or "private loan bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code").

5.02. General Covenant. The County covenants and agrees with the owners 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 which would cause the interest on the Bonds to become includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations (the "Regulations"), and covenants to take any and all actions within its powers to ensure that the interest on the Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

5.03. Arbitrage Certification. The Chair of the Board, the County Clerk and Recorder and the County Treasurer, being the officers of the County charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds, it is reasonably expected that the proceeds of the Bonds will be used in a manner that would not cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations.

#### 5.04. Arbitrage Rebate Exemption.

(a) The County hereby represents that the Bonds qualify for the exception for small governmental units to the arbitrage rebate provisions contained in Section 148(f) of the Code. Specifically, the County represents:

(1) Substantially all (not less than 95%) of the proceeds of the Bonds (except for amounts to be applied to the payment of costs of issuance or representing accrued interest) will be used for local governmental activities of the County.

(2) The aggregate face amount of all "tax-exempt bonds" (including warrants, contracts, leases and other indebtedness, but excluding private activity bonds and current refunding bonds) issued by or on behalf of the County and all subordinate entities thereof during 2008 is not reasonably expected to exceed \$5,000,000. To date in 2008, the County has issued no such tax-exempt bonds, and in the calendar years 2002 through 2007, the County issued no such tax-exempt bonds, except its \$523,000 Rural Special Improvement District No. 138 Bonds and its \$508,000 Pooled Rural Special Improvement Bonds.

(b) If notwithstanding the provisions of paragraph (a) of this Section 5.04, the arbitrage rebate provisions of Section 148(f) of the Code apply to the Bonds, the County hereby covenants and agrees to make the determinations, retain records and rebate to the United States the amounts at the times and in the manner required by said Section 148(f).

5.05. Information Reporting. The County shall file with the Secretary of the Treasury, not later than November 15, 2008, a statement concerning the Bonds containing the information required by Section 149(e) of the Code.

5.06. "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 purposes of Section 265(b)(3) of the Code. The County has not designated any obligations in 2008 other than the Bonds under Section 265(b)(3). The County hereby represents that it does not anticipate that obligations bearing interest not includable in gross income for purposes of federal income taxation under Section 103 of the Code (including refunding obligations as provided in Section 265(b)(3) of the Code and including "qualified 501(c)(3) bonds" but excluding other "private activity bonds," as defined in Sections 141(a) and 145(a) of the Code) will be issued by or on behalf of the County and all "subordinate entities" of the County in 2008 in an amount greater than \$10,000,000.

Section 6. Authentication of Transcript. The officers of the County are hereby authorized and directed to furnish to the Purchaser and to bond counsel certified copies of all proceedings relating to the issuance of the Bonds and such other certificates and affidavits as may be required to show the right, power and authority of the County to issue the Bonds, and all statements contained in and shown by such instruments, including any heretofore furnished, shall constitute representations of the County as to the truth of the statements purported to be shown thereby.

#### Section 7. Discharge.

7.01. General. When the liability of the County on all Bonds issued under and secured by this resolution has been discharged as provided in this Section 7, all pledges, covenants and other rights granted by this resolution to the owners of such obligations shall cease.

7.02. Payment. The County may discharge its liability with reference to any Bond or installment of interest thereon which is due on any date by on or before that date depositing with the Registrar funds sufficient, or, if a County officer is the Registrar, mailing to the registered owner of such Bond a check or draft in a sum sufficient and providing proceeds available, for the payment thereof in full; or if any Bond or installment of interest thereon shall not be paid when due, the County may nevertheless discharge its liability with reference thereto by depositing with the Registrar funds sufficient, or, if a County officer is the Registrar, by mailing to the registered owner thereof a check or draft in a sum sufficient and providing proceeds available, for the payment thereof in full with interest accrued to the date of such deposit or mailing.

7.03. Prepayment. The County may also discharge its obligations with respect to any Bonds called for redemption on any date when they are prepayable according to their terms, by on or before that date depositing with the Registrar funds sufficient, or, if a County officer is the Registrar, mailing to the registered owner of such Bond a check or a draft in a sum sufficient and providing proceeds available, for the payment of the principal, interest and redemption premium, if any, which are then due; provided that notice of such redemption has been duly given as provided herein or irrevocably provided for.

7.04. Escrow. The County may also at any time discharge its liability in its entirety with reference to the 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 which 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 and interest to become due on all Bonds on or before maturity or, if any Bond has been duly called for redemption or notice of such redemption has been irrevocably provided for, on or before the designated redemption date.

Section 8. Repeals and Effective Date.

8.01. Repeal. All provisions of other Resolution and other actions and proceedings of the County and this Board that are in any way inconsistent with the terms and provisions of this resolution are repealed, amended and rescinded to the full extent necessary to give full force and effect to the provisions of this resolution.

8.02. Effective Date. This resolution shall take effect immediately upon its passage and adoption by this Board.

PASSED by the Board of County Commissioners of Flathead County, Montana, this 28<sup>th</sup> day of August, 2008.

BOARD OF COUNTY COMMISSIONERS  
Flathead County, Montana

By/s/Gary D. Hall  
Gary D. Hall, Chairman

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

By \_\_\_\_\_  
Dale W. Lauman, Member

ATTEST:  
Paula Robinson, Clerk

By/s/Diana Kile  
Deputy

EXHIBIT A

UNITED STATES OF AMERICA  
STATE OF MONTANA

FLATHEAD COUNTY

RURAL SPECIAL IMPROVEMENT  
DISTRICT BONDS  
(Rural Special Improvement District No. 145)

Interest at the rate per annum specified below  
payable January 1, 2009, and  
semiannually thereafter  
on the 1st day of January and the 1st day of July in each year.

FOR VALUE RECEIVED, Flathead County, Montana, will pay to the registered owner identified above, or registered assigns, on the maturity date specified above the principal amount specified above, solely from the revenues hereinafter specified, as authorized by Resolution No. 2112D adopted August 28, 2008 (the "Resolution"), all subject to the provisions hereinafter described relating to the redemption of this Bond before maturity. This Bond bears interest at the rate per annum specified above from the date of registration of this Bond, as expressed herein, or from such later date to which interest hereon has been paid or duly provided for, until the maturity date specified above or an earlier date on which this Bond shall have been duly called for redemption by the County Clerk and Recorder. Interest on this Bond is payable semiannually, commencing January 1, 2009, on the first day of January and the first day of July in each year, to the owner of record of this Bond appearing as such in the bond register as of the close of business on the 15th day (whether or not such is a business day) of the immediately preceding month. Interest on and, upon presentation and surrender hereof at the principal office of the bond registrar and paying agent hereinafter named, the principal of this Bond are payable by check or draft of the Flathead County Clerk and Recorder, of Kalispell, Montana, as bond registrar and paying agent, or its successor designated under the Resolution (the "Registrar"). The principal of and interest on this Bond are payable in lawful money of the United States of America.

This Bond is one of an issue in the aggregate principal amount of \$274,000 (the "Bonds"), all of like date of original issue and tenor, except as to serial number, denomination, date, interest rate, maturity date and redemption privilege. The Bonds are issued pursuant to and in full conformity with the Constitution and laws of the State of Montana thereunto enabling, including Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended, and ordinances and Resolution duly adopted by the governing body of the City, including the Resolution, to finance the costs of certain local improvements (the "Improvements") for the special benefit of property located in Rural Special Improvement District No. 145 of the County (the "District"). The Bonds are issuable only as certificate bonds of single maturities in denominations of \$5,000 or any integral multiple thereof (except one issued in the amount of \$9,000).

This Bond is payable from the collection of a special tax or assessment levied upon all assessable real property within the boundaries of the District, in an aggregate principal amount of not less than \$274,000, except as such amount may be reduced or increased in accordance with provisions of Montana law. Such assessments constitute a lien against the assessable real estate within the District, and the Bonds are not general obligations of the County.

The County has also validly established a Rural Special Improvement District Revolving Fund (the "Revolving Fund") to secure the payment of certain of its rural special improvement district bonds, including the Bonds. The County has also agreed, to the extent permitted by the Act, to issue orders annually authorizing loans or advances from the Revolving Fund to the Rural Special Improvement District Sinking Fund of the County established for RSID No. 145 (the "Sinking Fund"), in amounts sufficient to make good any deficiency in the Sinking Fund to pay principal of or interest on the Bonds, to the extent that funds are available in the Revolving Fund, and to provide funds for the Revolving Fund by annually making a tax levy or loan from its general fund in an amount sufficient for that purpose, subject to the limitation that no such tax levy or loan may in any year cause the balance in the Revolving Fund to exceed five percent of the principal amount of the County's then outstanding rural special improvement district bonds secured thereby and the durational limitations specified in the Act. Thus, while any property tax levy to be made by the County to provide funds for the Revolving Fund is subject to levy limits under current law, the County has agreed in the Resolution to levy property taxes to provide funds for the Revolving Fund to the extent described in this paragraph and, if necessary, to reduce other property tax levies correspondingly to meet applicable levy limits.

The Bonds are subject to mandatory redemption in order of stated maturities and within a stated maturity in \$5,000 principal amounts selected by lot or other manner deemed fair by the Registrar on any interest payment date if, after paying all principal and interest then due on the Bonds, there are funds to the credit of the Sinking Fund, from the prepayment of assessments levied in the District or from surplus proceeds of the Bonds not required to pay costs of the Improvements, for the redemption thereof, and in the manner provided for the redemption of the same. The Bonds maturing on and after July 1, 2014 are subject to redemption at the option of the County from sources of funds available therefor other than those noted in the previous sentence, including, without limitation, from the proceeds of refunding rural special improvement district bonds or warrants, on July 1, 2013 and any date thereafter. The redemption price is equal to the principal amount of the Bonds or portions thereof to be redeemed plus interest accrued thereon to the date of redemption, without premium. The date of redemption shall be fixed by the County Clerk and Recorder, who shall give notice thereof to the Registrar in sufficient time for the Registrar to give notice, by first class mail, postage prepaid, or by other means required by the securities depository, to the owner or owners of such Bonds at their addresses shown on the bond register, of the Bonds or portions thereof to be redeemed and the date on which payment will be made, which date shall not be less than thirty (30) days after the date of mailing of notice, on which date so fixed interest shall cease. On the date so fixed interest on the Bonds or portions thereof so redeemed shall cease to accrue. 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 have been designated by the County as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the County at 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 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 things required to be done precedent to the issuance of this Bond have been properly done, happened and been performed in the manner prescribed by the laws of the State of Montana and the Resolution and ordinances of Flathead County, Montana, relating to the issuance thereof; 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 original issuance and 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 herein shall have been executed by the Registrar by the manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, Flathead County, Montana, by its Board of County Commissioners, has caused this Bond and the certificate on the reverse hereof to be executed by the signatures of the Chair of the Board of County Commissioners, the County Clerk and Recorder and the County Treasurer, and by the official seal of the County.

By/s/Gary D. Hall  
Chair, Board of County Commissioners

By/s/Paula Robinson  
County Clerk and Recorder

By/s/Adele Krantz  
County Treasurer

Dated:

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/s/Diana Kile  
Deputy, Clerk and Recorder



Smith then noted the following resolutions will give notice to levy that the bonds sold will be paid off.

Commissioner Brenneman made a **motion** to adopt Resolution #2031E and authorized the Chairman to sign the publication of Notice of Assessment . Chairman Hall **seconded** the motion. **Aye** - Hall and Brenneman. Motion carried by quorum.

CERTIFICATE AS TO RESOLUTION

I, the undersigned, being the duly qualified and acting recording officer of the County of Flathead, Montana (the "County"), hereby certify that the attached resolution is a true copy of Resolution No. 2031E, entitled: "RESOLUTION RELATING TO RURAL SPECIAL IMPROVEMENT DISTRICT NO. 143; PRELIMINARY LEVY OF SPECIAL ASSESSMENTS ON PROPERTY WITHIN THE DISTRICT FOR THE PURPOSE OF FINANCING THE COST OF CERTAIN LOCAL IMPROVEMENTS" (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 meeting on August 28, 2008, 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: Chairman Hall & Commissioner Brenneman, voted against the same: \_\_\_\_\_; abstained from voting thereon: \_\_\_\_\_; or were absent: Commissioner Lauman.

WITNESS my hand officially this 28<sup>th</sup> day of August, 2008.

Paula Robinson, Clerk & Recorder

By/s/Diana Kile  
Deputy



RESOLUTION NO. 2031E

RESOLUTION RELATING TO RURAL SPECIAL IMPROVEMENT DISTRICT NO. 143; PRELIMINARY LEVY OF SPECIAL ASSESSMENTS ON PROPERTY WITHIN THE DISTRICT FOR THE PURPOSE OF FINANCING THE COST OF CERTAIN LOCAL IMPROVEMENTS

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

Section 1. The District; the Improvements. The County has created a Rural Special Improvement district (the "District") pursuant to Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended (the "Act"), denominated Rural Special Improvement District No. 143 (the "District"), and undertaken certain local improvements (the "Improvements") to benefit property located therein. The Improvements have been or, by the conclusion of the current construction season, will be substantially completed and the total costs of the Improvements to be paid with proceeds of the Bonds are estimated to be \$344,000, including all incidental costs.

Section 2. The Bonds. The County has pursuant to the Act issued its Rural Special Improvement district bonds drawn on the District, denominated "Rural Special Improvement District No. 143 Bonds," in the original aggregate principal amount of \$344,000 (the "Bonds"), to finance costs, including incidental costs, of the Improvements. The Bonds are payable primarily from special assessments to be levied against property in the District.

Section 3. Method of Assessment. (a) Pursuant to Resolution No. 2031, adopted by this Board on May 3, 2007, and which constitutes the resolution of intention to create the District, this Board determined to levy special assessments to pay the costs of the Improvements on the basis or bases therein provided as authorized by the Act.

