

RESOLUTION NO. 3494

RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1;
FINAL LEVY OF SPECIAL ASSESSMENTS ON PROPERTY WITHIN THE
DISTRICTS FOR THE PURPOSE OF FINANCING THE COST OF CERTAIN
LOCAL IMPROVEMENTS

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

Section 1. The District; the Improvements. The City has created a special improvement district pursuant to Montana Code Annotated, Title 7, Chapter 12, Parts 41 and 42, as amended (the "Act"), denominated Special Improvement District No. 1 (the "District"), and undertaken certain local improvements in the District (collectively, the "Improvements") to benefit property located therein.

Section 2. The Bond. Pursuant to the Act, the City issued a special improvement district bond drawn on the District, denominated "Special Improvement District No. 1 Bond, Series 2018," in the original aggregate principal amount of \$969,000 (the "Bond"), to finance a portion of the costs, including incidental costs, of the Improvements. The Bond is payable primarily from the special assessments to be levied against property in the District.

Section 3. Method of Assessment. Pursuant to Resolution No. 3468, adopted by this Council on April 24, 2018, and which constitutes the resolution of intention to create the District, this Council determined to levy special assessments to pay the costs of the Improvements on the basis or bases therein provided as authorized by the Act.

This Council hereby ratifies and confirms that the assessment of costs of the specific Improvements against the properties benefited thereby as prescribed by such resolution of intention are equitable and in proportion to and not exceeding the special benefits derived from the 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. Public Hearing; Objections. This Council, on August 14, 2018, adopted Resolution No. 3491, pursuant to which this Council declared its intention to levy and assess the special assessments in the District. Notice of passage of such resolution was duly published and mailed in all respects in accordance with law, and on September 11, 2018, this Council conducted a public hearing on the levying and assessment of the special assessments.

This Council has considered the objections, if any, submitted to the proposed assessments and other comments made at the public hearing. This Council has determined not to modify any of the special assessments appearing in the proposed assessment roll attached as Exhibit A to such resolution.

Section 5. Final Levy of Assessments. (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 10 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) In accordance with the Act, the special assessments shall bear interest from the date of delivery of the Bond until paid at a rate equal to 3.72% per annum, which is equal to the sum of (i) 3.22% (the interest rate payable on the Bond), plus (ii) one-half of one percent (0.50%) 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 and unit of land 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, the amount of each partial payment of the special assessment, and the day when each such partial payment shall become delinquent.

Section 6. Certification of Assessments. A copy of this resolution, including Exhibit A hereto, certified by the City Clerk-Treasurer shall be delivered to the County Clerk and Recorder within two days after the adoption hereof.

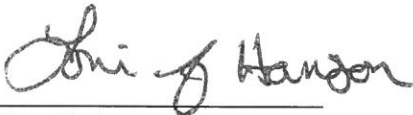
Section 7. Further Actions. Officers of the City are further authorized and directed to take all actions as may be required by law to assure that the special assessments levied by this resolution are duly certified, assessed and collected in accordance with law.

ADOPTED by the City Council of the City of Red Lodge, Montana, this 11th day of September, 2018.



Mayor

Attest:



City Clerk-Treasurer