

RESOLUTION NO. 2013-13

A RESOLUTION OF THE NORTH KOOTENAI WATER DISTRICT, KOOTENAI COUNTY, IDAHO, AUTHORIZING THE EXECUTION OF A TAX-EXEMPT LEASE PURCHASE AGREEMENT WITH KEY GOVERNMENT FINANCE, INC., SUBJECT TO CERTAIN LIMITATIONS.

WHEREAS, North Kootenai Water District, Kootenai County, Idaho (the "District") is a duly and properly formed water district under and by virtue of the constitution and laws of the state of Idaho and governed by an elected Board of Directors (the "Board"); and

WHEREAS, it is deemed necessary and advisable that the District lease and acquire certain equipment, machinery and vehicles for use within the District (the "Equipment"); and

WHEREAS, Key Government Finance, Inc. ("Key") has offered to finance the District's lease and acquisition of the Equipment under the terms of a Tax-Exempt Lease/Purchase Agreement, with the certain financial terms for the lease and acquisition to be set forth in a property schedule attached and incorporated into such Tax-Exempt Lease/Purchase Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE NORTH KOOTENAI WATER DISTRICT as follows:

Section 1. Authorization of Agreement. The Board hereby authorizes the District Manager to negotiate and approve the specific terms of a Tax-Exempt Lease/Purchase Agreement (the "Agreement"), subject to the following limitations:

- a. The maximum aggregate principal amount of the property schedule under the Agreement to lease and acquire the Equipment shall not exceed \$130,000.00;
- b. Subject to the Board's right to not appropriate funds to make lease payments under the Agreement, the maximum term of the property schedule under the Agreement shall be paid no later than thirty-six (36) months after the closing date of the Agreement; and
- c. The maximum interest rate for the property schedule under the Agreement shall be no greater than 3.15% per annum.

The Board hereby further authorizes and directs the Board Chair and/or District Manager to execute the Agreement with the District Secretary attesting to the Board Chair and/or District Manager's signature (upon the execution thereof by Key) and any related documentation. The District Manager is further authorized to approve payment of costs associated with this transaction, including fees of counsel, to execute the documents contemplated therein, and any other necessary documents or certificates on its behalf, and to do all things necessary on its behalf to proceed with the execution of the Agreement and the property schedules as authorized herein.

Section 2. Ratification. The Board hereby ratifies all acts taken by members of the Board and/or agents on behalf of the Board or District relative to the Agreement.

Section 3. Severability. If any section, paragraph, clause, or provision of this Resolution shall be held invalid or unenforceable for any reason, the invalidity or unenforceability of each section, paragraph, clause, or provision shall in no manner affect any remaining provision of this Resolution.

Section 4. Repealer. All ordinances, or resolutions, or parts thereof in conflict herewith, to the extent of such conflict, are hereby repealed.

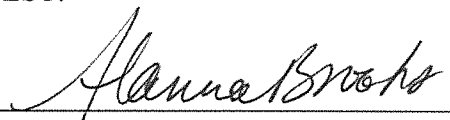
Section 5. Effective Date. This resolution shall take effect immediately upon its adoption.

ADOPTED at a regular meeting of the Board of Directors of the North Kootenai Water District held this 17th day of October, 2013.

NORTH KOOTENAI WATER DISTRICT


Chair, Board of Directors

ATTEST:


District Secretary



I, the undersigned, District Secretary of the North Kootenai Water District, Kootenai County, Idaho hereby certify that the foregoing Resolution is a full, true, and correct copy of a Resolution duly adopted at a regular meeting of the Board of Directors, duly and regularly held at the regular meeting place thereof on October 17, 2013, of which meeting all members of said Board had due notice and at which a majority thereof were present; and that at said meeting said Resolution was adopted by the following vote:

AYES, and in favor thereof, Directors:

NAYS, Directors:

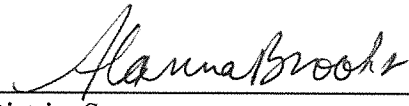
ABSENT, Directors:

ABSTAIN, Directors:

I further certify that I have carefully compared the same with the original Resolution on file and of record in my office; that said Resolution is a full, true, and correct copy of the original Resolution adopted at said meeting; and that said Resolution has not been amended, modified, or rescinded since the date of its adoption, and is now in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the official seal of the Board on October 17, 2013.

NORTH KOOTENAI WATER DISTRICT



District Secretary

