

BONNEVILLE COUNTY, IDAHO

LOCAL IMPROVEMENT DISTRICT NO. 6

ORDINANCE NO. 149-88

AN ORDINANCE OF BONNEVILLE COUNTY, IDAHO, LOCAL IMPROVEMENT DISTRICT NO. 6, COUNTRY LIFE ESTATES WATER IMPROVEMENT PROJECT, AUTHORIZING THE ISSUANCE OF \$79,800.00 PRINCIPAL AMOUNT OF ITS LOCAL IMPROVEMENT DISTRICT NO. 6 1988 SERIES BONDS; PROVIDING THE AMOUNT, DATE, DESIGNATION, AND FORM OF SAID BONDS; PROVIDING FOR THE REGISTRATION AND AUTHENTICATION OF SAID BONDS; CREATING A BOND FUND AND INTEREST FUND; PROVIDING THAT INTEREST ON THE BONDS SHALL BE PAID ANNUALLY; PROVIDING FOR REASSESSMENTS IF NECESSARY; PROVIDING FOR THE REISSUANCE OF BONDS IF NECESSARY; PROVIDING FOR THE EFFECTIVE DATE OF THIS ORDINANCE; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF BONNEVILLE COUNTY, IDAHO, AS FOLLOWS:

WHEREAS, Bonneville County, Idaho, (hereinafter the "County"), is a subdivision organized and existing pursuant to the Constitution and laws of the State of Idaho; and

WHEREAS, said County is authorized by Idaho Code, Title 50, Chapter 17, to issue local improvement district bonds for the purpose of paying the cost and improvements and betterments within local improvement districts of the County; and

WHEREAS, the Board of Commissioners of the County (the "Board") has heretofore, by Ordinance No. 144-87 adopted on April 22, 1987, duly created Local Improvement District No. 6 ("LID No. 6") for the purpose of making certain water improvements therein; and

WHEREAS, the improvements provided for the Ordinance No. 144-87, are complete and have been accepted by the County; and

WHEREAS, by Ordinance No. 148-88, adopted on August 31, 1988, the Board confirmed the final assessment roll for said LID No. 6, which consisted of a total assessment of \$100,800.00; and

WHEREAS, the County has determined to issue bonds for the assessments designated 1988 LID No. 6 Bonds; and

WHEREAS, a total of \$21,000.00 of the assessments on said assessment roll for LID No. 6, have been prepaid by property owners; and

WHEREAS, after applying the amount of prepaid assessments to the payment of the cost and expenses of the improvements in LID No. 6 and to the payment of all expenses incidental thereto, the Board deems it necessary for the County to issue Local Improvement District No. 6 1988 Bonds in the amount of \$79,800.00 to finance the balance of such cost and expense; and

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF BONNEVILLE COUNTY, IDAHO, AS FOLLOWS:

Section 1: BOND AUTHORIZED

The Local Improvement District No. 6 1988 Series Bonds in the principal amount of \$79,800.00 are hereby authorized to be issued, sold, and delivered. The Bonds are issued in the principal amount of the cost of effecting the improvements, including the contract price and the cost and expenses of engineering, legal, and all other costs incidental to said improvements, including the costs of issuance of the 1988 Series LID No. 6 Bonds, publications, and interim financing, less the prepayment of assessments.

Section 2: DESCRIPTION OF BONDS

The LID No. 6 1988 Series Bonds shall be dated as of the 1st day of September, 1988, shall be in the aggregate principal amount of \$79,800.00, and shall bear interest on the unpaid balance at the rate of Nine Percent (9%) per annum from the date of the Bonds until paid. Said 1988 LID No. 6 Bonds shall be payable in ten annual installments of as nearly equal payments as possible, together with interest accrued thereon, being payable in annual payments, with the first installment of principal and interest to be due on the 1st day of September, 1989, and on each September 1st of each successive year thereafter. The final annual installment may be in such greater or lesser sum as is necessary to fully pay said 1988

LID No. 6 Bonds. Both principal and interest on the 1988 LID No. 6 Bonds shall be paid fully within ten (10) years from their date.

