

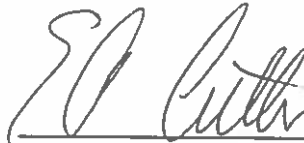
## DISTRICT SECRETARY'S NOTICE OF ASSESSMENT LIEN

The undersigned District Secretary of the Sun Valley Water and Sewer District, Blaine County, Idaho, does hereby certify that:

1. On February 17, 2009, the Board of Directors of the Sun Valley Water and Sewer District, Blaine County, Idaho (the "Board"), did adopt Ordinance No. 2009-1 (the "Ordinance") providing for, among other things, the levying of assessments against the real property located in Local Improvement District No. 2008-1 (the "LID") for the Sun Valley Water and Sewer District, Blaine County, Idaho (the "District"), and the confirmation of the Assessment Roll relating thereto. The legal boundaries of the LID, along with a general area boundary map showing generally the location of the LID, are those of the property described on Exhibit "A", Schedule A-1 and Schedule A-2 of the Ordinance. A copy of said Ordinance is attached hereto and is by this reference incorporated fully herein.
2. The confirmed Assessment Roll provided for in the Ordinance and assessments made by the confirmed Assessment Roll shall be a lien upon the above described property from and after the date of recording this Notice.

DATED this 17<sup>th</sup> day of February, 2009.

**SUN VALLEY WATER AND SEWER  
DISTRICT, BLAINE COUNTY, IDAHO**



District Secretary

**Instrument # 564994**

HAILEY, BLAINE, IDAHO

2-19-2009 01:10:00 No. of Pages: 15

Recorded for: JOANNE VASSAR

JOLYNN DRAGE

Fee: 45.00

Ex-Officio Recorder Deputy

Index to: ASSESSMENT LIEN RELEASE

*YMP*



**ORDINANCE NO. 2009-1**

AN ORDINANCE MAKING CERTAIN FINDINGS IN CONNECTION WITH LOCAL IMPROVEMENT DISTRICT NO. 2008-1 (THE "LID") FOR THE SUN VALLEY WATER AND SEWER DISTRICT, BLAINE COUNTY, IDAHO, INCLUDING THE NAMING OF SAID LID, THE CREATION OF SAID LID, THE HEARING OF PROTESTS AND THE FINDINGS MADE THEREAFTER IN CONNECTION THEREWITH; PROVIDING THE METHOD OF DETERMINING THE VALUE OF REAL PROPERTY IN SAID LID, THE OUTSTANDING AND UNPAID ASSESSMENTS PRESENTLY AN OBLIGATION OF PROPERTY INCLUDED IN SAID LID, AND DETERMINING THAT ASSESSMENTS UPON PROPERTY IN SAID LID TOGETHER WITH THOSE BEING LEVIED DO NOT EXCEED THE ACTUAL VALUE OF THE REAL PROPERTY IN SAID LID, INCLUDING THE VALUE OF THE IMPROVEMENTS THEREON; SETTING OUT THE IMPROVEMENTS TO BE MADE AND THE PROPERTY ASSESSED WITHIN SAID LID; CONFIRMING THE ASSESSMENT ROLL FOR SAID LID AND LEVYING THE ASSESSMENTS CONTAINED THEREIN; PROVIDING FOR THE PAYMENT AND NOTICE OF SAID ASSESSMENTS; PROVIDING FOR THE FINALITY OF THE DETERMINATION OF THE REGULARITY, VALIDITY AND CORRECTNESS OF SAID ASSESSMENT ROLL; RATIFYING THE PROCEEDINGS TAKEN IN CONNECTION WITH THE CREATION, PREPARATION AND ADOPTION OF THE ASSESSMENT ROLL, THE HEARING HELD THEREON AND THE NOTICE OF SAID HEARING AS TO SAID LID; PROVIDING SEPARABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in accordance with the provisions of Section 50-1712, Idaho Code, CH2M HILL (the "Engineer") has filed and certified to the Board of Directors (the "Board") of the Sun Valley Water and Sewer District, Blaine County, Idaho (the "District"), a proposed Assessment Roll for Local Improvement District No. 2008-1 (the "LID") for the District, and the Board did fix February 17, 2009, at the Sun Valley City Hall, Sun Valley, Idaho, at 8:30 o'clock a.m., as the time and place it would hear objections to said Assessment Roll, the assessments contained therein, and the regularity of the proceedings taken in making said assessments; and

