

Exhibit "C"

Summary of Ordinance No. 06-01

AN ORDINANCE CREATING LOCAL IMPROVEMENT DISTRICT NO. 1 OF NORTH KOOTENAI WATER DISTRICT, OF KOOTENAI COUNTY, IDAHO; DESCRIBING AND SETTING FORTH THE BOUNDARIES OF SAID LOCAL IMPROVEMENT DISTRICT; PROVIDING FOR THE IMPROVEMENTS TO BE MADE THEREIN; AUTHORIZING THE ADVERTISING FOR BIDS FOR SAID WORK AS PROVIDED BY LAW; PROVIDING FOR THE PAYMENT OF COSTS AND EXPENSES OF SAID IMPROVEMENTS TO BE ASSESSED AGAINST THE PROPERTY WITHIN THE DISTRICT BENEFITED THEREBY AND THE METHOD OF ASSESSMENT; PROVIDING FOR THE ISSUANCE OF LOCAL IMPROVEMENT DISTRICT BONDS AND WARRANTS; PROVIDING FOR THE PUBLICATION OF A SUMMARY OF THIS ORDINANCE; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

NORTH KOOTENAI WATER DISTRICT
Kootenai County, Idaho

LOCAL IMPROVEMENT DISTRICT NO. 1

A summary of the principal provisions of Ordinance No. 06-01 of North Kootenai Water District, of Kootenai County, Idaho, adopted on March 30, 2006, is as follows:

Section 1: Finds and declares that the formation of Local Improvement District No. 1 ("LID No. 1") will be in the best interests of the property affected and the District; that there is reasonable probability that the obligations of LID No. 1 will be paid; that the value of property subject to assessment within LID No. 1 exceeds the sum of the estimated costs to be assessed against the property; and that the Board of Directors has heard, considered, and passed upon all protests (attached as Exhibit "A") which were filed in writing or heard during public testimony and has considered the same.

Section 2: Creates North Kootenai Water District Local Improvement District No. 1, the boundaries of which are set forth in Exhibit "B".

Section 3: Describes the improvements to be made within LID No. 1 as being the acquisition, construction and installation of approximately 11,500 feet of new water line and related appurtenances to serve the area identified as LID No. 1, together with necessary easements and rights-of-way.

Section 4: States that all of the costs of the improvements will be paid from special assessments against property located in LID No. 1 according to the benefits derived method of assessment.

Section 5: States that the total estimated cost of the project is approximately \$1,620,000.00, all of which shall be borne by and assessed against the properties specially benefited by such improvements. Any remaining costs of these projects will be paid with funds from North Kootenai Water District and other legally available funds.

Section 6: Defines the costs and expenses to be included in the price of the Project.

Section 7: Determines that the apportionment is equitable and is based upon the special benefits each parcel will receive from the Project.

Section 8: Provides for the issuance of warrants, if necessary, for the immediate payment of the Project and provides for the issuance of bonds.

Section 9: Incorporates all matters and things done in regard to the creation of LID No. 1 as part of Ordinance No. 06-01.

Section 10: States that Ordinance No. 06-01 shall take effect after its passage, approval, and publication of a summary thereof.

Exhibit "A": Sets forth the protests received and the disposition of such protests.

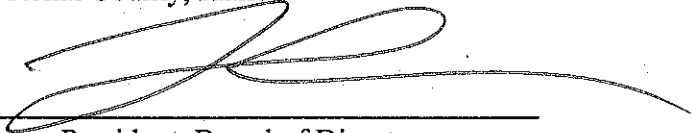
Exhibit "B": Provides the boundaries of LID No. 1.

Exhibit "C": Sets forth this Summary.

A full text of Ordinance No. 06-01 is available at the office of the District Secretary and will be provided to any citizen upon personal request during normal business hours.

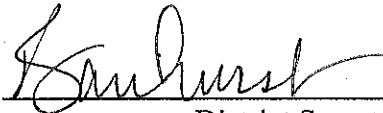
DATED this 30th day of March, 2006.

NORTH KOOTENAI WATER DISTRICT,
Kootenai County, Idaho



President, Board of Directors

ATTEST:



District Secretary

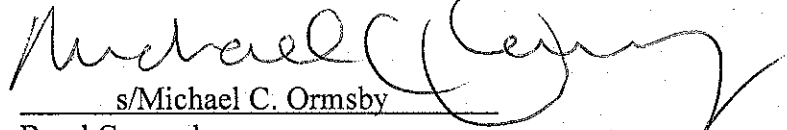


CERTIFICATION OF BOND COUNSEL

I, the undersigned Bond Counsel for North Kootenai Water District, Kootenai County, Idaho, hereby certify that I have read the attached Summary of Ordinance No. 06-01 of said District and that the same is true and complete and provides adequate notice to the public of the contents of said Ordinance.

Dated as of this 30th day of March, 2006.

PRESTON GATES & ELLIS LLP



s/Michael C. Ormsby
Bond Counsel