State of Arizona Senate Forty-eighth Legislature Second Regular Session 2008

SENATE BILL 1289

AN ACT

AMENDING SECTIONS 34-101, 34-222, 35-482, 42-18204, 48-2756 AND 48-2758, ARIZONA REVISED STATUTES; AMENDING TITLE 48, CHAPTER 18, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 11; RELATING TO FLOOD PROTECTION DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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Be it enacted by the Legislature of the State of Arizona: Section 1. Section 34-101, Arizona Revised Statutes, is amended to read:

34-101. <u>Definitions</u>

In this title, unless the context otherwise requires:

- 1. "Agent":
- (a) Means any county, city or town, or officer, board or commission thereof, and irrigation, power, electrical, drainage, FLOOD PROTECTION and flood control districts, tax levying public improvement districts, and county or city improvement districts.
- (b) Includes any county board of supervisors and any representative authorized by an agent to act as an agent for the purpose of authorizing necessary change orders to previously awarded contracts in accordance with guidelines established by rule of the agent, including the board of supervisors.
- 2. "Architect services" means those professional architect services that are within the scope of architectural practice as provided in title 32, chapter 1.
 - 3. "Construction":
- (a) Means the process of building, altering, repairing, improving or demolishing any public structure or building or other public improvements of any kind to any public real property.
- (b) Does not include the routine operation, routine repair or routine maintenance of existing facilities, structures, buildings or real property or demolition projects costing less than two hundred thousand dollars.
- 4. "Construction-manager-at-risk" means a project delivery method in which:
- (a) There is a separate contract for design services and a separate contract for construction services.
- (b) The contract for construction services may be entered into at the same time as the contract for design services or at a later time.
- (c) Design and construction of the project may be in sequential phases or concurrent phases.
- (d) Finance services, maintenance services, operations services, preconstruction services and other related services may be included.
- 5. "Construction services" means either of the following for construction-manager-at-risk, design-build and job-order-contracting project delivery methods:
- (a) Construction, excluding services, through the construction-manager-at-risk or job-order-contracting project delivery methods.

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- (b) A combination of construction and, as elected by the agent, one or more related services, such as finance services, maintenance services, operations services, design services and preconstruction services, as those services are authorized in the definitions of construction-manager-at-risk, design-build or job-order-contracting in this section.
- 6. "Contract" means all types of agent agreements, regardless of what they are called, for the procurement of services pursuant to this title.
 - 7. "Contractor" means any person who has a contract with an agent.
 - 8. "Design-bid-build" means a project delivery method in which:
 - (a) There is a sequential award of two separate contracts.
 - (b) The first contract is for design services.
 - (c) The second contract is for construction.
 - (d) Design and construction of the project are in sequential phases.
- (e) Finance services, maintenance services and operations services are not included.
 - 9. "Design-build" means a project delivery method in which:
- (a) There is a single contract for design services and construction services.
- (b) Design and construction of the project may be in sequential phases or concurrent phases.
- (c) Finance services, maintenance services, operations services, preconstruction services and other related services may be included.
 - 10. "Design requirements":
- (a) Means at a minimum the agent's written description of the project or service to be procured, including:
- (i) The required features, functions, characteristics, qualities and properties.
- (ii) The anticipated schedule, including start, duration and completion.
- (iii) The estimated budgets applicable to the specific procurement for design and construction and, if applicable, for operation and maintenance.
 - (b) May include:
- (i) Drawings and other documents illustrating the scale and relationship of the features, functions and characteristics of the project, which shall all be prepared by an architect or engineer, as appropriate, who is registered pursuant to section 32-121.
- (ii) Additional design information or documents that the agent elects to include.
- 11. "Design services" means architect services, engineer services or landscape architect services.
- 12. "Direct selection" means the selection of a technical registrant without the requirement of advertising or the use of a current register.
- 13. "Engineer services" means those professional engineer services that are within the scope of engineering practice as provided in title 32, chapter 1.

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- 14. "Finance services" means financing for a construction services project.
- 15. "Horizontal construction" means highways, roads, streets, bridges, canals, floodways, earthen dams and landfills.
 - 16. "Job-order-contracting" means a project delivery method in which:
- (a) The contract is a requirements contract for indefinite quantities of construction.
- (b) The construction to be performed is specified in job orders issued during the contract.
- (c) Finance services, maintenance services, operations services, preconstruction services, design services and other related services may be included.
- 17. "Landscape architect services" means those professional landscape architect services that are within the scope of landscape architectural practice as provided in title 32, chapter 1.
- 18. "Maintenance services" means routine maintenance, repair and replacement of existing facilities, structures, buildings or real property.
 - 19. "Materials":
- (a) Means all property, including equipment, supplies, printing, insurance and leases of property.
- (b) Does not include land, a permanent interest in land or real property or leasing space.
- 20. "Operations services" means routine operation of existing facilities, structures, buildings or real property.
- 21. "Person" means any corporation, business, individual, union, committee, club, other organization or group of individuals.
 - 22. "Preconstruction services" means advice during the design phase.
 - 23. "Procurement":
- (a) Means buying, purchasing, renting, leasing or otherwise acquiring any materials, services, construction or construction services.
- (b) Includes all functions that pertain to obtaining any material, services, construction or construction services, including description of requirements, selection and solicitation of sources, preparation and award of contract and all phases of contract administration.
- 24. "Public competition" means a competitive procurement process pursuant to section 34-103, subsection G that includes advertising in a public newspaper and a qualification-based selection process.
 - 25. "Services":
- (a) Means the furnishing of labor, time or effort by a contractor or subcontractor that does not involve the delivery of a specific end product other than required reports and performance.
- (b) Does not include employment agreements or collective bargaining agreements.

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- 26. "Specific single project" means one or more facilities at a single location, at a common location or, if for a similar purpose, at multiple locations.
- 27. "Subcontractor" means a person who contracts to perform work or render service to a contractor or to another subcontractor as a part of a contract with an agent.
- 28. "Technical registrant" means a person who provides any of the professional services listed in title 32, chapter 1.
 - Sec. 2. Section 34-222, Arizona Revised Statutes, is amended to read: 34-222. Surety bond required; suit on bond; limitations
- A. Except where specifically exempted by statute, before any contract is executed with any person for the construction, alteration, or repair of any public building, a public work or improvement of any county, city or town, or officer, board or commission thereof, and irrigation, power, electrical, drainage, FLOOD PROTECTION and flood control districts, tax levying public improvement districts, and county or city improvement districts, the person shall furnish to the agent entering into such contract the following bonds which shall become binding upon the award of the contract to such person, who, for purposes of this article, means "contractor":
- 1. A performance bond in an amount equal to the full contract amount conditioned upon the faithful performance of the contract in accordance with plans, specifications and conditions thereof. Such bond shall be solely for the protection of the public body awarding the contract.
- 2. A payment bond in an amount equal to the full contract amount solely for the protection of claimants supplying labor or materials to the contractor or his subcontractors in the prosecution of the work provided for in such contract.
- B. Each such bond shall include a provision allowing the prevailing party in a suit on such bond to recover as a part of the judgment such reasonable attorneys' fees as may be fixed by a judge of the court.
- C. Notwithstanding any other statute, each such bond shall be executed solely by a surety company or companies holding a certificate of authority to transact surety business in this state issued by the director of the department of insurance pursuant to title 20, chapter 2, article 1. The bonds shall not be executed by an individual surety or sureties, even if the requirements of section 7-101 are satisfied. The bonds shall be payable to the public body concerned.
- D. Such bonds shall be filed in the office of the department, board, commission, institution, agency or other contracting body awarding the contract.
- E. It shall be illegal for the invitation for bids, or any person acting or purporting to act on behalf of the contracting body, to require that such bonds be furnished by a particular surety company, or through a particular agent or broker.

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F. The conditions and provisions in the payment bond regarding the surety's obligations shall follow the following form:

Now, therefore, the condition of this obligation is such, that if the principal promptly pays all monies due to all persons supplying labor or materials to the principal or the principal's subcontractors in the prosecution of the work provided for in the contract, this obligation is void. Otherwise it remains in full force and effect.

Provided, however, that this bond is executed pursuant to the provisions of title 34, chapter 2, article 2, Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions, conditions and limitations of title 34, chapter 2, article 2, Arizona Revised Statutes, to the same extent as if they were copied at length in this agreement. The prevailing party in a suit on this bond shall recover as a part of the judgment reasonable attorney fees that may be fixed by a judge of the court.

G. The conditions and provisions in the performance bond regarding the surety's obligations shall follow the following form:

Now, therefore, the condition of this obligation is such, that if the principal faithfully performs and fulfills all of the undertakings, covenants, terms, conditions and agreements of the contract during the original term of the contract and any extension of the contract, with or without notice to the surety, and during the life of any guaranty required under the contract, and also performs and fulfills all of the undertakings, covenants, terms, conditions and agreements of all duly authorized modifications of the contract that may hereafter be made, notice of which modifications to the surety being hereby waived, the above obligation is void. Otherwise it remains in full force and effect.

Provided, however, that this bond is executed pursuant to the provisions of title 34, chapter 2, article 2, Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions of title 34, chapter 2, article 2, Arizona Revised Statutes, to the extent as if it were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment reasonable attorney fees that may be fixed by a judge of the court.

H. If the prime contract or specifications require any persons supplying labor or materials in the prosecution of the work to furnish payment or performance bonds, these bonds shall be executed solely by a surety company or companies holding a certificate of authority to transact surety business in this state issued by the director of the department of

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insurance pursuant to title 20, chapter 2, article 1. Notwithstanding the provisions of any other statute, the bonds shall not be executed by an individual surety or sureties, even if the requirements of section 7-101 are satisfied.

I. All bonds given by a contractor and surety, pursuant to the provisions of this article, regardless of their actual form, will be deemed by law to be the form required and set forth in this article and no other.

Sec. 3. Section 35-482, Arizona Revised Statutes, is amended to read: 35-482. Summary sale of delinquent property

- A. As a cumulative remedy, if any installment is delinquent, the governing body may order the summary sale of the property as provided in this section.
- B. The order of the governing body shall identify the property and shall state the amount of the delinquent installments for which the property is to be sold.
- C. Notice of such order shall be mailed to the owners of the property to be sold as their names and addresses appear on the last equalized tax roll or as filed with the superintendent or as known to the clerk, within twenty days of such order.
- D. The provisions of, In the case of a municipality, section 48-601, section 48-603, subsection A, section 48-604, section 48-605, subsections A and B, and sections 48-606 and 48-607, and in the case of a district INCLUDING A FLOOD PROTECTION DISTRICT, section 48-939, section 48-941, subsection A, section 48-942, section 48-943, subsections A and B, and sections 48-944 and 48-945, shall be applicable, except that the list of assessments of delinquent property ordered sold shall be published within twenty days of the order for sale, the notice appended to same shall make no provision for declaring the whole amount of the assessment due, redemption may be had prior to sale by paying the delinquent amounts, together with interest, penalties and charges then due, and the amounts for which property is sold shall include, in addition to interest and penalties, the delinquent installments and charges for costs of the tax delinquency and summary sale proceedings.
- E. The purchaser at a summary sale shall, as to assessments, SHALL take the property subject to all unpaid installments, interest and penalties under the same proceeding, to all public improvement assessments and installments which shall not be subordinate thereto, and to any contingent or supplemental obligations for deficiencies.
- F. ON THE SUMMARY SALE OF A LOT, ACRE OR PARCEL SUBJECT TO AN ASSESSMENT LIEN LEVIED BY A FLOOD PROTECTION DISTRICT, IF THERE ARE NO OFFERS TO PURCHASE THE ASSESSMENT LIEN, THE LOT, ACRE OR PARCEL SHALL BE STRUCK OFF TO THE MUNICIPALITY OR DISTRICT WITHOUT ANY PAYMENT BEING MADE BY THE FLOOD PROTECTION DISTRICT, AND THE DISTRICT SHALL BE DEEMED THE PURCHASER AND SHALL BE VESTED WITH ALL REMEDIES THAT A PURCHASER AT THE SALE WOULD HAVE OBTAINED. IN ADDITION, THE DISTRICT OR MUNICIPALITY MAY BRING A JUDICIAL ACTION TO

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FORECLOSE THE DELINQUENT ASSESSMENT LIEN AT ANY TIME AFTER IT BECOMES THE PURCHASER. SUCH ACTION SHALL BE FILED IN THE SUPERIOR COURT IN THE COUNTY IN WHICH THE DISTRICT AND THE ASSESSED LOT, ACRE OR PARCEL ARE LOCATED, AND SHALL BE PROSECUTED BY THE DISTRICT IN THE SAME MANNER AND WITH THE SAME RESULTS AS THE FORECLOSURE OF A MORTGAGE OR OTHER LIEN ON REAL PROPERTY. THIS SUBSECTION SHALL NOT BE CONSTRUED TO CHANGE THE PRIORITY OF THE ASSESSMENT LIEN LEVIED BY A FLOOD PROTECTION DISTRICT, AND SUCH A LIEN SHALL REMAIN A FIRST LIEN, SUBJECT ONLY TO THE LIEN FOR GENERAL TAXES.

G. THIS SECTION APPLIES TO A FLOOD PROTECTION DISTRICT THAT LEVIES ASSESSMENTS PURSUANT TO TITLE 48, CHAPTER 18, ARTICLE 11.

Sec. 4. Section 42-18204, Arizona Revised Statutes, is amended to read:

42-18204. Judgment foreclosing right to redeem; effect

- A. In an action to foreclose the right to redeem, if the court finds that the sale is valid,— and that the tax lien has not been redeemed, the court shall enter judgment:
 - 1. Foreclosing the right of the defendant to redeem.
- 2. Directing the county treasurer to expeditiously execute and deliver to the party in whose favor judgment is entered, including the state, a deed conveying the property described in the certificate of purchase.
- B. After entering judgment the parties whose rights to redeem the tax lien are thereby foreclosed have no further legal or equitable right, title or interest in the property subject to the right of appeal and stay of execution as in other civil actions.
- C. The foreclosure of the right to redeem does not extinguish any easement on or appurtenant to the property.
- D. The foreclosure of the right to redeem does not extinguish any lien for an assessment levied pursuant to title 48, chapter 4, 6, $\frac{1}{0}$ 14 OR 18, or section 9-276.
 - Sec. 5. Section 48-2756, Arizona Revised Statutes, is amended to read: 48-2756. <u>Terms of bonds: form: interest rate: record of sales</u>
- A. All bonds issued under this chapter shall be payable in legal currency of the United States, and except for the refunding bonds provided for in article ARTICLES 8 AND 11 of this chapter, shall be in ten series as follows:
- 1. On January 1, after the expiration of eleven years, five per cent of the total number of the bonds.
 - 2. On January 1, after the expiration of twelve years, six per cent.
- 3. On January 1, after the expiration of thirteen years, seven per cent .
- 4. On January 1, after the expiration of fourteen years, eight per cent.
 - 5. On January 1, after the expiration of fifteen years, nine per cent.
 - 6. On January 1, after the expiration of sixteen years, ten per cent.

