

**BOARD OF COMMISSIONERS OF  
URBAN RENEWAL AGENCY FOR THE  
CITY OF MOSCOW, IDAHO**

ADOPTED July 7, 2010

RATIFIED July 13, 2010

**RESOLUTION NO. 2010-01**

\$510,000

REVENUE ALLOCATION (TAX INCREMENT) BONDS, SERIES 2010A  
(LEGACY CROSSING REDEVELOPMENT PROJECT)

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## **RESOLUTION NO. 2010-01**

A resolution of the Board of Commissioners of the Urban Renewal Agency for the City of Moscow, Idaho, authorizing the issuance and sale of Revenue Allocation (Tax Increment) Bonds, Series 2010A (Legacy Crossing Redevelopment Project), in the principal amount of \$510,000; to finance the acquisition of a parcel of land as a portion of the urban renewal improvements of the Legacy Crossing Urban Renewal District; establishing certain funds and accounts; authorizing the execution and delivery of a bond purchase agreement; providing for the issuance of additional bonds for future projects; and providing for other matters relating to the authorization, issuance, sale, and payment of bonds

WHEREAS, the Urban Renewal Agency for the City of Moscow, Idaho (the "Agency") is an independent public body corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, as amended, Title 50, Chapter 20 of the Idaho Code, as amended (the "Law"), and the Local Economic Development Act, Title 50, Chapter 29, as amended (the "Act"), and a duly created and existing urban renewal agency for the City of Moscow, Idaho (the "City").

WHEREAS, on September 17, 2007, pursuant to Resolution 2007-24 adopted by the City's Council, the City determined that the area known as the "Legacy Crossing Project Area" is a deteriorated area or a deteriorating area appropriate for an urban renewal project and that the rehabilitation, conservation and redevelopment of such area is necessary in the interest of the public health, safety, morals or welfare of the residents of the City;

WHEREAS, on February 19, 2008, the City Council adopted Resolution 2008-05 to add additional area to the Legacy Crossing Project Area;

WHEREAS, pursuant to the Law, the Agency designated the Legacy Crossing Project Area as the "Legacy Crossing Urban Renewal District," and on March 6, 2008, the Agency approved the proposed Legacy Crossing Urban Renewal District Redevelopment Plan (the "Plan") and submitted the Plan to the City's Planning and Zoning Commission ("P&Z") at a public meeting on April 9, 2008;

WHEREAS, on April 29, 2008, P&Z filed recommendations with the City Council stating that the Plan was in conformity with the Comprehensive Plan of the City;

WHEREAS, after due notice and public hearing pursuant to the Law and Act, the City adopted the Plan on June 2, 2008, by Ordinance No. 2008-10;

WHEREAS, the Board of Commissioners of the Agency (the "Board") is authorized, pursuant to the Law to issue bonds to finance "urban renewal projects" as defined in said Law;

WHEREAS, the Plan allows financing of urban renewal projects with revenue allocation funds pursuant to the Local Economic Development Act, Chapter 29, Title 50, Idaho Code (the "Act");

WHEREAS, pursuant to the Act and Law (collectively, the "Act"), the Agency is authorized to issue bonds to carry out the purposes and various projects under the Plan (collectively, the "Project") and to enter into and carry out contracts or agreements in connection therewith; and at this time, the Agency desires to finance the acquisition of a parcel of land situate in Latah County, Idaho, and more particularly described on Exhibit A attached hereto (the "Series 2010A Project");

WHEREAS, the Agency intends to enter into a Bond Purchase Agreement (the "Purchase Agreement") with Zions First National Bank, Salt Lake City, Utah, as the initial purchaser of the bonds (the "Purchaser"), in the form presented to the Board of Commissioners of the Agency and attached to this Resolution as Exhibit B; and

WHEREAS, as required by Section 50-2012, Idaho Code, the Agency published notice of this meeting of the Board in the Moscow Pullman Daily News on June 30, 2010, indicating the Agency's intent to adopt this Resolution on July 7, 2010, and to issue and sale the Series 2010A Bonds (hereinafter defined).

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY FOR THE CITY OF MOSCOW, IDAHO:

## ARTICLE I

### DEFINITIONS, FINDINGS, AND PURPOSE

#### Section 1.1 Definitions

For all purposes of the Resolution, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the following meanings:

Act shall mean collectively the Idaho Urban Renewal Law of 1965, Title 50, Chapter 20, Idaho Code, and the Local Economic Development Act, Title 50, Chapter 29, Idaho Code, as the same shall be amended from time to time.

Additional Bonds shall mean any bonds which the Agency may issue pursuant to Article VII of this Resolution secured by all or a portion of the Pledged Revenues, as may be amended from time to time.

Agency means the Urban Renewal Agency for the City of Moscow, Idaho, a body politic and corporate created pursuant to the Act.

Assessment Roll means the assessment roll used in connection with the taxation of the District by the taxing agencies, as such roll is equalized as provided by the law of the State of Idaho.

Authorized Officer of the Agency shall mean the Chairman of the Board, or a representative designated by the Board.

Base Year means 2008.

Beneficial Owner(s) shall mean the owners of Series 2010A Bonds or any Additional Bonds whose ownership is recorded under the Book-Entry-Only System maintained by the Securities Depository as described in Section 2.7 of the Resolution.

Board shall mean the Board of Commissioners of the Agency.

Bond Fund shall mean the fund referred to in Section 5.2C of this Bond Resolution, consisting of two accounts: (1) Debt Service Account and (2) Debt Service Reserve Account.

Bond Purchase Agreement shall mean the bond purchase agreement between the Board and Purchaser, pursuant to which the Series 2010A Bonds are sold as authorized by Section 2.3 of this Bond Resolution and attached hereto as Exhibit B.

Bond Register shall mean the registration records of the Agency, maintained by the Trustee, on which shall appear the names and addresses of the Registered Owners of Bonds.

Bond Resolution or Resolution shall mean this Bond Resolution adopted by the Board on July 7, 2010, providing for the issuance of its Series 2010A Bonds, and as from time to time amended and supplemented by Supplemental Resolutions to authorize the issuance of Additional Bonds.

Bond Year means the one-year period (or, in the case of the first Bond Year, the shorter period from the date of issue of the Bonds) selected by the Agency. If no date is selected by the Agency within five years of the date of delivery of a Series of Bonds, each Bond Year shall end at the close of business on the date preceding the anniversary of the date of delivery of a Series of Bonds.

Bonds shall mean the Series 2010A Bonds and any Additional Bonds.

Book-Entry System shall mean the book-entry system of registration of Bonds described in Section 2.7 of this Resolution.

Business Day shall mean a day, other than Saturday or Sunday, on which banks located in the states of Idaho and Utah, or in the city where the principal corporate trust office of the Trustee is located, are open for the purpose of conducting commercial banking business.

Cede & Co. shall mean Cede & Co., as nominee of The Depository Trust Company, New York, New York.

Chairman shall mean the Chairman of the Board.

Code shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and the regulations promulgated thereunder.

Construction Fund shall mean the special account created by Section 5.2B of this Bond Resolution, from which the Costs of Issuance and Costs of Acquisition and Construction of the Project shall be paid.

Construction Proceeds means the portion of the proceeds of Bonds deposited into the Project Account(s) in the Construction Fund for purposes of acquiring, constructing and equipping the Project.

Cost of Acquisition and Construction, with respect to a Project, shall include together with any other proper item of cost not specifically mentioned therein, the cost of demolition, the cost of acquisition and construction of the Project and the financing thereof, the cost, whether incurred by the Agency or another, of field surveys and advance planning undertaken in connection with the Project, and the cost of acquisition of any land or interest therein required as the sites thereof or for use in connection therewith, the cost of preparation of the sites thereof and of any land to be used in connection therewith, the cost of any indemnity and surety bonds and insurance premiums, allocable administrative and general expenses of the Agency, allocable portions of inspection expenses, financing charges, legal fees, and fees and expenses of financial advisors and consultants in connection therewith, cost of audits, the cost of all machinery, apparatus and equipment, cost of engineering, the cost of utilities, architectural services, design, plans, specifications and surveys, estimates of cost, the payment of any notes of the Agency (including any interest and redemption premiums) issued to temporarily finance the payment of any item or items of cost of the Project and payable from the proceeds of the Series 2010A Bonds or any Additional Bonds, and all other expenses necessary or incident to determining the feasibility or practicability of the Project, and such other expenses not specified herein as may be necessary or incident to the construction and acquisition of the Project, the financing thereof and the placing of the same in use and operation.