WHEREAS, said Assessment Roll having been filed in the office of the District Secretary and the Secretary having given notice published and mailed to the property owners within said LID, in accordance with Section 50-1713, Idaho Code, of the time and place the Board would hear and consider objections to said Assessment Roll and the time and place property owners could file objections to said Assessment Roll, the Board having held the scheduled hearing on February 17, 2009, and the Board having heard all objections to said Assessment Roll, and having received the recommendations of the Engineer and others, and having made all necessary and proper modifications and corrections to the Assessment Roll as a result of hearing any objections thereto, did confirm the Assessment Roll and the individual assessments in the final form that said Assessment Roll and the individual assessments were certified to it by the

Engineer, including any such necessary and proper modifications and corrections, and that the Board did thereafter order said Assessment Roll as modified, corrected and confirmed by it filed with the District Treasurer; and

WHEREAS, the Board now desires to pass an Ordinance levying said assessments, confirming said Assessment Roll and making certain findings in connection with said LID.

NOW, THEREFORE, BE IT ORDAINED AND RESOLVED BY THE BOARD OF DIRECTORS OF THE SUN VALLEY WATER AND SEWER DISTRICT, BLAINE COUNTY, IDAHO, as follows:

**Section 1. Creation of LID.** The LID mentioned in the premises of this Ordinance is hereby named and shall hereafter be known as "Local Improvement District No. 2008-1 for the Sun Valley Water and Sewer District, Blaine County, Idaho," the organization of the LID having been initiated by the Board and a Resolution adopted by an affirmative vote of a majority of the members of the Board, and said LID having been created by passage and approval of Ordinance No. 2008-2 on May 19, 2008 (the "Establishing Ordinance").

**Section 2. Protest Hearing.** That on February 17, 2009, the Board held a hearing, the notices (both publication and mailing to property owners) of said hearing as given by the Secretary being hereby ratified and confirmed, to hear all protests and objections to the Assessment Roll, the assessments contained therein, and the regularity of the proceedings taken in making such assessments of the LID, at which hearing the Board found the Assessment Roll to be valid and correct upon and after including any necessary and proper modifications and corrections to it, and that each lot or parcel of land set forth therein is benefited to the amount of the assessment levied thereon.

**Section 3. Certification of Value.** Pursuant to Section 50-1711, Idaho Code, and the Establishing Ordinance, the Board has previously set forth the method by which it has determined and certified that the actual market value of the real property in the LID, exclusive of the improvements to be made thereon, is in the amount of at least \$12,000,000, and that this method of determining the actual market value of said real property within the LID is hereby found to be a valid one; that the District is not aware of any and, therefore, the Board also determines that there are no outstanding and unpaid local improvement district assessments which are presently an obligation of the property included in the LID, that the portion of the estimated cost of the improvements, administration and related expenses to be assessed in the LID, excluding penalties and interest, is in the amount of \$610,097.11, and that the amount of the outstanding and unpaid assessments together with the amount of that portion of the cost of improvements herein authorized to be made and to be assessed does not exceed the actual value of the real property in said LID, including the value of the improvements thereon.

**Section 4. Description of Property and Improvements.** The property to be assessed and the improvements (the "Improvements") to be made within the LID, as provided by the Establishing Ordinance, are as follows:

(a) **BOUNDARIES:** See the description attached hereto as Exhibit "A" and made a part hereof.

(b) **IMPROVEMENTS:** The acquisition, construction and installation of improved and additional water and sewer facilities, including pipelines, service lines, service connections, hydrants, manholes, lift station, electrical equipment and related easements, facilities and improvements, for the extension and provision of water and sewer service to 16 (which now constitute 13 current parcels) of 18 former parcels of property located in the area known as McHanville and recently annexed into the Sun Valley Water and Sewer District. The proposed project and improvements will extend and provide water and sewer services only to the property line of each individual parcel of property within the boundaries of Local Improvement District No. 2008-1.

