

NORTH KOOTENAI WATER DISTRICT
Kootenai County, Idaho

LOCAL IMPROVEMENT DISTRICT NO. 1

ORDINANCE NO. 2008-04

AN ORDINANCE of the North Kootenai Water District, of Kootenai County, Idaho, approving and confirming the assessment roll of its Local Improvement District No. 1 for the acquisition, construction and installation of improvements to the District's water system and facilities within the boundaries of Local Improvement District No. 1; providing for assessments; providing for the appeal procedure; providing for the publication of a summary of this ordinance; and providing for other matters properly relating thereto.

Approved: March 20, 2008

Prepared by:

K& L PRESTON GATES ELLIS LLP
Spokane, Washington and Coeur d'Alene, Idaho

North Kootenai Water District
Kootenai County, Idaho
Local Improvement District No. 1

ORDINANCE NO. 2008-04

TABLE OF CONTENTS*

	<u>Page</u>
Section 1. Confirmation of Assessment Roll.....	2
Section 2. Property Affected; Levy of Assessments.....	2
Section 3. Certification of Assessment Roll	3
Section 4. Due Date of Assessments; Payment In Installments.....	3
Section 5. Cost and Expenses	4
Section 6. Installment Docket.....	5
Section 7. Appeal Procedure.....	5
Section 8. Ratification of Proceedings.....	5
Section 9. Irrepealability.....	5
Section 10. Severability	6
Section 11. Enforceability Clause.....	6
Section 12. Publication and Effective Date	6

* This Table of Contents and the cover page are provided for convenience only and are not a part of this ordinance.

ORDINANCE NO. 2008-04

AN ORDINANCE of the North Kootenai Water District, of Kootenai County, Idaho, approving and confirming the assessment roll of its Local Improvement District No. 1 for the acquisition, construction and installation of improvements to the District's water system and facilities within the boundaries of Local Improvement District No. 1; providing for assessments; providing for the appeal procedure; 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

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE NORTH KOOTENAI WATER DISTRICT, KOOTENAI COUNTY, IDAHO, as follows:

WHEREAS, the North Kootenai Water District, of Kootenai County, Idaho, (the "District"), is a municipal corporation operating and existing under and pursuant to the provisions of the Constitution and laws of the State of Idaho, and as such is authorized and empowered to create local improvement districts and to construct improvements pursuant to Idaho Code, Title 50, Chapter 17; and

WHEREAS, the Board of Directors (the "Board") of the District has heretofore by Ordinance No. 06-01 duly created Local Improvement District No. 1 ("LID No. 1") for the purpose of acquisition, construction and installation of improvements to said water system and facilities of the District to benefit properties within the boundaries of LID No. 1; and

WHEREAS, the members of the Board have considered the report of the District's Engineer with respect to the apportionment and the correctness of the assessments and the

amounts levied on any particular lot or parcel of land, including the benefits accruing thereon, and the proper apportionment of the total cost of the improvements to be borne thereby, and the inclusion of any lot or parcel of land within LID No. 1; and

WHEREAS, notice of time and place of hearing (“Notice of Hearing”) on the final assessment roll for the costs of the improvements within LID No. 1 (the “Assessment Roll”) was duly and regularly given to all property owners within LID No. 1 by publication thereof and by mailing to all property owners in the manner required by law, and the hearing was duly and regularly held on March 20, 2008, pursuant to said notice, at the time and place fixed for said hearing; and

WHEREAS, the Board continued the public hearing to receive and review additional information regarding objections raised; and

WHEREAS, the Board now desires to confirm the Assessment Roll and to levy the assessments;

NOW, THEREFORE, BE IT FURTHER ORDAINED AS FOLLOWS:

Section 1: CONFIRMATION OF ASSESSMENT ROLL

The assessments set forth on the Assessment Roll for LID No. 1, in the total amount of \$1,650,067.17 for the purpose of making certain water improvements, engineering, surveying, supervision and inspection for design and installation, and all legal and other miscellaneous expenses, within the limits of LID No. 1 are hereby approved and confirmed, and the assessments set forth therein are hereby levied against each lot, tract and parcel of property described in the roll. No single assessment has been increased in an amount greater than twenty percent (20%) of the amount of the assessment as set forth in the Notice of Hearing.

Section 2: PROPERTY AFFECTED; LEVY OF ASSESSMENTS

Each lot or parcel of land and other property shown upon the Assessment Roll is hereby found to be benefited to the amount of the assessment levied thereon, and is hereby levied and assessed against each of the lots, parcels and other properties, as set forth and described in said Assessment Roll, the amount as finally charged against each such lot, parcel and other property as it appears in said Assessment Roll. In establishing assessment amounts, the Board has determined that "actual value" as stated in Section 50-1711 Idaho Code is determined by the "market value".

Section 3: CERTIFICATION OF ASSESSMENT ROLL

The District Secretary, upon passage of this ordinance, is directed to certify and file the confirmed Assessment Roll forthwith with the Kootenai County Recorder. Upon such filing, the amount of each assessment set forth in the roll, together with any interest or penalty imposed from time to time, shall become a lien against the property so assessed. The liens shall be paramount and superior to any other lien or encumbrance whatsoever, theretofore or thereafter created, except a lien for general taxes.