Cost(s) of Issuance shall mean printing, rating agency fees, legal fees, underwriting fees, fees and expenses of the Trustee, bond insurance premiums, if any, and all other fees, charges, and expenses with respect to or incurred in connection with the issuance, sale, and delivery of a series of Bonds.

Debt Service for any period shall mean, as of any date of calculation, an amount equal to the Principal Installment and interest accruing during such period on the Bonds. Such Debt Service on the Bonds shall be calculated on the assumption that no portion of the Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of the Principal Installment on the Bonds on the due date thereof.

Debt Service Account shall mean the account of that name created within the Bond Fund by Section 5.2C of this Bond Resolution.

Debt Service Reserve Account shall mean the account of that name referred to in Section 5.2C of this Bond Resolution.

District means the Legacy Crossing Urban Renewal District designated by the City on June 2, 2008, as a revenue allocation area under the Act.

DTC Participants shall mean those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

Event of Default shall mean one or more of the events enumerated in Section 11.1 of this Bond Resolution.



Fiscal Year shall mean the annual accounting period of the Agency, beginning October 1 in a year and ending September 30 of the following year.

Investment Securities shall mean and include any securities that are legal investments under Section 67-1210, Idaho Code.

Mandatory Redemption Amount(s) shall mean the mandatory deposits (i) so established for the Series 2010A Bonds pursuant to Section 2.5B of this Bond Resolution, or (ii) as to any Additional Bonds the amounts so designated in a Supplemental Resolution. The portion of any Mandatory Redemption Amount remaining after the deduction of any amounts credited pursuant to Section 4.3D (or the original amount of any such Mandatory Redemption Amount if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Mandatory Redemption Amount for the purpose of calculation of Mandatory Redemption Amounts due on a future date.

Maximum Annual Debt Service shall mean an amount equal to the greatest annual Debt Service with respect to the Bonds for the current or any future Fiscal Year of the Agency.

Net Proceeds, when used with reference to any series of Bonds, shall mean the aggregate principal amount of the series of Bonds, less the Costs of Issuance.

Operation and Maintenance Expenses, with respect to the Project, shall mean all actual operation and maintenance expenses incurred by the Agency in any particular Fiscal Year or period to which said term is applicable or charges made therefor during such Fiscal Year or period.

Outstanding, when used with reference to the Bonds, as of any particular date, shall mean the Bonds which have been issued, sold and delivered under this Bond Resolution, except (i) the Bonds (or portion thereof) cancelled because of payment or redemption prior to their stated date of maturity, and (ii) the Bonds (or portion thereof) for the payment or redemption of which there has been separately set aside and held money for the payment thereof.

Payment Date shall mean the date upon which a payment of Debt Service on the Bonds shall be due and payable.

Plan shall mean the Legacy Crossing Urban Renewal District Redevelopment Plan adopted on June 2, 2008, by the City under Ordinance No. 2008-10.

Pledged Revenues shall include (i) the Revenue Allocation Revenues, (ii) the earnings on funds and accounts established under this Resolution and (iii) other revenues the Agency may determine to subject to the lien of this Resolution.

Principal Installment shall mean, as of any date of calculation and with respect to any series of Bonds then Outstanding, (A) the principal amount of Bonds of such series due on a certain future date for which no Mandatory Redemption Amounts have been established, or (B) the unsatisfied balance (determined as provided in the definition of Mandatory Redemption Amount in this section) of any Mandatory Redemption Amount due on a certain future date for Bonds of such series, plus the amount of the mandatory redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount

equal to such unsatisfied balance of such Mandatory Redemption Amount, or (C) if such future dates coincide as to different Bonds of such series, the sum of such principal amount of Bonds and of such unsatisfied balance of such Mandatory Redemption Amount due on such future date plus such applicable redemption premiums.

Private Person shall mean any natural person engaged in a trade or business, the United States of America or any agency thereof, or any trust, estate, partnership, association, company or corporation. A state or local governmental unit is not a private person.

Private Person Use shall mean the use of property in a trade or business by a Private Person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the Private Person as well as other arrangements that transfer to the Private Person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use of property as a member of the general public includes attendance by the Private Person at municipal meetings or business rental of property to the Private Person on a day-to-day basis if the rental paid by such Private Person is the same as the rental paid by any Private Person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a *de minimis* fee to cover custodial expenses.

Project shall mean any "urban renewal project" as defined in the Act and pursuant to the Plan that is financed with the proceeds of Bonds authorized under this Resolution.

Project Account shall mean an account established by the Agency within the Construction Fund for a Project.

Purchaser shall mean Zions First National Bank, Salt Lake City, Utah, as purchaser of the Series 2010A Bonds.

Rebate Fund means the fund by that name established by Section 5.2D of the Resolution.

Record Date shall mean the 15th day of the calendar month next preceding any interest payment date, as provided in Section 3.1 of the Resolution.

Registered Owner or Owner(s) shall mean the person or persons in whose name or names the Bonds shall be registered in the Bond Register maintained by the Trustee in accordance with the terms of this Bond Resolution.

Replacement Bonds shall mean the Series 2010A Bonds described as such in Section 2.7.

Reserve Account Requirement shall mean \$44,311.90. In the event that \$44,311.90 exceeds the lesser of: (i) Maximum Annual Debt Service with respect to Bonds secured by the Debt Service Reserve Account, (ii) 125% of average annual Debt Service on all Bonds Outstanding secured by the Debt Service Reserve Account, or (iii) 10% of the aggregate principal amount of the Series 2010A Bonds and of any Additional Bonds secured by the Debt Service Reserve Account hereafter issued upon original issuance thereof (but not taking into

account any series of Bonds which has been paid in full or provision for which payment in full has been made pursuant to Article XII hereof); the Agency will fund the excess from other lawful funds so that the Reserve Account Requirement shall not exceed the amount permitted to be capitalized from Net Proceeds under then applicable provisions of federal tax law in order to protect the tax-exempt status of interest on the Bonds.

Revenue Allocation Revenues means that incremental portion of Taxes exceeding the amount of Taxes collected in the Base Year, allocated to the Agency under the Plan and in accordance with the provisions of the Act.

Revenue Fund shall mean the Revenue Fund established by Section 5.2A of this Bond Resolution.

Secretary means the secretary of the Board.

Securities Depository shall mean The Depository Trust Company, New York, New York, or any successor Securities Depository appointed pursuant to Section 2.8.

Series 2010A Bonds shall mean the Revenue Allocation (Tax Increment) Bonds, Series 2010A (Legacy Crossing Redevelopment Project), herein authorized to be issued, sold, and delivered in the aggregate principal amount of \$510,000, to finance the Series 2010A Project.

Series 2010A Project means the acquisition of that certain parcel of land situate in Latah County, Idaho, more particularly described on Exhibit A attached hereto, financed with the Construction Proceeds of the Series 2010A Bonds.

Supplemental Resolution means any resolution amending or supplementing the terms of this Resolution in full force and effect which has been duly adopted and approved by the Agency under the Act; but only if and to the extent that such Supplemental Resolution is adopted in accordance with the provisions of the Resolution.

Taxes means all levies on ad valorem basis upon land, real property, personal property or any other property, tangible or intangible, included within the District.

Trustee and Paying Agent shall mean Zions First National Bank, Corporate Trust Office, Boise, Idaho, or its successors in functions as now or hereafter designated, which shall also act as bond registrar, authenticating agent, paying agent, and transfer agent with respect to the Bonds.