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- 7. On January 1, after the expiration of seventeen years, eleven per cent.
- 8. On January 1, after the expiration of eighteen years, thirteen per cent.
- 10. On January 1, after the expiration of twenty years, sixteen per cent.
- B. The several enumerated percentages shall be the entire amount of the issue, but each bond shall be made payable at a given time for its entire amount and not for a percentage.
- C. The bonds shall bear interest at the rate or rates set by the accepted bid which shall not exceed the maximum rate of interest set forth in the notice of the election, payable semiannually on January 1 and July 1 each year. The principal and interest shall be payable at the office of the county treasurer of the county in which the office of the board of directors is located.
- D. The bonds shall be in denominations of not less than one hundred nor more than one thousand dollars each, shall be negotiable in form, and signed by the president and secretary of the board of directors with the seal of the district affixed thereto. The bonds of each issue shall be numbered consecutively, and shall bear the date of their issue. Coupons for the several installments of interest shall be attached to each bond and shall bear the facsimile signature of the secretary. The bonds shall express on their face that they were signed by the authority of this chapter, and shall state the number of the issue of which the bonds are a part.
- E. The secretary shall keep a record of the bonds sold, their number, the date of sale, the price received and the name of the purchaser or purchasers.
 - Sec. 6. Section 48-2758, Arizona Revised Statutes, is amended to read: 48-2758. <u>Lien of bonds: payment of bonds</u>
- A. All bonds issued under the provisions OF THIS ARTICLE AND ARTICLE 8 of this chapter shall be a lien upon the real property included in the district, and the lien of the bonds of any issue shall be a preferred lien to that of any subsequent issue.
- B. The bonds and the interest thereon shall be paid from revenues derived by assessments as provided by article 5 of this chapter upon the real property included in the district, and all the real property in the district shall be and remain liable for assessment for payment thereof.
- C. This section shall not be construed as creating, or intended to create, any lien on or to authorize any tax against any state, school or university lands included within a district.

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Sec. 7. Title 48, chapter 18, Arizona Revised Statutes, is amended by adding article 11, to read:

ARTICLE 11. FINANCING FLOOD PROTECTION FACILITIES

48-2831. <u>Definitions</u>

IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

- 1. "ACRE" MEANS ONE ACRE OF UNSUBDIVIDED LAND.
- 2. "ASSESSMENT" OR "ASSESSMENT ROLL" MEANS A SPECIAL ASSESSMENT MADE UNDER THIS ARTICLE.
- 3. "BLOCK" MEANS A PARCEL OF LAND, WHETHER REGULAR OR IRREGULAR, THAT IS BOUNDED BY STREETS, OR BY ONE OR MORE STREETS AND BY ONE OR MORE BOUNDARY LINES OF THE FLOOD PROTECTION DISTRICT.
 - 4. "BOARD" MEANS THE BOARD OF DIRECTORS OF THE DISTRICT.
- 5. "CLERK" OR "SECRETARY" MEANS A MEMBER OF THE BOARD OR SUCH OTHER PERSON AS MAY BE DESIGNATED BY THE BOARD TO FUNCTION AS A CLERK OR SECRETARY.
- 6. "CONTRACTOR" MEANS A CONTRACTOR, OR A PERSONAL REPRESENTATIVE OR ASSIGNEE OF A CONTRACTOR, AND ANY PERSON OR ENTITY PROCURED PURSUANT TO TITLE 34, CHAPTER 6, ARTICLE 1.
- 7. "DELINQUENCY" MEANS DELINQUENCY IN THE PAYMENT OF AN ASSESSMENT UNDER THIS ARTICLE.
- 8. "ENGINEER" MEANS A PERSON WHO, UNDER ANY OFFICIAL TITLE, IS THE CIVIL ENGINEER OR SURVEYOR OF THE DISTRICT OR THE PERSON APPOINTED OR EMPLOYED BY THE BOARD TO PERFORM THE DUTIES REQUIRED OF AN ENGINEER UNDER THIS ARTICLE.
- 9. "FLOOD PROTECTION FACILITY" MEANS DAMS, LEVIES, DIVERSION WORKS, TUNNELS, EXCAVATIONS, DITCHES, DRAINS, CONDUITS, CHANNELS, OUTLETS AND OUTFALLS OF EVERY CHARACTER, AND MACHINERY, APPARATUS, EQUIPMENT AND ALL APPLIANCES AND STRUCTURES NECESSARY OR INCIDENTAL TO THE CONSTRUCTION, INSTALLATION OR OPERATION OF A COMPLETE FLOOD PROTECTION SYSTEM.
 - 10. "IMPROVEMENT BOND" MEANS A BOND ISSUED UNDER THIS ARTICLE.
- 11. "LOT" MEANS ANY PORTION, PIECE, PARCEL OR SUBDIVISION OF LAND OR PROPERTY.
- 12. "OWNER" MEANS THE PERSON WHO, ON THE DAY THE ACTION OR PROCEEDING IS BEGUN OR A NOTICE IS GIVEN, POSSESSES LEGAL TITLE TO THE LOT BY DEED RECORDED IN THE COUNTY RECORDER'S OFFICE OR THE PERSON WHO IS IN POSSESSION OF THE LOT UNDER CLAIM OF TITLE OR EXERCISING ACTS OF OWNERSHIP OVER THE LOT FOR THE PERSON OR AS THE PERSONAL REPRESENTATIVE OF THE OWNER.
- 13. "PARCEL" MEANS AN UNSUBDIVIDED PARCEL OF LAND THAT IS LARGER THAN AN ACRE.
- 39 14. "TREASURER" MEANS THE TREASURER OF THE COUNTY IN WHICH THE DISTRICT 40 IS LOCATED.
- 41 15. "WORK" OR "IMPROVEMENT" MEANS THE CONSTRUCTION, RECONSTRUCTION, 42 REPLACEMENT, RENOVATION AND REPAIR OF ALL OR PART OF A FLOOD PROTECTION 43 FACILITY.

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48-2832. Authorization

IN ADDITION TO THE POWERS GRANTED TO THE BOARD OF A FLOOD PROTECTION DISTRICT AS PROVIDED IN ARTICLE 10 OF THIS CHAPTER, THE BOARD MAY EXERCISE THE POWERS SET FORTH IN THIS ARTICLE TO CONSTRUCT, RECONSTRUCT, REPLACE, RENOVATE, REPAIR OR ACQUIRE FLOOD PROTECTION FACILITIES AS THE BOARD MAY DEEM NECESSARY.

48-2833. <u>Purposes for which public improvements may be</u> <u>undertaken; powers incidental to public improvements</u>

- A. IF THE PUBLIC INTEREST OR CONVENIENCE REQUIRES, THE BOARD MAY ORDER THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, REPLACEMENT, RENOVATION, REPAIR, OPERATION OR MAINTENANCE OF FLOOD PROTECTION FACILITIES AND APPURTENANCES IN, UNDER, OVER OR THROUGH ANY STREET, OR ANY PUBLIC LAND IN THE DISTRICT OR ANY RIGHT-OF-WAY GRANTED OR OBTAINED FOR SUCH PURPOSE, EITHER IN OR OUTSIDE OF THE LIMITS OF THE DISTRICT, AND THE CONSTRUCTION, RECONSTRUCTION OR REPAIR OF ANY WORK INCIDENTAL TO OR CONNECTED WITH THE IMPROVEMENTS AUTHORIZED BY THIS ARTICLE.
- B. IN ADDITION TO ALL POWERS SPECIFICALLY GRANTED BY OR REASONABLY INFERRED UNDER THIS ARTICLE, DISTRICTS, ACTING THROUGH THEIR BOARDS, MAY:
- 1. JOIN WITH CITIES OR TOWNS, ANY OTHER IMPROVEMENT DISTRICT, FLOOD PROTECTION DISTRICT, FLOOD CONTROL DISTRICT, COMMUNITY FACILITIES DISTRICT OR TAX LEVYING PUBLIC IMPROVEMENT DISTRICT, THIS STATE OR ANY OF ITS DEPARTMENTS OR AGENCIES, OR THE FEDERAL GOVERNMENT OR ANY OF ITS DEPARTMENTS, AGENCIES OR INSTRUMENTALITIES IN CONSTRUCTING, OPERATING OR MAINTAINING IMPROVEMENTS AUTHORIZED BY THIS ARTICLE.
- 2. ACCEPT FROM PRIVATE PERSONS, THIS STATE OR THE FEDERAL GOVERNMENT, OR ANY AGENCY, DEPARTMENT OR INSTRUMENTALITY OF THIS STATE OR THE FEDERAL GOVERNMENT, OR BOTH, GRANTS FOR OR IN AID OF THE CONSTRUCTION OF ANY OF THE IMPROVEMENTS AUTHORIZED BY THIS SECTION AND ENTER INTO CONTRACTS WITH THIS STATE OR THE FEDERAL GOVERNMENT, OR ANY AGENCY, DEPARTMENT OR INSTRUMENTALITY OF THIS STATE OR THE FEDERAL GOVERNMENT, OR BOTH, FOR THE CONSTRUCTION OR SUPERVISION OF CONSTRUCTION BY THIS STATE OR THE FEDERAL GOVERNMENT, OR ANY AGENCY, DEPARTMENT OR INSTRUMENTALITY OF THIS STATE OR THE FEDERAL GOVERNMENT, OR BOTH, OF ANY SUCH IMPROVEMENTS, ACCORDING TO THE PLANS, SPECIFICATIONS, RULES AND REGULATIONS OF THIS STATE OR THE FEDERAL GOVERNMENT, OR ANY AGENCY, DEPARTMENT OR INSTRUMENTALITY OF THIS STATE OR THE FEDERAL GOVERNMENT, OR BOTH. THE DISTRICT RESERVES THE RIGHT TO ASSESS AGAINST THE PROPERTY BENEFITED BY THE IMPROVEMENT, AND LOCATED IN THE DISTRICT, THAT PORTION OF THE COST OF THE IMPROVEMENT THAT DOES NOT QUALIFY FOR AID UNDER ANY STATE OR FEDERAL GRANT.

48-2834. Petition; resolution of intention to order improvement

A. BEFORE THE BOARD ADOPTS A RESOLUTION OF INTENTION THAT WILL RESULT IN AN ASSESSMENT AGAINST ONE OR MORE LOTS, ACRES OR PARCELS WITHIN THE DISTRICT, THE PROPONENTS OF THE PROPOSED PROJECT SHALL CIRCULATE AND SUBMIT TO THE BOARD A PETITION IN SUPPORT OF THE PROPOSED IMPROVEMENT THAT IS SIGNED

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BY THE OWNERS OF MORE THAN FIFTY PER CENT OF THE ACREAGE THAT IS PROPOSED TO BE SUBJECT TO THE ASSESSMENT.

- B. THE PETITION MAY CONSIST OF ONE OR MORE DOCUMENTS BUT SHALL CONTAIN A DESCRIPTION OF THE BOUNDARIES FOR THE PROPOSED ASSESSMENT, A DESCRIPTION OF THE PROPOSED PROJECT AND AN ESTIMATE OF THE AMOUNT OF THE PROPOSED ASSESSMENT. THE PETITION SHALL ALSO STATE THAT PROPERTY WITHIN THE DISTRICT WILL BE ASSESSED TO PAY THE COSTS AND EXPENSES OF THE PROJECT.
- C. ON RECEIPT OF A PETITION SIGNED BY THE REQUIRED PROPERTY OWNERS, THE BOARD MAY CONSIDER ADOPTING A RESOLUTION OF INTENTION ORDERING AN IMPROVEMENT.
- D. BEFORE ORDERING AN IMPROVEMENT AUTHORIZED BY THIS ARTICLE, THE BOARD SHALL ADOPT A RESOLUTION OF INTENTION TO ORDER IMPROVEMENT THAT BRIEFLY DESCRIBES THE IMPROVEMENT AND ITS LOCATION. PURSUANT TO THE RESOLUTION AND THE SUBSEQUENT PROCEEDINGS, ONE OR MORE FLOOD PROTECTION FACILITIES MAY BE CONSTRUCTED AND SHALL CONSTITUTE ONE IMPROVEMENT AND MAY BE CONSTRUCTED UNDER ONE OR MORE CONTRACTS. SUCH A RESOLUTION MAY ALSO STATE REASONS WHY THE PROJECT SHOULD BE CONSTRUCTED.
- E. THE BOARD MAY ORDER THE EXPENSE OF THE IMPROVEMENT CHARGEABLE ON AN ASSESSMENT DISTRICT IN THE FLOOD PROTECTION DISTRICT. THE BOARD SHALL DESCRIBE THE EXTENT OF THE ASSESSMENT DISTRICT IN GENERAL TERMS IN ITS RESOLUTION OF INTENTION BY REFERENCE TO STREET LINES OR BLOCK NUMBERS OR BY DESIGNATING ITS EXTERIOR BOUNDARIES BY THEIR COURSES AND DISTANCES FROM THE STREET OR STREETS LOCATED WHERE THE IMPROVEMENT IS PROPOSED, OR MAY REFER TO A MAP THAT IS EITHER ATTACHED TO THE RESOLUTION OF INTENTION OR ON FILE IN THE OFFICE OF THE FLOOD PROTECTION DISTRICT AND THAT SHOWS THE EXTERIOR BOUNDARY LINES OF THE ASSESSMENT DISTRICT AND CONTAINS SUCH DETAILS AS WILL SHOW THE LOCATION OF THE PROPOSED FLOOD PROTECTION FACILITY. IF THE RESOLUTION OF INTENTION REFERENCES A MAP, A COPY OF THE MAP SHALL BE ATTACHED TO THE NOTICE OF THE PASSAGE OF THE RESOLUTION OF INTENTION.

48-2835. Preliminary plans

BEFORE THE BOARD ADOPTS THE RESOLUTION OF INTENTION PURSUANT TO SECTION 48-2834, THE ENGINEER SHALL PREPARE PRELIMINARY PLANS, SPECIFICATIONS AND ESTIMATES OF THE COST AND EXPENSES OF THE IMPROVEMENT AND SHALL FILE THESE WITH THE CLERK. IF THE BOARD ORDERS THE WORK OR IMPROVEMENT, AS PROVIDED IN THIS ARTICLE, FINAL PLANS AND SPECIFICATIONS SHALL BE FILED BEFORE EITHER:

- 1. INVITING PROPOSALS FOR THE CONSTRUCTION OF THE PROPOSED FLOOD PROTECTION FACILITY.
- 2. PROCURING CONSTRUCTION SERVICES PURSUANT TO TITLE 34, CHAPTER 6, ARTICLE 1.

48-2836. Notice of intent to construct and to levy assessment

THE BOARD SHALL SEND TO EACH PROPERTY OWNER WHOSE PROPERTY MAY BE ASSESSED A NOTICE OF THE PASSAGE OF THE RESOLUTION OF INTENTION PURSUANT TO SECTION 48-2834. THE NOTICE SHALL INCLUDE A BRIEF DESCRIPTION OF THE PROPOSED IMPROVEMENT AND A STATEMENT THAT THE BOARD PROPOSES TO LEVY AN ASSESSMENT TO PAY ALL OR A PORTION OF THE COSTS AND EXPENSES OF SUCH A FLOOD

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PROTECTION FACILITY, AS APPLICABLE. THE NOTICE SHALL BE SENT BY UNITED STATES MAIL TO EACH PERSON NAMED AS AN OWNER OF PROPERTY THAT MAY BE SUBJECT TO ASSESSMENT AS SHOWN ON THE MOST RECENT EQUALIZED PROPERTY TAX ROLL.