(b) This Board hereby ratifies and confirms that the assessment of costs of the specific Improvements against the properties benefitted thereby as prescribed by the resolution of intention are equitable and in proportion to and not exceeding the special benefits derived from the respective Improvements by the lots, tracts and parcels to be assessed therefor within the District, and the special assessments authorized by this resolution are in accordance with the methods and do not exceed the amounts prescribed by the resolution of intention.

Section 4. Proposed Levy of Assessments. The special assessments for the costs of the Improvements shall be levied and assessed against properties in the District in accordance with the method of assessments referred to in Section 3. Such assessments shall be payable over a term not exceeding 15 years, each in substantially equal semiannual payments of principal and interest. Property owners shall have the right to prepay the special assessments as provided by law.

The special assessments shall bear interest from August 28, 2008 until paid at an annual rate equal to the Interest Rate (as hereinafter defined), as such may change from time to time, plus penalties and interest for delinquent installments as provided by law. As used herein, "Interest Rate" means, as of the date of determination, the sum of (i) the average interest rate payable on the Bonds then outstanding, plus (ii) one-half of one percent (0.50%) per annum. The Interest Rate shall be determined in August of each fiscal year so long any Bonds are outstanding and shall apply to the outstanding installments of the special assessments not delinquent. If no Bonds are outstanding, but special assessments remain unpaid and are not delinquent, the Interest Rate shall be equal to the Interest Rate as most recently determined. The Interest Rate shall be 4.6% per annum.

Exhibit A to this Resolution (which is hereby incorporated herein and made a part hereof) contains a description of each lot, tract or parcel of land to be assessed, the name of the owner, if known, the total amount of the special assessment levied against each lot, tract or parcel, the amount of each partial payment of the special assessment, and the day when each such partial payment shall become delinquent (the "Assessment Roll").

The Assessment Roll is preliminary and is subject to consideration by this Board of the objections, if any, from owners of property in the District following the public hearing provided for in Section 7.



Section 5. Filing of Resolution. This resolution shall be kept on file in the office of the County Clerk and Recorder and shall be open to public inspection.

Section 6. Notice of Proposed Levy of Assessments. The County Clerk and Recorder is hereby authorized and directed to cause a copy of the notice of the passage of this resolution, substantially in the form of Exhibit B hereto (which is hereby incorporated herein and made a part hereof), (i) to be published twice in a newspaper meeting the requirements of Montana Code Annotated, Section 7-1-2121, with not less than six days between each publication before the date of the public hearing provided for in Section 7, (ii) to be mailed to the owner of each lot, tract or parcel of land to be assessed (to be determined from the last completed assessment roll for state, county, and school district taxes), on or before the same day such notice is first published; and (iii) to be mailed to such other persons or entities known by the County Clerk and Recorder to have an ownership interest in such lots, tracts or parcels (including, without limitation, mortgagees and vendees under contracts of deed), on or before the same day such notice is first published.

Section 7. Public Hearing; Objections. This Board shall meet on Thursday, the 18th day of September, 2008, at 10:00 a.m., in the Office of the Board of Commissioners of Flathead County, Courthouse, West Annex, 800 South Main, Kalispell, Montana, for the purpose of conducting a public hearing on the levying and assessment of the special assessments in the District and considering the objections, if any, of the property owners to the levying and assessment of the special assessments.

ADOPTED by the Board of County Commissioners of the County of Flathead, Montana, this 28<sup>th</sup> day of August, 2008.

BOARD OF COUNTY COMMISSIONERS  
Flathead County, Montana

By/s/Gary D. Hall  
Gary D. Hall, Chairman

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

By \_\_\_\_\_  
Dale W. Lauman, Member

ATTEST:  
Paula Robinson, Clerk

By/s/Diana Kile  
Diana Kile, Deputy

		Total	30-Nov-08	31-May-09
		Assessment	Payment*	Payment*
Tract or Lot				
10	Armstrong, David D.	\$4,000.00	\$219.36	\$219.35
10A	Babiak Living Trust	\$4,000.00	\$219.36	\$219.35
21	Babiak Living Trust	\$4,000.00	\$219.36	\$219.35
14-TRA	Babiak Living Trust, Trousdale, David & Jeannine	\$4,000.00	\$219.36	\$219.35
1N130	Brammer, Peggy	\$4,000.00	\$219.36	\$219.35
26	Brinkerhoff, Phyllis P	\$4,000.00	\$219.36	\$219.35
7	Brister, Matthew J & Tara L	\$4,000.00	\$219.36	\$219.35
36	Bronken, Peter T. and Barbara H.	\$4,000.00	\$219.36	\$219.35
2	Bruzek, William P & Judith A	\$4,000.00	\$219.36	\$219.35
2G	Buckland Family Trust	\$4,000.00	\$219.36	\$219.35
23	Buckland Family Trust	\$4,000.00	\$219.36	\$219.35
41	Clark Family Trust	\$4,000.00	\$219.36	\$219.35
42	Clark Family Trust	\$4,000.00	\$219.36	\$219.35
43	Clark Family Trust	\$4,000.00	\$219.36	\$219.35
2JA	Collins, Anne I.	\$4,000.00	\$219.36	\$219.35
6	Cravath, David L	\$4,000.00	\$219.36	\$219.35
8	Cravath, David L & Kelly L	\$4,000.00	\$219.36	\$219.35
16	Cravath, John L	\$4,000.00	\$219.36	\$219.35
31	Craven Trust, Dean Murry & Sheri Lorraine	\$4,000.00	\$219.36	\$219.35
30	Craven Trust, Murray Dean, Sheri Lorraine	\$4,000.00	\$219.36	\$219.35
44	CW Holdings LLC	\$4,000.00	\$219.36	\$219.35
32	Donahue, Thomas E & Jacqueline M	\$4,000.00	\$219.36	\$219.35
1	Ellingson, George F & Betty A	\$4,000.00	\$219.36	\$219.35
2	Ellingson, George F & Betty A	\$4,000.00	\$219.36	\$219.35
3	Ellingson, George F & Betty A	\$4,000.00	\$219.36	\$219.35
4	Ellingson, George F & Betty A	\$4,000.00	\$219.36	\$219.35
2	Ellingson, George F. and Betty A.	\$4,000.00	\$219.36	\$219.35
2A	Fielding Family Trust	\$4,000.00	\$219.36	\$219.35
2B	Fielding Family Trust	\$4,000.00	\$219.36	\$219.35
2H	Greene, Candace L., Johnson, Paul L.	\$4,000.00	\$219.36	\$219.35
2HA	Guercio, Kevin P. & Heidi L.	\$4,000.00	\$219.36	\$219.35
49	Halluk, Kent T & Spencer B & Menard, Thomas D & Donna	\$4,000.00	\$219.36	\$219.35
48	Harris Revocable Trust	\$4,000.00	\$219.36	\$219.35
25	Harwood, Rollin F. and Carole J.	\$4,000.00	\$219.36	\$219.35
37	Hauf, Ronald Chrustler AKA Ronald C	\$4,000.00	\$219.36	\$219.35
5	Haugen, Linda L & Lockett Lake Property Trust	\$4,000.00	\$219.36	\$219.35
4	Haugen, Linda L (FKA Linda L. Lockett)	\$4,000.00	\$219.36	\$219.35
9	Hill, James D.	\$4,000.00	\$219.36	\$219.35
46	Hitland, Kaare M & Ruth Trustees for Kaare M. Hitland	\$4,000.00	\$219.36	\$219.35
47	Hitland, Kaare M & Ruth Trustees for Kaare M. Hitland	\$4,000.00	\$219.36	\$219.35
3	Houda, Duoglas H & Shelley L	\$4,000.00	\$219.36	\$219.35
6A	Howard Family Trust	\$4,000.00	\$219.36	\$219.35

8EXTRA-BLK1	Howard Streich Living Trust	\$4,000.00	\$219.36	\$219.35
40	Hulick Property Trust, Carl W Hulick separate property trust	\$4,000.00	\$219.36	\$219.35
39N2	Hulick Property Trust, Carl W Hulick separate property trust	\$4,000.00	\$219.36	\$219.35
8	Hupp Living Trust, William & Elizabeth	\$4,000.00	\$219.36	\$219.35
2HB	Hurtgen, Catherine P.	\$4,000.00	\$219.36	\$219.35
33	Johnson, Cathy & James W.	\$4,000.00	\$219.36	\$219.35
28	Johnson, Connie & Losleben, George A	\$4,000.00	\$219.36	\$219.35
6	Johnson, Dennis H. and Frankie A.	\$4,000.00	\$219.36	\$219.35
4	Lawson, Ernest & Chandler, Donald William	\$4,000.00	\$219.36	\$219.35
7A	Mack, Lisa	\$4,000.00	\$219.36	\$219.35
4-BLK1	MacKenzie, Donald & Vinje, Dayna	\$4,000.00	\$219.36	\$219.35
2	Mc Mullen, David M & Jones, Jennifer V.	\$4,000.00	\$219.36	\$219.35
3	Mc Mullen, David M & Jones, Jennifer V.	\$4,000.00	\$219.36	\$219.35
20	McDonald, Marolyn Saunders	\$4,000.00	\$219.36	\$219.35
9	McKittrick, Duncan G. & Linda I.	\$4,000.00	\$219.36	\$219.35
10PT	McKittrick, Duncan G. & Linda I.	\$4,000.00	\$219.36	\$219.35
34	Michael & Sandra Sullivan Living Trust	\$4,000.00	\$219.36	\$219.35
8A-BLK1	Militer, Stuart P	\$4,000.00	\$219.36	\$219.35
29	Monaghan Prof. Corp, Dr. & Monaghan, Karen & Anthony	\$4,000.00	\$219.36	\$219.35
7	Morrison, Jr., Frank B & Sharon M	\$4,000.00	\$219.36	\$219.35
3	Morton, Michael & Wanda	\$4,000.00	\$219.36	\$219.35
19	Norwest Capital Mgmt & Trust Co.	\$4,000.00	\$219.36	\$219.35
50	Olafson, Edna H & Scott, Laurie Jean & Randall	\$4,000.00	\$219.36	\$219.35
1	Olson Family Trust	\$4,000.00	\$219.36	\$219.35
45	Pfrimmer, Bruce N & Carolyn	\$4,000.00	\$219.36	\$219.35
38	Phillips Revocable Trust, Lyle W & Judy Phillips	\$4,000.00	\$219.36	\$219.35
39S2	Phillips Revocable Trust, Lyle W & Judy Phillips	\$4,000.00	\$219.36	\$219.35
27	Rowles Montana LLC	\$4,000.00	\$219.36	\$219.35
35	Russell-Shaw, Marie & Shaw, Michael K	\$4,000.00	\$219.36	\$219.35
17	Sanderson, Geoff M	\$4,000.00	\$219.36	\$219.35
1	Schoepp, Dennis H & Kenria M	\$4,000.00	\$219.36	\$219.35
3A	Setters, Debbie J.	\$4,000.00	\$219.36	\$219.35
18	Shellerud, Gary and Deborah	\$4,000.00	\$219.36	\$219.35
2DA	Smith, David L., Wood, Gregory T., Youtzy, Robert W.	\$4,000.00	\$219.36	\$219.35
22	Stanley, Irene D	\$4,000.00	\$219.36	\$219.35
5	Stumptown Land Hldgs LLC	\$4,000.00	\$219.36	\$219.35
2	Stumptown Land Hldgs LLC	\$4,000.00	\$219.36	\$219.35
1-BLK2	Sunshine, Stephanie	\$4,000.00	\$219.36	\$219.35
1	Triangle Rentals Inc.	\$4,000.00	\$219.36	\$219.35
5A	Trousdale, David & Jeannine	\$4,000.00	\$219.36	\$219.35
2F	Volkman Family Limited Partnership	\$4,000.00	\$219.36	\$219.35
24	Volkman Family Limited Partnership	\$4,000.00	\$219.36	\$219.35
11	Whistler Revocable Family Trust	\$4,000.00	\$219.36	\$219.35
5-BLK1	Whittman, Randy, Laurie & Mark	\$4,000.00	\$219.36	\$219.35
		\$344,000.00	\$18,864.96	\$18,864.10

Payments will be due on November 30, 2008 and May 31, 2009, and each November 30 and May 31 through November 30, 2022 and May 31, 2023. Payments will become delinquent, if not paid, on December 1 and June 1 of each year.

\* In each fiscal year, the then outstanding principal amount of assessment will be reamortized in equal semi-annual installments over the term of the assessments at an interest rate equal to the average interest on the outstanding bonds plus one half of one percent per annum.

EXHIBIT B

NOTICE OF PROPOSED LEVY OF SPECIAL ASSESSMENTS IN  
RURAL SPECIAL IMPROVEMENT DISTRICT NO. 143

COUNTY OF FLATHEAD, MONTANA

NOTICE IS HEREBY GIVEN that on August 28, 2008, the Board of County Commissioners of the County of Flathead, Montana (the "County"), adopted a resolution proposing to levy and assess special assessments against benefitted property in Rural Special Improvement District No. 143 in the County (the "District") for the purpose of financing the costs of certain local improvements and paying costs incidental thereto.

A complete copy of the resolution, which includes the proposed assessment roll and the amount of each special assessment, is on file with the County Clerk and Recorder and is available for public inspection.

On Thursday, September 18, 2008, at 10:00 a.m., in the Office of the Board of Commissioners of Flathead County, Courthouse, West Annex, 800 South Main, Kalispell, Montana, the Board of County Commissioners will conduct a public hearing and pass upon all objections, whether made orally or in writing, to the proposed levy of the special assessments.

Further information regarding the special assessments or other matters in respect thereof may be obtained from Clerk and Recorder Paula Robinson, Courthouse, 800 South Main, Kalispell, Montana, or by telephone at 406/758-5530.

Dated: August 28, 2008.

