

SUMMARY OF ORDINANCE NO. 00-1

AN ORDINANCE OF ELLISPORT BAY SEWER DISTRICT, OF BONNER COUNTY, IDAHO, AMENDING ORDINANCE NO. 99-2 BY INCREASING THE AMOUNT OF THE DISTRICT'S LOCAL IMPROVEMENT DISTRICT NO. 1 BOND, SERIES "B" TO THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$573,667; PROVIDING FOR THE EFFECTIVE DATE HEREOF; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

Section 1: Amends each reference in Ordinance No. 99-2 referring to the dollar amount of the Series "B" Bond of the District, to be sold to the State of Idaho, Department of Environmental Quality, from the original amount of \$553,667 to \$573,667.

Section 2: Amends Section of Ordinance No. 99-2 to accurately describe the bond.

Section 3: Provides that no other changes or amendments whatsoever are made to Ordinance No. 99-2.

Section 4: Provides that is any portion of the Ordinance is found to be contrary to law, the remainder shall be in full force and effect.

Section 5: Repeals any prior resolution or ordinance inconsistent herewith.

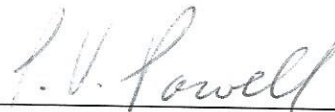
Section 6: Provides for publication of the Ordinance or a summary thereof once in the official newspaper of the District. Any contest or proceeding to question the validity or legality of this Ordinance, or of any ordinance, resolution, or proceedings heretofore taken with respect to LID No. 1, or of the Bonds authorized hereby, shall be brought in court by any person for any cause whatsoever after the expiration of thirty (30) days from the publication of this Ordinance, and after such time the validity, legality and regularity of this Ordinance and any ordinance, resolution, or proceedings with respect to LID No. 1, or the Bonds authorized hereby, shall be conclusively presumed.

Section 7: States that the Ordinance shall be full force and effect after its passage and publication.

A full text of Ordinance No. 00-1 is available at the office of the Secretary of Ellisport Bay Sewer District and will be provided to any citizen upon personal request during normal business hours.

ADOPTED this 19th day of January, 2000.

ELLISPORT BAY SEWER DISTRICT



Chairman

ATTEST:



Secretary

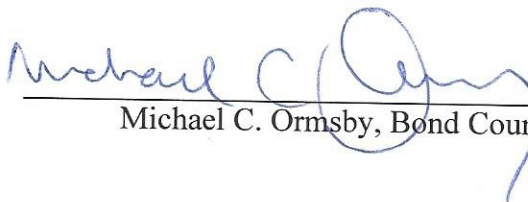
(S E A L)

CERTIFICATION OF BOND COUNSEL

I, the undersigned Bond Counsel for the Ellisport Bay Sewer District, of Bonner County, Idaho, hereby certify that I have read the attached Summary of Ordinance No. 00-1 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 this 19th day of January, 2000.

PRESTON GATES & ELLIS LLP



Michael C. Ormsby, Bond Counsel

ORDINANCE NO. 00-1

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**ELLISPORT BAY SEWER DISTRICT
Bonner County, Idaho**

**LOCAL IMPROVEMENT DISTRICT NO. 1 BONDS
Series "B" - Principal Amount Not To Exceed \$573,667**

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF ELLISPORT BAY SEWER DISTRICT, of Bonner County, Idaho, as follows:

WHEREAS, Ellisport Bay Sewer District (the "District"), of Bonner County, Idaho, is a sewer district operating and existing under and pursuant to the laws of the State of Idaho, and as such is authorized and empowered to create its Local Improvement District No. 1 for the purpose of constructing improvements to its sewer system and facilities pursuant to Idaho Code, Title 50, Chapter 17, and to issue bonds to pay the costs of said improvements;

WHEREAS, on April 14, 1999, the District adopted Ordinance No. 99-2, authorizing the issuance and sale to two (2) separate bonds, entitled Series "A" and Series "B" to pay a portion of the costs of such improvements;

WHEREAS, the District has heretofore issued and sold its Local Improvement District No. 1 Bond, Series "A", in the principal amount of \$667,000 to the United States Department of Agriculture, Rural Development, and now desires to sell its Series "B" Bond to the State of Idaho, Division of Environmental Quality ("DEQ"), in accordance with the DEQ's offer to purchase such bond;

WHEREAS, due to circumstances beyond the control of the District, additional funds are needed to pay all of the costs of the formation of the District, compilation of the assessment roll, and construction of improvements within the District, and DEQ has agreed to increase the

amount of its bond from \$553,667 to \$573,667, and there is adequate security to provide for the repayment of this Series "B" Bond;

