

NOTICE OF PROPOSED LEVY OF SPECIAL ASSESSMENTS
IN PHASE II SEWER SUBDISTRICT OF
LOCKWOOD AREA/YELLOWSTONE COUNTY WATER AND SEWER DISTRICT, MONTANA

NOTICE IS HEREBY GIVEN that on June 17, 2014, the Board of Directors of the Lockwood Area/Yellowstone County Water and Sewer District, Montana (the "District"), adopted Resolution No. 122, titled "Resolution of the Lockwood Area/Yellowstone County Water and Sewer District, Montana Relating to its Phase II Sewer Subdistrict; Declaring It to be the Intention of the District to Undertake Certain Local Improvements Consisting of Extending a Sewer Collection System to Serve the Phase II Sewer Subdistrict and to Undertake to Authorize Special Assessments to Finance the Costs Thereof and Incidental Thereto through the Issuance of Special Assessment Bonds; and Calling for a Public Hearing Thereon."

The special assessments are to be levied in accordance with the resolution. Each tax code in the Phase II Sewer Subdistrict will be assessed an equal amount based upon the total principal amount of the special assessment bonds in one or more series (the "Bonds") to pay a portion of the costs of extending the sewer system of the District to the Phase II Sewer Subdistrict, to consist of the installation of sewer mains, manholes, service line stubouts, and other appurtenances (collectively, the "Improvements") and costs incidental thereto to be financed by the Bonds, which are estimated to be in the principal amount of \$6,500,000, all as set forth in the resolution.

The total cost of the Improvements is estimated to be approximately \$9,391,000. Costs of the Improvements to be assessed against the tax codes in the Phase II Sewer Subdistrict benefited by the Improvements, including all incidental costs, is estimated to be \$6,500,000. Accordingly, the total principal amount of the assessment against each tax code in the Phase II Sewer District is estimated to be \$10,124.61. Such amount will be amortized in semi-annual principal installments of principal and interest over a term not exceeding 40 years.

If an increase occurs in the number of benefited tax codes within the boundaries of the Phase II Sewer Subdistrict during the term of the Bonds, the District will recalculate the amount assessable to each tax code, including the newly created tax codes. If, however, tax codes are combined or consolidated into fewer tax codes, the area consisting of the combined or consolidated tax codes will be assessed in the amount it would have been assessed had the combination or consolidation of tax codes not occurred.

A complete copy of the resolution, which includes the proposed assessment for each tax code in the Phase II Sewer Subdistrict, is on file with the Secretary of the District and is available for public inspection.

Any owner of real property within the Phase II Sewer Subdistrict subject to assessment and taxation for the cost and expense of making the Improvements and costs incidental thereto may make and file with the Secretary of the District until 5:00 p.m., M.T., on July 28, 2014, written protest against the proposed levy of assessments. Such protest must be in writing, identify the property in the Phase II Sewer Subdistrict owned by the protestor and be signed by all owners of the property. The protest must be delivered in person or by mail to the Secretary of the District at 1644 Old Hardin Road, Billings, Montana 59101, and the Secretary shall endorse thereon the date of its receipt by him or her.

On Monday, August 13, 2014, commencing at 7:00 p.m. at the Lockwood School, 1932 U.S. Highway 87 East, Billings, Montana, the Board of Directors will conduct a public hearing and pass upon all valid protests to the proposed levy of the special assessments submitted prior to the conclusion of the protest period.

Further information regarding the special assessments or other matters in respect thereof may be obtained from Woody Woods, District Manager, at 1644 Old Hardin Road, Billings, Montana 59101, or by telephone at (406) 259-4120.

Dated: June 17, 2014.

BY ORDER OF THE BOARD OF DIRECTORS
OF THE LOCKWOOD AREA/YELLOWSTONE
COUNTY WATER AND SEWER DISTRICT,
MONTANA

NANCY BELK

Secretary

Publish: June 26, 2014 and July 3, 2014

Mail: July 3, 2014