BY ORDER OF THE BOARD OF COUNTY  
COMMISSIONERS OF THE COUNTY OF  
FLATHEAD, MONTANA

ATTEST:  
Paula Robinson, Clerk

By/s/Gary D. Hall  
Gary D. Hall, Chairman

By/s/Diana Kile  
Diana Kile, Deputy

Publish on September 2 and September 9, 2008.

Commissioner Brenneman made a **motion** to adopt Resolution #2113E and authorized the Chairman to sign the publication of Notice of Assessment . Chairman Hall **seconded** the motion. **Aye** - Hall and Brenneman. Motion carried by quorum.

CERTIFICATE AS TO RESOLUTION

I, the undersigned, being the duly qualified and acting recording officer of the County of Flathead, Montana (the "County"), hereby certify that the attached resolution is a true copy of Resolution No. 2113E, entitled: "RESOLUTION RELATING TO RURAL SPECIAL IMPROVEMENT DISTRICT NO. 144; PRELIMINARY LEVY OF SPECIAL ASSESSMENTS ON PROPERTY WITHIN THE DISTRICT FOR THE PURPOSE OF FINANCING THE COST OF CERTAIN LOCAL IMPROVEMENTS" (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 meeting on August 28, 2008, 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: Chairman Hall & Commissioner Brenneman; voted against the same: \_\_\_\_\_; abstained from voting thereon: \_\_\_\_\_; or were absent: Commissioner Lauman.

WITNESS my hand officially this 28<sup>th</sup> day of August, 2008.

Paula Robinson, Clerk & Recorder

By/s/Diana Kile  
Deputy



RESOLUTION NO. 2113E

RESOLUTION RELATING TO RURAL SPECIAL IMPROVEMENT DISTRICT NO. 144; PRELIMINARY LEVY OF SPECIAL ASSESSMENTS ON PROPERTY WITHIN THE DISTRICT FOR THE PURPOSE OF FINANCING THE COST OF CERTAIN LOCAL IMPROVEMENTS

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

Section 1. The District; the Improvements. The County has created a Rural Special Improvement district (the "District") pursuant to Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended (the "Act"), denominated Rural Special Improvement District No. 144 (the "District"), and undertaken certain local improvements (the "Improvements") to benefit property located therein. The Improvements have been or, by the conclusion of the current construction season, will be substantially completed and the total costs of the Improvements to be paid with proceeds of the Bonds are estimated to be \$430,820, including all incidental costs.

Section 2. The Bonds. The County has pursuant to the Act issued its Rural Special Improvement district bonds drawn on the District, denominated "Rural Special Improvement District No. 144 Bonds," in the original aggregate principal amount of \$430,820 (the "Bonds"), to finance costs, including incidental costs, of the Improvements. The Bonds are payable primarily from special assessments to be levied against property in the District.

Section 3. Method of Assessment. (a) Pursuant to Resolution No. 2113, adopted by this Board on May 3, 2007, and which constitutes the resolution of intention to create the District, this Board determined to levy special assessments to pay the costs of the Improvements on the basis or bases therein provided as authorized by the Act.

(b) This Board hereby ratifies and confirms that the assessment of costs of the specific Improvements against the properties benefitted thereby as prescribed by the resolution of intention are equitable and in proportion to and not exceeding the special benefits derived from the respective Improvements by the lots, tracts and parcels to be assessed therefor within the District, and the special assessments authorized by this resolution are in accordance with the methods and do not exceed the amounts prescribed by the resolution of intention.

Section 4. Proposed Levy of Assessments. The special assessments for the costs of the Improvements shall be levied and assessed against properties in the District in accordance with the method of assessments referred to in Section 3. Such assessments shall be payable over a term not exceeding 15 years, each in substantially equal semiannual payments of principal and interest. Property owners shall have the right to prepay the special assessments as provided by law.

The special assessments shall bear interest from August 28, 2008 until paid at an annual rate equal to the Interest Rate (as hereinafter defined), as such may change from time to time, plus penalties and interest for delinquent installments as provided by law. As used herein, "Interest Rate" means, as of the date of determination, the sum of (i) the

average interest rate payable on the Bonds then outstanding, plus (ii) one-half of one percent (0.50%) per annum. The Interest Rate shall be determined in August of each fiscal year so long any Bonds are outstanding and shall apply to the outstanding installments of the special assessments not delinquent. If no Bonds are outstanding, but special assessments remain unpaid and are not delinquent, the Interest Rate shall be equal to the Interest Rate as most recently determined. The Interest Rate shall be 4.6% per annum.

Exhibit A to this Resolution (which is hereby incorporated herein and made a part hereof) contains a description of each lot, tract or parcel of land to be assessed, the name of the owner, if known, the total amount of the special assessment levied against each lot, tract or parcel, the amount of each partial payment of the special assessment, and the day when each such partial payment shall become delinquent (the "Assessment Roll").

The Assessment Roll is preliminary and is subject to consideration by this Board of the objections, if any, from owners of property in the District following the public hearing provided for in Section 7.

Section 5. Filing of Resolution. This resolution shall be kept on file in the office of the County Clerk and Recorder and shall be open to public inspection.

Section 6. Notice of Proposed Levy of Assessments. The County Clerk and Recorder is hereby authorized and directed to cause a copy of the notice of the passage of this resolution, substantially in the form of Exhibit B hereto (which is hereby incorporated herein and made a part hereof), (i) to be published twice in a newspaper meeting the requirements of Montana Code Annotated, Section 7-1-2121, with not less than six days between each publication before the date of the public hearing provided for in Section 7, (ii) to be mailed to the owner of each lot, tract or parcel of land to be assessed (to be determined from the last completed assessment roll for state, county, and school district taxes), on or before the same day such notice is first published; and (iii) to be mailed to such other persons or entities known by the County Clerk and Recorder to have an ownership interest in such lots, tracts or parcels (including, without limitation, mortgagees and vendees under contracts of deed), on or before the same day such notice is first published.

Section 7. Public Hearing: Objections. This Board shall meet on Thursday, the 18th day of September, 2008, at 10:00 a.m., in the Office of the Board of Commissioners of Flathead County, Courthouse, West Annex, 800 South Main, Kalispell, Montana, for the purpose of conducting a public hearing on the levying and assessment of the special assessments in the District and considering the objections, if any, of the property owners to the levying and assessment of the special assessments.

ADOPTED by the Board of County Commissioners of the County of Flathead, Montana, this 28<sup>th</sup> day of August, 2008.

BOARD OF COUNTY COMMISSIONERS  
Flathead County, Montana

By/s/Gary D. Hall  
Gary D. Hall, Chairman

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

By \_\_\_\_\_  
Dale W. Lauman, Member

ATTEST:  
Paula Robinson, Clerk

By/s/Diana Kile  
Diana Kile, Deputy

Exhibit A				
Lodgepole Drive RSID				
Parcel	Owner	Total Assessment	30-Nov-08 Payment*	31-May-09 Payment*
BGS Lot 1	Tracy A. Gardner	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 2	Tracy A. Gardner	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 3	Estate of Charlotte E. Nelson Testamentary Trust	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 4	Estate of Charlotte E. Nelson Testamentary Trust	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 5	Charles C. & Tammy T. West	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 6	William R. & Jeanne M. Hendrickson	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 7, pt of Lot 8	Neidra M. Newberry Revocable Trust	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 9	Matt E. & Dori (Doris) Pelto Family Trust	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 10	Leland Alvin Keller and Lyndal Rae Sundt	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 11 pt	John and Sandra Swartzenberger	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 11 pt	John and Sandra Swartzenberger	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 12	John and Sandra Swartzenberger	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 13	Annette E. Bain (now Wilson)	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 14	Annette E. Bain (now Wilson)	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 15	Terrane E. Meeks	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 16	Dennis & Kristen L. Heck	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 17	Davar M. & Vicky L. Gardner	\$ 6,154.57	\$ 337.50	\$337.49
BGS Park	Flathead County	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 18	Richard L. Marler & Cynthia Ann McGee	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 19	Kissinger, Sheryl	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 20	Norman C & Jolene T. Bjelland	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 21	Robert E. (Buck) & Marlene F. Foster	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 22	Jerry R. Johnston	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 23	Jerry R. Johnston	\$ 6,154.57	\$ 337.50	\$337.49

BGS Lot 24	Gilbert Koch Jr. & Julie A. Koch and Brett D & Susan B. Swimley	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 25	Son See Ree MPG Gardner	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 26	Son See Ree MPG Gardner	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 27	Byron & Lydia Freel	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 28	John E. & Berthille Swedberg	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 29	John E. & Berthille Swedberg	\$ 6,154.57	\$ 337.50	\$337.49
BGS Lot 30	Richard M. & Rita A. Rasmussen	\$ 6,154.57	\$ 337.50	\$337.49
2EA	Symington, Steve	\$ 6,154.57	\$ 337.50	\$337.49
2E	Timothy M. & Amy Lea Skiftun	\$ 6,154.57	\$ 337.50	\$337.49
2P	Mychal Lahey	\$ 6,154.57	\$ 337.50	\$337.49
2U	Martin K. & Tausha K. Crevier	\$ 6,154.57	\$ 337.50	\$337.49
2-2	Martin K. & Tausha K. Crevier	\$ 6,154.57	\$ 337.50	\$337.49
2	Raymond D. & Lois M. Martin Revocable Living Trust	\$ 6,154.57	\$ 337.50	\$337.49
2-6	David L. & Sally A. Prichard	\$ 6,154.57	\$ 337.50	\$337.49
2S & 2I	Luann R. Moriarty	\$ 6,154.57	\$ 337.50	\$337.49
2T	James S. & Jane E. Wheeler	\$ 6,154.57	\$ 337.50	\$337.49
2R	Todd Lodgepole Lodge LLC	\$ 6,154.57	\$ 337.50	\$337.49
2H	Alan Don and Louise P. Hines	\$ 6,154.57	\$ 337.50	\$337.49
2J	Kenneth L. & Debra Horinek	\$ 6,154.57	\$ 337.50	\$337.49
2L & 2MA	Leroy & Marolyn M. McLeod	\$ 6,154.57	\$ 337.50	\$337.49
2M	William Muller	\$ 6,154.57	\$ 337.50	\$337.49
2Q	William Muller	\$ 6,154.57	\$ 337.50	\$337.49
2N	Michael R. & Chrystal L. Higgins	\$ 6,154.57	\$ 337.50	\$337.49
2V	Clothier Family Trust, Dale K. & Bonnie Renee Clothier	\$ 6,154.57	\$ 337.50	\$337.49
2Z	Andrew S. Bricker and Karen L. Savage	\$ 6,154.57	\$ 337.50	\$337.49
2W	Robert B. & Kathleen W. Cotner	\$ 6,154.57	\$ 337.50	\$337.49
2Y	Ward C. & Michelle Koester	\$ 6,154.57	\$ 337.50	\$337.49
2X	Robin Barnhart and Brooke Cates	\$ 6,154.57	\$ 337.50	\$337.49
2-5	Edward M. & Nancy Jo Cravalho	\$ 6,154.57	\$ 337.50	\$337.49
2-7	Wilma J. Leatzow	\$ 6,154.57	\$ 337.50	\$337.49
2-7A	Jerry Mahugh	\$ 6,154.57	\$ 337.50	\$337.49
2-3C	Geary L. Ryan	\$ 6,154.57	\$ 337.50	\$337.49
BI9-3	Leland & Sharon Bowman	\$ 6,154.57	\$ 337.50	\$337.49
BI9-4	Leland & Sharon Bowman	\$ 6,154.57	\$ 337.50	\$337.49
BI9-2	Robert E. & Carla J. Machado	\$ 6,154.57	\$ 337.50	\$337.49
1	Robert A. Brennen	\$ 6,154.57	\$ 337.50	\$337.49
BI9-1	Beate E. & Robert J. Olivas	\$ 6,154.57	\$ 337.50	\$337.49
2-3B	Patti J. Brunger and Paul D. & Jacalyn A. Elsbury	\$ 6,154.57	\$ 337.50	\$337.49
2-3A	Glen S. & Connie D. Kao	\$ 6,154.57	\$ 337.50	\$337.49
2-D	Rene-Myron B. Gardner and Son See Ree MPG Gardner	\$ 6,154.57	\$ 337.50	\$337.49
2-F	Louise I. Morrow	\$ 6,154.57	\$ 337.50	\$337.49
2-4A	Lynn Lund	\$ 6,154.57	\$ 337.50	\$337.49
2-4	Norman C. & Jolene T. Bjelland	\$ 6,154.57	\$ 337.50	\$337.49
BGS Park	Flathead County	\$ 6,154.57	\$ 337.50	\$337.49
2C	Richard Kent & Nancy L. Ewing	\$ 6,154.57	\$ 337.50	\$337.49
2CA	Clinton J. Haugen	\$ 6,154.57	\$ 337.50	\$337.49
		\$430,820	\$ 23,625.00	\$23,624.30

Payments will be due on November 30, 2008 and May 31, 2009, and each November 30 and May 31 through November 30, 2022 and May 31, 2023. Payments will become delinquent, if not paid, on December 1 and June 1 of each year.

\* In each fiscal year, the then outstanding principal amount of assessment will be reamortized in equal semi-annual installments over the term of the assessments at an interest rate equal to the average interest on the outstanding bonds plus one half of one percent per annum.

#### EXHIBIT B

#### NOTICE OF PROPOSED LEVY OF SPECIAL ASSESSMENTS IN RURAL SPECIAL IMPROVEMENT DISTRICT NO. 144

#### COUNTY OF FLATHEAD, MONTANA

NOTICE IS HEREBY GIVEN that on August 28, 2008, the Board of County Commissioners of the County of Flathead, Montana (the "County"), adopted a resolution proposing to levy and assess special assessments against benefitted property in Rural Special Improvement District No. 144 in the County (the "District") for the purpose of financing the costs of certain local improvements and paying costs incidental thereto.