The 1988 LID No. 6 Bonds shall be issued substantially in the form attached hereto marked Exhibit "A", and by reference incorporated herein.

Section 3: EXECUTION

The 1988 LID No. 6 Bonds shall be signed by the manual or facsimile signature of the Chairman, countersigned by the manual or facsimile signature of the Treasurer, and attested by the manual or facsimile signature of the Clerk, and shall be sealed with the corporate seal of the County impressed or imprinted thereon. Said manual or facsimile signatures shall be effective so long as the 1988 LID No. 6 Bonds are outstanding, irrespective of the fact that any of the persons holding such offices may no longer be in office prior to the issuance of the 1988 LID No. 6 Bonds herein authorized. The 1988 LID No. 6 Bonds, bearing the manual or facsimile signatures of such officers shall be valid when authenticated and delivered by the Bond Registrar in accordance with the terms hereof. The 1988 LID No. 6 Bonds may also be signed and attested on behalf of the County by such persons as at the actual date of execution of the 1988 LID No. 6 Bonds shall be the proper officers of the County, although at the original date of such 1988 LID No. 6 Bonds, such person shall not have been such officers of the County.

Prior to delivery of the 1988 LID No. 6 Bonds hereunder, the Certificate of Authentication shall be manually executed by the Bond Registrar. Only such 1988 LID No. 6 Bonds shall bear thereon a Certificate of Authentication, manually executed by the Bond Registrar, shall be valid or become obligatory for any purpose or be entitled to any security or benefit under this Ordinance. Such Certificate of Authentication shall be conclusive evidence that the 1988 LID No. 6 Bonds so authenticated has been duly executed, authenticated, and delivered hereunder and is entitled to the benefits of this Ordinance.

Section 4: PAYMENT OF PRINCIPAL AND INTEREST

Both principal of and interest on the 1988 LID No. 6 Bonds shall be payable in lawful money of the United States of America, in as nearly equal payments of principal as possible, together with accrued interest on the Bonds, to the registered owner or owners thereof, whose names and addresses shall

appear on the registration books of the County (the "Bond Register") maintained by the Bond Registrar (hereinafter defined) at the address of such owner shown on the Bond Register, or at such other address as designated in writing to the County Treasurer by the registered owner.

Section 5. BOND REGISTRAR

The Treasurer of the County is hereby appointed as Bond Registrar and shall keep, or cause to be kept, at the office of the County, sufficient books for the registration and transfer of the 1988 LID No. 6 Bonds. The Bond Registrar is authorized, on behalf of the County, to authenticate and deliver the 1988 LID No. 6 Bonds, transferred or exchanged in accordance with the provisions of the 1988 LID No. 6 Bonds and this Ordinance, and to carry out all of the Bond Registrar's powers and duties under this Ordinance.

The 1988 LID No. 6 Bonds may be transferred only upon the Bond Register, upon the surrender thereof at the principal office of the Bond Registrar, together with a form of transfer duly executed by the registered owner or his attorney duly authorized in writing, substantially in the form set forth in the form of the 1988 LID No. 6 Bonds referred to in Section 3 hereof. Upon the transfer of the 1988 LID No. 6 Bonds, there shall be issued in the name of the transferee or transferees a new fully registered bond or bonds of the same aggregate principal amount as the surrendered Bond. The new bond or bonds shall bear the same date as the date of the surrendered Bond, but shall bear interest from the immediately preceding interest payment date to which interest has been paid or duly provided for.

Section 6: REDEMPTION

The County hereby reserves the right, at its option, to redeem, on any annual payment date, the principal amount outstanding, in whole, or, in the manner hereinafter provided, in part, at any time while the 1988 LID No. 6 Bonds are outstanding, if there is sufficient money in the Bond Fund and Interest Fund (as hereinafter defined) over and above the amounts necessary to pay currently maturing installments of principal and interest.