WHEREAS, the Board now desires to amend Ordinance No. 99-2, including Exhibit "B" attached to said Ordinance to increase the amount of its Series "B" Bond to said amount;

NOW, THEREFORE, BE IT FURTHER ORDAINED as follows:

Section 1: AMENDMENTS

Each reference in Ordinance No. 99-2 referring to the dollar amount of the Series "B" Bond of the District, to be sold to the State of Idaho, Department of Environmental Quality, is hereby amended from the original amount of \$553,667 to \$573,667. Included in this amendment is the definition of the Series "B" Bond in Section 1 of Ordinance No. 99-2, amendments shown with deletions ~~overstricken~~ and additions underlined.

Series "B" Bond shall mean the Ellisport Bay Local Improvement District No. 1 Bond, Series "B", issued in the principal amount of not to exceed ~~\$553,667~~ \$573,667 to DEQ.

Section 2: AMENDMENT TO SECTION 4 OF ORDINANCE NO. 99-2

Section 4, subsection B, is hereby amended to provide as follows:

B. Series "B" Bond

The Series "B" Bond shall be issued in fully registered form, shall be dated as of the date of delivery, shall be in the total aggregate principal amount of not to exceed ~~\$553,667~~ \$573,667, and shall bear interest on the unpaid balance from the date of the Bond until paid at the rate of 4.50% per annum. Interest shall be calculated on the basis of a 365-day year.

The actual dollar amount of the Series "B" Bond and its payment terms shall be set by subsequent Resolution of the District. The final annual installment may be in such greater or lesser amount as is necessary to fully pay both of said Bond, both principal and interest, within twenty (20) years of its date.

The Series "B" Bond referred to herein shall be substantially in the form as set forth in Exhibit "B", attached hereto and hereby made a part hereof.

Section 3: REMAINDER OF ORDINANCE NO. 99-2 TO REMAIN

Aside from the specific amendment stated herein, no other changes or amendments whatsoever are made to Ordinance No. 99-2 of the District.

Section 4: SEVERABILITY

If any one or more of the covenants or agreements provided in this Ordinance to be performed on the part of the District shall be declared by any court of competent jurisdiction to be contrary to law, then such covenants or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Ordinance and shall in no way affect the validity of the other provisions of the Ordinance or of the Bonds.

Section 5: REPEALER

All prior resolutions or ordinances inconsistent herewith are hereby repealed and shall, to the extent of such inconsistency, have no further force or effect.

Section 6: PUBLICATION


Pursuant to Section 50-1727, Idaho Code, this Ordinance, or a summary thereof in compliance with Section 31-715A, Idaho Code, shall be published once in the official newspaper of the District. Any contest or proceeding to question the validity or legality of this Ordinance, or of any ordinance, resolution, or proceedings heretofore taken with respect to LID No. 1, or of the Bonds authorized hereby, shall be brought in court by any person for any cause whatsoever after the expiration of thirty (30) days from the publication of this Ordinance, and after such time the validity, legality and regularity of this Ordinance and any ordinance, resolution, or proceedings with respect to LID No. 1, or the Bonds authorized hereby, shall be conclusively presumed.

Section 7: EFFECTIVE DATE

This Ordinance shall take effect and be in force from and after its passage, approval and publication as provided herein.


ADOPTED this 19th day of January, 2000.

ELLISPORT BAY SEWER DISTRICT



Chairman, Board of Directors

ATTEST:



Secretary

(SEAL)

CERTIFICATION

I, the undersigned, Secretary of the Board of Directors of Ellisport Bay Sewer District, of Bonner County, Idaho, HEREBY CERTIFY that the foregoing Ordinance is a full, true and correct copy of a Ordinance duly adopted at a regular meeting of the Board of said District, duly held at the regular meeting place thereof on January 19, 2000, 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, Directors: 3

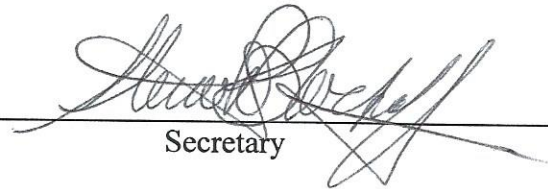
NOES, Directors: 0

ABSENT, Directors: 1

ABSTAIN, Directors: 1

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 said District on January 19, 2000.


Secretary

(SEAL)