The total costs and expenses of the above Improvements in the LID and related expenses authorized and ordered by said Establishing Ordinance and amounts for certain contingencies and reserves (but not including any amounts for a bond reserve fund or for certain other additional costs related to any necessary bond financing) are in the amount of \$610,097.11, of which the sum of \$-0- is estimated to be paid from state, federal, District or other sources and the remaining amount, \$610,097.11, which together with the interest thereon at the rate provided in the bonds to be issued, shall be paid from the proceeds of the assessments hereinafter levied, for making the above-described Improvements. It is, therefore, expressly found and determined after public hearing as aforesaid that each lot, tract or parcel of real property within the boundaries of said LID, on the benefits derived basis and formula as outlined in paragraph (a) below in a shared amount of the aforesaid amount of said costs and expenses, incurred for acquiring, constructing and installing the aforesaid Improvements, with interest on the unpaid principal balance at the rate to be established upon the sale and issuance of bonds as aforesaid, such method of assessment being deemed to be the benefit that each such owner of real property will be assessed in an amount not greater than the real property or its owner will be actually benefited by said Improvements, provided that the total cost (contract price, engineering, clerical, advertising, printing, inspection, collecting assessments, interim loan interest, certain limited reserves, legal services and contingencies) of acquiring, constructing and installing the Improvements shall be assessed and charged directly to the property so benefited thereby, taking into consideration any prior payments. The benefits derived formula is:

(a) The method of assessment as to each parcel within the LID will be by a square footage benefits derived method. The benefit derived is the extension and provision of water and sewer services, is related directly to the square footage area of each particular parcel of property, and is presumed to be of approximately equal or equivalent benefit to all property owners to the extent of each such square foot of area comprising each such parcel of property. It is expected that there will be approximately 8.90 acres of property within the proposed LID. The total expected aggregate LID assessment of approximately \$610,097.11 divided by the total number of square feet comprising these acres of LID property will yield a final appropriate multiplier from which the anticipated assessment for each individual parcel may be estimated and will finally be calculated and determined. Each individual assessment, subject to any appropriate adjustments deemed

necessary for that particular individual parcel, shall be the product of the final multiplier and the number of square feet in each such LID individual parcel of property.

**Section 5. Confirmation of Assessment Roll.** The Board hereby confirms, as modified and corrected, the final Assessment Roll certified and filed with the District Secretary, and hereby orders the levy of the assessments shown in said final Assessment Roll and thereby levies against each lot, tract or parcel of real property shown in said final Assessment Roll the amount of assessment listed therein.

**Section 6. Lien and Procedure for Payment of Assessments.** The District Secretary shall immediately file with the Blaine County Recorder a notice of assessment lien, in substantially the form set forth on Exhibit "B" hereto, which shall contain the date of this Ordinance and a description of the boundaries of this LID. The District Secretary shall also immediately certify and file said final Assessment Roll with the District Treasurer, and the assessments therein contained shall be immediately due and payable to said District Treasurer thirty (30) days from the date of the adoption of this Ordinance and if the whole of said assessments are not paid within thirty (30) days thereafter, such assessments shall become delinquent and shall be collected in the same manner and with the same penalties and interest added thereto as hereinafter provided for delinquent assessments; provided, however, that all such assessments, or any part thereof, may, at the election of the owner, be paid in installments, with interest, as hereinafter provided. Failure to pay the whole assessment within thirty (30) days from the date of the adoption of this Ordinance shall be conclusively presumed and considered and held to be an election on the part of all persons interested, whether under disability or otherwise, to pay in such installments. In case of such election to pay in installments, the unpaid assessment shall be payable to the said District Treasurer in twenty (20) substantially equal annual installments of principal, the first installment of principal of which shall be due and payable on or before March 19, 2010, and the remainder of said installments shall be due and payable successively on or before the same day in each year thereafter until paid in full, with interest in all cases on the unpaid and deferred installments of principal computed from March 19, 2009, at the same rate as that to be borne by any special assessment bonds hereafter authorized (which interest rate shall be presumed to be 7.00% per annum until said bonds are actually issued), payable annually at the office of said District Treasurer, with the first annual payment of interest being due and payable on March 19, 2010, and the remainder of said annual payments of interest being due and payable on March 19, in each year thereafter. The amount of installment payments of assessments due in any one year may be reduced pro rata by the District to the extent that the District receives funds from sources, other than payment of assessments, which have been designated to be used for payment of the bonds of the LID. The amount of installment payments of assessments due and billed in any one year may be increased, pro rata, by the District to the extent that the District finds it necessary to establish and pay for a bond reserve fund or has certain other additional costs related to the bond financing, provided that any such increases in individual assessments shall be assessed upon and apply to only those property owners within the LID who have elected as set forth above to pay assessments via annual installments. Any installment not paid within twenty (20) days after the installment payment is due shall be considered delinquent, and a two percent (2%) penalty will be added to the amount of said installment. Failure to pay any installment, whether of principal or interest, when due, shall cause the whole amount of the