Partial redemptions shall be made in the amount of or in multiples of \$1,000.00 to redeem one or more Bond. The Bonds to be called shall be selected by lot and shall, in the event less than all of the outstanding bonds are to be redeemed, insofar as can be done taking into consideration the

denomination of the outstanding bonds, represent an equal amount of bonds from each maturity outstanding at the time of the redemption. Any redemption shall be without penalty or additional interest and charges.

Notice of any intended redemption shall be mailed by registered or certified mail to the registered owner of the 1988 LID No. 6 Bonds at its address appearing on the Bond Register at least thirty (30) days prior to the redemption date.

Section 7: BOND FUND AND INTEREST FUND

The County Treasurer is hereby authorized and empowered, and it shall be his or her duty, to receive and collect for the 1988 LID No. 6 Bonds, all assessments levied on property within said local improvement district to pay the costs of said improvements, the installments thereof, the interest thereon, and the penalties accrued, and to pay and disburse such payments to the person or persons lawfully entitled to receive the same, in accordance with the laws of the State of Idaho and all ordinances and resolutions of the County.

All moneys constituting payment of principal of said unpaid installments of assessments for the 1988 LID No. 6 Bonds, are to be deposited into a special fund, designated as "Bonnevill County Local Improvement District No. 6 Bond Fund" (the "Bond Fund") which is hereby created, and shall be used and applied for the purpose of paying the principal of the Bond herein authorized and for no other purpose whatsoever, and as security for such payment the Bond Fund is hereby pledged.

All moneys constituting payment of interest on said unpaid installments of assessments of LID No. 6 Bond Fund are to be deposited into a special fund, designated "Bonnevill County Local Improvement District No. 6 Interest Fund", (the "Interest Fund"), which is hereby created, and shall be used and applied for the purpose of paying the interest on the Bonds herein authorized and for no other purpose whatsoever, and as security for such payment the Interest Funds are hereby pledged.

Both principal of and interest the 1988 LID No. 6 Bonds are payable only out of said Bond Funds and Interest Funds, or out of the Local Improvement Guarantee Fund, as heretofore created by Ordinance No. 11, adopted on November 11, 1974, to the extent of such fund and not otherwise.

Moneys in the Bond Funds and Interest Funds for LID No. 6 Bonds, shall be deposited in such bank or banks as are designated as depositories of public moneys for the funds of the County under the depository laws of the State of Idaho for the deposit of public funds or investments as provided by law. Interest received on such funds to be deposited or invested shall be placed to the credit of the fund from which it was earned.

Section 8: BOND DESIGNATED QUALIFIED TAX-EXEMPT OBLIGATION

The County hereby designates the Bonds as a "qualified tax-exempt obligation" pursuant to Section 265(b) of the Internal Revenue Code 1986 (hereinafter the "Code"). The County does not expect to issue tax-exempt obligations in an aggregate principal amount in excess of \$10,000,000.00 during the calendar year 1987.

Section 9: ARBITRAGE; SPECIAL TAX COVENANTS

The County hereby covenants that it will not make any use of the proceeds of sale of the Bonds or any other funds of the County which may be deemed to be proceeds of such Bonds pursuant to Section 148 of the Code which will cause the bonds to be an "arbitrage bond" within the meaning of said Section. The County will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Bonds) throughout the term of the 1988 LID No. 6 Bonds.

The County hereby further covenants that it will not take any action or permit any action to be taken that would cause the 1988 LID No. 6 Bonds to constitute a "private activity bond" under Section 141 of the Code.

The County hereby represents that it has not been notified in any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

Section 10: EXEMPTION FROM ARBITRAGE REBATE REQUIREMENTS

The County hereby covenants and represents that it does not reasonably expect to issue more than \$5,000,000.00 of tax-exempt obligations during the 1988 calendar year. Accordingly, the County is not required to comply with the

arbitrage rebate rules by virtue of Section 148(f)(4)(C) of the Code.