48-2837. Objection to extent of assessment district: hearing: modified assessment district: special action

- A. IF THE COST OF THE PROPOSED FLOOD PROTECTION FACILITY IS MADE CHARGEABLE ON AN ASSESSMENT DISTRICT, OBJECTIONS TO THE EXTENT OF THE DISTRICT TO BE ASSESSED TO PAY THE EXPENSES OF THE IMPROVEMENT MAY BE MADE BY AN OWNER IN THE PROPOSED ASSESSMENT DISTRICT WITHIN TWENTY DAYS AFTER THE DATE THE NOTICE OF THE PASSAGE OF THE RESOLUTION OF INTENTION IS MAILED PURSUANT TO SECTION 48-2836. THE OBJECTIONS SHALL SHOW THE COUNTY ASSESSOR'S PARCEL NUMBER OF EACH PARCEL OF LAND OWNED BY THE OBJECTOR.
- B. IF AN OBJECTION TO THE EXTENT OF THE PROPOSED ASSESSMENT DISTRICT HAS BEEN FILED, THE BOARD SHALL FIX A TIME FOR HEARING THE OBJECTION. AT LEAST TEN DAYS BEFORE THE HEARING, THE BOARD SHALL NOTIFY THE OBJECTORS BY MAIL, AT THE ADDRESS GIVEN BY EACH OBJECTOR, OF THE DATE AND LOCATION OF THE HEARING.
- C. AT THE HEARING, WHICH MAY BE ADJOURNED, THE BOARD SHALL HEAR AND PASS ON THE OBJECTIONS, AND ITS DECISION SHALL BE FINAL AND CONCLUSIVE. THE BOARD MAY MODIFY THE EXTENT OF THE PROPOSED ASSESSMENT DISTRICT TO REMOVE THE OBJECTOR'S LAND FROM THE ASSESSMENT DISTRICT. IF THE BOARD DETERMINES THAT THE OBJECTOR'S LAND WILL NOT BENEFIT FROM THE PROPOSED FLOOD PROTECTION FACILITY, THE OBJECTOR'S LAND SHALL BE EXCLUDED FROM THE ASSESSMENT DISTRICT, AND THE BOARD MAY ORDER THE WORK OR IMPROVEMENT AND ASSESS THE COSTS ON THE REMAINING LAND IN THE ASSESSMENT DISTRICT. IF THE BOARD DETERMINES THAT OTHER LAND IN THE FLOOD PROTECTION DISTRICT SHOULD BE INCLUDED IN THE ASSESSMENT DISTRICT, THE BOARD SHALL ADOPT A NEW RESOLUTION OF INTENTION THAT CONTAINS A DESCRIPTION OF THE MODIFIED DISTRICT AND SHALL SEND NOTICE OF THE ADOPTION OF THE NEW RESOLUTION TO EACH PROPERTY OWNER AS REQUIRED FOR AN ORIGINAL RESOLUTION OF INTENTION PURSUANT TO SECTION 48-2836.
- D. A PROPERTY OWNER WHO IS DAMAGED OR OTHERWISE AGGRIEVED BY A DECISION OF THE BOARD UNDER THIS SECTION MAY HAVE THE DECISION REVIEWED BY FILING A SPECIAL ACTION IN THE SUPERIOR COURT IN THE COUNTY IN WHICH THE DISTRICT IS LOCATED WITHIN THIRTY DAYS AFTER THE BOARD'S DECISION. IF THE MINUTES OF THE MEETING OF THE BOARD AT WHICH THE ACTION WAS TAKEN SHOW THAT THE OBJECTOR APPEARED AT THE MEETING, THE THIRTY DAY PERIOD SHALL BEGIN ON THE DAY FOLLOWING THE DECISION. IF THE MINUTES SHOW THAT THE OBJECTOR WAS NOT PRESENT, THE THIRTY DAY PERIOD BEGINS FIVE DAYS AFTER THE BOARD MAILS WRITTEN NOTICE OF THE BOARD'S ACTION WITH RESPECT TO THAT OBJECTION TO THE AFFECTED OBJECTOR. IF NO SPECIAL ACTION IS FILED, THE ACTION OF THE BOARD IN SETTING THE BOUNDARIES OF THE ASSESSMENT DISTRICT IS DEEMED FINAL AND CONCLUSIVE, AND THEREAFTER NO SUIT OF ANY NATURE MAY BE BROUGHT THAT IN ANY MANNER CONTESTS THE ACTION. FAILURE TO OBJECT TO THE EXTENT OF THE ASSESSMENT DISTRICT IS DEEMED A WAIVER OF THE OBJECTOR'S RIGHT TO OBJECT, AND NO SUIT OR ACTION MAY THEREAFTER BE INSTITUTED CONTESTING THE BOARD'S

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DETERMINATION TO ORDER THE CONSTRUCTION OF THE FLOOD PROTECTION FACILITY DESCRIBED IN THE RESOLUTION OF INTENTION.

48-2838. Resolution ordering improvement; notice; proposals; alternative procurement methods

- A. THE BOARD MAY ORDER BY RESOLUTION THE CONSTRUCTION OR ACQUISITION OF THE PROPOSED FLOOD PROTECTION FACILITY DESCRIBED IN THE RESOLUTION OF INTENTION IF:
- 1. NO OBJECTIONS AS TO THE EXTENT OF THE PROPOSED ASSESSMENT DISTRICT HAVE BEEN FILED WITHIN THE PRESCRIBED TIME.
- 2. IF ANY OBJECTIONS TO THE EXTENT OF THE PROPOSED ASSESSMENT DISTRICT HAVE BEEN HEARD AND DENIED, THE BOARD FINDS THAT NO ACTION REQUESTING REVIEW OF THE BOARD'S DECISION IS PENDING OR ALL ACTIONS FOR REVIEW OF THE BOARD'S DECISION HAVE BEEN FINALLY RESOLVED IN FAVOR OF THE BOARD'S DECISION.
- B. THE RESOLUTION ORDERING THE CONSTRUCTION OR ACQUISITION OF THE PROPOSED FLOOD PROTECTION FACILITY DESCRIBED IN THE RESOLUTION OF INTENTION NEED NOT FULLY DESCRIBE THE IMPROVEMENT OR THE EXTENT OF THE ASSESSMENT DISTRICT BUT MAY REFER TO THE RESOLUTION OF INTENTION FOR THE DESCRIPTION.
- C. IF THE BOARD DETERMINES THAT SEALED PROPOSALS SHOULD BE INVITED FOR THE CONSTRUCTION OR ACQUISITION OF THE PROPOSED FLOOD PROTECTION FACILITY DESCRIBED IN THE RESOLUTION OF INTENTION, THE BOARD SHALL PUBLISH TWICE IN ONE OR MORE DAILY NEWSPAPERS OR ONCE IN A WEEKLY OR SEMIWEEKLY NEWSPAPER OF GENERAL CIRCULATION IN THE FLOOD PROTECTION DISTRICT A NOTICE OF THE PASSAGE OF THE RESOLUTION ORDERING THE IMPROVEMENT AND INVITING SEALED PROPOSALS FROM PERSONS INTERESTED IN CONSTRUCTING THE IMPROVEMENT. THE BOARD SHALL POST A COPY OF THE NOTICE FOR FIVE DAYS ON OR NEAR THE DOOR OF THE MEETING PLACE OF THE BOARD. THE NOTICE SHALL STATE THE TIME WITHIN WHICH BID PROPOSALS MAY BE FILED WITH THE CLERK, WHICH SHALL BE AT LEAST TEN DAYS AFTER THE DATE OF THE FIRST PUBLICATION OF THE NOTICE.
- D. IF THE BOARD DETERMINES THAT IT IS IN THE BEST INTERESTS OF THE DISTRICT TO PROCURE CONSTRUCTION SERVICES THROUGH ANY METHOD DESCRIBED IN SECTION 34-602, SECTION 48-2841 DOES NOT APPLY, AND THE BOARD SHALL PROCURE SUCH CONSTRUCTION SERVICES AS PRESCRIBED IN TITLE 34, CHAPTER 6, ARTICLE 1. IF THE BOARD DETERMINES THAT THE CONTRACTING SERVICES SHOULD BE PROCURED AS PRESCRIBED IN TITLE 34, CHAPTER 6, ARTICLE 1, IT SHALL PUBLISH A NOTICE OF THE PASSAGE OF THE RESOLUTION ORDERING THE IMPROVEMENT AND STATING THAT THE CONTRACTING SERVICES WILL BE PROCURED AS PRESCRIBED IN TITLE 34, CHAPTER 6, ARTICLE 1.

48-2839. Assessment of public property

A. IF A LOT, ACRE OR PARCEL BELONGING TO THE UNITED STATES, AN INDIAN TRIBE OR COMMUNITY, THIS STATE, A COUNTY, CITY OR SCHOOL DISTRICT OR ANY OTHER POLITICAL SUBDIVISION OR INSTITUTION OF THIS STATE OR A COUNTY IS INCLUDED IN THE ASSESSMENT DISTRICT, THE BOARD, IN THE RESOLUTION OF INTENTION, SHALL DECLARE WHETHER THE LOT, ACRE OR PARCEL SHALL BE OMITTED FROM THE ASSESSMENT TO BE MADE.

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- B. IF A LOT, ACRE OR PARCEL IS OMITTED FROM THE ASSESSMENT PURSUANT TO SUBSECTION A, THE TOTAL EXPENSES OF ALL WORK DONE SHALL BE ASSESSED AGAINST THE REMAINING LOTS, ACRES OR PARCELS FRONTING ON THE IMPROVEMENT OR LYING IN THE ASSESSMENT DISTRICT, WITHOUT REGARD TO THE OMITTED LOT, ACRE OR PARCEL.
- C. IF THE BOARD DECLARES THE LOT, ACRE OR PARCEL TO BE INCLUDED IN THE ASSESSMENT OR IF NO DECLARATION IS MADE WITH RESPECT TO THE LOT, ACRE OR PARCEL, THE FLOOD PROTECTION DISTRICT IS LIABLE FOR AND SHALL PAY THE AMOUNT ASSESSED AGAINST THE LOT, ACRE OR PARCEL. THE AMOUNT OF THE ASSESSMENT LEVIED AGAINST THE LOT, ACRE OR PARCEL MAY BE INCLUDED IN ANY BONDS ISSUED FOR THE IMPROVEMENT, AND, IF SO INCLUDED, THE ASSESSMENTS BEAR THE SAME INTEREST AND ARE PAYABLE BY THE FLOOD PROTECTION DISTRICT IN INSTALLMENTS AS ASSESSMENTS AGAINST THE PROPERTY OF PRIVATE PERSONS.
- D. THE FLOOD PROTECTION DISTRICT MAY CONTRACT WITH THIS STATE OR THE GOVERNING BODY OF THE ENTITY TO WHICH THE LOT, ACRE OR PARCEL BELONGS FOR PAYMENT TO THE DISTRICT OF THE ASSESSMENT AND INTEREST AS EACH BECOMES DUE AND PAYABLE, AND THE STATE OR THE GOVERNING BODY SHALL PERFORM THE CONTRACT.

48-2840. Payment of costs by flood protection district

THE BOARD MAY ORDER IN THE RESOLUTION OF INTENTION THAT ALL OR PART OF THE COST OF ANY WORK BE PAID FROM THE TREASURY OF THE FLOOD PROTECTION DISTRICT FROM THE FUND IT DESIGNATES WHEN SO ORDERED. THE BOARD, IN MAKING UP THE ASSESSMENT, SHALL FIRST DEDUCT FROM THE WHOLE COST SUCH PART AS HAS BEEN ORDERED PAID FROM THE TREASURY OR OTHER SOURCE OF MONIES AND ASSESS THE REMAINDER OF THE COSTS AND EXPENSES PROPORTIONATELY, ACCORDING TO THE BENEFITS RECEIVED, ON THE LOTS, ACRES AND PARCELS TO BE ASSESSED FOR THE WORK.

48-2841. <u>Proposals: bond: award of contract: entering into contract: liability on bond</u>

- A. IF THE BOARD INVITES PROPOSALS FOR CONSTRUCTION OF THE FLOOD PROTECTION FACILITY, WRITTEN AND SIGNED PROPOSALS SHALL BE SUBMITTED ACCOMPANIED BY A BOND PAYABLE TO THE FLOOD PROTECTION DISTRICT IN AN AMOUNT OF AT LEAST TEN PER CENT OF THE AGGREGATE PROPOSAL.
- B. THE BOARD, IN OPEN SESSION, SHALL EXAMINE AND PUBLICLY DECLARE THE PROPOSALS. THE BOARD MAY REJECT ANY PROPOSALS IF DEEMED FOR THE PUBLIC GOOD AND SHALL REJECT ALL PROPOSALS OTHER THAN THE LOWEST AND BEST PROPOSAL OF A RESPONSIBLE BIDDER. THE BOARD MAY AWARD THE CONTRACT FOR THE IMPROVEMENT TO THE LOWEST AND BEST RESPONSIBLE BIDDER AT THE PRICE NAMED IN THAT BIDDER'S PROPOSAL ON A MOTION, NOTED IN ITS MINUTES, APPROVED BY A MAJORITY VOTE OF ITS MEMBERS.
- C. NOTICE OF THE AWARD OF THE CONTRACT SHALL BE PUBLISHED TWICE IN A DAILY NEWSPAPER OR ONCE IN A WEEKLY OR SEMIWEEKLY NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY.
- D. AT ANY TIME WITHIN FIFTEEN DAYS AFTER THE DATE OF THE FIRST PUBLICATION, A PERSON HAVING AN INTEREST IN A LOT, ACRE OR PARCEL LIABLE FOR AN ASSESSMENT WHO CLAIMS THAT ANY OF THE PREVIOUS ACTS OR PROCEEDINGS RELATING TO THE IMPROVEMENT ARE IRREGULAR, ILLEGAL OR FAULTY MAY FILE WITH

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THE BOARD A WRITTEN NOTICE SPECIFYING IN WHAT RESPECT THE ACTS AND PROCEEDINGS ARE IRREGULAR, ILLEGAL OR FAULTY. ALL OBJECTIONS TO ANY ACT OR PROCEEDING THAT ARE TAKEN BEFORE THE FIRST PUBLICATION OF THE NOTICE OF THE AWARD ARE DEEMED TO BE WAIVED, EXCEPT AS TO MATTERS DIRECTLY AFFECTING THE AUTHORITY OF THE BOARD. IF THE BOARD FINDS ANY OBJECTION TO BE VALID, IT MAY ABANDON THE PROCEEDINGS, CORRECT OR MODIFY ANY PORTION OF THE PROCEEDINGS OR PROCEED AS IN THE FIRST INSTANCE.

