

RESOLUTION NO. 2008-08

A RESOLUTION OF NORTH KOOTENAI WATER DISTRICT, OF KOOTENAI COUNTY, IDAHO, AUTHORIZING THE EXECUTION OF A CONTRACT WITH DISCOVERY COEUR D'ALENE INVESTORS, LLC FOR THE ACQUISITION OF THE GOZZER RANCH WATER SYSTEM AND WASTEWATER TREATMENT PLANT; AUTHORIZING EXECUTION AND DELIVERY OF THE CONTRACT; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

**NORTH KOOTENAI WATER DISTRICT
Kootenai County, Idaho**

BE IT RESOLVED BY THE Board of Directors of North Kootenai Water District, of Kootenai County, Idaho (the "District") as follows:

WHEREAS, North Kootenai Water District, of 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;

WHEREAS, the District is governed by an elected Board of Directors (the "Board");

WHEREAS, the District desires to assume full ownership of the wastewater treatment plant and collection system and the potable water treatment system built and currently operated by Discovery Coeur d'Alene Investors, LLC. (the "Systems") in an area commonly known as "Gozzer Ranch Service Area";

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Board of Directors of the District as follows:

Section 1: APPROVAL OF TRANSFER AGREEMENT

The Board hereby approves the Transfer Agreement between the District and Discovery Coeur d'Alene Investors, LLC for the Purchase of the Gozzer Ranch Water System and Wastewater Treatment Plant ("Transfer Agreement") in substantially the form attached hereto as Exhibit 'A' and further authorizes the District Manager and District legal counsel to finalize all exhibits and technical details prior to the execution of said Transfer Agreement and effectuation of the closing of the transfer by North Idaho Title.

Section 2: AUTHORIZATION TO EXECUTE AND DELIVER ALL NECESSARY DOCUMENTS

The Board hereby authorizes the Board Chair to execute the Transfer Agreement and to further execute and deliver all documents necessary to carry out the terms of the Transfer

Agreement upon final approval of the Transfer Agreement, related transfer documents and exhibits by the District Manager and District legal counsel.

Section 3: SEVERABILITY

If any section, paragraph, clause, or provision of this Resolution 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 Resolution.

Section 4: 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 this potential annexation and the hearing process is hereby ratified and approved.

Section 5: EFFECTIVE DATE


This Resolution shall become and is effective as of the date of its adoption.

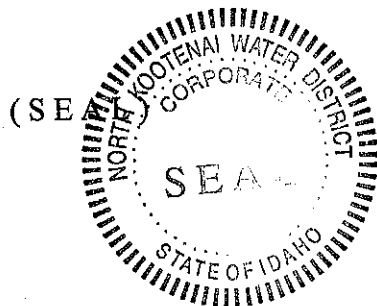
DATED this 6th day of March, 2008.

NORTH KOOTENAI WATER DISTRICT,
Kootenai County, Idaho


Chair, Board of Directors

ATTEST:


District Secretary



I, the undersigned, Secretary of the Board of Directors of North Kootenai Water District, of 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 District, duly and regularly held at the regular meeting place thereof on March 6, 2008, of which meeting all members of the 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: *Five*

NAYS, Directors: *None*

ABSENT, Directors: *None*

ABSTAIN, Directors: *None*

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 District on March 6, 2008.



District Secretary