A complete copy of the resolution, which includes the proposed assessment roll and the amount of each special assessment, is on file with the County Clerk and Recorder and is available for public inspection.

On Thursday, September 18, 2008, at 10:00 a.m., in the Office of the Board of Commissioners of Flathead County, Courthouse, West Annex, 800 South Main, Kalispell, Montana, the Board of County Commissioners will conduct a public hearing and pass upon all objections, whether made orally or in writing, to the proposed levy of the special assessments.

Further information regarding the special assessments or other matters in respect thereof may be obtained from Clerk and Recorder Paula Robinson, Courthouse, 800 South Main, Kalispell, Montana, or by telephone at 406/758-5530.

Dated: August 28, 2008.

BY ORDER OF THE BOARD OF COUNTY  
COMMISSIONERS OF THE COUNTY OF  
FLATHEAD, MONTANA

ATTEST:  
Paula Robinson, Clerk

By/s/Gary D. Hall  
Gary D. Hall, Chairman

By/s/Diana Kile  
Diana Kile, Deputy

Publish on September 2 and September 9, 2008.

Commissioner Brenneman made a **motion** to adopt Resolution #2112E and authorized the Chairman to sign the publication of Notice of Assessment . Chairman Hall **seconded** the motion. **Aye** - Hall and Brenneman. Motion carried by quorum.

#### CERTIFICATE AS TO RESOLUTION

I, the undersigned, being the duly qualified and acting recording officer of the County of Flathead, Montana (the "County"), hereby certify that the attached resolution is a true copy of Resolution No. 2112E, entitled: "RESOLUTION RELATING TO RURAL SPECIAL IMPROVEMENT DISTRICT NO. 145; PRELIMINARY LEVY OF SPECIAL ASSESSMENTS ON PROPERTY WITHIN THE DISTRICT FOR THE PURPOSE OF FINANCING THE COST OF CERTAIN LOCAL IMPROVEMENTS" (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 meeting on August 28, 2008, 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: Chairman Hall & Commissioner Brenneman, voted against the same: \_\_\_\_\_; abstained from voting thereon: \_\_\_\_\_; or were absent: Commissioner Lauman.

WITNESS my hand officially this 28<sup>th</sup> day of August, 2008.

Paula Robinson, Clerk & Recorder

By/s/Diana Kile  
Deputy



#### RESOLUTION NO. 2112E

RESOLUTION RELATING TO RURAL SPECIAL IMPROVEMENT DISTRICT NO. 145; PRELIMINARY LEVY OF SPECIAL ASSESSMENTS ON PROPERTY WITHIN THE DISTRICT FOR THE PURPOSE OF FINANCING THE COST OF CERTAIN LOCAL IMPROVEMENTS

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

Section 1. The District; the Improvements. The County has created a Rural Special Improvement district (the "District") pursuant to Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended (the "Act"), denominated Rural Special Improvement District No. 145 (the "District"), and undertaken certain local improvements (the "Improvements") to benefit property located therein. The Improvements have been or, by the conclusion of the current construction season, will be substantially completed and the total costs of the Improvements to be paid with proceeds of the Bonds are estimated to be \$274,000, including all incidental costs.

Section 2. The Bonds. The County has pursuant to the Act issued its Rural Special Improvement district bonds drawn on the District, denominated "Rural Special Improvement District No. 145 Bonds," in the original aggregate principal amount of \$274,000 (the "Bonds"), to finance costs, including incidental costs, of the Improvements. The Bonds are payable primarily from special assessments to be levied against property in the District.

Section 3. Method of Assessment. (a) Pursuant to Resolution No. 2112, adopted by this Board on May 3, 2007, and which constitutes the resolution of intention to create the District, this Board determined to levy special assessments to pay the costs of the Improvements on the basis or bases therein provided as authorized by the Act.

(b) This Board hereby ratifies and confirms that the assessment of costs of the specific Improvements against the properties benefitted thereby as prescribed by the resolution of intention are equitable and in proportion to and not exceeding the special benefits derived from the respective Improvements by the lots, tracts and parcels to be assessed



therefor within the District, and the special assessments authorized by this resolution are in accordance with the methods and do not exceed the amounts prescribed by the resolution of intention.

Section 4. Proposed Levy of Assessments. The special assessments for the costs of the Improvements shall be levied and assessed against properties in the District in accordance with the method of assessments referred to in Section 3. Such assessments shall be payable over a term not exceeding 20 years, each in substantially equal semiannual payments of principal and interest. Property owners shall have the right to prepay the special assessments as provided by law.

The special assessments shall bear interest from August 28, 2008 until paid at an annual rate equal to the Interest Rate (as hereinafter defined), as such may change from time to time, plus penalties and interest for delinquent installments as provided by law. As used herein, "Interest Rate" means, as of the date of determination, the sum of (i) the average interest rate payable on the Bonds then outstanding, plus (ii) one-half of one percent (0.50%) per annum. The Interest Rate shall be determined in August of each fiscal year so long any Bonds are outstanding and shall apply to the outstanding installments of the special assessments not delinquent. If no Bonds are outstanding, but special assessments remain unpaid and are not delinquent, the Interest Rate shall be equal to the Interest Rate as most recently determined. The Interest Rate shall be 4.7% per annum.

Exhibit A to this Resolution (which is hereby incorporated herein and made a part hereof) contains a description of each lot, tract or parcel of land to be assessed, the name of the owner, if known, the total amount of the special assessment levied against each lot, tract or parcel, the amount of each partial payment of the special assessment, and the day when each such partial payment shall become delinquent (the "Assessment Roll").

The Assessment Roll is preliminary and is subject to consideration by this Board of the objections, if any, from owners of property in the District following the public hearing provided for in Section 7.

Section 5. Filing of Resolution. This resolution shall be kept on file in the office of the County Clerk and Recorder and shall be open to public inspection.

Section 6. Notice of Proposed Levy of Assessments. The County Clerk and Recorder is hereby authorized and directed to cause a copy of the notice of the passage of this resolution, substantially in the form of Exhibit B hereto (which is hereby incorporated herein and made a part hereof), (i) to be published twice in a newspaper meeting the requirements of Montana Code Annotated, Section 7-1-2121, with not less than six days between each publication before the date of the public hearing provided for in Section 7, (ii) to be mailed to the owner of each lot, tract or parcel of land to be assessed (to be determined from the last completed assessment roll for state, county, and school district taxes), on or before the same day such notice is first published; and (iii) to be mailed to such other persons or entities known by the County Clerk and Recorder to have an ownership interest in such lots, tracts or parcels (including, without limitation, mortgagees and vendees under contracts of deed), on or before the same day such notice is first published.

Section 7. Public Hearing; Objections. This Board shall meet on Thursday, the 18th day of September, 2008, at 10:00 a.m., in the Office of the Board of Commissioners of Flathead County, Courthouse, West Annex, 800 South Main, Kalispell, Montana, for the purpose of conducting a public hearing on the levying and assessment of the special assessments in the District and considering the objections, if any, of the property owners to the levying and assessment of the special assessments.

ADOPTED by the Board of County Commissioners of the County of Flathead, Montana, this 28<sup>th</sup> day of August, 2008.

BOARD OF COUNTY COMMISSIONERS  
Flathead County, Montana

By/s/Gary D. Hall  
Gary D. Hall, Chairman

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

By \_\_\_\_\_  
Dale W. Lauman, Member

ATTEST:  
Paula Robinson, Clerk

By/s/Diana Kile  
Diana Kile, Deputy

Exhibit A			
Snowghost Drive, RSID 145			
Lot, Tract or Parcel	Owner	Total Assessment	30-Nov-08 Payment*
in Section 17, Tn 31 N, R 21 W.			
		\$ 34,250.00	\$ 1,617.95
<b>7AD</b>	<b>Michael Christopher &amp; Judy K. Cooper</b>	\$ 34,250.00	\$ 1,617.95
<b>7A</b>	<b>Robert Galbraith</b>	\$ 34,250.00	\$ 1,617.95
<b>7</b>	<b>Ted R. Kreitzman MD Pension Plan</b>	\$ 34,250.00	\$ 1,617.95
<b>7AAC</b>	<b>Andrew Zimet and Linda Farmer</b>	\$ 34,250.00	\$ 1,617.95
<b>7AAA</b>	<b>Phillip &amp; Adriene Cardan Revocable Trust</b>	\$ 34,250.00	\$ 1,617.95
<b>7AAAA, 4AB, 7AAE</b>	<b>Andrew &amp; Stacy Matulionis</b>	\$ 34,250.00	\$ 1,617.95
<b>4AA, 7AAD, 7AAAC</b>	<b>Alex R. &amp; Rachel A. Vandervoort</b>	\$ 34,250.00	\$ 1,617.95
<b>4A, 7AA</b>	<b>Ian &amp; Catherine Todd</b>	\$ 34,250.00	\$ 1,617.95
		\$ 274,000.00	

Payments will be due on November 30, 2008 and May 31, 2009, and each November 30 and May 31 through November 30, 2027 and May 31, 2028. Payments will become delinquent, if not paid, on December 1 and June 1 of each year.

\* In each fiscal year, the then outstanding principal amount of assessment will be reamortized in equal semi-annual installments over the term of the assessments at an interest rate equal to the average interest on the outstanding bonds plus one half of one percent per annum.

EXHIBIT B

RURAL SPECIAL IMPROVEMENT DISTRICT NO. 145

COUNTY OF FLATHEAD, MONTANA

NOTICE IS HEREBY GIVEN that on August 28, 2008, the Board of County Commissioners of the County of Flathead, Montana (the "County"), adopted a resolution proposing to levy and assess special assessments against benefitted property in Rural Special Improvement District No. 145 in the County (the "District") for the purpose of financing the costs of certain local improvements and paying costs incidental thereto.

A complete copy of the resolution, which includes the proposed assessment roll and the amount of each special assessment, is on file with the County Clerk and Recorder and is available for public inspection.

On Thursday, September 18, 2008, at 10:00 a.m., in the Office of the Board of Commissioners of Flathead County, Courthouse, West Annex, 800 South Main, Kalispell, Montana, the Board of County Commissioners will conduct a public hearing and pass upon all objections, whether made orally or in writing, to the proposed levy of the special assessments.

Further information regarding the special assessments or other matters in respect thereof may be obtained from Clerk and Recorder Paula Robinson, Courthouse, 800 South Main, Kalispell, Montana, or by telephone at 406/758-5530. Dated: August 28, 2008.

BY ORDER OF THE BOARD OF COUNTY  
COMMISSIONERS OF THE COUNTY OF  
FLATHEAD, MONTANA

ATTEST:  
Paula Robinson, Clerk

By/s/Gary D. Hall  
Gary D. Hall, Chairman

By/s/Diana Kile  
Diana Kile, Deputy

Publish on September 2 and September 9, 2008

**MEETING W/ JIM LYNCH, DWANE KAILEY AND DUANE WILLIAMS/ MDOT RE: U.S. 2 & DERNS ROAD/ SPRINGCREEK ROAD INTERSECTION**

[10:18:39 AM](#)

Members present:

Chairman Gary D. Hall  
Commissioner Joseph D. Brenneman

Members absent:

Commissioner Dale W. Lauman

Others present:

Assistant Mike Pence, Deputy County Attorney Jonathan Smith, Todd Wirthlin, Dwane Kailey, Duane Williams, Pete Woll, Larry VanRinsum, Clerk Kile

Jim Lynch explained the reason for the meeting was to discuss the intersection of Hwy 2 and Springcreek Road and Dernas Road in which MDOT has been analyzing the accidents that have been taking place. He then said from a department stand point they have spent considerable time looking at the layout of the road and would like input from the community.

Todd Wirthlin a resident that lives at the intersection stated that he has witnessed several accidents and was the first to the scene for two accidents where two have died. He then said this is one of the worst intersections he has seen in the State of Montana with the problem being the intersection is on an angle with two roads coming in on inclines into the intersection along with a large hump from the traffic coming from the west. Wirthlin suggested that both roads be closed until the intersection is redesigned.

General discussion was held relative to a solution for the intersection with the steep incline, poor visibility and blind curve.

**12:00 p.m. Commissioner Brenneman: Rotary @ Hilton Garden Inn**  
**3:00 p.m. Commissioner Hall: Whitefish County Donut Transition Team**

At 5:00 o'clock P.M., the Board continued the session until 8:00 o'clock A.M. on August 29, 2008.

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**FRIDAY, AUGUST 29, 2008**

The Board of County Commissioners met in continued session at 8:00 o'clock A.M. Chairman Hall, Commissioners Brenneman and Lauman, 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 September 1, 2008.