unpaid principal to become due and payable immediately, and the District shall proceed to collect all of the said unpaid assessments, both principal and interest, and all penalties, in the manner provided by the Local Improvement District Code of the State of Idaho (Idaho Code Sections 50-1701, et seq.) and all laws amendatory thereof and supplemental thereto. Before the issuance of such bonds, the owner of any piece of property liable for any assessment may redeem his property from such liability by paying all the installments of assessments which are due, plus any penalties and interest which may be payable on the same, and also the amount of installments not due with interest on the latter at the rate provided in the bonds, from the date of the last installment due to one (1) year after the next interest date of said bonds. After said bonds have been issued, such property may be redeemed by the owner thereof as provided by the Board, but the total amount to be paid shall be not less than the amount of all the installments of assessments which are due plus any penalties and interest which may be payable on the same, and also the amount of installments not due with interest on the latter at the rate provided in the bonds, from the date of the last installment due to one (1) year after the next interest date of said bonds.

**Section 7. Notification of Property Owners.** The District Treasurer shall, upon passage of the Assessment Roll, mail a postcard or letter to each property owner assessed in the District, at his post office address, if known, or if unknown, to the post office in Sun Valley, Idaho, or Ketchum, Idaho, in accordance with the provisions of Section 50-1716, Idaho Code, stating the total amount of said property owner's assessment, together with the substance of the terms of payments as hereinbefore set forth in substantially the form set forth on Exhibit "C" hereto. Subsequent notices of payment may list only current installments due. An affidavit of mailing of this notice shall be filed before the date of delinquency in the office of said District Treasurer, in the file of the LID, but the failure of the District Treasurer to give any notice required by Section 50-1716, Idaho Code, or to do any other act or thing required by said code section, shall not affect the validity of the assessments or installments thereof due or extend the time for payment, but may subject the District to liability to a taxpayer for any damage sustained by the latter by reason of such failure.

**Section 8. Appeal Procedure.** The confirmation of said Assessment Roll herein made is a final determination of the regularity, validity and correctness of said Assessment Roll, of each assessment contained therein and the amount levied on each lot, parcel or tract of real property, subject to the appeal of any person who filed objections to the said Assessment Roll at or prior to the hearing on the same, which appeal, as provided by Section 50-1718, Idaho Code, is to be brought about by filing notice of the appeal, in writing, with the District Secretary and Clerk of the District Court within thirty (30) days from the date of publication of this Ordinance. No suit to set aside any assessments so made, or to enjoin the making of the same, shall be brought, nor any defense to the validity thereof be allowed, except by appeal subsequent to this confirmation as herein provided. Any person filing such appeal must also comply with the bond requirements set forth in Section 50-1718, Idaho Code.

**Section 9. Ratification of Prior Proceedings.** All proceedings heretofore had in connection with the creation of the LID, the preparation and adoption of said Assessment Roll, the hearing

held thereof, and the giving of the notice of said hearing of said Assessment Roll are hereby in all respects ratified, approved and confirmed.

**Section 10. Repeal of Conflicting Provisions.** All bylaws, resolutions and ordinances, or parts thereof, in conflict with this Ordinance are, to the extent of such conflict, hereby repealed; and, after the bonds of the LID have been issued, this Ordinance shall constitute a contract by and between the District and the holder or holders of said bonds, and shall be and remain irrevocable until said bonds and the interest accruing thereon shall have been paid, satisfied and discharged.


**Section 11. Separability.** 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 such section, paragraph, clause or provision shall in no manner affect any remaining portions of this Ordinance.

**Section 12. Effective Date.** This Ordinance shall be in full force and effect from and after its passage, approval and publication hereof.