Written Certificate of the Agency means an instrument in writing signed on behalf of the Agency by a duly Authorized Officer thereof. Every Written Certificate of the Agency, and every certificate or opinion of counsel, consultants, accountants or engineers provided for herein shall include: (A) a statement that the person making such certificate, request, statement or opinion has read the pertinent provisions of the Bond Resolution to which such certificate, request, statement or opinion relates; (B) a brief statement as to the nature and scope of the examination or investigation upon which the certificate, request, statement or opinion is based; (C) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; and (D) with respect

to any statement relating to compliance with any provision hereof, a statement whether or not, in the opinion of such person, such provision has been complied with.

Section 1.2    Authority for the Resolution

The Resolution is adopted pursuant to the provisions of the Act.

Section 1.3    Resolution to Constitute a Contract; Equal Security

In consideration of the acceptance of the Bonds, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, the Resolution shall be deemed to be and shall constitute a contract between the Agency and the Registered Owners from time to time of the Bonds, and the pledge made in the Resolution by the Agency and the covenants and agreements set forth in the Resolution to be performed by the Agency shall be for the equal and proportionate benefit, security and protection of all Registered Owners of the Bonds, without preference, priority or distinction as to security or otherwise of any of the Bonds authorized hereunder over any of the others by reason of time of issuance, sale or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by the Resolution.

## **ARTICLE II**

### **AUTHORIZATION**

Section 2.1    Authorization of Bonds

Bonds designated as "Revenue Allocation (Tax Increment) Bonds" are hereby authorized to be issued by the Agency under the Resolution. The maximum principal amount of the Bonds which may be issued hereunder is not limited hereby; provided, however, that the Agency hereby reserves the right to limit or restrict the aggregate principal amount of the Bonds which may at any time be issued or Outstanding hereunder. Bonds may be issued in such series as from time to time shall be established and authorized by the Agency subject to the provisions of the Resolution. The Bonds may be issued in one or more series pursuant to one or more Supplemental Resolutions. The designation of the Bonds shall include, in addition to the name "Revenue Allocation (Tax Increment) Bonds," such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular series as the Agency may determine. Each Bond shall bear upon its face the designation so determined for the series to which it belongs. Each Bond shall recite in substance that it is payable from and secured by the Pledged Revenues of the Agency pledged for the payment thereof.

Section 2.2    Authorization of Series 2010A Bonds

There is hereby authorized a series of Bonds under the Resolution and designated as "Revenue Allocation (Tax Increment) Bonds, Series 2010A (Legacy Crossing Redevelopment Project)." The Series 2010A Bonds shall be issued both as serial and term bonds, shall be dated August 11, 2010, shall be in the principal amount of \$510,000 shall be issued in fully registered form in integral multiples of \$1,000 (provided that no single Series 2010A Bond shall represent more than one maturity), and shall mature on September 1 in the years 2011 through 2027 (as may be adjusted for term Series 2010A Bonds).

The Series 2010A Bonds shall bear interest payable commencing September 1, 2011, and semiannually thereafter on each March 1 and September 1 until their respective dates of maturity or prior redemption. The serial Series 2010A Bonds, maturing in 2011 through 2020, shall bear interest from their date, or from the most recent date to which interest has been paid or duly provided for, at the rates set forth below, payable commencing September 1, 2011, and shall mature on September 1 in the following years and principal amounts:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2011	\$20,000	3.64
2012	22,000	3.65
2013	22,000	3.91
2014	23,000	4.17
2015	24,000	4.39
2016	25,000	4.58
2017	27,000	4.77
2018	28,000	5.03
2019	29,000	5.29
2020	31,000	5.44
2027*	259,000	4.39*

\*Term Bond; Initial Rate

The term Series 2010A Bonds maturing in 2027 (the “2027 Term Bond”) shall bear interest from their date to, but not including September 1, 2015, at the initial rate of 4.39% per annum. On September 1 of the years 2015, 2020, and 2025 (each an “Adjustment Date”), the interest rate on the 2027 Term Bond shall be adjusted to equal the Index Rate (defined below) plus 165 basis points (rounded to the nearest one-hundredth of one percent) from the Adjustment Date to, but not including, the next Adjustment Date. On the last Business Day that is fifteen (15) days prior to each Adjustment Date, the Trustee shall determine the Index Rate for the next succeeding Adjustment Date and shall give notification to the Agency and the Purchaser (by telephone or facsimile transmission) of the rate so determined. The Index Rate shall mean a rate per annum which equals the five year bullet Advance Fixed Rate quoted on the last Business Day that is fifteen (15) days prior to the Adjustment Date by the Seattle Federal Home Loan Bank on its website (currently [www.fhlbsea.com](http://www.fhlbsea.com)) or such other information distribution method the Seattle Federal Home Loan Bank should utilize, or if the Seattle Federal Home Loan Bank not make five year advance rates at some time in the future, then the Index Rate shall be a rate which equals the five year SWAP Rates Benchmark Rate plus the five year Ask Swap Spread as quoted on Bloomberg “SWYC” <Go>, “24” <Go>, “1” <Go>.

Interest shall be computed on the basis of a twelve 30-month, 360-day year.

The Series 2010A Bonds shall be numbered separately in the manner and with any additional designation as the Trustee shall deem necessary for purposes of identification. After execution, as hereinafter provided, by the proper officials of the Board, the Series 2010A Bonds shall be authenticated by the Trustee.

### Section 2.3 Sale of Series 2010A Bonds

The Series 2010A Bonds authorized to be issued herein are hereby sold to the Purchaser at an aggregate purchase price equal to the par amount of the Series 2010A Bonds on the terms and conditions set forth in the Bond Purchase Agreement. To evidence the acceptance of the Bond Purchase Agreement, the Chairman of the Board of the Agency is hereby authorized to execute and deliver, and the Secretary to attest, the Bond Purchase Agreement in the form presented at this meeting.

### Section 2.4 Delivery of Series 2010A Bonds

The Series 2010A Bonds shall be delivered to the Purchaser upon compliance with the provisions of Section 3.2 of the Resolution, at such time and place as provided in, and subject to, the provisions of the Bond Purchase Agreement.

### Section 2.5 Redemption of Series 2010A Bonds Prior to Maturity

A. Optional Redemption. Upon forty-five (45) days' notice by the Agency to the Trustee, the Series 2010A Bonds shall be subject to redemption at any time, in whole or in part, in inverse order of maturity (and by lot selected by the Trustee within a maturity), upon redemption notice as hereinafter provided, at par, plus accrued interest to the redemption date.

Portions of the principal amount of any Series 2010A Bond, in integral multiples of \$1,000, may also be redeemed. If less than all of the principal amount of any Series 2010A Bond is redeemed, upon surrender of such Bond at the principal corporate trust office of the Trustee there shall be issued to the Registered Owners, without charge therefor, for the then unredeemed balance of the principal amount thereof, a new Series 2010A Bond or Series 2010A Bonds, at the option of the Registered Owners, with like maturity and interest rate in any of the denominations authorized by this Bond Resolution.

B. Mandatory Redemption. The term Series 2010A Bonds maturing on September 1, 2027, shall be subject to mandatory redemption and retirement prior to maturity, in part, by lot in such manner as the Trustee shall determine, on September 1 in the years 2021 through 2027, inclusive, at 100% of the principal amount thereof plus accrued interest to the date of redemption, from Mandatory Redemption Amounts (which are hereby established) in the amounts set forth below:

<u>Mandatory Redemption Date</u>	<u>Mandatory Redemption Amount</u>
<u>September 1</u>	
2021	\$32,000
2022	34,000
2023	35,000
2024	37,000
2025	39,000
2026	40,000
2027*	42,000

\*Maturity Date

Section 2.6 Form of Series 2010A Bond

The Series 2010A Bonds shall be issued in the form of bond attached hereto as Exhibit C.

Section 2.7 Book-Entry Only System

A. The Series 2010A Bonds shall initially be registered on the Bond Register in the name of Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Series 2010A Bonds, except in the event the Trustee issues Replacement Bonds as provided below. It is anticipated that during the term of the Series 2010A Bonds, the Securities Depository will make book-entry transfers among the DTC Participants and receive and transmit payments of principal of and interest on the Series 2010A Bonds until and unless the Trustee authenticates and delivers Replacement Bonds to the Beneficial Owners as described below.