- E. WITHIN TWENTY DAYS AFTER THE DATE OF THE FIRST PUBLICATION, IF NO OBJECTIONS HAVE BEEN FILED, THE SUCCESSFUL BIDDER SHALL ENTER INTO A CONTRACT TO MAKE THE IMPROVEMENT ACCORDING TO ITS BID. IF OBJECTIONS ARE FILED BUT ARE REJECTED BY THE BOARD, THE CONTRACT SHALL BE ENTERED INTO WITHIN FIVE DAYS AFTER RECEIVING NOTICE FROM THE BOARD OF THAT REJECTION. IF THE BIDDER FAILS TO ENTER INTO THE CONTRACT WITHIN THAT PERIOD, THE BOARD, WITHOUT FURTHER PROCEEDINGS, SHALL ADVERTISE FOR PROPOSALS IN THE SAME MANNER AS FOR THE INITIAL PROPOSALS. A BIDDER WHO FAILS TO ENTER INTO THE CONTRACT IS LIABLE ON THE BIDDER'S BOND ACCOMPANYING THE PROPOSAL FOR ALL COSTS AND DAMAGES INCURRED AND SUSTAINED BY REASON OF THE FAILURE TO ENTER INTO THE CONTRACT.
- F. IF THE BOARD DETERMINES THAT CONTRACTING SERVICES FOR CONSTRUCTION OF THE FLOOD PROTECTION FACILITY SHOULD BE PROCURED PURSUANT TO TITLE 34, CHAPTER 6, ARTICLE 1, BEFORE EXECUTING THE CONTRACT PURSUANT TO SECTION 34-607, THE BOARD SHALL FORMALLY APPROVE THE FORM OF CONTRACT AND AWARD THE CONTRACT TO THE SELECTED PERSON OR FIRM ON A MOTION, NOTED IN ITS MINUTES AND APPROVED BY A MAJORITY VOTE OF ITS MEMBERS.
- G. NOTICE OF THE AWARD OF THE CONTRACT SHALL BE PUBLISHED TWICE IN A DAILY NEWSPAPER OR ONCE IN A WEEKLY OR SEMIWEEKLY NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY. THE NOTICE OF AWARD SHALL SPECIFICALLY STATE THE TYPE OF CONTRACT AND THAT THE CONTRACT WAS PROCURED PURSUANT TO TITLE 34, CHAPTER 6, ARTICLE 1 WITHOUT COMPETITIVE BIDDING.
- H. AT ANY TIME WITHIN FIFTEEN DAYS AFTER THE DATE OF THE FIRST PUBLICATION, ANY PERSON OR ENTITY THAT PARTICIPATED IN THE PROCUREMENT PROCESS THAT SELECTED THE PERSON OR ENTITY TO WHOM SUCH CONTRACT WAS AWARDED, OR A PERSON HAVING AN INTEREST IN A LOT, ACRE OR PARCEL LIABLE FOR AN ASSESSMENT WHO CLAIMS THAT ANY OF THE PREVIOUS ACTS OR PROCEEDINGS RELATING TO THE IMPROVEMENT OR THE PROCUREMENT OF CONTRACTING SERVICES ARE IRREGULAR, ILLEGAL OR FAULTY, MAY FILE WITH THE BOARD A WRITTEN NOTICE SPECIFYING IN WHAT RESPECT THE ACTS AND PROCEEDINGS ARE IRREGULAR, ILLEGAL OR FAULTY. ALL OBJECTIONS TO ANY ACT OR PROCEEDING THAT ARE NOT MADE BEFORE THE NOTICE OF THE AWARD ARE DEEMED TO BE WAIVED, EXCEPT AS TO MATTERS DIRECTLY AFFECTING THE AUTHORITY OF THE BOARD. IF THE BOARD FINDS ANY OBJECTION TO BE VALID, IT MAY ABANDON THE PROCEEDINGS, CORRECT OR MODIFY ANY PORTION OF THE PROCEEDINGS OR PROCEED AS IN THE FIRST INSTANCE.

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I. WITHIN TWENTY DAYS AFTER THE DATE OF THE FIRST PUBLICATION, IF NO OBJECTIONS HAVE BEEN FILED, THE PERSON OR ENTITY TO WHOM CONTRACTING SERVICES HAVE BEEN AWARDED SHALL ENTER INTO A CONTRACT TO CONSTRUCT THE FLOOD PROTECTION FACILITY ACCORDING TO ITS PROPOSAL. IF OBJECTIONS ARE FILED BUT ARE REJECTED BY THE BOARD, THE CONTRACT SHALL BE ENTERED INTO WITHIN FIVE DAYS AFTER RECEIVING NOTICE FROM THE BOARD OF THE REJECTION. IF THE PERSON OR ENTITY TO WHOM CONTRACTING SERVICES HAVE BEEN AWARDED FAILS TO ENTER INTO THE CONTRACT WITHIN THAT PERIOD, THE BOARD WITHOUT FURTHER PROCEEDINGS SHALL EITHER ADVERTISE FOR PROPOSALS, NEGOTIATE A CONTRACT WITH ONE OF THE OTHER PERSONS OR ENTITIES THAT PARTICIPATED IN THE PROCUREMENT PROCESS OR REINITIATE THE PROCESS FOR PROCUREMENT OF CONTRACTING SERVICES PURSUANT TO TITLE 34, CHAPTER 6, ARTICLE 1. THE PERSON OR ENTITY THAT FAILED TO ENTER INTO THE CONTRACT IS LIABLE FOR ALL COSTS AND DAMAGES INCURRED AND SUSTAINED BY REASON OF THAT FAILURE.

48-2842. <u>Form and execution of contract; supervision of performance; surety</u>

- A. THE DISTRICT SHALL MAKE ALL WRITTEN CONTRACTS AND RECEIVE ALL BONDS AUTHORIZED BY THIS ARTICLE. THE CONTRACTS SHALL SPECIFY A REASONABLE TIME FOR COMPLETING THE FLOOD PROTECTION FACILITY.
- B. THE BOARD MAY PRESCRIBE A FORM FOR THE CONTRACT THAT IS NOT INCONSISTENT WITH THIS ARTICLE OR WITH TITLE 34, CHAPTER 6, ARTICLE 1, IF THAT PROCUREMENT METHOD IS CHOSEN, AND FIX A REASONABLE TIME FOR COMPLETING THE WORK, WHICH MAY BE EXTENDED BY THE BOARD.
- C. THE WORK SHALL BE DONE UNDER THE DIRECTION OF THE BOARD OR ITS ENGINEER. THE BOARD MAY PRESCRIBE ADMINISTRATIVE RULES RELATING TO SUPERVISING THE WORK. THE BOARD MAY APPOINT ITS ENGINEER OR A SUITABLE PERSON TO TAKE CHARGE OF AND DIRECT THE CONSTRUCTION OF A FLOOD PROTECTION FACILITY ON BEHALF OF THE DISTRICT. THE PERSON APPOINTED IS RESPONSIBLE FOR SUPERVISING FULFILLMENT OF THE CONTRACT. THE BOARD SHALL FIX THE COMPENSATION FOR THAT PERSON.
- D. IF THE WORK IS NOT PERFORMED WITH DILIGENCE, THE BOARD, AFTER A HEARING AND SERVICE OF NOTICE ON THE CONTRACTOR AND THE CONTRACTOR'S SURETY, MAY PRESCRIBE THOSE TERMS AND CONDITIONS AS IT DEEMS PROPER BEFORE PERMITTING THE CONTRACTOR TO CONTINUE WITH THE WORK.
- E. IF THE BOARD FINDS THAT THE CONTRACTOR IS UNABLE TO CONTINUE WITH THE WORK OR TO PERFORM THE WORK ACCORDING TO THE CONTRACT, THE BOARD SHALL HOLD THE CONTRACTOR IN DEFAULT AND MAKE DEMAND ON THE SURETY TO ACT ACCORDING TO THE CONTRACT AND THE TERMS AND CONDITIONS OF THE PERFORMANCE BOND. IF THE SURETY FAILS TO ACT WITHIN SIXTY DAYS AFTER THE DATE OF THE WRITTEN NOTICE, THE BOARD MAY ORDER THAT PROPOSALS BE RECEIVED FROM OTHER CONTRACTORS TO COMPLETE THE WORK. AFTER RECEIVING PROPOSALS, THE BOARD MAY AWARD THE CONTRACT TO THE LOWEST RESPONSIBLE BIDDER. IF, AFTER RECEIVING THE NEW PROPOSALS, THE COST OF COMPLETION EXCEEDS THE MONIES OR BONDS AVAILABLE FOR PAYMENT, THE BOARD SHALL MAKE A DEMAND ON THE DEFAULTING CONTRACTOR'S SURETY FOR PAYMENT OF THE DIFFERENCE WITHIN TWENTY DAYS AFTER THE MAILING OF THE

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NOTICE. IF THE SURETY IS REPRESENTED BY AN ATTORNEY-IN-FACT, THE DEMAND MAY BE SERVED ON THE ATTORNEY-IN-FACT OR AT THE SURETY'S PRINCIPAL OFFICE IN THIS STATE. IF THE SURETY HAS NO ATTORNEY-IN-FACT AND NO PRINCIPAL OFFICE IN THIS STATE, THE DEMAND SHALL BE SERVED ON THE DIRECTOR OF INSURANCE. THE DEMAND MAY NOT EXCEED THE PENAL SUM OF THE PERFORMANCE BOND. MONIES COLLECTED FROM THE SURETY SHALL BE USED TO PAY ANY ADDED COSTS OF COMPLETING THE WORK. ANY DIFFERENCE BETWEEN THE ACTUAL COSTS OF THE WORK AND THE AMOUNT ASSESSED SHALL BE ADVANCED BY THE DISTRICT, WHICH SHALL USE ITS CONTINGENCY FUND OR ANY OTHER AVAILABLE MONIES TO PAY THE NEW CONTRACTOR. THE DISTRICT SHALL REIMBURSE ITSELF FROM THE AMOUNTS PAID BY THE FORMER CONTRACTOR OR ITS SURETY OR FROM ASSESSMENTS AND BONDS WHEN MONIES BECOME AVAILABLE. ALL ADDITIONAL COSTS OF THE WORK NOT RECEIVED FROM THE ORIGINAL CONTRACTOR'S SURETY SHALL ULTIMATELY BE ASSESSED AGAINST THE BENEFITING PARCELS OF PROPERTY.

48-2843. Bonds required from contractor

BEFORE EXECUTING THE CONTRACT, THE CONTRACTOR SHALL FILE WITH THE DISTRICT A PERFORMANCE BOND IN THE FORM PRESCRIBED IN SECTION 34-222 AND A PAYMENT BOND IN THE FORM PRESCRIBED IN SECTION 34-223.

48-2844. <u>Diagrams of property affected; estimate of benefits;</u> assessment; warrant

A. THE ENGINEER SHALL MAKE DUPLICATE DIAGRAMS OF THE PROPERTY IN THE ASSESSMENT DISTRICT. THE DIAGRAMS SHALL SHOW EACH SEPARATE LOT, ACRE OR PARCEL OF LAND IN THE ASSESSMENT DISTRICT, NUMBERED CONSECUTIVELY, AND THE LOCATION OF THE LOT, ACRE OR PARCEL IN RELATION TO THE WORK PROPOSED TO BE DONE.

- B. AFTER THE BOARD HAS APPROVED, CERTIFIED AND DATED THE DIAGRAMS, THEY SHALL BE FILED IN THE OFFICE OF THE FLOOD PROTECTION DISTRICT.
- C. AT ANY TIME AFTER A CONTRACT HAS BEEN EXECUTED FOR CONSTRUCTION OF THE FLOOD PROTECTION FACILITY, THE DISTRICT SHALL ESTIMATE OR CAUSE TO BE ESTIMATED ON THE LOTS, ACRES OR PARCELS IN THE ASSESSMENT DISTRICT THE BENEFITS ARISING OR EXPECTED TO ARISE FROM THE WORK. THE DISTRICT SHALL THEN MAKE AN ASSESSMENT TO COVER THE AMOUNT DUE FOR THE WORK PERFORMED AND SPECIFIED IN THE CONTRACT FOR CONSTRUCTION OF THE FLOOD PROTECTION FACILITY, INCLUDING INCIDENTAL EXPENSES, AND SHALL ASSESS AGAINST THE LOTS, ACRES AND PARCELS THE TOTAL AMOUNT OF THE COSTS AND EXPENSES OF THE WORK. IN SO DOING THE DISTRICT SHALL ASSESS THE TOTAL AMOUNT ON THE SEVERAL LOTS, ACRES OR PARCELS, EACH RESPECTIVELY IN PROPORTION TO THE RESPECTIVE BENEFITS TO BE RECEIVED.
- D. THE ASSESSMENT SHALL COVER THE AMOUNT DUE FOR THE WORK PERFORMED AS SPECIFIED IN THE CONTRACT AND SHALL INCLUDE INCIDENTAL EXPENSES. THE INCIDENTAL EXPENSES SHALL INCLUDE THE COMPENSATION OF THE DISTRICT ENGINEER FOR ITS WORK, THE COST OF PRINTING, ADVERTISING AND POSTING, THE COMPENSATION OF THE PERSON APPOINTED BY THE DISTRICT TO TAKE CHARGE OF AND DIRECT THE CONSTRUCTION OF THE IMPROVEMENT ON BEHALF OF THE FLOOD PROTECTION DISTRICT, THE EXPENSES OF MAKING THE ASSESSMENT, THE INTEREST ON THE BONDS FOR A PERIOD NOT LONGER THAN THE EXPECTED PERIOD OF CONSTRUCTION AND ONE YEAR BEYOND, ALL

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COSTS INCURRED BY THE DISTRICT WITH RESPECT TO THE FLOOD PROTECTION FACILITY, OR THE PROCEEDINGS LEADING TO THE ASSESSMENT THAT MUST BE REPAID TO THE COUNTY AND ALL LEGAL AND FINANCIAL FEES, EXPENSES AND COSTS INCURRED IN DRAFTING THE PROCEEDINGS AND IN THE SALE OF THE BONDS, INCLUDING ANY INITIAL ISSUE DISCOUNT ON THE BONDS. THE AMOUNT OF INCIDENTAL EXPENSES SHALL BE SETTLED AND ALLOWED BY THE BOARD, OR THE DISTRICT'S REPRESENTATIVE SPECIFICALLY APPOINTED BY THE BOARD FOR SUCH PURPOSE, ON PRESENTATION OF ITEMIZED BILLS.