**PASSED** by the Board of Directors of the Sun Valley Water and Sewer District, Blaine County, Idaho, this 17<sup>th</sup> day of February, 2009.

**APPROVED:**

By:

  
\_\_\_\_\_  
Chairman, Board of Directors

**ATTEST:**

By:

  
\_\_\_\_\_  
District Secretary

**Publish:** on or before March 19, 2009



**EXHIBIT "A"**

**Description of Boundaries of LID**

A general description is a substantial portion of the area known as McHanville, located in Blaine County, Idaho, approximately 2.0 miles south of the city limits of Ketchum, Idaho, and located generally along State of Idaho Highway 75. The overall McHanville area contains approximately 9.23 acres and was divided in 18 former parcels, approximately 8.90 acres and 16 former parcels (now constituting 13 current parcels) of which are to be within the proposed LID boundaries.

The LID's boundaries shall be as generally described hereinabove and in Schedule A-1 hereto and as further described by the map set forth in Schedule A-2 hereto.

## SCHEDULE A-1

### Boundary Description

Beginning at the westerly right-of-way line of State of Idaho Highway 75 with its intersection with the easterly right-of-way line of Hospital Road, thence North  $5^{\circ} 04' 34''$  East 132.79 feet north along the easterly right-of-way line of Hospital Road to the general Point of Beginning; thence continuing north along the east right-of-way line of Hospital Road North  $5^{\circ} 04' 34''$  East 1,292.76 feet to a point of curve; thence along a curved line to the left approximately 200.14 feet, more or less, said curve has a central angle of  $5^{\circ} 51' 02''$ , and a radius of 1,960.00 feet, to a point; thence North  $73^{\circ} 58' 46''$  East 96.02 feet to the westerly right of way line of State of Idaho Highway 75; thence South  $18^{\circ} 45' 00''$  East 432.45 feet along the westerly right-of-way line of State of Idaho 75 to a point of curve; thence southerly along a curve to the right approximately 1,194.07 feet, more or less, said curve has a central angle of  $62^{\circ} 41' 55''$ , and a radius of 1,114.2 feet, more or less, to a point of tangency on the said westerly right-of-way of State of Idaho Highway 75; thence North  $52^{\circ} 32' 14''$  West, 92.43 feet, more or less, to the general Point of Beginning.



**EXHIBIT "B"**

**DISTRICT SECRETARY'S NOTICE OF ASSESSMENT LIEN**

The undersigned District Secretary of the Sun Valley Water and Sewer District, Blaine County, Idaho, does hereby certify that:

1. On February 17, 2009, the Board of Directors of the Sun Valley Water and Sewer District, Blaine County, Idaho (the "Board"), did adopt Ordinance No. 2009-1 (the "Ordinance") providing for, among other things, the levying of assessments against the real property located in Local Improvement District No. 2008-1 (the "LID") for the Sun Valley Water and Sewer District, Blaine County, Idaho (the "District"), and the confirmation of the Assessment Roll relating thereto. The legal boundaries of the LID, along with a general area boundary map showing generally the location of the LID, are those of the property described on Exhibit "A", Schedule A-1 and Schedule A-2 of the Ordinance. A copy of said Ordinance is attached hereto and is by this reference incorporated fully herein.
2. The confirmed Assessment Roll provided for in the Ordinance and assessments made by the confirmed Assessment Roll shall be a lien upon the above described property from and after the date of recording this Notice.

DATED this 17<sup>th</sup> day of February, 2009.

**SUN VALLEY WATER AND SEWER  
DISTRICT, BLAINE COUNTY, IDAHO**

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District Secretary

**EXHIBIT "C"**

**NOTICE OF ASSESSMENT  
LOCAL IMPROVEMENT DISTRICT NO. 2008-1  
FOR THE SUN VALLEY WATER AND SEWER DISTRICT,  
BLAINE COUNTY, IDAHO**

Notice is hereby given that the assessment roll for the improvement of property located within Local Improvement District No. 2008-1 (the "LID") for the Sun Valley Water and Sewer District, Blaine County, Idaho, for the purpose of acquiring, constructing, and installing certain improved and additional water and sewer facilities to certain parcels of property in the area known as McHanville, has been confirmed. The property and the assessment with reference to which this notice is given are as follows:

<u>Owner</u>	<u>Lot or Parcel</u>	<u>Assessment</u>
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The above assessment may be paid in full by March 19, 2009, without penalty, interest or costs. If the assessment is not paid in full by March 19, 2009, the assessment will be payable in twenty (20) annual installments with the first installment of principal due on March 19, 2010. Interest on the unpaid balance of the assessment from March 19, 2009, will be payable on March 19, 2010, and annually thereafter at such rate as may be necessary to pay interest on bonds payable from LID assessments. If costs for a bond reserve fund or for additional expenses related to bond financing are incurred, then an amount for such costs will also be added to the installment payments. If any installment is not paid within 20 days from the date it is due, the same shall become delinquent and a penalty of 2% shall be added thereto. In the event assessments are paid in full after March 19, 2009, such payment in full shall include the full principal amount of the unpaid assessment plus penalties and all interest payable on the same, plus additional interest thereon, at the rate provided for in the LID bonds, from the date of the last installment due to one (1) year after the next interest date of said bonds.

By: \_\_\_\_\_

DISTRICT TREASURER  
Sun Valley Water and Sewer District, Blaine  
County, Idaho

**NOTICE OF ASSESSMENT  
LOCAL IMPROVEMENT DISTRICT NO. 2008-1  
FOR THE SUN VALLEY WATER AND SEWER DISTRICT,  
BLAINE COUNTY, IDAHO**

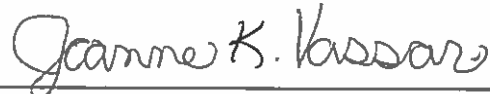
Notice is hereby given that the assessment roll for the improvement of property located within Local Improvement District No. 2008-1 (the "LID") for the Sun Valley Water and Sewer District, Blaine County, Idaho, for the purpose of acquiring, constructing, and installing certain improved and additional water and sewer facilities to certain parcels of property in the area known as McHanville, has been confirmed. The property and the assessment with reference to which this notice is given are as follows:

<u>Owner</u>	<u>Lot or Parcel</u>	<u>Assessment</u>
David W Harris	RP04N180307340	\$58,130.24
Margaret Proctor Dean Trustee of Howard Raymond Dean Family Trust	RP04N18030735A	\$23,657.65
Rock Rolling Properties LLC	RP04N180307350	\$100,714.01
Nathan & Sharma L Walker Thornton	RP04N180307360	\$42,921.74
Neil M Jessen	RP04N18030737A	\$16,222.39
Marianne Schwartz	RP04N18030737B	\$20,953.92
Douglas H & Lisa A Niedrich	RP04N18030737C	\$9,463.06
Cold Springs Development Co.	RP04N180307370	\$63,537.70
Rock Rolling Properties #2 LLC	RP04N180307390	\$106,797.41
Matthew & Nathan Thornton	RP04N180307410	\$24,739.15
Bernard F Gratton & Capik Family Trust	RP04N180307400	\$97,537.13
Jacques E Bordeleau	RP003950000020	\$26,091.01
Jacques E Bordeleau	RP00395000001A	\$19,331.68
Blaine County	RP00395000001B	N/A

The above assessment may be paid in full by March 19, 2009, without penalty, interest or costs. If the assessment is not paid in full by March 19, 2009, the assessment will be payable in twenty (20) annual installments with the first installment of principal due on March 19, 2010. Interest on the unpaid balance of the assessment from March 19, 2009, will be payable on March 19, 2010, and annually thereafter at such rate as may be necessary to pay interest on bonds payable from LID assessments. If costs for a bond reserve fund or for additional expenses related to bond financing are incurred, then an amount for such costs will also be added to the installment payments. If any installment is not paid within 20 days from the date it is due, the

same shall become delinquent and a penalty of 2% shall be added thereto. In the event assessments are paid in full after March 19, 2009, such payment in full shall include the full principal amount of the unpaid assessment plus penalties and all interest payable on the same, plus additional interest thereon, at the rate provided for in the LID bonds, from the date of the last installment due to one (1) year after the next interest date of said bonds.

By:



DISTRICT TREASURER

Sun Valley Water and Sewer District, Blaine  
County, Idaho