B. If the Securities Depository determines to discontinue providing its services with respect to the Series 2010A Bonds and the Agency cannot obtain a qualified successor Securities Depository, or if the Agency determines not to use the book-entry system of the Securities Depository, the Agency shall execute and the Trustee shall authenticate and deliver one or more Series 2010A Bond certificates (the "Replacement Bonds") to the DTC Participants in principal amounts and maturities corresponding to the identifiable Beneficial Owners' interests in the Series 2010A Bonds, with such adjustments as the Trustee may find necessary or appropriate as to accrued interest and previous calls for redemption, if any. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Series 2010A Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Replacement Bonds.

C. With respect to Series 2010A Bonds registered in the name of Cede & Co. as nominee for the Securities Depository, neither the Agency nor the Trustee shall have any responsibility to any Beneficial Owner with respect to:

- (i) the sending of transaction statements, or maintenance, supervision, or review of records of the Securities Depository;
- (ii) the accuracy of the records of the Securities Depository or Cede & Co. with respect to any ownership interest in the Series 2010A Bonds;
- (iii) the payment to any Beneficial Owner, or any person other than the Securities Depository, of any amount with respect to principal of, interest on, or redemption premium, if any, on the Series 2010A Bonds; or
- (iv) any consent given or other action taken by the Securities Depository or Cede & Co. as owner of the Series 2010A Bonds.

## Section 2.8 Successor Securities Depository

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable state or federal statute or regulation, the Trustee, with the written consent of the Agency, may appoint a successor Securities Depository, provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable state or federal statute or regulation. Upon the appointment of a successor Securities Depository, the former Securities Depository shall surrender the Series 2010A Bonds to the Trustee for transfer to the successor Securities Depository, and the Trustee shall cause the authentication and delivery of Series 2010A Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

## Section 2.9 Application of Proceeds of Series 2010A Bonds

The proceeds of the sale of the Series 2010A Bonds shall be deposited as follows:

(a) The Construction Proceeds and the amount necessary to pay the Costs of Issuance, in the amount as specified in a Written Certificate of the Agency, shall be deposited into the Series 2010A Project Account in the Construction Fund held by the Trustee.

(b) Proceeds in the amount of \$44,311.90 shall be deposited with the Trustee for deposit into the Debt Service Reserve Account in the Bond Fund.

# ARTICLE III

## TERMS AND PROVISIONS OF BONDS

### Section 3.1 Terms of Bonds

A. The principal of and interest on, and the redemption price of Bonds authorized by this Resolution shall be payable in lawful money of the United States of America at the principal corporate trust office of the Trustee or of any paying agent at the option of a Registered Owner. Payment of interest on any fully registered Bond shall be made to the Registered Owner thereof and shall be paid by check or draft mailed to the Registered Owner thereof as of the close of business on the Record Date at his address as it appears on the registration books of the Trustee or at such other address as is furnished to the Trustee in writing by such Registered Owner.

B. The Bonds of any Series may be issued only in fully registered form without coupons in authorized denominations.

C. The Bonds of each series shall be dated as of the issue date specified in the Resolution pursuant to which such series of Bonds is issued. Each fully registered Bond of any series shall bear interest from the interest payment date next preceding the date of registration



and authentication thereof unless it is registered as of an interest payment date, in which event it shall bear interest from the date thereof, or unless it is registered prior to the first interest payment date, in which event it shall bear interest from its date, or unless, as shown by the records of the Trustee, interest on the Bonds of such series shall be in default, in which event it shall bear interest from the date to which interest has been paid in full.

D. The Bonds of each series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of the Resolution as may be necessary or desirable to comply with the Act, custom, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by the Agency prior to the authentication and delivery thereof.

E. From and after the issuance of the Bonds of any series, the findings and determinations of the Board, respecting that series shall be conclusive evidence of the existence of the facts so found and determined in any action or proceeding in any court in which the validity of such Bonds is at issue, and no bona fide purchaser of any such Bonds shall be required to see to the existence of any fact or to the performance of any condition or to the taking of any proceeding required prior to such issuance, or to the application of the purchase price paid for such Bonds. The validity of the issuance of any series of the Bonds shall not be dependent on or affected in any way by (a) any proceedings taken by the Agency for the planning, acquisition, construction, reconstruction, modification or improvement of the Project, or (b) any contracts made by the Agency in connection therewith, or (c) the failure to complete the planning, acquisition, construction, reconstruction, modification or improvement of the Project. The recital contained in the Bonds that the same are issued pursuant to the Act shall be conclusive evidence of their validity and of the regularity of their issuance and all the Bonds shall be incontestable from and after their issuance. Bonds shall be deemed to be issued, within the meaning of the Resolution, whenever the definitive Bonds, or any temporary Bonds exchangeable therefor, have been delivered to the purchasers thereof, and the purchase price thereof received, or in the case of Bonds to be refunded through exchange, whenever such exchange has been made.

### Section 3.2 Execution of Bonds

A. The Bonds shall be signed on behalf of the Board by the manual or facsimile signature of its Chairman, attested by the manual or facsimile signature of its Secretary, and the seal, if any, of the Agency shall be thereunto affixed by the Secretary of the Board, which may be by a facsimile of the Agency's seal which is imprinted upon the Bonds. The Bonds shall then be delivered to the Trustee for manual authentication by it. In case any officer who shall have signed or attested any of the Bonds shall cease to be such officer before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee or issued by the Agency, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issuance, shall be as binding upon the Agency as though such person who signed or attested the same had continued to be such officer of the Agency. Also, any Bond may be signed, countersigned or attested on behalf of the Agency by any person who on the actual date of the execution of such Bond shall be the proper officer of the Agency, although on the nominal date of such Bond any such person shall not have been such officer of the Agency.

B. All (but not less than all) of the Bonds of any series shall be executed by the Agency for issuance under the Resolution and delivered to the Trustee and thereupon shall be

authenticated by the Trustee and by it delivered to the Agency or upon the written request of the Agency but only upon receipt by the Trustee of the following documents or moneys or securities, all of such documents dated or certified, as the case may be, as of the date of such delivery by the Trustee (unless the Trustee shall accept any of such documents bearing a prior date):

(1) A certified copy of the Resolution or the Supplemental Resolution authorizing the issuance of the Bonds of such series;

(2) A written request of the Agency as to the delivery of the Bonds of such series;

(3) An Opinion of Counsel of nationally recognized standing in the field of law relating to municipal bonds to the effect that (a) the Agency has the power under the Act, as amended to the date of such Opinion, to issue the Bonds of such series, to adopt the Resolution, and the Resolution has been duly and lawfully adopted by the Agency, is in full force and effect and is valid and binding upon the Agency and enforceable in accordance with its terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights and except to the extent that the obligations of the Agency under the Resolution are subject to the exercise in the future by the State of Idaho and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the power delegated to it by the federal Constitution), and no other authorization for the Resolution is required; (b) the Resolution creates the valid pledge which it purports to create of the Pledged Revenues, moneys, securities and funds held or set aside under the Resolution, subject to the application thereof to the purposes and on the conditions permitted by the Resolution; and (c) the Bonds of such series are valid and binding special obligations of the Agency, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights) and the terms of the Resolution and entitled to the benefits of the Resolution and the Act as amended to the date of such Opinion, and the Bonds of such series have been duly and validly authorized and issued in accordance with law and the Resolution;

(4) The amounts, if any, necessary for deposit in the funds established pursuant to Section 5.2 as set forth in Article VII (Additional Bonds); and

(5) Such further documents, moneys and securities as are required by the provisions of any Supplemental Resolution.

C. Only such of the Bonds as shall bear thereon a certificate of authentication, executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of the Resolution, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered under, and are entitled to the benefits of, the Resolution and that the Registered Owner thereof is entitled to the benefits of the Resolution.

D. After the original issuance of the Bonds of any series, no Bonds of such series shall be issued except in lieu of or in substitution for other Bonds of such series pursuant to this Article III or Section 4.4 or Section 10.6.