- E. THE ASSESSMENT SHALL BRIEFLY REFER TO THE CONTRACT AND SHALL NAME THE CONTRACTOR AND THE CONTRACTOR'S SURETY, THE AMOUNT TO BE PAID PURSUANT TO THE CONTRACT AND ALL INCIDENTAL EXPENSES, THE AMOUNT OF EACH ASSESSMENT, THE NAME OF THE OWNER OF EACH LOT, ACRE OR PARCEL, IF KNOWN, AND IF UNKNOWN THE WORD "UNKNOWN" SHALL BE WRITTEN OPPOSITE THE NUMBER OF THE ASSESSMENT, TOGETHER WITH THE AMOUNT ASSESSED ON THE LOT, ACRE OR PARCEL. THE DISTRICT SHALL LIST THE NAMES OF OWNERS AS SHOWN ON THE MOST RECENT CERTIFIED COUNTY ASSESSMENT ROLL AND ANY OTHER PERSON OF WHOM THE DISTRICT HAS PERSONAL KNOWLEDGE THAT MAY BE THE OWNER OF THE RESPECTIVE LOT, ACRE OR PARCEL. THE ASSESSMENTS ON THE LOTS, ACRES OR PARCELS SHALL BE CONSECUTIVELY NUMBERED, AND THE DIAGRAM SHALL BE NUMBERED TO CORRESPOND WITH THE ASSESSMENT NUMBERS.
- F. A WARRANT SHALL BE ATTACHED TO THE ASSESSMENT SIGNED BY THE CHAIRPERSON OR PRESIDENT OF THE BOARD, WHICH SHALL BE SUBSTANTIALLY IN THE FOLLOWING FORM:
 - I (NAME OF CHAIRPERSON OR PRESIDENT OF BOARD OF DIRECTORS), OF THE (NAME OF FLOOD PROTECTION DISTRICT AND COUNTY), STATE OF ARIZONA, BY VIRTUE OF THE AUTHORITY VESTED IN ME AS CHAIRPERSON OR PRESIDENT, AUTHORIZE AND EMPOWER (NAME OF PERSON NOMINATED BY THE BOARD TO COLLECT THE SEVERAL ASSESSMENTS BY MAKING CASH DEMANDS ON THE OWNERS), OR HIS OR HER AGENTS, TO DEMAND AND RECEIVE THE SEVERAL ASSESSMENTS ON THE ASSESSMENT ATTACHED, AND THIS SHALL BE HIS OR HER WARRANT FOR THE SAME.
- G. THE WARRANT AND ASSESSMENT SHALL BE RECORDED IN THE DISTRICT'S OFFICE AND ONE DIAGRAM SHALL BE FILED NOT EARLIER THAN THE DATE OF EXECUTION OF THE CONTRACT. WHEN RECORDED, THE SEVERAL AMOUNTS ASSESSED ARE A FIRST LIEN ON THE LOTS, ACRES OR PARCELS ASSESSED SUBJECT ONLY TO THE LIEN FOR GENERAL PROPERTY TAXES, BUT COEQUAL WITH PRIOR SPECIAL ASSESSMENTS, FOR A PERIOD BEGINNING ON THE DATE OF RECORDING AND TERMINATING ON THE DATE THE ASSESSMENT AGAINST THE RESPECTIVE LOT, ACRE OR PARCEL IS PAID IN FULL. THE RECORDING CONSTITUTES NOTICE TO ALL PERSONS INTERESTED IN THE CONTENTS OF THE RECORD. THE BOARD ALSO MAY ORDER THAT NOTICE OF THE RECORDING OF THE ASSESSMENT IN THE OFFICE OF THE DISTRICT BE RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY IN WHICH THE FLOOD PROTECTION DISTRICT IS LOCATED. IF NOTICE IS RECORDED IN THE OFFICE OF THE COUNTY RECORDER, IT SHALL BE SUFFICIENT TO STATE THE BOUNDARIES OF THE ASSESSMENT DISTRICT OR ATTACH A MAP SHOWING THE BOUNDARIES AND REFER TO THE ACTUAL RECORDING OF THE WARRANT AND ASSESSMENT AT THE DISTRICT'S OFFICE. FAILURE TO FILE SUCH A

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NOTICE WITH THE COUNTY RECORDER SHALL NOT INVALIDATE EITHER THE ASSESSMENT OR THE WARRANT AND SHALL NOT DIMINISH IN ANY MANNER THE SCOPE OF THE NOTICE AFFORDED BY RECORDING THE WARRANT AND ASSESSMENT IN THE DISTRICT OFFICE.

- A. AFTER THE WARRANT AND ASSESSMENT ARE RECORDED PURSUANT TO SECTION 48-2844, THEY SHALL BE DELIVERED TO THE PERSON CHARGED BY THE BOARD WITH THE DUTY OF MAKING DEMANDS FOR THE PAYMENT, TOGETHER WITH ONE OF THE DIAGRAMS. BY VIRTUE OF THE WARRANT, THAT PERSON MAY DEMAND AND RECEIVE THE AMOUNT OF THE SEVERAL ASSESSMENTS.
- B. THE PERSON CHARGED BY THE BOARD SHALL CALL ON THE PERSON ASSESSED, EITHER IN PERSON OR BY MAIL IF THE PERSON CAN CONVENIENTLY BE FOUND, AND DEMAND PAYMENT, AND IF PAID THE PERSON NOMINATED BY THE BOARD SHALL PROVIDE A RECEIPT. THE RECEIPT, WHEN PRESENTED TO THE DISTRICT, CONSTITUTES AN ORDER TO IT TO RELEASE THE ASSESSMENT. A COPY OF THE RECEIPT SHALL BE KEPT ON FILE AT THE DISTRICT OFFICE.
- C. THE PERSON NOMINATED BY THE BOARD SHALL PROMPTLY NOTIFY THE DISTRICT OF ALL PAYMENTS RECEIVED, AND THE DISTRICT SHALL RELEASE ALL ASSESSMENTS THAT HAVE BEEN FULLY PAID. IF THE NAME OF THE OWNER OF THE LOT, ACRE OR PARCEL IS STATED ON THE ASSESSMENT AS "UNKNOWN", THE PERSON NOMINATED BY THE BOARD SHALL DEMAND PAYMENT OF A PERSON IN POSSESSION OF THE LOT, ACRE OR PARCEL. IF SOMEONE IS IN POSSESSION, THE DEMAND MAY BE MADE EITHER BY MAIL, IF A MAILING ADDRESS FOR THE PERSON IN POSSESSION CAN BE DETERMINED, OR IN PERSON. IF THE PREMISES ARE UNOCCUPIED OR THE PERSON IN POSSESSION CANNOT BE FOUND, THE DEMAND IS UNNECESSARY.
- D. THE WARRANT SHALL BE RETURNED TO THE BOARD WITHIN THIRTY DAYS AFTER ITS DATE ENDORSED WITH "RETURN", SIGNED BY THE PERSON NOMINATED BY THE BOARD, VERIFIED ON OATH AND STATING THE NATURE AND CHARACTER OF THE DEMAND, WHETHER ANY ASSESSMENTS REMAIN WHOLLY OR PARTIALLY UNPAID AND THE AMOUNT OF ANY UNPAID ASSESSMENTS. IN THE ABSENCE OF FRAUD OR BAD FAITH, THE VERIFIED STATEMENT OF THE PERSON MAKING THE RETURN IS CONCLUSIVE PROOF THAT THE DEMAND FOR PAYMENT WAS MADE ON EACH OWNER OR EACH PERSON IN POSSESSION OF EACH LOT, ACRE OR PARCEL OF PROPERTY AS REQUIRED BY THIS SECTION. THE BOARD SHALL RECORD THE RETURN IN THE MARGIN OF THE RECORD OF THE WARRANT AND ASSESSMENT. AFTER RETURN OF THE ASSESSMENT AND WARRANT, ALL AMOUNTS REMAINING DUE SHALL DRAW INTEREST AT THE MAXIMUM RATE SPECIFIED IN THE RESOLUTION OF INTENTION UNTIL PAID OR, ON THE ISSUANCE OF BONDS, AT THE RATE SPECIFIED IN THE BONDS PAYABLE FOR THE SEMIANNUAL PERIODS SPECIFIED IN THE BONDS, NOTWITHSTANDING THAT THE INSTALLMENTS OF ASSESSMENTS MAY BE DUE AT DATES EARLIER THAN THE DATES INSTALLMENTS OF PRINCIPAL OR INTEREST ARE PAYABLE ON THE BONDS.
- E. ON RECORDING THE ASSESSMENT AND WARRANT, THE BOARD SHALL FIX A TIME WHEN IT WILL HEAR AND CONSIDER THE ASSESSMENT AND THE PROCEEDINGS TAKEN, WHICH SHALL BE AT LEAST TWENTY DAYS AFTER THE DATE OF THE RECORDING. THE BOARD SHALL PUBLISH NOTICE OF THE HEARING FOR FIVE DAYS IN A DAILY NEWSPAPER

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OR TWO TIMES IN A WEEKLY OR SEMIWEEKLY NEWSPAPER OF GENERAL CIRCULATION IN THE FLOOD PROTECTION DISTRICT. THE BOARD SHALL SEND NOTICES OF THE TIME AND PLACE OF THE HEARING BY FIRST CLASS MAIL AT LEAST TWENTY DAYS BEFORE THE HEARING DATE TO THE CONTRACTOR AT THE ADDRESS SHOWN IN THE CONTRACT, AND TO ALL PERSONS OWNING REAL PROPERTY AFFECTED BY THE ASSESSMENTS AS THEIR NAMES AND ADDRESSES APPEAR ON THE LAST CERTIFIED PROPERTY TAX ROLL. ON REQUEST OF THE DISTRICT, THE COUNTY ASSESSOR SHALL PROVIDE THE NAMES AND ADDRESSES AS SHOWN ON THE LAST CERTIFIED TAX ROLL. IF NO ADDRESS APPEARS FOR A PERSON ON THE LAST CERTIFIED TAX ROLL, NO NOTICE NEED BE MAILED TO THAT PERSON. THE CHAIRPERSON OF THE BOARD SHALL MAKE AN AFFIDAVIT OF THE MAILING AND SHALL STATE THAT THE PERSONS TO WHOM NOTICES WERE MAILED CONSTITUTE ALL PERSONS WHOSE NAMES AND ADDRESSES APPEAR ON THE TAX ROLL AS OWNING PROPERTY IN THE AREA ASSESSED OR THE ASSESSMENT DISTRICT. AS APPLICABLE. THE AFFIDAVIT IS CONCLUSIVE PROOF THAT NOTICE WAS MAILED TO EACH PERSON TO WHOM NOTICE IS REQUIRED TO BE MAILED. THE FAILURE TO RECEIVE NOTICE DOES NOT CONSTITUTE ANY JURISDICTIONAL DEFECT INVALIDATING A DISTRICT PROCEEDING OR ASSESSMENT IF NOTICE HAS BEEN GIVEN PURSUANT TO THIS SUBSECTION.

- F. BEFORE THE TIME FIXED FOR THE HEARING, ANY OWNER, CONTRACTOR OR OTHER PERSON DIRECTLY INTERESTED IN THE WORK OR IN THE ASSESSMENT WHO HAS ANY OBJECTION TO THE AMOUNT OR LEGALITY OF THE ASSESSMENT OR TO ANY OF THE PREVIOUS PROCEEDINGS, OR WHO CLAIMS THAT THE WORK HAS NOT BEEN PERFORMED ACCORDING TO THE CONTRACT, MAY FILE A WRITTEN NOTICE BRIEFLY SPECIFYING THE GROUNDS OF THE OBJECTION. AT THE TIME FIXED FOR THE HEARING OR AT ANY TIME WITHIN TEN DAYS AFTER THE ORIGINAL HEARING DATE, DURING WHICH THE HEARING MAY BE POSTPONED, THE BOARD SHALL HEAR AND CONSIDER ALL SUCH OBJECTIONS. THE DECISION OF THE BOARD IS FINAL AND CONCLUSIVE ON ALL PERSONS ENTITLED TO OBJECT AS TO ALL ERRORS, INFORMALITIES AND IRREGULARITIES THAT THE BOARD MAY HAVE REMEDIED OR AVOIDED AT ANY TIME DURING THE PROCEEDINGS.
- G. AFTER THE HEARING, IF THE BOARD OF DIRECTORS FINDS THAT THE ASSESSMENT HAS NOT YET BEEN FAIRLY APPORTIONED, IT SHALL MODIFY THE AMOUNTS OF THE SEVERAL ASSESSMENTS AND MAY ORDER THAT THE ASSESSMENT BE RECOMPUTED IF IT FINDS THAT THE BENEFITS TO ANY LOTS, ACRES OR PARCELS DO NOT EQUAL THE AMOUNT ASSESSED AGAINST THE LOT, ACRE OR PARCEL. WHEN RECOMPUTING THE ASSESSMENT, THE BOARD SHALL LEVY THE REASSESSMENTS ACCORDING TO THE BENEFITS DERIVED, NOTWITHSTANDING THAT THE REDUCTION OF ANY ASSESSMENT MAY CAUSE A CORRESPONDING INCREASE IN OTHER ASSESSMENTS.
- H. AT ANY TIME WITHIN ONE YEAR AFTER THE DATE THE DISTRICT FILES THE CERTIFICATE OF SUBSTANTIAL COMPLETION AS PROVIDED IN SECTION 48-2851, SUBSECTION G, ANY MEMBER OF THE BOARD OF DIRECTORS, ANY OWNER OR ANY PERSON CLAIMING AN INTEREST IN ANY ASSESSED LOT, ACRE OR PARCEL MAY FILE A WRITTEN NOTICE WITH THE CLERK STATING THAT THE WORK HAS NOT BEEN PERFORMED SUBSTANTIALLY ACCORDING TO THE RESOLUTION OF INTENTION OR THE PLANS, SPECIFICATIONS AND CONTRACT FOR CONSTRUCTION OF THE FLOOD PROTECTION FACILITY. THE NOTICE SHALL STATE IN PARTICULAR THE CONTRACTOR'S FAILURE TO PERFORM AND MAY ALSO STATE, IF APPLICABLE, ANY REQUESTED REDUCTION IN THE

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ASSESSMENT OF ANY ONE OR MORE PARCELS DUE SOLELY TO THE FAILURE OF SUCH PERFORMANCE. THE NOTICE SHALL STATE THE NAME AND ADDRESS OF THE PERSON FILING THE NOTICE AND SHALL DESCRIBE THE PERSON'S INTEREST IN LAND SUBJECT TO ASSESSMENT, IF APPLICABLE.

- I. ON RECEIPT OF A NOTICE PURSUANT TO SUBSECTION H OF THIS SECTION, THE BOARD OF DIRECTORS SHALL SET A DATE FOR A HEARING ON THE NOTICE. THE BOARD OF DIRECTORS SHALL GIVE NOTICE OF THE HEARING TO THE CONTRACTOR, THE CONTRACTOR'S SURETY, THE PERSON APPOINTED TO TAKE CHARGE OF AND DIRECT THE WORK AND ALL PERSONS WHOSE NAMES AND ADDRESSES APPEAR IN THE NOTICE. THE CLERK SHALL PUBLISH A NOTICE OF THE HEARING TWICE IN A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY.
- J. AT THE HEARING, THE BOARD SHALL DETERMINE WHETHER THE WORK WAS COMPLETED ACCORDING TO THE RESOLUTION OF INTENTION. THE PLANS. SPECIFICATIONS AND CONTRACT FOR CONSTRUCTION OF THE FLOOD PROTECTION FACILITY AND ANY CORRECTIONS OR ALTERATIONS OF THE PLANS DEEMED NECESSARY. IF THE BOARD DETERMINES THAT THE WORK HAS NOT BEEN SO COMPLETED, IT SHALL ORDER THE CONTRACTOR TO COMPLETE THE WORK, SET A REASONABLE TIME FOR COMPLETION AND RECESS THE HEARING UNTIL THE DATE SET FOR COMPLETION. IF, AT THE DATE SET TO RECONVENE THE HEARING, THE EVIDENCE SHOWS THAT THE WORK IS THEN COMPLETED, THE BOARD SHALL ENTER THOSE FINDINGS ON ITS MINUTES. IF THE BOARD DETERMINES THAT THE CONTRACTOR IS MAKING A GOOD FAITH ATTEMPT TO COMPLETE THE WORK, IT MAY CONTINUE THE COMPLETION DATE AND RECESS THE HEARING TO A LATER DATE. IF, AT THE HEARING OR AT ANY RECESSED HEARING, THE BOARD OF DIRECTORS FINDS THAT THE CONTRACTOR REFUSES TO COMPLETE OR IS INCAPABLE OF COMPLETING THE WORK, THE BOARD SHALL ORDER AND THE DISTRICT'S ATTORNEY SHALL BRING AN ACTION AGAINST THE CONTRACTOR AND ITS SURETY TO COLLECT SUCH AMOUNTS OR CAUSE SUCH PERFORMANCE AS IS NECESSARY TO COMPLETE THE WORK.
- K. IF THE BOARD DETERMINES THAT FOR ANY REASON THE WORK CANNOT BE COMPLETED AND NO RECOVERY CAN BE MADE AGAINST THE CONTRACTOR OR THE CONTRACTOR'S SURETY, THE BOARD MAY RECOMPUTE THE ASSESSMENT, TAKING INTO CONSIDERATION THE EFFECT THE CONTRACTOR'S FAILURE TO PERFORM MAY HAVE HAD ON THE ACTUAL BENEFITS DERIVED FROM THE IMPROVEMENT, AND REDUCE SOME OR ALL ASSESSMENTS TO REFLECT THE REDUCED BENEFITS. IF THE ASSESSMENTS ARE REDUCED, THE DISTRICT SHALL ASSUME AS A CONTINGENT LIABILITY ANY DIFFERENCE BETWEEN THE AMOUNTS THEREAFTER RECEIVED ON THE SEMIANNUAL ASSESSMENT PAYMENTS AND THE AMOUNTS OF PRINCIPAL AND INTEREST THEREAFTER DUE ON THE BONDS. THE ASSUMPTION OF THAT AMOUNT SHALL BE A CONTINGENT GENERAL OBLIGATION OF THE DISTRICT.
- L. ALL DECISIONS MADE CONCERNING ANY NOTICE FILED PURSUANT TO THIS SECTION ARE FINAL AND CONCLUSIVE AS TO THE PERSONS FILING THE NOTICE, THE CONTRACTOR AND THE CONTRACTOR'S SURETY AND AS TO THE ALLEGED DEFECT, OR DEFECTS, IN THE WORK. AFTER A RULING ON ANY ALLEGED DEFECT, OR DEFECTS, IN THE WORK, THE BOARD SHALL NOT CONSIDER OR HEAR A LATER NOTICE CONCERNING THE SAME DEFECT, WHETHER OR NOT FILED BY A PERSON OTHER THAN THE PERSON FILING THE ORIGINAL NOTICE.