Section 4: DUE DATE OF ASSESSMENTS; PAYMENT IN INSTALLMENTS

Said assessments shall become due and payable to the District Treasurer within thirty (30) days from the date of the adoption of the resolution disposing of the protests and this ordinance (April 21, 2008). The District Secretary shall mail notice of the assessment amount due to each property owner assessed at the post office address if known, or if unknown, to the post office in Hayden, Idaho, stating the total amount of the property owner's assessment, plus the substance of the terms of payment of the same ("Notice of Assessment"). This Notice of Assessment shall generally be in the form of Exhibit "B" attached hereto and incorporated herein

by this reference. An affidavit of mailing the foregoing notice shall be filed in the District Secretary's office.

Any property owner who has not paid his assessment in full within said thirty-day (30) period shall be conclusively presumed to have chosen to pay the same in twenty (20) equal annual installments, the first of which shall become due and payable one (1) year from the date of the passage of this ordinance, with a like amount due on the same day of each year thereafter until the full amount of the assessment, with interest due thereon, shall be paid in full. Assessments paid in installments shall bear interest on the whole unpaid sum from the date of adoption of this ordinance. The rate of interest per annum which such installments shall bear is hereby fixed as the net effective rate of interest on the bonds issued to finance the improvements in LID No. 1. If any installment is not paid within twenty (20) days from the date it is due, the same shall become delinquent and the District Secretary shall add a penalty of two percent (2%) thereon. Installments may be prepaid in the manner provided by Section 50-1715, Idaho Code.

Section 5: COST AND EXPENSES

The total cost and expenses of improvements include the contract price of all improvements, together with any costs or expenses incurred for engineering, clerical, printing and legal services, as well as for advertising, surveying, inspection of work, collection of assessments, interest upon bonds or warrants, and an amount for contingencies as may be considered necessary by the Board. Said costs are hereby levied and assessed by the benefits derived method of assessment against each of the lots, parcels and properties located within LID No. 1, as described in the ordinance creating LID No. 1.

From and after the date the bonds issued to finance the improvements within LID No. 1 are issued, this ordinance shall be and remain irrevocable until said bonds and the interest thereon shall be fully paid and discharged, as herein provided.

Section 10: SEVERABILITY

If any section, paragraph, clause or provision of this ordinance shall be held to be 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 ordinance.

Section 11: ENFORCEABILITY CLAUSE

The District shall enforce and seek remedies for breaches of the terms of this ordinance, as provided by the laws of the State of Idaho.

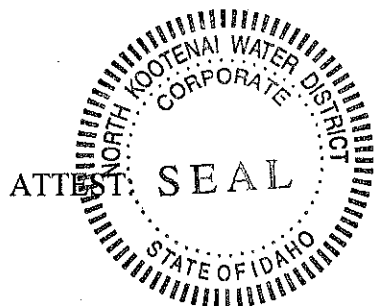
Section 12: PUBLICATION AND EFFECTIVE DATE

After its passage and adoption, a summary of this ordinance, substantially in the form attached hereto as Exhibit "A", shall be published once in the official newspaper of the District, under the provisions of the Idaho Code, and upon such publication shall be in full force and effect.

Passed at a regular meeting of the Board of Directors of the North Kootenai Water District held on the 20th day of March, 2008, upon which a roll call vote was duly taken and duly enacted.

NORTH KOOTENAI WATER DISTRICT


Chairman



Banhurst

District Secretary

(SEAL)

I, the undersigned, District Secretary of the North Kootenai Water District, of Kootenai County, Idaho hereby certify that the foregoing Ordinance is a full, true, and correct copy of an Ordinance duly adopted at a regular meeting of the Board of Directors, duly and regularly held at the regular meeting place thereof on March 20, 2008, 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 Ordinance was adopted by the following vote:

AYES, and in favor thereof, Boardmembers: *Five*

NAYS, Boardmembers: *None*

ABSENT, Boardmembers: *None*

ABSTAIN, Boardmembers: *None*

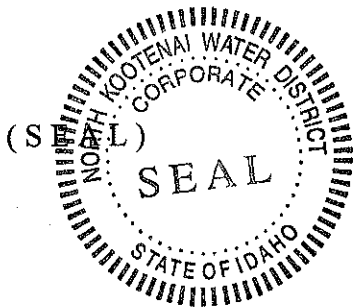
I further certify that I have carefully compared the same with the original Ordinance on file and of record in my office; that said Ordinance is a full, true, and correct copy of the original Ordinance adopted at said meeting; and that said Ordinance has not been amended, modified, or rescinded since 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 District on March 20, 2008.

