

RESOLUTION NO. 2398B

RESOLUTION RELATING TO RURAL IMPROVEMENT
DISTRICT NO. 156; PRELIMINARY LEVY OF SPECIAL
ASSESSMENTS ON PROPERTY WITHIN THE DISTRICT
FOR THE PURPOSE OF FINANCING THE COST OF
CERTAIN LOCAL IMPROVEMENTS AND FOR
MAINTAINING THE BIGFORK STORMWATER SYSTEM

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

Section 1. The District; the Improvements. The County has created a rural special improvement district pursuant to Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended (the "Act"), denominated Rural Special Improvement District No. 156 (the "District"), and undertaken certain local improvements in the District known as the Phase IV Improvements of the Bigfork Stormwater Project (the "Improvements") to benefit property located therein.

Section 2. The Bond. Pursuant to the Act, the County will issue its rural special improvement district bonds drawn on the District, denominated "Rural Special Improvement District No. 156 Bond (DNRC Drinking Water Revolving Loan Program)," in the original aggregate principal amount of \$1,203,860 (the "Bond") to finance a portion of the costs, including incidental costs, of the Improvements. The Bond is payable primarily from special assessments to be levied against property in the District.

Section 3. Method of Assessment. (a) Pursuant to Resolution No. 2398 adopted by the Board on November 19, 2014, and which constitutes the resolution of intention to create the District (the "Resolution of Intention"), 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 benefited 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, parcels, and units 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 to Pay Costs of Improvements. (a) The special assessments for the costs of the Improvements shall be levied and assessed against properties in the District in accordance with the methods 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.

(b) The special assessments in respect of the Bond shall bear interest from the date of issuance of the Bond until paid at an annual rate equal to the applicable 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, the "Interest Rate" means, as of the

date of determination, (A) the sum of (i) the average interest rate payable on the Bond then outstanding (2.50%), plus (ii) one-half of one percent (0.50%) per annum, as required by M.C.A., 7-12-2176(1). The Interest Rate on the special assessments to pay the costs of the Improvements from and after the date of issuance of the Bond shall be 3.00% per annum.

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

(d) The Assessment Roll 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 8.

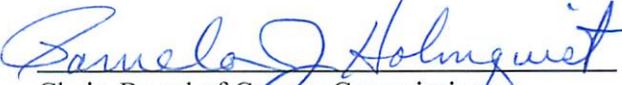
Section 5. Maintenance Assessments. In addition to the special assessments for the costs of the financed Improvements as described in Section 4, the Resolution of Intention also contemplated that the Maintenance District is created upon the creation of and coterminous with the boundaries of the District. The Resolution of Intention further provided that during the first assessment year, special assessments to maintain the entire Bigfork stormwater system (and not just the Phase IV Improvements) total \$29.54 per lot, tract, parcel, or unit in the District. The proposed levy of special assessments for the first assessment year to pay costs of maintaining such system are set forth on the Assessment Roll. Maintenance assessments are subject to adjustment annually based on the whole cost of maintaining, preserving, or repairing the Bigfork stormwater system.

Section 6. 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 7. 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 7-1-4127, with not less than six days between each publication, (ii) to be mailed to the owner of each lot, tract, parcel, or unit to be assessed (to be determined from the last completed assessment roll for state, county, and school district taxes); and (iii) to be mailed to such other persons or entities known by the County Clerk to have an ownership interest in such lots, tracts, parcels, or units (including, without limitation, mortgagees and vendees under contracts of deed). The time for the public hearing may not be less than five days after the final publication and may not be less than ten days after the mailing of the notice.

Section 8. Public Hearing; Objections. This Board shall meet on Wednesday, August 26, 2015, at 10:00 a.m., in the Commissioner Chambers, at the Flathead County Courthouse, 800 S. Main Street, 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 Flathead County, Montana, this
3rd day of August, 2015.


Chair, Board of County Commissioners

Attest:

County Clerk and Recorder