### Section 3.3 Transfer or Exchange of Bonds

Any Bond shall be transferable by the Registered Owner thereof in person, or by his attorney duly authorized in writing, upon presentation and surrender of such Bond at the principal corporate trust office of the Trustee for cancellation and issuance of a new Bond registered in the name of the transferee, in exchange therefor. Provided, however, that the Trustee shall not be required to transfer the Bonds within 15 calendar days of a principal or interest payment.

Any Bond shall be exchangeable for Bonds of any authorized denomination or denominations, upon surrender and cancellation of said Bond at the principal corporate trust office of the Trustee.

Whenever any Bond or Bonds shall be surrendered for transfer or exchange, the Trustee shall authenticate and deliver to the transferee or exchangee, in exchange therefor, a new fully registered Bond or Bonds of any authorized denomination or denominations, of the same maturity and interest rate, and for the aggregate principal amount of such Bond or Bonds being surrendered.

The Trustee shall require the payment by the Registered Owner requesting such transfer or exchange of any tax, fee or governmental charge required to be paid with respect to such transfer or exchange. The costs imposed by the Trustee for such transfer or exchange shall be deemed to be a cost to be borne by the Agency. The Trustee and the Agency may also require the transferor and/or transferee of the Bond to execute any documents in connection with such transfer as may be reasonably required by the Agency and the Trustee.

### Section 3.4 Temporary Bonds

Any series of Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Agency, shall be without coupons and may contain such reference to any of the provisions of the Resolution as may be appropriate. Every temporary Bond shall be executed by the Agency and be authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Agency issues temporary Bonds it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the principal corporate trust office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive fully registered Bonds of authorized denominations, of the same series and maturity or maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under the Resolution as definitive Bonds authenticated and delivered under the Resolution.

### Section 3.5 Lost, Stolen, Mutilated or Destroyed Bonds

In case any Bond shall be lost, stolen, mutilated or destroyed, the Trustee may authenticate and deliver a new Bond or Bonds of like date, denomination, interest rate, maturity, number, tenor and effect to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the Agency and the Trustee in connection therewith and upon his

filing with the Agency and the Trustee evidence satisfactory to the Agency and the Trustee of his ownership thereof, and upon furnishing the Agency and the Trustee with indemnity satisfactory to the Agency and the Trustee.

#### Section 3.6    Registration

The Trustee is hereby appointed as registrar, authenticating agent, paying agent, and transfer agent with respect to the Bonds in accordance with Article VIII hereof.

### ARTICLE IV

#### REDEMPTION OF BONDS

##### Section 4.1    Privilege of Redemption of Bonds

Any series of Bonds subject to redemption prior to maturity shall be redeemable, upon notice being given as provided in this article, at such times, at such Redemption Prices and upon such terms (in addition to and consistent with the terms contained in this Article) as may be specified in the Resolution authorizing the issuance of the Bonds of such series.

##### Section 4.2    Selection of Bonds for Redemption

Except as otherwise provided in a Supplemental Resolution: (i) if less than all of the Bonds of any series are called for redemption and if the Bonds of such series shall mature on more than one date, the Bonds of such series shall be redeemed from the Outstanding Bonds of such series in inverse order of maturities, unless otherwise provided in the Supplemental Resolution relating to such series of Bonds; (ii) if less than all of the Bonds of any series maturing on any single date are called for redemption, the Trustee shall select the Bonds to be redeemed, by lot from the Outstanding Bonds of such series maturing on that date not previously called for redemption; provided, however, that subject to other applicable provisions of the Resolution or of any Supplemental Resolution, the portion of any Bond to be redeemed shall be in a principal amount equal to a denomination in which Bonds of such series are authorized to be issued. In selecting Bonds for redemption the Trustee shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of each Bond by the minimum denomination in which the Bonds of such series are authorized to be issued. If part but not all of a Bond shall be selected for redemption, the Registered Owner thereof or his attorney or legal representative shall present and surrender such Bond to the Trustee for payment of the principal amount thereof so called for redemption and the redemption premium, if any, on such principal amount. The Agency shall execute and the Trustee shall authenticate and deliver to or upon the order of such Registered Owner or his legal representative, without charge therefor, a Bond or Bonds of the same maturity and bearing interest at the same rate as the Bond so surrendered for the unredeemed portion of the surrendered Bond. The Trustee shall promptly notify the Agency in writing of the Bonds or portions thereof selected for redemption.

##### Section 4.3    Notice of Redemption

A.    Notice of Redemption. Notice of any such redemption shall be sent by the Trustee by first-class mail, postage prepaid, not less than thirty-five (35) nor more than sixty (60) days prior to the date fixed for redemption, to the Registered Owner of each Bond to be

redeemed at the address shown on the Bond Register. This requirement shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether or not it is actually received by the Registered Owner of any Bond to be redeemed.

B. Effect of Redemption. When so called for redemption, such Bonds shall cease to accrue interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and such Bonds shall not be deemed to be Outstanding as of such redemption date.

C. Voluntary Redemption Notice. In addition to the notice required by subsection A above, further notice may be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed in said subsection A.

(1) Each further notice of redemption given hereunder may contain the following information:

- (a) the redemption date;
- (b) the redemption price;
- (c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (d) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;
- (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Trustee;
- (f) the CUSIP numbers of all Bonds being redeemed;
- (g) the date of issue of the Bonds as originally issued;
- (h) the rate of interest borne by each Bond being redeemed;
- (i) the maturity date of each Bond being redeemed; and
- (j) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption may be sent at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service to:

(a) all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds, such depositories being:

(i) Depository Trust Company, New York, New York; and

(ii) Philadelphia Depository Trust Company, Philadelphia, Pennsylvania; and to

(iii) Midwest Depository Trust Company, Chicago, Illinois.

(b) one or more of the national information services that disseminate notices of redemption of obligations such as the Bonds.

(3) Each such further notice may be published one time in The Bond Buyer, published in New York, New York or, if such publication is impractical or unlikely to reach a substantial number of the Registered Owners of the Bonds, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least thirty (30) days prior to the date fixed for redemption.

(4) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

D. Open Market Purchase. The Agency hereby reserves the right to purchase the Bonds on the open market at a price equal to or less than par. In the event the Agency shall purchase Bonds at a price (exclusive of accrued interest) of less than the principal amount thereof, the Bonds so purchased shall be credited at the par amount thereof against the Debt Service requirement next becoming due. In the event the Agency shall purchase term Bonds at a price (exclusive of accrued interest) of less than the principal amount thereof, the term Bonds so purchased shall be credited against the Mandatory Redemption Amounts next becoming due. All Bonds so purchased shall be credited against the Mandatory Redemption Amounts next becoming due. All Bonds so purchased shall be cancelled.

#### Section 4.4 Partial Redemption of Registered Bonds

Upon surrender of any registered Bond redeemed in part only, the Agency shall duly execute and the Trustee shall authenticate and deliver to the Registered Owner thereof, at the expense of the Agency, a new Bond or Bonds of the same series and maturity and of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered, which new Bond or Bonds shall be a registered Bond or Bonds.

#### Section 4.5 Disposition of Redeemed Bonds

All Bonds redeemed in whole or in part pursuant to the provisions of this article shall be canceled by the Trustee and shall thereafter be delivered to, or upon the order of, the Agency.

## ARTICLE V

### PLEDGE OF REVENUES; ESTABLISHMENT OF FUNDS AND ACCOUNTS

#### Section 5.1 Pledge of Pledged Revenues

The Agency hereby pledges for the payment of the Bonds, equally and ratably, the Pledged Revenues and all money in the Bond Fund. The Pledged Revenues and other money in the Revenue Fund and the Bond Fund, if any, shall not, except as provided in this Bond Resolution, be used for any other purpose while any of the Bonds remain Outstanding. This pledge shall constitute a first and exclusive lien on the Pledged Revenues and such other moneys in the Revenue Fund and the Bond Fund, if any, for the payment of the Bonds in accordance with the terms hereof.

#### Section 5.2 Confirmation and Establishment of Funds

The following Funds which are hereby confirmed and established hereunder shall become applicable.

- A. Revenue Fund to be held by the Agency;
- B. Construction Fund to be held by the Trustee;
- C. Bond Fund, consisting of a Debt Service Account and a Debt Service Reserve Account to be held by the Trustee; and
- D. Rebate Fund to be held by the Agency.