Section 11: PRIVATE PERSON USE LIMITATION

The County covenants that so long as the Bonds are outstanding, it will not permit:

(a) More than 10% of the Net Proceeds of the Bonds to be used for any Private Person Use; and

(b) More than 10% of the principal or interest payments on the Bonds in a Bond Year to be (under the terms of this Ordinance or any underlying arrangement) directly or indirectly: (i) secured by an interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (ii) derived from payments (whether or not made to the County) in respect of property, or borrowed money, used or to be used for any Private Person Use.

The County further covenants that, if:

(c) More than 5% of the Net Proceeds of the Bonds are to be used for any Private Person Use; and

(d) More than 5% of the principal or interest payments on the Bonds in a Bond Year are (under the terms of this Ordinance or any underlying arrangement) directly or indirectly: (i) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (ii) derived from payments (whether or not made to the County) in respect of property, or borrowed money, used or to be used for any Private Person Use.

then, (i) any Private Person Use of the Project described in subsection (c) hereof or Private Person Use payments described in subsection (d) hereof that is in excess of the 5% limitations described in such subsection (c) or (d) will be for a Private Person Use that is related to the state or local governmental use of the Project, and (ii) any Private Person Use will not exceed the amount of Net Proceeds of the Notes used for the state or local governmental use portion of the Project to which the Private Person Use of such portion of the

Project relates. The County further covenants that it will comply with any limitations on the use of the Project by other than state and local governmental users that are necessary, in the opinion of bond counsel, to preserve the tax exemption of the interest on the Bonds.

Section 12: PRIVATE LOAN LIMITATION

The County covenants that so long as the Bonds are outstanding, it will not permit Bond proceeds in excess of the lesser of:

- (a) 5% of the Net Proceeds of the Bonds, or
- (b) \$5,000,000

of proceeds of the Bonds, to used (directly or indirectly) to make loans (other than loans that enable a borrower to finance a governmental tax or assessment of general application for a specific essential governmental function) to a Private Person.

Section 13: FEDERAL GUARANTY PROHIBITION

The County covenants that so long as the Bonds are outstanding, it will not take any action or permit or suffer any action to be taken if the result thereof would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code and any Regulations promulgated thereunder.

Section 14: SALE OF BOND

The sale of the 1988 LID No. 6 Bonds, by negotiated sale to private purchasers, is hereby approved.

Section 15: PUBLICATION OF ORDINANCE

Pursuant to Idaho Code Section 50-1727, a summary of this Ordinance shall be published once in the official newspaper of the County. No contest or proceeding to question the validity or legality of this Ordinance, or of any ordinance, resolution, or proceeding heretofore taken with respect to LID No. 6, or of the bond authorized hereby, shall be brought in any 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 proceeding with respect to LID No. 6, or the

1988 LID No. 6 Bonds authorized hereby, shall be conclusively presumed.

¹⁶
Section 13: REPEALER

All ordinances or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and shall have no further force or effect.

¹⁷
Section 14: EFFECTIVE DATE

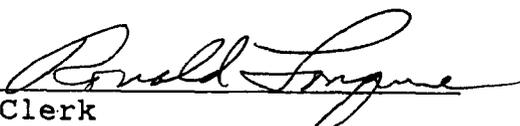
This Ordinance shall take effect and be in force and after its passage, approval, and publication.

DATED this 29th day of December, 1988.

BONNEVILLE COUNTY, IDAHO


Chairman
Board of Commissioners

ATTEST:


Clerk

(SEAL)

I, the undersigned, the Clerk of Bonneville 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 Commissioners of said County, duly and regularly held at the regular meeting place thereof on December 29, 1988, 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, Commissioners:

NAYS, Commissioners:

Clyde A. Burtenshaw
A. Wylie Snarr
Clifford Long

ABSENT, Commissioners:

NONE

ABSTAIN, Commissioners:

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 said County on January 3, 1989.