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**The following are claims for the month of August, 2008.**

VENDOR NAME	DESCRIPTION	AMOUNT
@ROAD	109222/GPS	\$1,631.85
ABC BUSINESS SOLUTIONS	000806 COPIER TONER	\$681.97
ABEL-JOHNSTON, JOCELYN	REIMB: STAPLES/LABEL MAKE	\$41.98
ADAM, CONRAD W	KALISPELL OFFICE SEPT	\$4,940.00
ADAMSON INDUSTRIES INC	HEADLIGHT FLASHER FOR IMP	\$81.95
ADVANCED REFRIGERATION & APPLIANCE	REPAIR FREEZER	\$245.89
ADVANCED RESTAURANT SUPPLY INC	KITCHEN SUPPLIES/OVEN RAC	\$90.00
AFLAC	PP#16/2008 PREMIUM AFTER	\$3,065.62
AFSCME COUNCIL 9	PP#16/2008 UNION DUES DEP	\$3,850.55
AKRIMAX PHARMACEUTICALS INC	AK4097 MED SUP 25 PKS OF	\$962.25
ALBRECHT & CO	1252 ADVERTISING/PROMO IT	\$240.00
ALLEGIANCE BENEFIT PLAN MANAGEMENT	PP#17/2008 FLEX CHILD DED	\$24,003.69
ALLTEL	JULY 08	\$576.82
ALPINE BUSINESS CENTER	AOA SEPT RENT ALPINE AUCT	\$4,360.00
ALPINE FIREWORKSARTS GUILD LLC	FIREWORKS	\$10,000.00
AMERICAN LINEN DIVISION	000071 CLEAN RUGS & COVER	\$606.13
AMERICAN MOSQUITO CONTROL ASSOC	1 REGULAR MEMBERSHIP 7/1/	\$120.00
AMERICAN WEST CHROME INC	FLACOUROA ONE 3-STAGE CY	\$2,925.00
AMSAN CUSTODIAL SUPPLY	474620 TOWELS JANITORIAL	\$9,059.52
ANDERS BUSINESS SOLUTIONS	FLCOAGAG COPY CHARGES PER	\$398.71
ANDERSON, ROBERT L	MOTOR VEHICLE REFUND	\$96.00
ANDY'S AUTO GLASS	GNP/DODGE SPRINTER GLASS	\$150.00
ANYTIME LOCK & SAFE	5098 KEYS	\$363.77
APCO AFC	FREQUENCY DATA COORDINATI	\$1,512.00
APPLIED COMMUNICATIONS LLC	PARTIAL PYMT FOR PARKS MA	\$6,830.00
APPLIED INDUSTRIAL TECHNOLOGIES INC	4160831 HEAVY EQUIP CONV	\$262.50
ARMA INTERNATIONAL INC	141461/MEMBERSHIP DUES FO	\$205.00
ARMOR HOLDINGS FORENSICS INC	FLATCOU FINGERPRINT RETAB	\$53.89
ASPEN CONSULTING & ENGINEERING INC	FLT08033 CONT SERV PM & O	\$5,989.50
ASPHALT DRUM MIXERS INC	519 HEAVY EQUIP AIR CYLIN	\$3,496.87
ASSOCIATED BAG COMPANY	101057 POLY BAGS	\$767.15
ATKINSON, JIM	MEAL REIMB: AUGUST 2008 M	\$98.83
AUSTIN FUNERAL HOME	BROWN, DEBORAH: BURIAL	\$1,050.00
AUTO GLASS SPECIALISTS	REPLACE WINDSHEILD	\$191.10
B&C TELEPHONE, INC	25888 PURCHASE/INSTALL IP	\$3,768.00
BACK ROOM RESTAURANT INC	FOOD MISSIONS	\$30.75
BARTLETT, JAMES C	ATTY FEES/ESTATE OF MICHE	\$361.98
BASHORE, ERIC J	REDEMP R-2035	\$348.43
BATES, ROB MD	JULY 08	\$2,500.00
BEAUDION, JOE	VOL MILEAGE 7/1/08-7/31/0	\$10.05
BECKERS, MARGARET	VETERANS FUNERAL EXPENSES	\$250.00
BENJAMIN, BETH ANN	CONTR SRV 12 HRS @ \$30 08	\$900.00
BERTELSEN, SALLY KAY	TRVL 32 MILES @ \$.585 FLA	\$723.65
BIG JOHN'S	0030259/HEARING PROTECTOR	\$21.99
BIG SKY FAMILY MEDICINE	MEDICAL VISIT-ESTATE OF M	\$31.64
BIGFORK SENIOR CITIZENS	SITE MANAGEMENT: AUGUST 2	\$322.50
BIGFORK WATER/SEWER DISTRICT	SLITERR PARK RESTROOMS	\$219.78
BINETTE, ANDREW	VOL MILEAGE 7/1/08-7/31/0	\$29.22
BIRKY, DR. PERRY	3 HRS @ \$50 07/29-31/08	\$150.00
BLACKFEET TRIBE	MARCH 1-JUNE 30, 2008	\$2,558.14
BLACKTAIL REFRIGERATION	KITCHEN EVAP COOLER PUMP	\$264.60
BLANCO, ADRIANA	CREDIT/REFUND DOUBLE PAYM	\$110.00
BLANKENSHIP RURAL FIRE DISTRICT	BLANKENSHIP RESPONSE TO P	\$308.84
BLUE RIDGE SERVICES, INC	OWNING & OPERATING COSTS	\$125.00
BLUMENTHAL UNIFORMS & EQUIPMENT	FLATHEADSD/NIK KITS	\$407.25
BOB BARKER CO INC	FLAMT1 CARDS	\$318.25
BODICK, LINDA	PERDIEM/HIV/STD/HEP CONF	\$207.58
BOEHM, MARTY	35 HRS @ \$30 08/03-08/09/	\$4,065.84
BOLSTER'S TOWING INC	TOWING SERVICES:VIN#A6658	\$1,793.00
BOYD, NORMAN C	REDEMP R-2028	\$2,686.19
BRENNEMAN, JOE	TRAVEL (MEALS, LODGING, &	\$230.13
BRESNAN COMMUNICATIONS LLC	SERVICE 18 AUG 17 SEP	\$77.13
BRODY CHEMICAL	FLATH CO S	\$242.64
BROKERS NATIONAL LIFE	PP#17/2008 PREMIUM DEDUCT	\$3,430.20
BROOKS, ANN W	SPR EXP "BUGS FOR LUNCH"	\$121.03
BROWN, MARGARET L	MEDIATION	\$75.00

BUECHLE, JAMES	BOARD MILEAGE	\$11.70
BUFFALO HILL FUNERAL HOME	FUNERAL/LEE, GARY	\$1,000.00
BULLIS, RICHARD A.	GATE ATTENDANT/MARION	\$1,100.00
BURKE, JIM	BUS SPACE RENTAL:AUG 1-31	\$50.00
BURNHAM, CANDY	2007 CENTRAL PENSION OVER	\$57.11
BURTON, JAMES H.	SURVEYING 06/18-25/08	\$1,737.00
C SPECIALTIES, INC	5990AC/150 ONE PIECE CAT	\$297.00
CALIFORNIA CONTRACTORS SUPPLIES INC	SAFETY GLASSES & TIES	\$131.50
CAMPBELL PET COMPANY	5990102/MISC DOG LEASHES	\$323.60
CARDINAL DISCOUNT SUPPLY INC	9466 BATTERY	\$680.62
CARDINAL HEALTH	11024616 OP SUP NEEDLES	\$4,915.89
CARQUEST AUTO PARTS STORES	412220 TRUCKS PRTS LOW VO	\$893.02
CBM FOOD SERVICE	FHMT CJ0001 ADULT MEALS 24	\$10,686.95
CD'A METALS	FL201120 TRUCK PARTS BURN	\$2,614.40
CELLULAR SOLUTIONS	MOBILE AMP ANTENNA DUST P	\$570.83
CENTRAL FIBER CORPORATION	3095 TOP COAT	\$16,409.00
CENTURYTEL	FAX LINE FOR RECORDS	\$23,919.51
CHAIN SAW SALES AND SERVICE INC	LAWN MOWER PARTS	\$25.95
CHILD SUPPORT DIVISION	PP#16/2008 CHLD SPPT HEAT	\$673.50
CHISHOLM & CHISHOLM PC	REFUND	\$87.75
CHS INC - KALISPELL	211879 HAND CLEANER	\$659.97
CHUTE, PAMELA	VETERANS FUNERAL EXPENSES	\$250.00
CITICORP NORTH AMERICA INC	900-0591038-001 ENERGY CO	\$83,300.54
CITYSERVICEVALCON	26998/SMITH/DUST PATROL/J	\$200,415.90
CJ PROPERTIES	REDEMP R-2015	\$1,484.46
CLINICAL PATHOLOGY ASSOC	PRIETO, DAVID KRMC ER	\$76.00
COCA-COLA BOTTLING	4509188 CONCESSION SUPPLI	\$105.20
COCHRAN, MINDY	TRAVEL REIMB FOR GIS CONF	\$181.00
COLLECTION BUREAU SERVICES INC	STEVEN JOHNSON MD-ESTATE	\$893.22
COLLECTION CENTER OF KALISPELL	00056911/KALISPELL REG ME	\$100.82
COLONIAL LIFE AND ACCIDENT INS CO	PP#17/2008 PREMIUM PRE-TA	\$10.50
COLUMBIA CONTAINERS	MUSEUM STORAGE RENT CONTA	\$190.00
COLUMBIA FALLS, CITY OF	WATER BUILDING	\$22.67
COLUMBIA MORTUARY	VETERANS BENEFIT RUDE	\$1,000.00
COLUMBIA PAINT & COATINGS	6321 0414 7 PAINT	\$660.98
COMMISSION ON DIETETIC REGISTRATION	REGISTRATION DUES: J LUND	\$50.00
CONCEPTION TECHNOLOGIES	985/8 PREGNANCY TESTS	\$232.39
CONRAD MAIN STREET LLC	HOME HEALTH OFFICE AUG08	\$2,790.66
CONRAD, CHARLES	VOL MILEAGE JULY 2008	\$15.00
CONSOLIDATED ELECTRICAL DIST, INC	86 30105 (2) MERC LAMPS	\$20.80
CONSTENIUS, LEONA	JOHN LOGAN	\$250.00
CORRIGAN, EDWARD	PAROLE BOARD HEARING/HENS	\$106.02
COSNER COMTECH INC	INSTALL EQUIP FOR CHEVY P	\$2,379.79
COX, VICTOR SAM	PER DIEM FIREARMS INSTRUC	\$80.00
CRANS, NANCY	VOL MILEAGE 7/1/08-7/31/0	\$90.00
CREDIT BUREAU OF KALISPELL	CREDIT CHECKS	\$142.77
CREDIT SYSTEMS	NORTH VALLEY HOSPITAL-EST	\$2,372.00
CRESCENT ELECTRIC SUPPLY CO	155363 000 MAINT	\$75.62
CRIMINAL RECORDS	CREDIT	\$117.00
CSI	PRORATED - ESTATE OF HOME	\$297.36
CTA ARCHITECTS ENGINEERS	FC911 PROFESSIONAL SRVS F	\$8,772.34
CULLIGAN WATER	WATER DELIVERY	\$2,142.56
DAILY INTERLAKE	02102708 000/PUBLIC NOTIC	\$3,028.48
DALEN'S DIESEL SERVICE INC	SERVICE	\$6,875.34
DATA IMAGING SYSTEMS INC	MT775 MICROFILM/JULY08	\$424.86
DATSOPOULOS ETAL	REFUND	\$14.00
DAVIS PIPE & MACHINERY, INC	BUSHINGS, NIP	\$756.87
DE LAGE LANDEN FINANCIAL SERVICES	628790 COPIER LEASE	\$485.50
DEMCO, INC	254165000/PROCESSING SUPP	\$879.55
DEPRATU FORD SALES	5313 TRUCK PARTS REMAN MO	\$1,197.86
DEPT OF ADMINISTRATION	700055 SUMMITNET	\$128.00
DEPT OF LIVESTOCK	4 RABIES TESTS JUL08	\$100.00
DEPT OF PUBLIC HEALTH & HUMAN SRVS	LS150001 MISC LAB TESTS J	\$146.50
DEPT OF REVENUE	PP#16/2008 STATE WITHHOLD	\$252.00
DEPT OF REVENUE	1% WITHHOLDING LASALLE SA	\$103.45
DEPT OF REVENUE	PP#17/2008 STATE WITHHOLD	\$30,775.00
DEPT OF REVENUE	1% WITHHOLDING SWANK CONS	\$1,962.83
DEPT OF REVENUE	PP#17/2008 STATE WITHHOLD	\$31,507.00
DEPT OF TRANSPORTATION	Y790 008 000/LEASE	\$250.00
DIAMOND TRAFFIC PRODUCTS	ROUND ROAD TUBE 1/4 X 9/1	\$262.62
DIGITAL COMMUNICATIONS SYSTEM, INC	NEW COMMUNICATIONS CABLE	\$767.56
DIRECT COMMUNICATIONS SYSTEMS INC	PHONE INSTALLED DATA DROP	\$166.19
DOELY, WENDY	REIMB: OLES/FUEL MISSOULA	\$65.01
DRUMMOND, ROBERT G	PP#16/2008 DEANN SAMPSON	\$1,380.00
DTC COMMUNICATIONS, INC.	9987/UPGRADE MINIDISC ON	\$765.00
DTG MAPS	1 MAP BOOK	\$97.37
DUROS, LAURA LEE	PP#17/2008 CHILD SUPPORT	\$261.00
DZIZA, GENE	MILEAGE FOR FC PLANNING B	\$20.20
EAGLE COMMUN INC/KECI-KCFW-KTVM TV	ADVERTISING	\$70.00
EISINGER MOTORS	11202 STRAINER W PUMP	\$792.35
ELECTION SYSTEMS & SOFTWARE INC	111117 SHIPPING FOR UPDAT	\$8.03
ELECTRICAL SYSTEMS INC	103 OUTLETS FOR COMPUTERS	\$3,167.86
ELECTRO CONTROLS INC	FALTCITCO/ON-SITE TECH SU	\$4,466.46
ELECTRONIC DATA SOLUTIONS	HURRICANE ZEPHYR ANTENNA	\$81.53
ELLIOT, RANDI	402 MILES @ .585 JUL08	\$235.17