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M. AFTER THE WORK IS COMPLETED, THE DISTRICT SHALL FILE A RECOMPUTED ASSESSMENT BASED ON THE ACTUAL QUANTITIES DETERMINED BY THE ENGINEER TO HAVE BEEN CONSTRUCTED OR INSTALLED, OR THE ACTUAL COST OF THE ACQUISITION, TOGETHER WITH THE KNOWN INCIDENTAL EXPENSES PAID TO THAT DATE AND THE ITEMIZED ESTIMATED INCIDENTAL EXPENSES REMAINING TO BE PAID. THE ENGINEER NEED NOT RECOMPUTE EACH INDIVIDUAL ASSESSMENT BUT SHALL DETERMINE THE AMOUNT OF THE INCREASE OR DECREASE TO BE ASSESSED AND SHALL FILE A SUPPLEMENTAL STATEMENT WITH THE CLERK STATING THE RATIO OF THE DIFFERENCE BETWEEN THE CONTRACTOR'S BID AND THE RECAPITULATED AMOUNT AND ORDERING THAT EACH ASSESSMENT BE INCREASED OR DECREASED BY THAT RATIO. IF THE TOTAL ASSESSMENT IS DECREASED, THE TREASURER SHALL CREDIT THE AMOUNT OF THE DECREASE PROPORTIONATELY ON THE ASSESSMENTS REMAINING UNPAID AND RETURN TO THE OWNER, IF THE OWNER CAN BE LOCATED, THAT PORTION OF EACH ASSESSMENT PREVIOUSLY PAID IN CASH THAT REPRESENTS AN EXCESS PAYMENT.

48-2846. Action against property owner to collect assessment

- A. IF THE OWNER OF A LOT, ACRE OR PARCEL OF PROPERTY THAT RECEIVED AN ASSESSMENT FILES A REQUEST THAT NO BONDS BE ISSUED AGAINST THE OWNER'S LOT, ACRE OR PARCEL, AT ANY TIME AFTER THIRTY-FIVE DAYS FROM THE DATE OF THE WARRANT, THE DISTRICT MAY SUE THE OWNER OF THE LOT, ACRE OR PARCEL ASSESSED AND RECOVER THE AMOUNT OF AN ASSESSMENT REMAINING UNPAID WITH INTEREST AT THE MAXIMUM RATE SPECIFIED IN THE RESOLUTION OF INTENTION UNTIL PAID OR FORECLOSE THE LIEN OF THE ASSESSMENT.
- B. IF PERSONAL DEMAND HAS BEEN MADE AND THE OWNER HAS REFUSED TO PAY THE ASSESSMENT SO DEMANDED, THE DISTRICT MAY RECOVER REASONABLE ATTORNEY FEES.
- C. ONLY ONE ACTION SHALL BE BROUGHT TO FORECLOSE LIENS ARISING UNDER A SINGLE PROCEEDING AGAINST THE SAME DEFENDANT.
- D. THE WARRANT, ASSESSMENT AND DIAGRAM, WITH THE AFFIDAVIT OF DEMAND AND NONPAYMENT, ARE PRIMA FACIE EVIDENCE OF THE REGULARITY AND CORRECTNESS OF THE ASSESSMENT AND OF THE PRIOR PROCEEDINGS AND ACTS OF THE BOARD ON WHICH THE WARRANT, ASSESSMENT AND DIAGRAM ARE BASED AND ARE ALSO EVIDENCE OF THE RIGHT OF THE DISTRICT TO RECOVER.

48-2847. <u>Invalidity of liens or bonds; extent of validity;</u>
means to secure interest of persons damaged

A. IF THE LIEN OF AN ASSESSMENT OR REASSESSMENT OR OF A BOND ISSUED TO REPRESENT THE AMOUNT ASSESSED ON ANY LOT, ACRE OR PARCEL IS HELD INVALID BY A COURT BECAUSE A PORTION OF THE IMPROVEMENT ORDERED WAS NOT WITHIN THE POWER OF THE BOARD TO ORDER OR WAS NOT PROPERLY EMBRACED IN THE CONTRACT FOR THE WORK OR IN THE ASSESSMENT MADE TO COVER THE EXPENSES, THE DISTRICT OR THE HOLDER OF A BOND SECURED BY SUCH ASSESSMENT IS ENTITLED TO A JUDGMENT DETERMINING WHAT PORTION OF THE ASSESSMENT IS LEGAL. THE DISTRICT, WITHIN SIXTY DAYS AND PURSUANT TO THE DIRECTIONS OF THE JUDGMENT, SHALL ISSUE A NEW ASSESSMENT FOR AN AMOUNT THE COURT FINDS IS THE REASONABLE VALUE OF THE PORTION OF THE IMPROVEMENT LEGALLY AUTHORIZED BY THE PROCEEDINGS. THIS AMOUNT SHALL BE REASSESSED AGAINST THE PROPERTY IN THE SAME MANNER AND WITH

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THE SAME EFFECT AS PROVIDED FOR ISSUING THE ORIGINAL ASSESSMENT, AND MAY BE ENFORCED AS AN ORIGINAL ASSESSMENT.

B. IF THE LIEN OF AN ASSESSMENT OR OF A BOND ISSUED FOR AN ASSESSMENT AMOUNT IS HELD INVALID BY A COURT FOR ANY CAUSE ARISING AFTER THE AUTHORITY OF THE BOARD ATTACHES TO ORDER THE WORK, OR IF THE LIEN IS DEFEATED OR HELD INVALID FOR ANY CAUSE, AND IT ALSO APPEARS THAT THE OWNER OF THE PROPERTY AT THE TIME THAT THE NOTICE OF THE AWARD OF THE CONTRACT WAS PUBLISHED HAD PERSONAL KNOWLEDGE OF THE INTENTION TO ORDER THE AWARD OF THE CONTRACT AND HAS NOT FILED AN OBJECTION TO THE AWARD OF THE CONTRACT, THE DISTRICT SHALL RECOVER A JUDGMENT CONFIRMING THE LIEN OF THAT ASSESSMENT ON THE LOT, ACRE OR PARCEL COVERED BY THE ASSESSMENT IN AN AMOUNT THE COURT FINDS THE LOT, ACRE OR PARCEL TO HAVE ACTUALLY BENEFITED FROM THE FLOOD PROTECTION FACILITY, NOT EXCEEDING THE AMOUNT THAT WOULD HAVE BEEN PROPERLY ASSESSED AGAINST THE LOT, ACRE OR PARCEL.

48-2848. Correctness of assessment; reallocation of assessment

A. AFTER AN ASSESSMENT HAS BEEN APPROVED BY THE BOARD, ALL PERSONS HAVING AN INTEREST IN ANY LOT, ACRE OR PARCEL ASSESSED MAY REQUEST THE BOARD IN WRITING TO MODIFY OR CORRECT AN ASSESSMENT. THE BOARD MAY ORDER SUCH A MODIFICATION OR CORRECTION OF THE ASSESSMENT, ON THE RECORD, TOGETHER WITH THE DATE IT IS MADE. THE MODIFICATION OR CORRECTION UNDER THIS SUBSECTION DOES NOT AFFECT THE RIGHTS OF PERSONS UNDER THE ASSESSMENT WHO HAVE NOT JOINED IN THE REQUEST.

- B. THE BOARD MAY REALLOCATE ALL OR PART OF AN ASSESSMENT AS FOLLOWS:
- 1. THE BOARD SHALL PREPARE A LIST OF ALL ASSESSMENTS TO BE REALLOCATED, INCLUDING:
- (a) THE ASSESSMENT NUMBER AND LEGAL DESCRIPTION OF AND THE AMOUNT ASSESSED ON EACH AFFECTED PARCEL BEFORE THE REALLOCATION.
- (b) THE ASSESSMENT NUMBER AND LEGAL DESCRIPTION OF EACH AFFECTED PARCEL AND THE NAME AND ADDRESS OF THE OWNER AS SHOWN ON THE MOST RECENT TAX ROLL.
 - (c) THE AMOUNT TO BE ASSESSED ON EACH PARCEL AFTER REALLOCATION.
- 2. THE BOARD SHALL PREPARE AN AMENDMENT TO THE ASSESSMENT DIAGRAM REFLECTING THE NEW ASSESSMENT NUMBERS AND PARCEL BOUNDARIES.
- 3. THE BOARD SHALL MAIL A NOTICE TO EACH OWNER OF AN AFFECTED PARCEL SHOWING THE PROPOSED REALLOCATION AND STATING THAT THE OWNER MAY FILE A WRITTEN OBJECTION TO THE REALLOCATION WITHIN TWENTY DAYS AFTER THE NOTICE WAS MAILED.
- 4. IF NO OBJECTIONS ARE RECEIVED WITHIN TWENTY DAYS AFTER THE NOTICE IS MAILED, THE BOARD MAY APPROVE THE PROPOSED REALLOCATION. IF TIMELY OBJECTIONS ARE RECEIVED, THE BOARD SHALL HOLD A HEARING ON THE OBJECTIONS. THE BOARD SHALL MAIL NOTICE OF THE HEARING TO ALL AFFECTED OWNERS AT LEAST TEN DAYS BEFORE THE HEARING. AT THE HEARING, THE OBJECTING PARTIES SHALL PRESENT EVIDENCE SUPPORTING THEIR OBJECTIONS. AFTER THE HEARING, THE BOARD SHALL RULE ON ALL OBJECTIONS RECEIVED AND MAY APPROVE THE PROPOSED REALLOCATION OR MAY MAKE CHANGES TO THE REALLOCATION AS THE BOARD CONSIDERS

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NECESSARY, AND APPROVE THE REALLOCATION AS CHANGED. THE BOARD SHALL ALSO APPROVE THE AMENDMENT TO THE ASSESSMENT DIAGRAM AS SUBMITTED OR WITH CHANGES THE BOARD CONSIDERS TO BE NECESSARY.

- 5. THE BOARD SHALL ISSUE AN ORDER ON THE RECORD APPROVING THE REALLOCATED ASSESSMENT AND AMENDED ASSESSMENT DIAGRAM.
- 6. THE AMOUNT ASSESSED IMMEDIATELY AFTER THE REALLOCATION SHALL BE EQUAL TO THE AMOUNT ASSESSED IMMEDIATELY BEFORE THE REALLOCATION.
- 7. AS A CONDITION TO REALLOCATION, THE BOARD MAY REQUIRE THE AFFECTED PROPERTY OWNERS TO PAY THE COSTS OF REALLOCATION, INCLUDING ENGINEERING AND LEGAL COSTS, OR MAY INCLUDE THE COSTS IN THE AMOUNT ASSESSED AGAINST THE AFFECTED PARCELS. THE COSTS ARE DUE AND PAYABLE AS PART OF THE NEXT INSTALLMENT OF THE ASSESSMENT.

48-2849. <u>Issuance of improvement bonds</u>; fund for payment of bonds

- A. THE BOARD MAY DETERMINE THAT IMPROVEMENT BONDS SHALL BE ISSUED FOR THE COST AND EXPENSE OF THE FLOOD PROTECTION FACILITY. THE BONDS SHALL BE ISSUED IN THE NAME OF THE FLOOD PROTECTION DISTRICT BUT SHALL BE MADE PAYABLE ONLY FROM THE SPECIAL FUND COLLECTED BY THE FLOOD PROTECTION DISTRICT FROM SPECIAL ASSESSMENTS LEVIED AND ASSESSED ON THE LOTS, ACRES OR PARCELS FRONTING ON THE FLOOD PROTECTION FACILITY OR, IF AN ASSESSMENT DISTRICT HAS BEEN CREATED BY THE RESOLUTION OF INTENTION FOR THE WORK, ON THE LOTS, ACRES OR PARCELS INCLUDED IN THE ASSESSMENT DISTRICT.
- B. ALL AMOUNTS COLLECTED FROM THE SPECIAL ASSESSMENTS SHALL BE PLACED IN THE SPECIAL FUND AND SHALL NOT BE USED FOR ANY PURPOSE OTHER THAN PAYMENT OF THE PRINCIPAL AND INTEREST OF THE BONDS.

48-2850. <u>Description of improvement bonds in resolution and notices</u>

- A. IF THE BOARD DETERMINES THAT IMPROVEMENT BONDS SHALL BE ISSUED, IT SHALL STATE THIS IN THE RESOLUTION OF INTENTION FOR THE WORK AND SHALL SPECIFY THE MAXIMUM RATE OF INTEREST THE BONDS MAY BEAR. A SIMILAR DESCRIPTION OF THE BONDS SHALL BE INSERTED IN ALL NOTICES OF THE PROCEEDINGS REQUIRED TO BE PUBLISHED, POSTED OR MAILED AND A NOTICE THAT THE BONDS WILL BE PAID FROM A SPECIAL FUND COLLECTED IN NOT MORE THAN FORTY ANNUAL INSTALLMENTS FROM THE ASSESSMENTS REMAINING UNPAID AT THE DATE OF THE ISSUANCE OF THE BONDS OR THIRTY DAYS AFTER THE DATE OF THE WARRANT, OR FIVE DAYS AFTER THE DECISION OF THE BOARD ON AN OBJECTION TO THE ASSESSMENT.
- B. ALL OTHER PROCEEDINGS FOR THE WORK UP TO AND INCLUDING THE APPROVAL OF THE ASSESSMENT BY THE BOARD, INCLUDING DEMAND FOR PAYMENT OF THE SEVERAL ASSESSMENTS AND THE RETURN AND RECORDING, SHALL BE CONDUCTED AS PROVIDED IN THIS ARTICLE.

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48-2851. <u>List of unpaid assessments; issuance of bonds;</u> <u>denominations; due date; certificate of completion</u>
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A. AFTER THE PRESCRIBED TIME FROM THE DATE OF THE WARRANT HAS EXPIRED AND AFTER THE FLOOD PROTECTION DISTRICT HAS RECORDED THE RETURN, THE BOARD SHALL MAKE AND CERTIFY A COMPLETE LIST OF ALL UNPAID ASSESSMENTS.