The Trustee may establish one or more separate and segregated sub-accounts within the Debt Service Account or the Debt Service Reserve Account from time to time as shall be necessary.

#### Section 5.3 Revenue Fund; Bond Fund; Flow of Funds

A. Required Deposits. The Agency shall deposit as received all Pledged Revenues into the Revenue Fund. The Agency shall deposit into the Debt Service Account in the Bond Fund the accrued interest, if any, received from the sale of a series of Bonds to the initial purchasers thereof. The Agency shall also deposit into the Debt Service Account the portion, if any, of the Net Proceeds designated as capitalized interest on a series of Bonds.

B. Required Transfers. Moneys in the Revenue Fund shall be disbursed in the following order of priority:

First: To transfer to the Trustee for deposit in the Debt Service Account in the Bond Fund not later than five (5) days before any Payment Date, an amount equal to Debt Service coming due on such Payment Date. There may be credited against the foregoing transfer, however, any moneys deposited in the Debt Service Account which are available to pay Debt Service on the Bonds and which have not previously been taken as a credit against the required transfers.

Second: To transfer to the Trustee for deposit in the Debt Service Reserve Account in the Bond Fund as soon as practicable after moneys are withdrawn from the Debt Service Reserve Account in accordance with Section 5.5 hereof.

The Trustee shall pay out of the Debt Service Account to the Registered Owners of the Bonds entitled to such payment on each Payment Date the amount of Debt Service payable on such date.

C. Remaining Amounts. Amounts remaining in the Revenue Fund at the end of any Fiscal Year in excess of the amounts necessary to make the payments required above may be applied by the Agency, free and clear of the lien of this Bond Resolution, to the extent permitted by law, (i) to the redemption of Series 2010A Bonds in accordance with Section 2.5 hereof or (ii) for any other lawful purpose of the Agency.

#### Section 5.4 Construction Fund

A. There shall be deposited into the Construction Fund the Construction Proceeds of the Series 2010A Bonds and so much of the proceeds of the Series 2010A Bonds as shall be required to pay the Costs of Issuance. There shall also be paid into the Construction Fund the amounts required to be so paid by the provisions of any Supplemental Resolution.

B. The Trustee may establish within the Construction Fund separate Project Accounts and may establish one or more subaccounts in each Project Account. Income received from the investment of moneys in any Project Account in the Construction Fund shall be credited to such Project Account. Upon completion of any Project, the relevant Project Account shall be closed as directed by the Agency, and all remaining amounts in such Project Account shall be transferred to the Debt Service Account in the Bond Fund.

C. The proceeds of insurance maintained in connection with a Project during the period of construction of such Project against physical loss of or damage to the District, or of contractors' performance bonds with respect thereto, pertaining to the period of construction thereof, shall be paid into the appropriate Project Account in the Construction Fund.

D. Amounts in each Project Account in the Construction Fund shall be applied to pay the Cost of Acquisition and Construction of such Project or to pay the Costs of Issuance.

E. Before any payment is made from any Project Account in the Construction Fund for the payment of the Cost of Acquisition and Construction, the Agency shall execute and deliver to the Trustee a Written Certificate in the form attached hereto as Exhibit D showing with respect to each payment to be made the name of the person to whom payment is due and the amount to be paid and certifying that the obligation to be paid was incurred and is a proper charge against the Project Account in the Construction Fund and in a reasonable amount against the Project Account in the Construction Fund and has not been theretofore included in a prior Written Certificate, and that insofar as any such obligation was incurred for work, materials, equipment or supplies, such work was actually performed, or such materials, equipment or supplies were actually installed in furtherance of the acquisition of the Project or delivered at the site of the Project for that purpose or delivered for storage or fabrication or as a progress payment due on equipment being fabricated to order.



F. Before any payment is made from any Project Account in the Construction Fund for the payment of Costs of Issuance, the Agency shall execute and deliver to the Trustee its Written Certificate in the form attached as Exhibit D hereto, signed by an Authorized Officer of the Agency, stating, in respect of each payment to be made, (a) the name and address of the person, firm, or corporation to whom payment is due, (b) the amount to be paid, (c) the particular item of the Cost of Issuance to be paid, and (d) that the cost or obligation in the stated amount is a proper item of the Costs of Issuance and has not been paid.

#### Section 5.5 Bond Fund — Debt Service Reserve Account

A. Upon the issuance of the Series 2010A Bonds authorized herein, the Trustee shall deposit, from the Net Proceeds, an amount which shall cause the amount on deposit in the Debt Service Reserve Account to equal the Reserve Account Requirement. Funds on deposit in the Debt Service Reserve Account shall be invested in Investment Securities maturing or redeemable pursuant to Section 6.1 of this Resolution.

B. If on any Payment Date the amount in the Debt Service Account is less than the amount required to pay such Debt Service, the Trustee shall apply amounts from the Debt Service Reserve Account to the extent necessary to make said payments.

C. Any deficiency in the Debt Service Reserve Account created by a withdrawal as authorized by the preceding paragraph shall be replaced as soon as practicable by deposits of legally available moneys from the Revenue Fund, as provided in Section 5.3B of this Bond Resolution and as provided in subsection D below, until the Debt Service Reserve Account is restored to the Reserve Account Requirement.

D. Whenever the amount in the Debt Service Reserve Account, determined in accordance with Section 6.2 of this Bond Resolution, together with the amount in the Debt Service Account, is sufficient to pay in full the amount of Bonds Outstanding, including interest thereon, in accordance with the terms of the Bonds, the funds on deposit in the Debt Service Reserve Account shall be transferred to the Debt Service Account. Any provision of this Bond Resolution to the contrary notwithstanding, so long as there shall be held in the Bond Fund an amount sufficient to pay in full the total principal amount Outstanding and interest accrued on the Bonds, in accordance with the terms of the Bonds, no deposits shall be required to be made into the Debt Service Reserve Account. When the Reserve Account Requirement is met, interest earnings on and profits from investments from the Debt Service Reserve Account shall be transferred to the Debt Service Account. When the Reserve Account Requirement is not met, interest earnings on and profits from investments from the Debt Service Reserve Account shall be retained in the Debt Service Reserve Account.

#### Section 5.6 Rebate Fund

There is hereby created a fund, to be known as the "Rebate Fund," separate and apart from other funds and accounts of the Agency, to be held and administered by the Agency. The Agency shall make deposits into the Rebate Fund as required to comply with Section 148(f) of the Code. In addition, notwithstanding any other provision of this Resolution, upon the written direction of the Agency, any investment income or other gain on moneys in any of the Funds may be transferred to the Rebate Fund to enable the Agency to satisfy the requirements of Section 148(f) of the Code. Moneys in the Rebate Fund shall be paid to the United States in the

amounts and at the times required by the Code. Any excess moneys contained in the Rebate Fund shall, at the written direction of the Agency, be transferred to the Revenue Fund. Upon payment of all amounts due to the United States pursuant to Section 148 of the Code, any moneys remaining in the Rebate Fund may be applied to any lawful purpose of the Agency.

## **ARTICLE VI**

### **DEPOSIT AND INVESTMENT OF FUNDS**

#### **Section 6.1    Investment of Funds**

Moneys held in any fund or account shall be invested and reinvested by the Agency or the Trustee to the fullest extent practicable in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such fund or account; provided, however, that moneys in the Debt Service Reserve Account may be invested in obligations maturing or redeemable at the option of the holder not later than the last maturity date of the Bonds.

The Trustee shall make investments only in accordance with instructions received from an Authorized Officer of the Agency. Except as provided to the contrary in Article V, income received from the investment of moneys in any fund or account shall be credited to such fund or account.

The Trustee may make any and all investments permitted by the provisions of this Section 6.1 through its own investment department or that of its affiliates. The Agency acknowledges that to the extent regulations of the Comptroller of the Currency or any other regulatory entity grant the Agency the right to receive brokerage confirmations of the security transactions as they occur, the Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Agency periodic cash transaction statements that include the detail for all investment transactions made by the Trustee hereunder.