Clerk

(SEAL)

64/WJABC

SUMMARY OF
ORDINANCE NO. 149-88
BONNEVILLE COUNTY, IDAHO
LOCAL IMPROVEMENT DISTRICT NO. 6

AN ORDINANCE OF BONNEVILLE COUNTY, IDAHO, LOCAL IMPROVEMENT DISTRICT NO. 6, COUNTRY LIFE ESTATES WATER IMPROVEMENT PROJECT, AUTHORIZING THE ISSUANCE OF \$79,800.00 PRINCIPAL AMOUNT OF ITS LOCAL IMPROVEMENT DISTRICT NO. 6 1988 SERIES BONDS; PROVIDING THE AMOUNT, DATE, DESIGNATION, AND FORM OF SAID BONDS; PROVIDING FOR THE REGISTRATION AND AUTHENTICATION OF SAID BONDS; CREATING A BOND FUND AND INTEREST FUND; PROVIDING THAT INTEREST ON THE BONDS SHALL BE PAID ANNUALLY; PROVIDING FOR REASSESSMENTS IF NECESSARY; PROVIDING FOR THE REISSUANCE OF BONDS IF NECESSARY; PROVIDING FOR THE EFFECTIVE DATE OF THIS ORDINANCE; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

Summary of the principal provisions of Ordinance No. 149-88 of Bonneville County, Idaho, adopted December 29, 1988, is as follows:

Section 1: Authorizes the issuance of Local Improvement District No. 6 1988 Series Bonds in the principal amount of \$79,800.00

Section 2: Describes the terms of the LID No. 6 1988 Series Bonds which shall bear interest on the unpaid balance at the rate of 9% per annum from the date of the Bonds until paid and shall be payable in ten annual installments of as nearly equal payments as possible of principal and interest on September 1, 1989, and annually on September 1st thereafter, and shall be paid fully within 10 years from their date.

Section 3: Provides for the execution of the 1988 LID No. 6 Bonds by the County officials.

Section 4: Provides for payment of principal and interest to the registered owners of the 1988 LID No. 6 Bonds.

Section 5. Appoints the County Treasurer as Bond Registrar and specifies his duties.

Section 6: Provides that the 1988 LID No. 6 Bonds may be redeemed in whole or in part and the manner of redemption.

Section 7: Authorizes the County Treasurer to receive and collect all assessments for the 1988 LID No. 6 Bonds, creates the Bond Fund and Interest Fund for deposit of such assessments, and pledges such funds and the Local Improvement Guarantee Fund for payment of the LID No. 6 1988 Series Bonds. Provides for deposit of the moneys in the Bond Fund and Interest Fund as provided for deposits of public funds.

Section 8: Designates the Bonds as a "qualified tax-exempt obligation" pursuant to the Internal Revenue Code 1986.

Section 9: The County covenants to use the proceeds of the 1988 LID No. 6 Bonds so that the Bonds will not be an arbitrage bond or private activity bond so interest on the Bonds remains exempt from federal income taxation.

Section 10: Provides the County's exemption from the arbitrage rebate rules.

Section 11: The County covenants to limit private person use of the proceeds of the LID No. 6 1988 Series Bonds.

Section 12: The County covenants to limit private loans of the proceeds of the LID No. 6 1988 Series Bonds.

Section 13: The County covenants to not allow any action that would cause the Bonds to be federally guaranteed.

Section 14: Approves the sale of the 1988 LID No. 6 Bonds to private purchasers.

Section 15: Provides for publication of a summary Ordinance No. 149-88 and provides for limitation of challenges to the validity of said Ordinance.

Section 16: Repeals any ordinances or parts thereof in conflict with Ordinance No. 149-88.

Section 17: Provides that Ordinance 149-88 is effective after its passage, approval, and publication.

DATED this 29th day of December, 1988.

BONNEVILLE COUNTY, IDAHO


Chairman
Board of Commissioners

ATTEST:
RONALD LONGMORE, CLERK

By 
Clerk

CERTIFICATION OF ATTORNEY

I, the undersigned Attorney for and legal advisor to the Board of Commisioners, Bonneville County, Idaho, hereby certify that I have read the attached Summary of Ordinance No. 149-88 of Bonneville County, and that the same is a true, and complete and provides adequate notice to the public of the contents of said Ordinance.

DATED this 3rd day of January, 1989.

W. J. Anderson

(SEAL)

64.1/WJABC