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- B. IF ANY PERSON, BEFORE CERTIFICATION OF THE LIST, PRESENTS TO THE BOARD AN AFFIDAVIT THAT THE PERSON IS THE OWNER OF A LOT, ACRE OR PARCEL ON THE LIST, ACCOMPANIED BY THE CERTIFICATE OF A SEARCHER OF RECORD THAT THE PERSON IS THE OWNER OF RECORD, AND NOTIFIES THE BOARD, IN WRITING, THAT THE OWNER DESIRES NO BOND TO BE ISSUED FOR THE ASSESSMENT ON THE LOT, ACRE OR PARCEL, THE ASSESSMENT SHALL NOT BE INCLUDED IN THE LIST AND SHALL REMAIN COLLECTIBLE AS PROVIDED IN THIS ARTICLE. THE FAILURE TO FILE THE NOTICE BARS ANY DEFENSE AGAINST THE BONDS EXCEPT FOR THE DEFENSE THAT THE BOARD DID NOT HAVE AUTHORITY TO ISSUE THE BONDS.
- C. THE CLERK SHALL PRESENT THE LIST TO THE DISTRICT AT ITS NEXT MEETING AFTER THE RETURN HAS BEEN RECORDED. AT ANY TIME AFTER AWARDING A CONTRACT FOR CONSTRUCTION OR ACQUISITION, THE DISTRICT, BY RESOLUTION, MAY DIRECT IMPROVEMENT BONDS TO BE ISSUED IN AN AMOUNT THAT DOES NOT EXCEED THE AMOUNT OF UNPAID ASSESSMENTS AS MAY BE SHOWN ON THE CERTIFIED LIST OF UNPAID THE RESOLUTION SHALL PRESCRIBE THE MAXIMUM NUMBER AND DENOMINATION OF THE BONDS AND THE TIMES WHEN PAYABLE, WHICH SHALL BE FIXED SO THAT AN APPROXIMATELY EQUAL AMOUNT OF PRINCIPAL IS PAID EACH YEAR OR ANY APPROXIMATELY EQUAL AGGREGATE AMOUNT OF PRINCIPAL AND INTEREST IS PAID EACH YEAR UNTIL THE WHOLE AMOUNT IS PAID. THE BONDS SHALL MATURE IN A PERIOD THAT DOES NOT EXCEED FORTY YEARS AND THREE MONTHS FROM THE DATE OF THE BONDS. THE DENOMINATIONS OF THE BONDS SHALL BE FIXED BY THE DISTRICT. THE DISTRICT MAY PROVIDE IN THE FORM OF THE BOND FOR REDEMPTION BEFORE MATURITY BY GIVING SUCH NOTICE AS THE DISTRICT DETERMINES TO BE REASONABLE AND BY THE PAYMENT OF A PREMIUM AT REDEMPTION IF THE DISTRICT DETERMINES A PREMIUM IS ADVISABLE. THE RESOLUTION SHALL ALSO FIX THE PLACE, IF ANY, OTHER THAN THE OFFICE OF THE TREASURER, AT WHICH THE BONDS AND THE INTEREST ARE PAYABLE. THE BOARD MAY ISSUE FULLY REGISTERED BONDS AND MAY ISSUE BONDS REGISTERED IN THE NOMINEE NAME OF A DEPOSITORY TO PROVIDE FOR A BOOK ENTRY SYSTEM TO ADMINISTER REGISTRATION AND PAYMENT OF PRINCIPAL, PREMIUM, IF ANY, AND INTEREST ON THE BONDS.
- D. THE BONDS SHALL BE ISSUED AS OF THE DATE DETERMINED BY THE DISTRICT AND SHALL BEAR INTEREST FROM THAT DATE AT THE RATE NOT TO EXCEED THAT SPECIFIED IN THE RESOLUTION OF INTENTION. THE BONDS SHALL HAVE SEMIANNUAL INTEREST PAYMENTS, THE FIRST OF WHICH IS PAYABLE ON JANUARY 1 OR JULY 1, AS THE CASE MAY BE, OCCURRING AT LEAST NINETY DAYS AFTER THE LATER OF THE DATE OF THE BOND OR THE EXPECTED COMPLETION OF THE WORK, AND SHALL BE FOR THE INTEREST ACCRUED AT THAT TIME.
- E. THE DUE DATE OF ALL BONDS IS JANUARY 1 OR JULY 1, AS STATED ON THE FACE OF THE BONDS, IN THE YEARS IN WHICH THEY BECOME DUE, RESPECTIVELY.
- F. THE DISTRICT MAY SELL THE BONDS AT PUBLIC OR PRIVATE SALE AT A PRICE AT, ABOVE OR BELOW PAR AND ACCRUED INTEREST TO THE DATE OF PAYMENT, AND AT AN INTEREST RATE NOT EXCEEDING THE MAXIMUM RATE SET IN THE RESOLUTION OF INTENTION. IF DEEMED NECESSARY BY THE BOARD OF DIRECTORS, A RESERVE FUND MAY BE ESTABLISHED EITHER WITH PROCEEDS FROM THE SALE OF THE BONDS OR BY INCREASING THE COLLECTIONS OF THE ANNUAL INSTALLMENTS OF PRINCIPAL UP TO THE

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 FIRST TEN YEARS THE BONDS ARE OUTSTANDING, OVER AND ABOVE THE AMOUNTS REQUIRED TO PAY MATURING PRINCIPAL ON THE BONDS. THE MONIES IN THE RESERVE FUND MAY BE USED ONLY TO CURE DEFICITS IN THE PRINCIPAL AND INTEREST FUNDS OR TO PAY INTEREST AND PRINCIPAL ON THE FINAL MATURITY OR MATURITIES OF THE BONDS.

- G. THE PROCEEDS FROM THE SALE OF THE BONDS SHALL BE PLACED IN A SPECIAL FUND TO BE HELD BY THE TREASURER AND TO BE USED TO PAY INCIDENTAL EXPENSES AND PAYMENTS FOR CONSTRUCTION OR ACQUISITION. IF THE DISTRICT RECEIVED SEALED PROPOSALS FOR CONSTRUCTION OF THE FLOOD PROTECTION FACILITY, THE PROCEEDS FROM THE SALE OF THE BONDS SHALL BE USED TO MAKE SEMIMONTHLY OR MONTHLY PAYMENTS TO THE CONTRACTOR ON A BASIS OF NINETY PER CENT OF THE VALUE OF THE WORK ACTUALLY PERFORMED AS ESTIMATED BY THE DISTRICT OR ENGINEER EMPLOYED FOR THOSE PURPOSES TO AND INCLUDING THE FIFTEENTH OR LAST DAY OF EACH CALENDAR MONTH. THE BALANCE SHALL BE PAID AFTER THE DISTRICT HAS RECORDED A CERTIFICATE OF SUBSTANTIAL COMPLETION OF THE FLOOD PROTECTION FACILITY, IN THE SAME MANNER AS THE RECORDING OF THE ASSESSMENT. THE DISTRICT SHALL RECORD THE CERTIFICATE ONLY AFTER THE WORK HAS BEEN COMPLETED TO ITS SATISFACTION.
- H. IF CONTRACTING SERVICES ARE PROCURED PURSUANT TO TITLE 34, CHAPTER 6, ARTICLE 1, PROCEEDS FROM THE SALE OF THE BONDS SHALL BE USED TO MAKE MONTHLY PROGRESS PAYMENTS TO THE CONTRACTOR AS PROVIDED IN SECTION 34-607, SUBSECTION B EXCEPT THAT NOTWITHSTANDING ANY PROVISION OF TITLE 34, THE BALANCE SHALL BE PAID AFTER THE WORK IS SUBSTANTIALLY COMPLETE AND THE DISTRICT HAS RECORDED A CERTIFICATE OF SUBSTANTIAL COMPLETION OF THE FLOOD PROTECTION FACILITY IN THE SAME MANNER AS THE RECORDING OF THE ASSESSMENT.
- I. THE DISTRICT SHALL MAIL A COPY OF THE NOTICE OF COMPLETION TO EACH PROPERTY OWNER IN THE SAME MANNER AS THE NOTICE OF HEARING ON THE ASSESSMENT. PENDING USE OF THE BOND PROCEEDS, THE TREASURER MAY INVEST THE PROCEEDS IN ANY INVESTMENTS FOR WHICH SINKING FUNDS OF THIS STATE MAY BE INVESTED OR IN A POOLED INVESTMENT FUND ESTABLISHED UNDER SECTION 35-326, EXCEPT THAT IF BOND ANTICIPATION NOTES HAVE BEEN ISSUED, THE BOND PROCEEDS OR SO MUCH AS IS NECESSARY SHALL BE USED TO REDEEM THE NOTES.
- J. REFUNDING BONDS MAY BE ISSUED TO REFUND ALL OR ANY PORTION OF AN ISSUE OF BONDS ISSUED AND SOLD PURSUANT TO THIS SECTION IN THE MANNER PRESCRIBED BY TITLE 35, CHAPTER 3, ARTICLE 4.

48-2852. Form of bonds

A. THE BONDS SHALL BE SIGNED BY THE CHAIRMAN OR PRESIDENT OF THE BOARD, ATTESTED BY THE CLERK OR SECRETARY AND SEALED WITH THE CORPORATE SEAL OF THE DISTRICT, AND THE INTEREST COUPONS, IF ANY, SHALL BEAR THE FACSIMILE SIGNATURE OF THE CHAIRMAN AND SECRETARY OF THE DISTRICT.

В.	THE	BONDS	SHALL	ΒE	SUBSTANT	IALLY	ΙN	THE	FOLLOW	ING FORM:	
						FL00	D	PR0T	ECTION	DISTRICT	0 F
			IMPROVEMENT BOND.								

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1
                KNOW ALL MEN BY THESE PRESENTS: THAT THE _
          FLOOD PROTECTION DISTRICT OF _____
                                                     COUNTY, ARIZONA
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3
          (THE "FLOOD PROTECTION DISTRICT"), A DULY ORGANIZED MUNICIPAL
          CORPORATION, PROMISES TO PAY AS HEREINAFTER STATED TO THE BEARER
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          HEREOF, ON THE _____, ___, THE SUM
5
          OF _____ DOLLARS, TOGETHER WITH INTEREST ON SUCH
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          SUM, AT THE RATE OF ______ PER CENT PER ANNUM, PAYABLE
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8
          SEMIANNUALLY ON JANUARY 1 AND JULY 1 OF EACH YEAR.
9
          PRINCIPAL AND INTEREST ARE PAYABLE AT THE OFFICE OF THE
                    COUNTY TREASURER (OR PAYING AGENT) AT THE
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          OPTION OF THE HOLDER. THE BOND IS ISSUED IN PURSUANCE OF LAW
          AND IS ONE OF A SERIES OF ______ BONDS OF LIKE
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          TENOR AND DATE FOR THE TOTAL SUM OF DOLLARS
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          ISSUED FOR THAT CERTAIN IMPROVEMENT IN SUCH FLOOD PROTECTION
14
          DISTRICT CONSISTING OF _____(BRIEFLY DESCRIBE IMPROVEMENT) ____,
15
          INITIATED BY RESOLUTION NO. OF FLOOD
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17
          PROTECTION DISTRICT, AND IS PAYABLE ONLY OUT OF THE SPECIAL FUND
          TO BE COLLECTED FROM SPECIAL ASSESSMENTS IMPOSED ON THE LOTS,
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          ACRES OR PARCELS OF LAND FRONTING ON OR BENEFITED BY SUCH
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          IMPROVEMENT. SUCH SPECIAL FUND IS SET APART BY LAW FOR THE
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          PAYMENT OF SUCH BONDS AND CAN BE USED FOR NO OTHER PURPOSE.
22
                IT IS HEREBY CERTIFIED AND DECLARED THAT THE IMPROVEMENT
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          FOR WHICH THIS SERIES OF BONDS IS ISSUED IS AUTHORIZED BY LAW.
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          THAT ALL THE ACTS, CONDITIONS AND THINGS REQUIRED TO BE DONE,
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          PRECEDENT TO AND IN THE ISSUING OF THIS SERIES OF BONDS, HAVE
          BEEN DONE OR WILL BE DONE. AND PERFORMED IN REGULAR AND DUE FORM
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          AS REQUIRED BY THE LAW OF THIS STATE AND ALL RESOLUTIONS OF THE
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          FLOOD PROTECTION DISTRICT. THAT THE SPECIAL ASSESSMENTS OUT OF
29
          WHICH SUCH BONDS ARE TO BE PAID ARE FIRST LIENS ON THE PROPERTY
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          ASSESSED, SUBJECT ONLY TO THE LIEN FOR GENERAL TAXES AND PRIOR
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          SPECIAL ASSESSMENTS, AND ANY BONA FIDE PURCHASER FOR VALUE OF
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          THIS BOND HAS THE RIGHT TO RELY ON THE RECITALS CONTAINED IN THE
33
          BOND. FOR THE ASSESSMENT OR REASSESSMENT, COLLECTION AND
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          PAYMENT OF SUCH SPECIAL ASSESSMENTS, THE FULL FAITH AND
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          DILIGENCE OF SUCH FLOOD PROTECTION DISTRICT ARE HEREBY
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          IRREVOCABLY PLEDGED.
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          48-2853. <u>Certification of unpaid assessments; payments by</u>
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                     installment; interest; payments in advance
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          A. THE BOARD, AT THE TIME IT CERTIFIES THE LIST OF UNPAID ASSESSMENTS,
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    SHALL WRITE THE WORD "CERTIFIED" ON THE RECORD OF THE ASSESSMENT OPPOSITE
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EACH UNPAID ASSESSMENT INCLUDED IN THE LIST, AND ALL ASSESSMENTS CEASE TO BE

PAYABLE IN CASH AND ARE THEREAFTER PAYABLE ONLY IN EQUAL ANNUAL INSTALLMENTS ON EITHER JANUARY 1 OR JULY 1, OR SEMIANNUALLY ON JANUARY 1 AND JULY 1, OF

EACH YEAR IN WHICH THE BONDS BECOME DUE. THE BOARD MAY PROVIDE A PLAN BY

WHICH THE ANNUAL INSTALLMENT PLUS AN ADDITIONAL OVER LEVY AS DETERMINED BY

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THE BOARD TO COVER THE ANTICIPATED DELINQUENCIES IN THE COLLECTION OF THE ASSESSMENT MAY BE COLLECTED IN PARTIAL PAYMENTS BEFORE THE INSTALLMENT IS DUE, AND THE LIEN OF EACH ASSESSMENT ON THE PROPERTY ASSESSED IS, AND REMAINS, VALID OR UNTIL THE ASSESSMENT IS FULLY PAID.