#### **Section 6.2    Valuation and Sale of Investments**

Obligations purchased as an investment of money in any fund or account created under the provisions of this Bond Resolution shall be deemed at all times to be a part of such fund or account, and any profit realized from the liquidation of such investment shall be credited to, and any loss resulting from the liquidation of such investment shall be charged to the computation of net interest earned on the money and investments in such fund or account.

In computing the amount in any fund or account created under the provisions of this Bond Resolution for any purposes provided in this Bond Resolution, obligations purchased as an investment of money therein shall be valued at cost. Such computations shall be determined as of March 1 and September 1 of each year.

Except as otherwise provided in this Bond Resolution, the Trustee shall sell at the best price obtainable or present for redemption or transfer as provided in the next sentence any obligation so purchased as an investment whenever either shall be requested in writing by an Authorized Officer of the Agency so to do or whenever it shall be necessary in order to provide money to meet any payment or transfer from any fund or account held by them. In lieu of such

sale or presentment for redemption, the Trustee may, in making the payment or transfer from any fund or account mentioned in the preceding sentence, transfer such investment obligations, or interest appertaining thereto if such investment obligations shall mature or be collectable at or prior to the time the proceeds thereof shall be needed and such transfer of investment obligations may be made in book-entry form. The Trustee shall not be liable or responsible for making any such investment in the manner provided above or for any loss resulting from such investment.

## **ARTICLE VII**

### **ADDITIONAL BONDS**

The Agency reserves the right to issue Additional Bonds secured equally and ratably with the Series 2010A Bonds by a pledge of (i) Pledged Revenues and (ii) the funds established by this Bond Resolution, upon the conditions set forth in this Article VII.

#### **Section 7.1     General Provisions for the Issuance of Additional Bonds**

Whenever the Agency shall determine to issue any series of Additional Bonds, the Agency shall adopt a Supplemental Resolution which:

1.     Shall specify the authorized principal amount and series designation of such series of Additional Bonds;
2.     Shall specify the date and the maturity date or dates of the Bonds of such series, provided that (a) each maturity date shall fall upon an interest payment date and (b) all the Bonds of like maturity shall be identical in all respects, except as to denominations and number;
3.     Shall specify the interest rate or rates of the Bonds of such series, or the manner of determining such rate or rates, and the interest payment dates therefor, provided that the interest payment dates may be as provided in the Supplemental Resolution authorizing such series of Additional Bonds;
4.     Shall specify the authorized denomination or denominations of the Bonds of such series;
5.     Shall, subject to Article IV, specify the redemption terms, if any, for the Bonds of such series;
6.     Shall specify the amount and due date of each Mandatory Redemption Amount, if any, for the Bonds of such series, provided that each due date for each Mandatory Redemption Amount shall fall upon an interest payment date for such Bonds;
7.     Shall specify the forms of the Bonds of such series and of the Trustee's certificate of authentication;
8.     Shall require the Agency to deposit in the Debt Service Account the amount of such proceeds, if any, representing accrued interest on such series of Additional Bonds to the date of delivery thereof;

9. May require the Agency to deposit a specified amount of money from the proceeds of the sale of such series of Additional Bonds issued to finance the construction of the Project into the Debt Service Account in the Bond Fund sufficient to pay when due all or a portion of the interest on such series of Additional Bonds accrued and to accrue to the estimated completion date, plus interest on such series of Additional Bonds for not to exceed six (6) months; and

Shall require the Agency to deposit into the Debt Service Reserve Account from proceeds of the sale of the Additional Bonds, or from other legally available sources, an amount sufficient to cause to be on deposit therein a sum equal to the Reserve Account Requirement.

#### Section 7.2 Conditions to Issuance of Additional Bonds

Prior to issuance of Additional Bonds, the Agency shall file with the Trustee the following documents:

1. A copy of the Supplemental Resolution authorizing the issuance of the Additional Bonds.
2. A Written Certificate of the Agency to the effect that, upon the delivery of the Additional Bonds, the Agency will not be in default in the performance of any of the covenants, conditions, agreements, terms, or provisions of this Bond Resolution with respect to any Bonds Outstanding hereunder.
3. A Written Certificate of the Agency certifying that Pledged Revenues for the twelve consecutive months preceding the issuance of the Additional Bonds were at least equal to 200% of the Debt Service for any Bonds then Outstanding during such 12-month period and the average annual Debt Service on the Additional Bonds proposed to be issued.

#### Section 7.3 Refunding Bonds

The Agency may issue Additional Bonds for the purpose of refunding any Outstanding Series 2010A Bonds or Additional Bonds, provided that the Debt Service in each year on the refunding bonds does not exceed by more than \$25,000 the Debt Service on the Series 2010A Bonds or Additional Bonds being refunded.

#### Section 7.4 Subordinate Lien Bonds

Nothing herein contained shall prevent the Agency from issuing obligations which are a charge upon the Pledged Revenues junior or inferior to the payment required by this Bond Resolution to be made out of such revenue into the Debt Service Account to pay and secure the payment of the Series 2010A Bonds and any Additional Bonds.

## ARTICLE VIII

### THE TRUSTEE

#### Section 8.1 The Trustee

A. Trustee: Acceptance of Duties. Zions First National Bank, Corporate Trust Office, Boise, Idaho, is hereby appointed as Trustee, and shall also act as paying agent, bond registrar, authenticating agent, and transfer agent with respect to the Bonds, subject to the following terms and conditions:

(i) The Trustee shall keep, or cause to be kept at its principal corporate trust office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Agency.

(ii) The Trustee shall be responsible for its representations contained in the Certificate of Authentication on the Bonds.

(iii) The Trustee may become the Registered Owner of Bonds with the same rights it would have if it were not a Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Registered Owners.

The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Bond Resolution by executing and delivering to the Agency a written acceptance thereof, and upon executing such acceptance, the Trustee shall be deemed to have accepted the duties and obligations with respect to all of the Bonds thereafter to be issued, but only, however, upon the terms and conditions set forth in the Bond Resolution.

#### Section 8.2 Responsibilities of Trustee

The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Agency, and no Trustee assumes any responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of the Bond Resolution or of any Bonds issued thereunder or as to the security afforded by the Bond Resolution, and the Trustee shall not incur any liability in respect thereof. The Trustee shall not be under any responsibility or duty with respect to the application of any moneys paid by such Trustee in accordance with the provisions of the Bond Resolution to the Agency or to any other Trustee. The Trustee shall not be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence, willful misconduct or default.

The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Bond Resolution. In case an event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by the Bond Resolution, and use the same degree of care and skill in its exercise, as a

prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provisions of the Bond Resolution relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 8.2.

### Section 8.3 Evidence on Which Trustee May Act

A. The Trustee, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provisions of this Bond Resolution, shall examine such instrument to determine whether it conforms to the requirements of the Bond Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be counsel to the Agency, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Bond Resolution in good faith and in accordance therewith.

B. Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Bond Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of an Authorized Officer of the Agency, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Bond Resolution upon the faith thereof; but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence to it may seem reasonable.

C. Except as otherwise expressly provided in this Bond Resolution, any request, order, notice or other direction required to be permitted to be furnished pursuant to any provision thereof by the Agency to the Trustee shall be sufficiently executed in the name of the Agency by an Authorized Officer of the Agency.

### Section 8.4 Compensation of Trustee

Subject to the terms of any agreement with the Trustee, the Agency shall pay to the Trustee from time to time reasonable compensation for all services rendered under the Bond Resolution and also all reasonable expenses, charges, fees of counsel, accountants and consultants and other disbursements, including those of its attorneys, agents, and employees, incurred in good faith in and about the performance of their powers and duties under the Bond Resolution.

### Section 8.5 Resignation and Removal of Trustee

A. Resignation of Trustee. The Trustee, after a successor Trustee has been duly appointed and has accepted the duties of Trustee in writing, may at any time resign and be discharged of the duties and obligations created by the Bond Resolution by giving not less than 60 days' written notice to the Agency, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Agency or the Registered Owners as provided in Section 8.6 of this Bond Resolution, in which event such resignation shall take effect immediately on the appointment of such successor.