ENVIRO-TIRE INC	257 TIRES	\$413.50
EQUITABLE LIFE ASSURANCE SOCIETY	PP#16/2008 EQUIVEST PREMI	\$240.00
EQUITY MANAGEMENT INC TRUST	PP#17/2008 ROY COURTNEY	\$57.10
ERICKSON, CONNIE	590 MILES AT .585 JUL08	\$345.15
EVERGREEN DISPOSAL INC	5412 114735/JULY 08	\$14,074.21
EXPRESS EMPLOYMENT PROFESSIONALS	15263844 MOSTELLER/PANNEL	\$31,569.28
FALK, LEONARD	VETERANS FUNERAL EXPENSES	\$250.00
FASTENERS INC	6794/(24) 20 OZ UTILITY Y	\$84.00
FAUSKE, PETE	VOL MILEAGE: JULY 2008	\$5.40
FEDERAL EXPRESS CORP	USDOJ/APPLICATION/LANDIS	\$76.72
FERGUS COUNTY SHERIFF'S ASSOCIATION	FIREARMS INST COURSEE 1 D	\$100.00
FERGUSON ENTERPRISES, INC	44870 COMP COUP CARLYLE	\$63.14
FICKLER OIL COMPANY INC	TRANSPORT FUEL JULY	\$807.21
FIRST AMERICAN LENDERS ADVANTAGE	REFUND	\$4.00
FIRST BANKCARD	AUG08 COUNTYWIDE CREDIT C	\$25,240.15
FISHER, BRETT	REIMB TRAVEL TO BRANCHES	\$71.05
FISHER, CLYDE	BOARD MILEAGE	\$17.55
FLATHEAD CO SEARCH & RESCUE	OFFICE SUPPLIES FROM STAP	\$1,041.03
FLATHEAD CO WATER & SEWER	EVERGREEN MEDIAN 05/30-06	\$1,168.42
FLATHEAD ELECTRIC CO-OP	800 S MAIN & 144 KELLY RD	\$28,301.24
FLATHEAD HOSPITALIST PRACTICE LLC	002744 PRORATED - ESTATE	\$49.33
FLATHEAD PUBLISHING GROUP	31102387 000 NOTICE OF CL	\$273.97
FLATHEAD SALVAGE	DOOR CONTROL PANEL	\$40.00
FOOD SERVICES OF AMERICA	9040533 FOOD	\$2,651.62
FORESTRY SUPPLIER'S INC	791186 CREDIT RETURNS INV	\$38.50
FROWNELTER, TINA LOUISE	MILEAGE:JULY 2008	\$28.84
FUGINA, TARA	SENTENCE REVIEW/THORNTON	\$203.48
G NEIL DIRECT MAIN INC	VACATION REQUEST FORMS	\$239.36
GALLEGOS, KRISTIN	REFUND CLEANING DEPOSIT	\$45.00
GALLO, VICKI	MEALS FOR C & R CONVENTIO	\$28.00
GALLS INC	7518608 LED MINI LIGHT BA	\$1,611.91
GARLINGTON, LOHN & ROBINSON, PLLP	10367 001/CITY OF WHITEFI	\$1,387.62
GAYLORD BROTHERS, INC	11590 LAMINATE	\$3,181.50
GCR TIRE CENTER	3001/SWITCH	\$7,035.75
GLACIER COLLECTION	DR ALAN WILLIAMS-ESTATE O	\$38.50
GLACIER DENTAL GROUP, PC	TREENT CARL	\$923.00
GLACIER NATIONAL PARK	INSURANCE PAYMENT:SPRINTE	\$7,196.00
GLACIER REPORTER	ADVERTISING	\$447.00
GLACIER RV & MINI STORAGE	LEASE FOR RECORDS STORAGE	\$8,400.00
GLACIER WHOLESALERS INC	12368/CONCESSION SUPPLIES	\$2,772.16
GLAXOSMITHKLINE FINANCIAL INC	027353/10 HAVRIZ, 10 TWIN	\$2,881.50
GOLD RUSH CLOTHING COMPANY	SAFETY VESTS/TSHIRTS	\$36.00
GOODMAN REPORTING	TRANSCRIPT; MORRIS DC-07-	\$146.00
GRADE 8 EARTHWORKS	GATE ATTENDANT/SOMERS	\$700.00
GRAPHIC CONTROLS CORRP	35 212972/25 ROLL PAPER	\$678.07
GREASE MONKEY	SERVICE/LOF	\$60.28
GREAT NORTHERN PRINTING INC.	WHITEFISH CITY ENVELOPES	\$1,015.17
GREENE, JOEL S	S&R FUEL CR#200835851	\$50.05
GRIZZLY SECURITY ALARMS	7110 ALARM MONITORING AUG	\$225.00
GROGAN FUNERAL HOME	VETERANS BENEFIT BARNOWSK	\$250.00
GUNDERSON BRUCE	REIM 4 SHELVES FOR STORAG	\$1,035.97
HALL, RITA	MILEAGE FOR FC PLANNING B	\$124.23
HARMON CRANE & RIGGING INC	CONT SERV 8 HR 40 TON CRA	\$1,360.00
HART, BARBARA	CREDIT/REFUND DOUBLE PAYM	\$185.00
HARTSOCH, DOROTHY	GATE ATTENDANT/CRESTON	\$700.00
HASH & O'BRIEN, PLLP	REFUND	\$7.00
HAUGE, SHEEHY & HARSHMAN PLLP	REFUND	\$9.00
HEDMAN HILEMAN & LACOSTA	SETTLEMENT SUM PAID TO PE	\$40,000.00
HEIM, FRED	VOL MILEAGE JULY 2008	\$9.75
HELGESON, DELLA	VOL MILEAGE 7/1/08-7/31/0	\$8.40
HESKA CORPORATION	624843/FELINE ULTRA NASAL	\$375.00
HESSIAN, MICHAEL	MOTOR VEHICLE REFUND	\$37.00
HIGH COUNTRY LINEN SUPPLY	284 00000/CLEAN 4 4X6 MAT	\$1,478.04
HIGH PLAINS PIZZA INC	F1210/CHC BOARD MTG DINNE	\$30.00
HILL'S PET NUTRITION SALES INC	738924 FOOD DOG & CAT FOO	\$1,801.96
HOLLINGER, SCOTT	MILEAGE FOR FLATHEAD COUN	\$25.74
HOLMES, PAMELA	SVOR CONF ME 7/29-8/01	\$156.00
HOME DEPOT CREDIT SERVICES	6035 3225 0341 9321 CLAMP	\$170.82
HOTSY CLEANING SYSTEMS	NOZZLES/FITTINGS	\$113.00
HOUSE OF CLEAN	39765 0000/CUPS, SPOONS	\$175.86
HSBC BUSINESS SOLUTIONS	TONER OFFICE SUPPLIES	\$1,192.07
HUNGRY HORSE NEWS	SUBSCRIPTION	\$33.00
IBS INCORPORATED	1009926 SAFETY GLASSES/CU	\$2,231.92
IKON OFFICE SOLUTIONS	959731 1009129ML/COPIER F	\$603.18
IKON OFFICE SOLUTIONS	3934603 MAINT CONTRACT	\$73.25
INGRAM LIBRARY SERVICES	2086560 LIBRARY MATERIALS	\$11,473.33
INSTY PRINTS	3059/BLUE & GRAY PARCHMEN	\$237.53
INTERNATIONAL UNION OF OP ENGINEERS	PP#16/2008 UNION DUES	\$2,464.75
INTERSTATE ALARM INC	981298 ALARM MONITORING S	\$255.00
IRS	PP#17/2008 ALEXANDER HOGL	\$1,512.90
IVERSON, SUSAN	SUPPLIES	\$159.04
JACKOLA ENGINEERING & ARCHITURE PC	ARCH ENG HOLT STAGE ROW	\$2,476.25
JACOBSON, SHIRLEY	MEDIATION	\$42.55
JANITORS WORLD SUPPLIES	BUILD100 VACUUM REPAIR/LA	\$867.11
JIM PALMER SIGNS	OP SUP 1 4 FT X 3 FT 6 IN	\$840.00

JOB SERVICE EMPLOYERS COUNCIL INC	EMPLOYEE APPRECIATION PRO	\$20.00
JOCHIM, JEANETTE	RETURN OF CLEANING DEPOSI	\$75.00
JOES RADIATOR SHOP	NEW RADIATOR CORE	\$925.00
JOHNSON, GARY	200871455/MOB VALUED AS S	\$122.71
JOHNSTONE SUPPLY	1972 PIERCING TOOLS	\$175.12
JOM PHARMACEUTICAL SERVICES	30729/MISSED DATE 2% DISC	\$24.75
JONES & BARTLETT PUBLISHERS, INC	75666 (1) ESSENTIAL EMS P	\$406.86
K&J AUTO PARTS INC	2950/BULBS/SQUEEGEE	\$1,069.45
KALISPELL AUTO PARTS	01890 SHOP PARTS	\$4,449.68
KALISPELL CHAMBR OF COMM FOUNDATION	TRAINING	\$425.00
KALISPELL CITY	800 FIRE SPRINKLER	\$9,085.71
KALISPELL CITY AMBULANCE SERVICE	PRIETO, DAVID/MEDIRATE 78	\$234.57
KALISPELL COPY & BLUE INC	PAINT STRIPE MARKING WAND	\$25.95
KALISPELL FARMERS MARKET	118 SENIOR FARMERS MARKET	\$600.00
KALISPELL OVERHEAD DOOR SERVICE INC	2 FLATCS AUTO SALLY PORT	\$200.00
KALISPELL POLICE DEPARTMENT	AET OVERTIME	\$736.67
KALISPELL REGIONAL MEDICAL CENTER	5FLATHEMS HEARTSAVER AED	\$14,482.79
KALISPELL SENIOR CENTER	REVENUE GENERATED FROM LI	\$522.50
KALMONT DISTRIBUTORS INC	MISCELLANEOUS MATERIALS	\$2,728.00
KAMAN INDUSTRIAL TECHNOLOGIES CORP	122939/SEALS	\$93.56
KAR PRODUCTS	178563 0001 SWIVEL ADAPTE	\$139.90
KARI DODGE CHRYSLER PLYMOUTH HYUNDA	1043 SENSOR	\$255.29
KAUFMAN, VIDAL, HILEMAN & RAMLOW PC	SETTLEMENT CONF/GROVER V	\$452.00
KEEFE COMMISSARY NETWORK SALES	28990J HYGIENE KITS	\$437.50
KELLY, BOBBIE	MEAL REIMB NATIONAL CONFE	\$161.50
KELLY, BRIAN	SITE ATTENDANT/ESSEX	\$210.00
KELLY, LYNN	MILEAGE/WF STORYTIME	\$19.89
KENWORTH SALES MISSOULA	1093 FUEL TANK CORE	\$977.10
KIRCHOFF, PAUL J	MOTOR VEHICLE REFUND	\$43.00
KITTERMAN, ELIZABETH	PER DIEM MBCC MTG/BILLING	\$52.00
KLEMPPEL, GINA	MILEAGE FOR FLATHEAD COUN	\$16.38
KMART 7030	MEDICAL SUPPLIES	\$84.09
KNIFE RIVER	210902/26.15 TONS BOULDER	\$113.76
KRANTZ, ADELE	PERS REP ADMN FEE-ESTATE	\$441.34
KROGER-SMITHS	430082 ED SUP REFRESHMENT	\$106.41
KUNDA, SUSAN	FUEL REIMB FOR QUARTERLY	\$57.93
LAISY, WAYNE	VOL MILEAGE JULY 2008	\$90.00
LAKE FIVE PROPERTIES, LLP	REDEMP R-2017	\$4,785.57
LAKESIDE COMMUNITY CHAPEL	SITE MANAGEMENT: AUGUST 2	\$300.00
LAMPSON, CECILE	VOL MILEAGE 7/1/08-7/31/0	\$57.60
LANDIS, JEANE	SVOR CONF ME 7/19-8/01	\$156.00
LANGSTON'S ADULT FOSTER CARE HOME	SERVICE FOR ROBERT MCGEE	\$400.00
LANKTREE GLASS, INC	CHEVY TRUCK RUBBER SET	\$380.00
LASALLE AUTOMOTIVE	1002 SOLENOID	\$149.05
LASALLE SAND & GRAVEL LLP	LANDFILL ROAD WORK BID #1	\$10,241.55
LAWRENCE RAGAN COMMUNICATIONS INC	4618946/LEADING FOR RESUL	\$118.95
LAWRENCE, PAULETTE	19 HRS @ \$28 8/1-15/08	\$1,806.00
LAWSON PRODUCTS, INC.	7219920 34501 FUSES VALVE	\$4,677.91
LC STAFFING SERVICE INC	402V CONTRACTED SERVICES	\$24,384.73
LEACH, DONALD A	RECOVERED SEAT & BACK	\$60.00
LELANDS'S HONDA-SUZUKI-BMW	CARBURETOR AIR CLEANER EL	\$90.98
LENOIR, RODNEY	VOL MILEAGE JULY 2008	\$26.40
LERWILL, TROY	RODEO CLOWN 2008	\$6,000.00
LES SCHWAB TIRE CENTER #904	905 04225/ GNP ROTATE TIR	\$8,595.59
LEWIS, VIRGINIA	REIMB LIABILITY INSURANCE	\$1,314.00
LIBERTY NORTHWEST	PP#14&15/2008 JULY 2008 W	\$81,587.57
LIPPINCOTT WILLIAMS & WILKINS	FEB 08-JAN 08 JNL OF PH M	\$274.96
LIST, KATHERINE A	39 HRS @ \$40 8/5-15/08	\$3,040.00
LONG, KRISTINA	CPR RENEWALS/5	\$385.00
LORENS CARPET CARE	CARPET CLEANING/JULY 08	\$400.00
M&C TIRE, INC	TIRE 316	\$50.00
M&M COMMUNICATIONS INC	BATTERIES	\$510.00
M4A	MET NET FEES	\$231.00
MAA	CONFERENCE REGISTRATION:	\$130.00
MACKOFF KELLOGG	REFUND	\$40.00
MACO/JPIA	DEDUCTIBLE FOR CLAIM GCFL	\$640,098.00
MACON SUPPLY	3213/MAGIC KOTE & REZ-SEA	\$1,604.75
MAGIC WANDA'S CLEANING SERVICE	CLEANING RECORDS BLDG	\$200.00
MAHUGH FIRE & SAFETY, LLC	FIRE ALARMS	\$787.25
MAIL ROOM, THE	40201 O POSTAGE JUL08	\$9,806.10
MAKULEC, JENNIFER	SITE ATTENDANT/BIGFORK	\$3,919.26
MARTIN, TIMOTHY	MILEAGE POLLING PLACES	\$8.78
MAT & MITER, THE	HANGERS FAIR 2008	\$25.00
MATEER, REBECCA	TRNG PER DIEM HIV STD HEP	\$46.00
MC CARTHY, ALLISON	WORD III 8/11	\$919.78
MDM SUPPLY COMPANY	STAINLESS STEEL RIM GUARD	\$64.62
MEADOW GOLD DAIRIES INC	4968370 FOOD	\$1,216.32
METAL WORKS & MUFFLER	1/2" TUBE	\$138.50
MICHAELS CONVENIENCE STORES INC	PROPANE	\$33.25
MICHELS, KAREN	CONTR SRV CISM TRAVEL 08/	\$100.00
MIDWAY MOTORS	2008 CHEV IMPALA/2G1WB58N	\$15,500.00
MIDWEST TAPE	59901 LIBRARY MATERIALS	\$3,102.90
MILD FENCE COMPANY	MATERIALS AND FENCE CARLY	\$166.40
MILDREN, CINDY VAUGHN	VETERANS FUNERAL BENEFIT:	\$250.00
MISSOULIAN	1YR SUBSCRIPTION	\$190.00