- B. AN UNCOLLECTED INSTALLMENT SHALL BE ADDED TO THE SUCCEEDING INSTALLMENT AND PAID, TOGETHER WITH INTEREST AND PENALTIES.
- C. THE NUMBER OF INSTALLMENTS IN WHICH THE ASSESSMENT IS PAYABLE SHALL CORRESPOND TO THE NUMBER OF YEARS IN WHICH THERE ARE BONDS TO BE PAID. THE TOTAL NUMBER OF ANNUAL INSTALLMENTS SHALL NOT EXCEED FORTY.
- D. ALL ASSESSMENTS NOT PAID BEFORE THE CERTIFICATION OF THE LIST OF UNPAID ASSESSMENTS BEAR INTEREST FROM THE DATE OF THE WARRANT AT THE SAME RATE AS THAT SPECIFIED FOR THE BONDS IN THE RESOLUTION OF INTENTION. THE INTEREST IS PAYABLE ON JULY 1 AND JANUARY 1 OF EACH YEAR, IMMEDIATELY BEFORE THE INTEREST BECOMES DUE ON THE BONDS. THE BOARD MAY PROVIDE A PLAN BY WHICH THE INTEREST IS COLLECTED IN PARTIAL PAYMENTS BEFORE THE DATE IT BECOMES DUE.
- E. THE BOARD MAY PROVIDE FOR RECEIVING PAYMENT OF THE INSTALLMENTS OF THE ASSESSMENTS BEFORE THEY BECOME DUE AND MAY USE THE PROCEEDS TO REDEEM THE BONDS PRESENTED FOR REDEMPTION BY THE BOND OWNERS OR INVEST THE PROCEEDS. NO INVESTMENT OF THESE MONIES MAY BE MADE SO AS TO PREJUDICE THE PROMPT PAYMENT OF THE BONDS ON THE DATE THEY BECOME DUE.

48-2854. Collection of assessments by taxation

- A. THE INSTALLMENTS OF PRINCIPAL AND INTEREST ON THE BONDS SHALL BE COLLECTIBLE IN THE MANNER AND BY THE OFFICERS PROVIDED BY LAW FOR THE COLLECTION AND ENFORCEMENT OF STATE AND COUNTY AD VALOREM TAXES AND THE AD VALOREM TAXES LEVIED BY THE DISTRICT.
- B. THE TIME FOR PAYMENT OF THE RESPECTIVE INSTALLMENTS OF PRINCIPAL AND INTEREST UNDER THE RESOLUTION SHALL BE THE LAST REGULAR DATE FOR THE PAYMENT OF GENERAL TAXES OF THE DISTRICT BEFORE THE DATE AT WHICH THE INSTALLMENTS OF PRINCIPAL AND INTEREST BECOME DELINQUENT. THE DELINQUENCY, THE PENALTIES INCURRED FOR DELINQUENCY AND THE METHOD OF COLLECTION UNDER THE RESOLUTION ARE THE SAME AS FOR GENERAL TAXES OF THE DISTRICT.
- C. IF ANY INSTALLMENT OF AN ASSESSMENT IS NOT COLLECTED WHEN DUE, IT MAY BE ADDED TO AND COLLECTED WITH ANY SUCCEEDING INSTALLMENT.
- D. THE PROVISIONS OF TITLE 35, CHAPTER 3, ARTICLE 4.1, RELATING TO SUMMARY SALE AND JUDICIAL FORECLOSURE OF PROPERTY SUBJECT TO AN ASSESSMENT, MAY BE EXERCISED TO COLLECT ANY DELINQUENT ANNUAL ASSESSMENT INSTALLMENT.

48-2855. Procedure if assessment declared void

A. IF THE ASSESSMENT ON A LOT, ACRE OR PARCEL LEVIED FOR AN IMPROVEMENT UNDER THIS ARTICLE, OR PART OF AN IMPROVEMENT, OR THE ENTIRE ASSESSMENT, IS ADJUDGED VOID FOR ANY REASON, THE BOARD SHALL LEVY AND ASSESS ON THE LOT, ACRE OR PARCEL ON WHICH THE ASSESSMENT HAS BEEN HELD VOID, OR ON ALL THE LOTS, ACRES OR PARCELS INCLUDED WITHIN THE LIMITS ASSESSED FOR THE WORK, A NEW ASSESSMENT SUFFICIENT TO PROVIDE FOR THE PAYMENT OF THE PROPORTIONATE SHARE OF THE PRINCIPAL AND INTEREST ON ALL DISTRICT IMPROVEMENT

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BONDS THEN UNPAID. THE REASSESSMENT SHALL BE MADE AS NEARLY AS PRACTICABLE IN THE SAME MANNER AND WITH THE SAME EFFECT AS THE ORIGINAL ASSESSMENT.

B. IN CASE OF PARTIAL DEFICIT, THE BOARD MAY PAY THE DEFICIT FROM THE DISTRICT'S GENERAL FUND.

48-2856. <u>Failure to hold or adjourn scheduled hearing:</u> <u>subsequent hearing</u>

IF THE TIME AND PLACE FOR A HEARING ARE FIXED BY THE BOARD UNDER THIS ARTICLE, AND FOR ANY REASON THE HEARING IS NOT HELD OR IS REGULARLY ADJOURNED TO A SPECIFIED TIME AND PLACE, THE AUTHORITY OF THE BOARD IS NOT DIVESTED OR LOST. THE BOARD MAY THEREAFTER FIX A TIME AND PLACE FOR THE HEARING AND GIVE NOTICE BY PUBLICATION BY AT LEAST ONE INSERTION IN A NEWSPAPER OF GENERAL CIRCULATION IN THE DISTRICT AS DESIGNATED BY THE BOARD. THE PUBLICATION SHALL BE AT LEAST FIVE DAYS BEFORE THE DATE OF THE HEARING.

48-2857. Proof of publication and posting

UNLESS OTHERWISE PROVIDED, PROOF OF PUBLICATION, POSTING OR MAILING OF RESOLUTIONS OR NOTICES SHALL BE MADE BY THE AFFIDAVIT OF THE PERSON REQUIRED TO MAKE PUBLICATION OR DO THE POSTING. THE AFFIDAVIT SHALL STATE THE MANNER OF PUBLICATION OR POSTING AND THE DATES, SHALL HAVE ATTACHED A COPY OF THE PUBLICATION OR NOTICE POSTED AND SHALL BE FILED IN THE DISTRICT OFFICE.

48-2858. Public records; duties of engineer

- A. THE DISTRICT SHALL KEEP THE RECORDS REQUIRED BY THIS ARTICLE AT THE DISTRICT OFFICE. THE RECORDS SHALL BE OPEN TO INSPECTION DURING OFFICE HOURS.
- B. THE ENGINEER SHALL DO THE SURVEYING AND ALL OTHER ENGINEERING WORK NECESSARY UNDER THIS ARTICLE. EVERY CERTIFICATE SIGNED BY THE ENGINEER IN THE ENGINEER'S OFFICIAL CAPACITY IS PRIMA FACIE EVIDENCE OF THE TRUTH OF ITS CONTENTS. THE ENGINEER SHALL KEEP A RECORD OF ALL SURVEYS MADE BY HIM. IN DISTRICTS WHERE THERE IS NO ENGINEER, THE BOARD MAY APPOINT A SUITABLE PERSON TO DISCHARGE THOSE DUTIES AND FIX THAT PERSON'S COMPENSATION.

48-2859. <u>Bond anticipation notes; form; procedures applicable</u>

- A. IF THE BOARD DETERMINES AND STATES IN THE RESOLUTION OF INTENTION THAT IMPROVEMENT BONDS SHALL BE ISSUED, BOND ANTICIPATION NOTES MAY BE SOLD AT ANY TIME AFTER THE AWARD OF A CONSTRUCTION CONTRACT.
- B. BOND ANTICIPATION NOTES SHALL BE PAID SOLELY FROM THE PROCEEDS OF THE SALE OF IMPROVEMENT BONDS AND MONIES COLLECTED FROM PROPERTY OWNERS WHO WANT TO PAY ALL OR PART OF THEIR ASSESSMENTS IN CASH BEFORE THE FILING OF THE CERTIFIED LIST OF UNPAID ASSESSMENTS AS PROVIDED IN SECTION 48-2853. THE NOTES MAY BE IN SUCH FORM AND DENOMINATION AS THE BOARD PROVIDES. THE NOTES SHALL BE EXECUTED BY THE CHAIRMAN OF THE BOARD AND ATTESTED BY THE SECRETARY. THE NOTES MAY BEAR INTEREST FROM THEIR DATE AT A RATE NOT IN EXCESS OF THE MAXIMUM RATE SHOWN IN THE RESOLUTION OF INTENTION. THE TERM OF THE NOTES SHALL NOT BE MORE THAN SIX MONTHS BEYOND THE DATE SET FOR COMPLETION OF THE CONSTRUCTION. THE BOARD MAY REPAY SUCH NOTES BEFORE MATURITY AND WITHOUT PENALTY OR EXTEND THE LIFE OF THE NOTES IF THE TERM OF THE CONSTRUCTION CONTRACT IS EXTENDED OR IF ANY DEFAULT IS MADE BY THE CONTRACTOR. THE NOTES SHALL BE AUTHORIZED BY RESOLUTION OF THE BOARD.

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- C. THE TOTAL AMOUNT OF NOTES ISSUED FOR ANY IMPROVEMENT SHALL NOT BE GREATER THAN THE AGGREGATE OF NINETY PER CENT OF THE CONTRACT PRICE AND THE TOTAL ESTIMATED AMOUNT OF INCIDENTAL EXPENSES. THE NOTES SHALL BE SOLD AT NOT LESS THAN PAR AT EITHER PUBLIC OR PRIVATE SALE. IF AUTHORIZED BY THE BOARD, THE CHAIRMAN MAY ENTER INTO LOAN AGREEMENTS WITH THE PURCHASER OF THE NOTES RELATIVE TO:
 - 1. THE TIME AND PLACE OF DELIVERY.
- 2. THE SALE OF IMPROVEMENT BONDS TO THE PURCHASER OF THE NOTES IF THE DISTRICT IS UNABLE TO PROCURE A PURCHASER WILLING TO PURCHASE THE BONDS WHEN ISSUED.
 - 3. MAKING THE DEMAND ON THE OWNERS OF PROPERTY FOR PAYMENT IN CASH.
- 4. COLLECTION OF CASH PAYMENTS FROM PERSONS WHO WANT TO PAY THEIR ASSESSMENTS IN CASH AND APPLICATION OF SUCH CASH PAYMENTS TO THE REPAYMENT OF THE NOTES.
- 5. PAYMENT OF AN ADDITIONAL FEE TO THE PURCHASER OF THE NOTE TO COVER THE ADMINISTRATIVE EXPENSES OF THE CASH COLLECTIONS IF THE PURCHASER IS THE PERSON TO WHOM CASH COLLECTIONS ARE MADE.
- D. TO SECURE THE PAYMENT OF THE NOTES, THE LOAN AGREEMENTS MAY PROVIDE FOR A COLLATERAL ASSIGNMENT TO THE PURCHASER OF THE NOTES OF ALL CASH COLLECTIONS, THE WARRANT AND THE DISTRICT'S INTEREST IN THE PERFORMANCE BOND.
- E. THE PROCEEDS FROM THE SALE OF THE NOTES SHALL BE PLACED IN A SPECIAL FUND TO BE HELD BY THE TREASURER AND USED FOR PAYMENT OF INCIDENTAL EXPENSES AND PAYMENTS TO THE CONSTRUCTION CONTRACTOR.
- F. PROCEEDS FROM THE SALE OF THE NOTES SHALL BE USED TO MAKE SEMIMONTHLY OR MONTHLY PAYMENTS TO THE CONTRACTOR ON A BASIS OF NINETY PER CENT OF THE VALUE OF THE WORK ACTUALLY PERFORMED, AS ESTIMATED BY THE ENGINEER EMPLOYED FOR SUCH PURPOSE, UP TO AND INCLUDING THE FIFTEENTH OR LAST DAY OF EACH CALENDAR MONTH. THE BALANCE SHALL BE PAID TO THE CONTRACTOR AFTER THE SALE OF THE BONDS SOLELY FROM THE PROCEEDS FROM THE BOND SALE, OR IF BONDS EQUAL TO THE BALANCE REMAINING CANNOT BE SOLD, THE BALANCE SHALL BE PAID BY DELIVERY OF A SIMILAR PRINCIPAL AMOUNT OF BONDS TO THE CONTRACTOR.
- G. THE ISSUANCE OF BOND ANTICIPATION NOTES CONSTITUTES AN ASSIGNMENT TO THE DISTRICT OF THE MONIES DUE THE CONTRACTOR UNDER THE CONSTRUCTION CONTRACT.
- H. IF BONDS ARE ISSUED TO REPRESENT ANY ASSESSMENTS REMAINING UNPAID ON THE DATE THE LIST IS CERTIFIED, THE DISTRICT SHALL SELL THE BONDS AND USE THE PROCEEDS TO REDEEM THE NOTES AND PAY THE BALANCE DUE TO THE CONTRACTOR.
- I. IN ADDITION TO ANY INCIDENTAL EXPENSES INCLUDED IN THE ASSESSMENT, IF BOND ANTICIPATION NOTES ARE ISSUED, THE NOTES MAY ALSO INCLUDE IN THE INCIDENTAL EXPENSES ALL INTEREST ACCRUING ON THE BOND ANTICIPATION NOTES, THE ADDED COSTS OF CASH COLLECTIONS, IF ANY, AND ALL LEGAL OR FINANCIAL FEES INCURRED IN THE ISSUANCE AND SALE OF THE BOND ANTICIPATION NOTES.

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J. IF BOND ANTICIPATION NOTES HAVE BEEN ISSUED AND THE CONTRACTOR HAS BEEN PAID IN ACCORDANCE WITH SUBSECTION F OF THIS SECTION, THE DISTRICT SHALL APPLY THE PROCEEDS COLLECTED FROM DEMANDS ON THE PROPERTY OWNERS TO THE REDUCTION OF THE OUTSTANDING PORTION OF THE BOND ANTICIPATION NOTES AND, IF THE NOTES HAVE BEEN PAID, TO THE CONTRACTOR TO REDUCE ANY BALANCE DUE HIM.

48-2860. <u>Deficiency in collections</u>

IF THERE IS A DEFICIENCY IN THE REVENUES COLLECTED FROM THE SPECIAL ASSESSMENTS BY REASON OF THE INADEQUACY OF THE METHOD OF COLLECTION, THE DISTRICT MAY MAKE GOOD THE DEFICIENCY, REIMBURSING ITSELF FROM THE MONIES COLLECTED FROM THE INSTALLMENTS WHEN THEY ARE RECEIVED.

48-2861. Reallocation of assessments; public land exchange

IF A PARCEL OF PROPERTY THAT HAS BEEN SUBJECTED TO AN ASSESSMENT AND A LIEN IS EXCHANGED TO THIS STATE OR THE UNITED STATES FOR ANOTHER PARCEL OF PROPERTY IN THE FLOOD PROTECTION DISTRICT OWNED BY THIS STATE OR THE UNITED STATES, AND THE PARCEL OF NEW PRIVATE PROPERTY RECEIVES SUBSTANTIALLY THE SAME BENEFIT FROM THE IMPROVEMENT CONSTRUCTED AS THE PARCEL EXCHANGED TO THIS STATE OR THE UNITED STATES, THE ASSESSMENT LIEN IMPOSED ON THE ORIGINAL PARCEL OF PROPERTY MAY BE TRANSFERRED TO AND IMPOSED ON THE PARCEL OF NEW PRIVATE PROPERTY AFTER THE OWNER OF THE NEW PRIVATE PROPERTY HAS RECEIVED A MAILED NOTICE OF SUCH ASSESSMENT AND AN OPPORTUNITY TO OBJECT TO EITHER THE TRANSFER OF THE ASSESSMENT LIEN TO THE NEW PRIVATE PROPERTY OR THE AMOUNT ASSESSED AGAINST SUCH NEW PRIVATE PROPERTY.

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