NORTH KOOTENAI WATER DISTRICT

Banburst

Clerk



SUMMARY OF
ORDINANCE NO. 2008-04

An ordinance of the North Kootenai Water District, of Kootenai County, Idaho, approving and confirming the assessment roll of its Local Improvement District No. 1 for the acquisition, construction and installation of improvements to said water system and facilities within the limits Local Improvement District No. 1; providing for assessments; providing for the appeal procedure; 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. 2008-04 of the North Kootenai Water District, Kootenai County, Idaho, adopted on March 20, 2008, is as follows. Capitalized terms used in this summary shall have the meaning given them in Ordinance No. 2008-04

Section 1: CONFIRMATION OF ASSESSMENT ROLL confirms the assessment roll shown on the Assessment Roll for LID No. 1 and levies the assessments.

Section 2: PROPERTY AFFECTED; LEVY OF ASSESSMENTS provides that each property within the boundaries of LID No. 1 benefits to the amount of the assessment thereon.

Section 3: CERTIFICATION OF ASSESSMENT ROLL directs the District Secretary to certify and file the confirmed Assessment Roll with the Kootenai County Recorder, at which time the assessments become liens against the property assessed.

Section 4: DUE DATE OF ASSESSMENTS; PAYMENT IN INSTALLMENTS provides that property owners have thirty (30) days from the date of adoption of this Ordinance (April 21, 2008), to prepay their assessments, otherwise they will be deemed to have decided to pay said assessments in twenty (20) equal annual installments plus interest at the net effective rate of interest on the bonds issued to finance the improvement in LID No. 1.

Section 5: COST AND EXPENSES states that the total cost of the project are levied and assessed by the benefits derived method of assessment against each of the properties within the boundaries of LID No. 1.

Section 6: INSTALLMENT DOCKET directs the District Secretary to establish an LID docket for LID No. 1 as provided by Idaho Code.

Section 7: APPEAL PROCEDURE provides for an appeal procedure of the amount of assessments and states the process for said appeal. This section also provides that once this 30-day appeal period has expired, no one shall have the cause or right to contest the legality, formality or regularity of any assessment within LID No. 1.

Section 8: RATIFICATION OF PROCEEDINGS ratifies all proceedings heretofore had in connection with LID No. 1.

Section 9: IRREPEALABILITY provides that the Ordinance is irrevocable after the issuance of the bonds to finance the improvements within LID No. 1.

Section 10: SEVERABILITY provides that if any section of the Ordinance is invalid or unenforceable, that invalidity will not affect the remainder of the Ordinance.

Section 11: ENFORCEABILITY CLAUSE provides that the District will enforce and seek remedies for breaches of the terms of this Ordinance under the laws of the State of Idaho.

Section 12: PUBLICATION AND EFFECTIVE DATE provides for a publication of this summary of the Ordinance in the official newspaper of the District.


A full text of Ordinance No. 2008-04 is available by requesting a copy from the District Secretary of the North Kootenai Water District, 1841 West Hayden Avenue, Hayden, ID 83835.

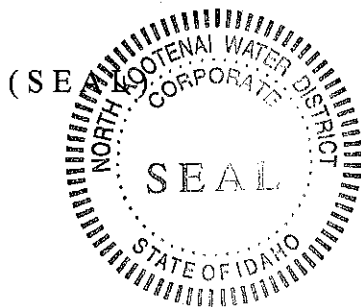
APPROVED this 20th day of March, 2008.

NORTH KOOTENAI WATER
DISTRICT


Chairman

ATTEST:


District Secretary



CERTIFICATION OF BOND COUNSEL

I, the undersigned, Bond Counsel for, and legal advisor to, the North Kootenai Water District, Idaho, hereby certify that I have read the attached Summary of Ordinance No. 2008-04 of the 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 20th day of March, 2008.


Michael C. Ormsby

LID No. 1

Assessment No. _____

Amount of Assessment: \$ _____

Owner and Address: _____

Legal Description: _____

NOTICE OF ASSESSMENT

NORTH KOOTENAI WATER DISTRICT
Kootenai County, Idaho

LOCAL IMPROVEMENT DISTRICT NO. 1

NOTICE IS HEREBY GIVEN that the Board of Directors of the North Kootenai Water District, Kootenai County, Idaho adopted Ordinance No. 2008-04 confirming the Assessment Roll for the acquisition, construction and installation of improvements to said water system and facilities within the limits of Local Improvement District No. 1. The property and the assessment with reference to which this notice is given is reflected above.

The above assessment may be paid by April 21, 2008, such date being thirty (30) days after adoption of Ordinance No. 2008-04, without penalty, interest or costs. If the assessment is not paid in full by said date, the assessment will be payable in twenty (20) annual installments of principal and interest, with the first installment due on March 20, 2009. The rate of interest on assessments to be paid in installments will be the rate of interest on Local Improvement District No. 1 Bonds, estimated to be _____%.

If any installment is not paid within twenty (20) days from the date it is due, the same shall become delinquent and a penalty of two percent (2%) of said delinquent installment shall be added thereto.

DATED this 20th day of March, 2008.

NORTH KOOTENAI WATER
DISTRICT

Secretary

Please remit payment to:

North Kootenai Water District
P.O. Box 2290
Hayden, ID 83835
Re: Assessment Payment -- LID No. 1