MOBILPHONE	PAGER FOR LINCOLN FOR AUG	\$162.40
MODERN MACHINERY CO, INC	227758 DRAIN VALVES FRT	\$113.02
MONTANA ACE - KALISPELL	8936 MAINT	\$316.68
MONTANA ASSN OF CO CLERK & RECORDER	COUNTY ALLOWANCE FOR LUNC	\$84.00
MONTANA ASSN OF COUNTIES	MACO DUES 07/01/08-06/30/	\$12,057.00
MONTANA ENVIRONMENTAL LAB LLC	HWY 93 GRAINERY	\$429.00
MONTANA HIGHWAY PATROL	DUI OVERTIME SHIFT	\$3,872.28
MONTANA HOPE PROJECT	RECYCLED PLATES HOPE PROJ	\$44.10
MONTANA INTERACTIVE	100162/DUES NET REG FEE	\$25.00
MONTANA LAW ENFORCEMENT ACADEMY	TUITION, LODGING, MEALS	\$600.00
MONTANA LIBRARY ASSN	TERRY PETERSEN NEW TRUSTE	\$30.00
MONTANA MADNESS CUSTOM EMBROIDERY	RESCUE JACKET	\$55.00
MONTANA MAGAZINE	1YR SUBSCRIPTION	\$21.00
MONTANA OE-CI TRUST FUND	PP#16&17/2008 1.00 HR BEN	\$11,297.25
MONTANA ONE CALL CENTER	2912 PHONE AUG08	\$198.75
MONTANA PUBLIC EMPLOYEES ASSN	PP#16/2008 UNION DUES	\$817.00
MONTANA REFINING COMPANY	S8600038 42.24 TONS PG 58	\$146,928.07
MONTANA STATE EXTENSION	COUNTY SHARE OF PAYOUT FO	\$3,440.91
MONTANA STATE LAW LIBRARY	117ZVF/LEXIS YEARLY SUBSC	\$2,500.00
MONTANA SUPREME COURT	JUDGE ORTLEY FALL CONFERE	\$1,100.00
MONTANA VEBA HRA ADMINISTRATOR	PP#17/2008 BYRON DORM	\$452.77
MONTANA WOOLGROWERS ASSOCIATION	07/01/08 TO 06/30/09 MOU	\$57.00
MONTGOMERY, RICHARD T	127 HRS @ \$40 JULY 08	\$5,080.00
MOORE MEDICAL LLC	1251311 MEDICAL SUPPLIES	\$650.38
MOORING TAX ASSET GROUP, LLC	JULY 2008 REDEMPTIONS	\$35,148.01
MORBIDITY & MORTALITY WEEKLY REVIEW	JRNL WATCH INFEC DISEASES	\$99.00
MORRISON MAIERLE, INC	1002 054/PROF SERV RESTHA	\$46,569.66
MOTOROLA	1000415845 0001/PROGRAMMI	\$348.85
MOTOROLA, INC.	1000415845001 SOFTWARE	\$295.00
MOUNTAIN TRADER, INC	SITE OPENING AD	\$129.00
MOUNTAIN VIEW PET CREMATORY INC	JULY 08	\$460.00
MOUNTAIN VISTA VETERINARY	334/1 CANINE SPAY	\$150.00
MSU EXTENSION PUBLICATIONS	222 MANUAL ORDER	\$143.75
MULLANEY CINDY	PER DIEM: AUG 08 IMFC/IMG	\$80.00
MURDOCH'S RANCH & HOME SUPPLY, INC	200712 RETURN	\$2,642.06
MUSEUM AT CENTRAL SCHOOL	RENTAL VOL APPRECIATION P	\$135.00
MWI VETERINARY SUPPLY	37641/12 PECTALIN	\$2,234.74
MY SHOP	FCSW/REPAIR FUEL LEAK/HEA	\$439.00
NACCHO	4311 JUL08 FEES FOR FOOD	\$421.39
NATIONAL CHILDREN'S ALLIANCE	NCA SUBSCRIPTION	\$2,500.00
NATIONWIDE TITLE	REFUND	\$7.00
NCI ENGINEERING	0618/E EVERGREEN BIKE PAT	\$4,276.99
NETWORK HARDWARE RESALE	POWER SUPPLY IT DEPT	\$44.67
NEWMAN TRAFFIC SIGNS	FLA040/(200) DELINEATORS	\$7,649.54
NEWMAN, DR. MICHAEL M.	CARSON, BRADFORD 2ND OPIN	\$2,520.00
NOMAD TECHNOLOGIES INC	ELECTRICAL FOR COMM TRAIL	\$855.75
NORCO, INC	69947/OXYGEN, HANDLING	\$661.21
NORLANDA, INC	REFUND	\$10.00
NORMONT EQUIPMENT CO	THREADED HANDLE	\$1,247.58
NORTH LAKE DIESEL SERVICE, INC	SCAN CODES/CHARGE BATTERI	\$162.00
NORTH VALLEY SENIOR CENTER	SITE MANAGEMENT: AUGUST 2	\$522.50
NORTHERN FIRE & COMMUNICATION INC	FLATJUV ANNUAL ALARM INSP	\$732.57
NORTHLAND HOBBIES	STAMPS	\$30.00
NORTHSTAR PRINTING INC	WINDOW ENVELOPES	\$1,573.00
NORTHWEST CANOPY	CANOPY FOR FAIR 2008	\$1,385.00
NORTHWEST DRUG TASK FORCE PEPI FUND	INVESTIGATIVE EXPENSE	\$2,780.00
NORTHWEST FUEL SYSTEMS	F4510/M CARDER BIG MOUTH	\$163.20
NORTHWEST HEALTHCARE SOLUTIONS	ANAGAL RODERICK WELCH	\$1,344.54
NORTHWEST IMAGING PC	PRIETO, DAVID KRMC	\$306.54
NORTHWEST PARTS & EQUIPMENT	FLAT07 PINS/POINTS	\$867.47
NORTHWEST PIPE FITTINGS INC	31568/STRAINER, 2"X3" BLA	\$124.95
NORTHWEST PORTABLES LLC	CONT SERV CHEMICAL TOILET	\$661.00
NORTHWEST TRUCK REPAIR INC	758 5790 FUEL TANK STRAPS	\$1,541.44
NORTHWESTERN ENERGY	GAS CHARGES FAIR BOARD	\$1,144.14
NOTARY LAW INSTITUTE	MEMBERSHIP RENEWAL	\$26.00
NURSE PRACTITIONERS WOMEN'S HEALTH	REGISTER S SHAPIRO/11TH A	\$475.00
O'BRIEN, CARMEN	REIM MISC ITEMS FOR FAIR	\$25.98
OCCUPATIONAL HEALTH & WELLNESS SRVS	URINE TESTING	\$65.00
OCLC INC	010CLC00001663 CATALOGING	\$21,177.30
OFFICE DEPOT	OFFICE SUPPLIES & PRINTER	\$210.04
OFFICE SOLUTIONS AND SERVICES	29996/STAMP	\$17,786.92
OLYMPIAN HIAWATHA LLC (A MT LLC)	REDEMP R-2022	\$8,051.64
OREGON DEPT OF JUSTICE	PP#16/2008 CHLD SPPT GILB	\$223.38
ORKIN - GREAT FALLS	D 8780234/TREAT OUTSIDE B	\$75.00
ORTLEY, JUDGE DAVID M	TRAVEL EXP-JUDGE SCHOOL	\$66.54
PACIFIC STEEL & RECYCLING	81631 MAINT	\$5,039.62
PAGE NORTHWEST	BATTERY AND REPAIR FOR 7-	\$440.97
PARADIGM MANAGEMENT PC	PARADIGM EXP AUGUST 1-9 2	\$98,804.97
PARK SIDE FEDERAL CREDIT UNION	PP#17/2008 CREDIT UNION D	\$3,006.10
PARTY TIME	WIDE CLIPS	\$26.10
PATEFIELD, ELIZABETH A	TRAVEL REIMB FOR GIS CONF	\$171.50
PENCO POWER PRODUCTS	FUEL FILTER	\$5.23
PETERSON, MARY	RETURN OF CLEANING DEPOSI	\$175.00
PETTY CASH - REFUSE DISPOSAL DIST.	REIMB: COSTCO/PAPER PRODU	\$50.96

PETTYJOHN'S THE WATER STORE INC	1026/WATER	\$264.50
PHILLIPS, DONALD W	VOL MILEAGE JULY 2008	\$10.20
PHIL'S PLUMBING, INC	LABOR MATERIALS REMOVE OL	\$427.00
PHOTO VIDEO PLUS	3 DVD'S FROM MINI DISCS N	\$30.00
PIERSON TRUCK PARTS	00554 HITCH CREDIT HITCH	\$390.76
PINNACLE INVESTIGATION CORP	1 BACKGROUND CHECK-BEEBE	\$293.60
PLATT ELECTRIC SUPPLY INC	144803 HEAVY EQUIP HUBS P	\$98.13
POORE, ROTH AND ROBINSON, P.C.	310613341 LEGAL SERVICES	\$72.50
PORTER, CAROLYN	TRNG PER DIEM HIV STD HEP	\$145.45
PPL MONTANA LLC	200101564 REALLOCATION	\$28,902.45
PRINTLINK	65636 RECEIPT BLANK PAPER	\$322.08
PUBLISHERS WEEKLY	1 YR SUBSCRIPTION	\$179.99
PURDY, ERIKA S.	PP#17/2008 CHILD SUPPORT	\$275.00
QUINE, KAY	GEMS DEC 07 COORDINATOR R	\$200.00
QWEST	W GLACIER 911 08/01 - 08/	\$276.73
R&J WRECKING	SENSOR	\$50.00
R&S NORTHEAST, LLC	70893 XYLOCAINE/KENALOG	\$39.01
RADIO SHACK ACCOUNTS RECEIVABLE	00002511060032 4 IN HEAT	\$4.99
RB SPORTSCARS LLC	MOTOR VEHICLE REFUND	\$226.00
RBM LUMBER	SAW DUST	\$1,125.00
READY FREDDY INC	PUMPING FOYS LAKE & BLANK	\$800.00
REGALIA MANUFACTURING CO	003363 RIBBONS 08FAIR	\$995.46
RELIABLE DISTRIBUTING INC	FLATHE 1/4" BUTTONHEAD FT	\$33.41
RESPOND SYSTEMS	MISC MEDICAL SUPPLIES	\$70.03
RIEBES MACHINE WORKS INC	OVERPAYMENT INV 93623	\$1,663.00
RIMROCK STAGES INC	POSTAGE MAIL ANIMAL TO BO	\$28.50
RINGQUIST SIGNS, INC	SIGNS	\$539.10
ROBERT PECCIA & ASSOCIATES INC	08110000 CONT SERV FLATHE	\$5,164.18
ROCKY MOUNTAIN BANK KALISPELL	REFUND	\$7.00
ROCKY MOUNTAIN IMAGES INC	MISC AS CLOTHING	\$981.67
ROLL, ARLEN	VOL MILEAGE 7/1/08-7/31/0	\$12.60
RONAN AUTO BODY SALES & SERVICE	BUS RENTAL	\$3,600.00
RON'S ALIGNMENT INC	TRUCK PARTS ALIGNMENT	\$140.00
ROSAUERS	DONUTS BOARD MEETING	\$174.58
ROSCOE STEEL & CULVERT	BANDS	\$1,145.78
ROSE COMMUNICATION	3557 ADVERTISING W/FNF FO	\$60.00
ROTO ROOTER	CLEAN HAIR & SLUDGE FROM	\$150.00
ROYBAL'S ABBEY CARPET	CARPET INSTALL	\$746.90
RUBINO, RALPH	VOL MILEAGE JUNE 2008	\$18.30
RUBY, CHRYSYAL	MILEAGE/WORKING IN BRANCH	\$63.17
RYGG, CHERYL	DEPOSIT RETURNED - UNABLE	\$15.00
SALTY DOG DIVE SHOP THE	55/AIR PUNCH CARD	\$200.00
SANDERS, RAY	BOARD MILEAGE	\$8.19
SANOFI PASTEUR, INC	70009069/10 TUBERSOL	\$35,776.96
SAVERUD PAINT SHOP	PAINT FOR OUTSIDE STEPS	\$45.17
SCARFF AUTO CENTER INC	OIL CHANGE, REPLACE AIR F	\$78.14
SCHAEFER PSYCHIATRIC SERVICES	PSYCHAITRIC CONTRACT JULY	\$2,500.00
SCHELLINGER CONSTRUCTION CO, INC	PIT RUN/HAULING SAND FOR	\$17,924.88
SCHERING PLOUGH ANIMAL HEALTH CORP	MED SUP RABDOMUN	\$603.75
SCHMIDT, JOAN CONSULTANT	40 HRS @ \$25 7/27-8/9/08	\$1,500.00
SCHWARTZ JR, GILBERT C	PP#13&15/2008 BENEFIT DED	\$6.80
SEATTLE TIMES	1YR SUBSCRIPTION	\$155.48
SELBYS	1521082/CONTRACT MAINT SC	\$426.05
SELECT CLEANING	COMMERCIAL CLEANING	\$300.00
SEVIER, MARY	REIMB FOR EXHIBITOR PASSE	\$45.00
SHAH SOFTWARE INC	TRANS MANAGER SOFTWARE/TR	\$23,700.00
SHEFFELS, MARCIA M	OFFICE SUPPLIES	\$149.15
SHERWIN WILLIAMS	1000 7684 3 PAINT	\$6,688.05
SHUR CLEAN PORTABLE TOILETS INC	CONTRACTED SERVICES AERO	\$225.00
SIENKNECHT, CAROL	441.6 MILES @ .585 JUL08	\$258.34
SIGNS NOW	OP SUP ANIMAL SHELTER SIG	\$285.00
SILVERTIP EMERGENCY PHYSICIANS	PRIETO, DAVID KRMC ER	\$1,062.00
SILVERTIP ENGRAVING	NAME TAGS	\$42.50
SIMMONS, ROBERT	2007 CENTRAL PENSION OVER	\$157.08
SIX ROBBLEES' INC	38981 WHEELS	\$547.78
SLITERS ACE	19554 IRRIGATION PARTS CA	\$48.62
SMIRNOW, DAVID DR.	HILL AUTOPSY	\$2,000.00
SNOW GHOST DESIGNS	OP SUP RE PREP NEW ANIMAL	\$20.00
SPALDING AUTO PARTS INC	7585790 IN DOOR WINDOW	\$34.00
SPENCER CONCRETE INC	MARKER SETTING FEE: BROWN	\$70.00
SPENCER FLUID POWER	1071204/BLEEDER VALVES	\$531.19
SPENCER, HANNA	VOL MILEAGE 7/1/08-7/31/0	\$17.40
SPILLMAN, JACK	TRAVEL HAVRE NTIP MTG	\$114.97
SPIRIT DOCUMENT SERVICES	SHRED 1 BOX PAPER	\$36.00
SPOKLIE SOUTH VALLEY GRAVEL	KF&G 30.09 TONS RECYCLABL	\$635.35
SPORTSMAN & SKI HAUS	4067255800 SCOREBOOKS	\$31.92
SPRAYING SYSTEMS CO	2613434/BRASS VEEJET NOZZ	\$93.92
ST MARIE GRAPHICS LLC	COMPLETE UNIT 7-2035 CROW	\$557.00
ST ROSE, RENAY	MEDIATION	\$25.00
STANDARD BATTERIES OF SPOKANE INC	BATTERIES FOR COMM TRAIL	\$483.76
STAPLES CREDIT PLAN	OFFICE SUPPLIES	\$41.09
STAPLES CREDIT PLAN	6001 1000 1409 457 SUPPLI	\$197.69
STAPLES CREDIT PLAN	OFFICE SUPPLIES	\$154.21
STAPLES CREDIT PLAN	6001 1000 1409 457 SUPPLI	\$85.95
STAPLES CREDIT PLAN	OFFICE SUPPLIES	\$784.64

STAPLES CREDIT PLAN	6001 1000 1409 457 SUPPLI	\$147.99
STAPLES CREDIT PLAN	LABELS & LABEL MAKER	\$16.48
STAPLES CREDIT PLAN	6001 1000 1409 457 SUPPLI	\$128.42
STATE PUBLIC DEFENDER	JULY PUBLIC DEFENDER SURC	\$142.00
STILLWATER SOD	SOD	\$11.00
STOICK DRUG	JULY STOCK CHARGES	\$1,400.65
STOUT, BONITA L	REIMB: SMITHS/JUICE FOR C	\$37.84
STREET, LISA	REFUND DOUBLE PAYMENT	\$84.00
SULLIVAN, MARK R	ROBE CLEANING & REPAIR	\$15.00
SUNTRUST MTG	REFUND	\$8.50
SUPER 1 FOODS	CONCESSION SUPPLIES	\$133.24
SUPER 1 FOODS	1447/FOOD FOR TRAINING	\$17.50
SUPER 1 FOODS	CONCESSION SUPPLIES	\$346.22
SURE-WAY SYSTEMS, INC	29232 HAZARDOUS WASTE REM	\$155.77
SWANBERG, JAN M	2007 CENTRAL PENSION OVER	\$149.63
SWARTZENBERGERS WRECKING	HOLLY FLOAT BOWL	\$10.00
SWISS CHALET EXCAVATING	GATE ATTENDANT/COLUMBIA F	\$1,400.00
SWT ENGINEERING, INC	GAS TO ENERGY	\$25,566.19
SYKES PHARMACY INC	PRENATAL VITAMINS	\$51.00
SYSCO FOOD SERVICES OF MONTANA INC	346809 FOOD	\$4,370.97
TALLEY, CHERYL	JUNE MILEAGE REIMB	\$92.05
T-BEND CONSTRUCTION INC.	8.75 TONS ASPHALT	\$1,959.48
TEAMSTERS UNION LOCAL #2	PP#16/2008 UNION DUES R&B	\$1,035.00
TESSCO INCORPORATED	2509305/CABLE	\$4,179.86
THIEL, ANN	73 HRS @ \$17 8/4-15/08	\$2,380.00
THOMAS PRINTING INC	250 RURAL LIVING GUIDE	\$707.00
THOMAS, DEAN & HOSKINS INC	K08 019/AERIAL PHOTO	\$10,235.92
THOMSON WEST	1003467016 SCHOOL LAW SUB	\$168.00
THREE RIVERS BANK	HOLIDAY INN/NIBRS TRAININ	\$15,064.24
TIMBERLINE TOOL	WILDLAND TOOLS FOR FSA	\$148.00
TIRE-RAMA WEST	628450 (10)LT235/75R15	\$3,920.62
TKACHYK, KIPP	ICAC TRAINING/MARYLAND 7/	\$198.00
TOAVS, RANDY	MILEAGE FOR FC PLANNING B	\$45.45
TONERPORT INCORPORATED	INK FOR HP5550	\$729.05
TOTAL ACCESS GROUP INC	C2026/CONDOMS	\$458.76
TOTAL DYNAMIC BALANCE INC	CANINE SPAY	\$100.00
TRAVELERS PROPERTY CASUALTY	PP#17/2008 PREMIUM AUTO/H	\$5,426.76
TRIPLE W EQUIPMENT INC	322530 FILTERS 935 MOWER	\$1,442.37
TRIPPET'S PRINTING	NOTARY STAMP: J SCHELLHOR	\$82.00
TRI-STATE TRUCK & EQUIPMENT INC	30310/NIPPLES, ELBOW NIPP	\$325.14
TRS	PP#16/2008 MARCIA SHEFFEL	\$669.28
TRUMM, SHEILA	MOTOR VEHICLE REFUND	\$37.00
TUFTS UNIVERSITY DIET/NUTRI. LETTER	SUBSCRIPTION TO TUFTS HEA	\$28.00
TYLER, PETE	VOL MILEAGE 7/1/08-7/31/0	\$38.40
UNITED BUSINESS SUPPLY	40675181722/20 TODDLER TU	\$748.44
UNITED LABORATORIES	59901 034 CLEANER	\$223.97
UNITED PARCEL SERVICE	251A3E/RETURN VACCINE TO	\$15.32
UNITED TOOL RENTAL INC	1212 SOD CUTTER	\$302.45
UNITED WAY OF FLATHEAD COUNTY	PP#17/2008 UNITED WAY DED	\$439.04
UNIVERSAL ATHLETIC SERVICE INC	72705 WHITE FIELD PAINT	\$162.03
US POSTAL SERVICE	POSTAGE FOR ABSENTEE CARD	\$5,477.10
US POSTAL SERVICE	REFILL POSTAGE METER	\$6,000.00
US WATER RESCUE	BLACK GUARDIAN AND ACCESS	\$620.00
USEFUL CORPORATION	COMPUTER SOFTWARE	\$6,469.61
VALIC	PP#16/2008 VALIC DEDUCTIO	\$7,716.00
VALLEY WELDERS & INDUSTRIAL SUPPLY	M0235 FOG ELIMINATOR CLOT	\$98.02
VALLEY WIDE CLASSIFIED	AD LPN POSITION	\$697.82
VALVOLINE EXPRESS CARE	FULL SERVICE LOF #067	\$34.99
VAN SWEDEN, ROBERT P	VOL MILEAGE 7/1/08-7/31/0	\$43.20
VANTAGEPOINT TRANSFER AGENTS-457	PP#16/2008 MIKE PENCE RET	\$1,150.70
VAUL TRUST	MOTOR VEHICLE REFUND	\$226.00
VEOLIA ES TECHNICAL SOLUTIONS, LLC	425909/HAZMAT DISPOSAL	\$1,947.00
VERIZON WIRELESS	AIRCARDS 08/08 - 09/07 DE	\$5,870.09
VIOLENCE FREE CRISIS LINE	JULY SURCHARGE	\$4,468.91
VONDAL, DAYLE R	VOL MILEAGE JULY 2008	\$40.50
WARNE CHEMICAL & EQUIPMENT CO	SPRAYER PARTS BACKPACK SP	\$993.82
WASHINGTON STATE SUPPORT REGISTRY	PP#16/2008 CHLD SPPT CHAR	\$183.50
WATCH GUARD	WHITEFISH PO/SINGLE DVD	\$5,235.00
WEST PAYMENT CENTER	1000323288/FED CRIM CODE/	\$19.50
WESTATE MCHINERY COMPANY	FLATHEAD COUNTY CONT SERV	\$2,826.00
WESTCOAST PAPER	752435000/MAINT	\$1,735.59
WESTERN BUILDING CENTER	FLCORO/2X8'S	\$644.89
WESTERN CONFERENCE OF TEAMSTERS	PP#16&17/2008 .40HR BENEF	\$1,382.00
WESTERN CONVEYOR SYSTEMS	ROLLERS	\$2,815.00
WESTERN ELECTRONICS, INC	LOCAL COST INSTALL NEW MO	\$996.00
WESTERN OUTDOOR	H7810 BOOTS SCHOMER	\$195.00
WESTERN PLAINS MACHINERY CO	33450 FUELD CAP FRT	\$32.13
WESTERN STATES EQUIPMENT COMPANY	EXCAVATOR RENT KALISPELL	\$49,940.41
WESTERN STATES INSURANCE	15176956N/NOTARY FEE RENE	\$2,812.00
WHITEFISH CREDIT UNION	PP#16/2008 CREDIT UNION D	\$4,416.00
WHITEFISH GOLDEN AGERS	SITE MANAGEMENT: AUGUST 2	\$522.50
WHITEFISH PILOT	WHITEFISH PILOT SUBSCRIPT	\$33.00
WILLIAMS, VIRGINIA	VOLUNTEER DRIVER MILEAGE	\$87.00
WISCTF	PP#17/2008 HOVILA, MICHAEL	\$23.08
WISHER, LOIS	REIM SC WATER, CUPS, BATT	\$17.91

WITTROCK, RON	VOL MILEAGE 7/1/08-7/31/0	\$19.50
WORKPLACE INC	GNP CONTRACT LABOR WE 08/	\$124,696.99
XEROX CORPORATION	692117633 XEROX MACHINE J	\$333.88
YATCHAK, JANET A	CONTR SRV CISM TRAVEL 08/	\$100.00
YERIAN, KAREN	MEALS & MILEAGE FOR C&R C	\$180.10
ZEE MEDICAL SERVICE	A12198/FIRST AID SUPPLIES	\$576.49

0808 TOTAL VENDOR ACTIVITY FOR THE MONTH \$2,614,123.20

-----END OF REPORT-----

Claims for the month of August, 2008 approved this first day of September, 2008.

**BOARD OF COUNTY COMMISSIONERS**  
Flathead County, Montana

By/s/Gary D. Hall  
Gary D. Hall, Chairman

By/s/Paula Robinson  
Paula Robinson, Clerk & Recorder

**PUBLIC NOTICE**

**The Board of Commissioners of Flathead County did this 1<sup>st</sup> day of September, 2008, approve payroll and claims for payment in the amount of \$3,573,877.59 for the period beginning August 1, 2008 and ending on August 31, 2008.**

**The full and complete claim list is available for public view in the Office of the Clerk & Recorder, Flathead County Courthouse, Kalispell, Montana. Individual requests for personal copies will be accepted by the Clerk and Recorder.**

**Dated this 1<sup>st</sup> day of September, 2008.**

**BOARD OF COUNTY COMMISSIONERS**  
Flathead County, Montana

By /s/Gary D. Hall  
Gary D. Hall, Chairman

By /s/Paula Robinson  
Paula Robinson, Clerk

**Publish September 18, 2008**

**PUBLIC NOTICE**

**The Board of County Commissioners' proceedings for Flathead County for the period of August 1, 2008, thru August 31, 2008, are now available for public review in the Office of the Clerk and Recorder, Flathead County Courthouse, Kalispell, Montana.**

**Individual requests for personal copies will be accepted by the Flathead County Clerk and Recorder, Flathead County, Courthouse, Kalispell, Montana.**

**Dated this 1<sup>st</sup> day of September, 2008.**

**BOARD OF COUNTY COMMISSIONERS**  
Flathead County, Montana

By /s/Gary D. Hall  
Gary D. Hall, Chairman

By /s/Paula Robinson  
Paula Robinson, Clerk

**Publish September 18, 2008**