B. Removal of Trustee. The Trustee may be removed at any time by the Agency upon giving thirty (30) days' notice by an Instrument in writing filed with the Trustee.

#### Section 8.6 Successor Trustee

A. Appointment of Successor Trustee.

(i) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property shall be appointed, or if any public officer shall take charge or control of the Trust or of its property or affairs, a successor shall be appointed by the Agency.

(ii) If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 45 days after the Trustee shall have given to the Agency written notice as provided in subsection 8.5 of this Bond Resolution or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee shall apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

B. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under the Bond Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Agency, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, shall become fully vested with all rights, powers, duties, and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee, ceasing to act shall, nevertheless, on the written request of the Agency, or of the successor Trustee, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under the Bond Resolution, and shall pay over, assign, and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the Agency be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, power and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Agency.

C. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by the Bond Resolution, shall be the successor to the Trustee without the execution or filing of any paper or the performance of any further act.

D. Successor Trustee; Qualifications. Notwithstanding anything else in this section to the contrary, any successor Trustee appointed pursuant to the provisions of this section shall

(i) be a bank or trust company or national banking association, duly authorized to exercise trust powers, and (ii) have a reported capital and surplus of not less than \$50,000,000.

## **ARTICLE IX**

### **COVENANTS OF THE AGENCY**

So long as any of the Series 2010A Bonds or any Additional Bonds are Outstanding, the Agency covenants as follows:

#### **Section 9.1     Punctual Payment of Bonds**

The Agency will punctually pay or cause to be paid the principal or redemption price and the interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Bond Resolution.

#### **Section 9.2     Construction of Project**

The Agency will promptly commence, or cause to be commenced, the construction of the Project, or portion thereof, and will continue, or cause to be continued, the same to completion with all practicable dispatch, and such Project will be constructed in a sound and economic manner, except as otherwise provided in Section 9.11 or in a Supplemental Resolution. The Agency shall secure from each contractor employed in connection with any Project performance and payment bonds executed by a responsible surety company authorized to do business in the State of Idaho in a penal sum equal to the entire amount to become payable under the contract with such contractor. Such bonds shall be conditioned on the completion of the Project, or portion thereof, and upon the payment of all claims of subcontractors and suppliers. Each such bond shall name the Agency as the person in whose favor such bond is issued.

#### **Section 9.3     Covenant Regarding Pledged Revenues**

The Agency shall deposit Pledged Revenues sufficient, together with other Pledged Revenues available or to be available in the Debt Service Account to pay Debt Service for the Fiscal Year, to produce Pledged Revenues in each Fiscal Year equal to not less than 125% of the Debt Service on the Series 2010A Bonds and any Additional Bonds issued pursuant to Article VII of this Bond Resolution for said Fiscal Year.

#### **Section 9.4     Against Encumbrances**

The Agency will not create, and will use its best efforts to prevent the creation of, any mortgage or lien upon the District. The Agency will not create, or permit the creation of, any pledge, lien, charge or encumbrance upon the Pledged Revenues except only as provided in or permitted by this Bond Resolution.

#### **Section 9.5     Intentionally Omitted**

#### **Section 9.6     Intentionally Omitted**



#### Section 9.7    Existence of Agency

The Agency will maintain its corporate identity and shall make no attempt to cause its corporate existence to be abolished.

#### Section 9.8    Payment of Taxes and Claims

The Agency will, from time to time, duly pay and discharge, or cause to be paid and discharged, any taxes, assessments or other governmental charges lawfully imposed upon any of the properties of the District, or upon the Pledged Revenues, when the same shall become due, and will duly observe and conform to all valid requirements of any governmental authority relative to any such properties. The Agency will keep the Project, and all parts thereof free from judgments, mechanics' and materialmen's liens, and all other liens, claims, demands, and encumbrances of whatsoever prior nature or character, to the end that the priority of the lien of the Resolution on the Pledged Revenues may at all times be maintained and preserved, and kept free from any claim or liability which might hamper the Agency in conducting its business or operating the Project.

#### Section 9.9    Insurance

A.     The Agency shall procure and maintain fire and extended coverage insurance on the District in amounts sufficient to provide not less than full recovery whenever the loss from causes covered by such insurance does not exceed eighty percent (80%) of the full insurable value of the damaged building or facility. Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing, with the Agency as loss payee and, to the extent that Additional Bonds are secured by a Project which includes real property and fixtures in which the Trustee has a secured interest, the Trustee as loss payee and mortgagee. In the event of any such loss covered by such insurance, the proceeds of such insurance shall be applied to the repair or restoration of the damaged buildings or facility and the contents thereof to their former condition, or in such other manner as will make said building or facility tenantable or usable; provided, however, that if funds received from said insurance policies shall be insufficient to make any building suffering such loss tenantable or usable, then in that case the Agency may, to the extent legally possible, supplement the insurance from funds not required to be paid into the Bond Fund so as to make the insurance proceeds sufficient for their required use, or may pay the insurance proceeds into the Debt Service Account for the benefit of the Registered Owners of the Bonds. If application of money so held to the call of Bonds for redemption will not jeopardize the security of the Bonds not so redeemed, the amount shall be applied to such purpose.

B.     The Agency will secure and maintain adequate fidelity insurance or bonds on all officers and employees handling or responsible for funds of the Agency.

C.     To the extent that Additional Bonds are secured by a Project which includes real property and fixtures in which the Trustee has a secured interest, the Agency will place on file with the Trustee annually within five months after the close of each Fiscal Year so long as any Bonds are Outstanding, a written statement of the Agency containing a summary of all insurance policies then in effect relating to the Project and certifying that the policies are in compliance with this Section 9.9.

#### Section 9.10 Accounts and Reports

A. The Agency will at all times keep, or cause to be kept, proper books of record and accounts in which complete and accurate entries shall be made of all transactions relating to the Operation and Maintenance Expenses of the Project, and the allocation and application of the revenues of the District and the Pledged Revenues. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Trustee or the Registered Owners of not less than five percent of the Bonds then Outstanding, or their representatives authorized in writing.

B. The Agency will place on file with the Trustee promptly upon the receipt thereof by the Agency and in any event annually within nine (9) months after the close of each Fiscal Year, commencing with the Fiscal Year ending September 30, 2010, a copy of its annual audit report covering the operations of the Agency and certified by a Certified Public Accountant. Such report shall provide such information as is necessary to evidence compliance with applicable agreements and covenants made by the Agency in the Resolution. The Trustee shall have no duty to review the information in such annual audit reports.

C. The reports, statements, and other documents required to be furnished to the Trustee pursuant to any provisions of the Resolution shall be available for the inspection of Registered Owners at the principal trust office of the Trustee and shall be mailed to each Registered Owner, investment banker, security dealer, or other person interested in the Series 2010A Bonds who shall file a written request therefor with the Agency.

D. The Agency shall file with the Trustee (i) forthwith upon becoming aware of any Event of Default under Article XI a Written Certificate of the Agency specifying such Event of Default; and (ii) no later than five months following the end of each Fiscal Year a Written Certificate of the Agency stating that, to the best of the knowledge and belief of the authorized officer of the Agency executing such Written Certificate, except for any Event of Default then existing which shall have been specified in the Written Certificate of the Agency referred to in (i) above, the Agency has kept, observed, performed, and fulfilled each and every one of its covenants and obligations contained in the Resolution, and there does not exist at the date of such Written Certificate any Event of Default by the Agency under this Bond Resolution or any Event of Default under Article XI or other event which, with the lapse of time specified in Section 11.1, would become an Event of Default under Article XI, or, if any such Event of Default under Article XI or other event shall so exist, specifying the same and the nature and status thereof.

#### Section 9.11 Reconstruction of Project; Application of Insurance Proceeds

In the event of any damage to any portion of the Project covered by insurance, or condemnation of any portion of the Project, the Agency shall promptly notify the Trustee and file with the Trustee a certificate of the Agency, stating whether it is practicable and desirable to repair, reconstruct, or replace the damaged or condemned property. If the certificate states that repair, reconstruction, or replacement is practicable and desirable, the Agency shall prepare plans and specifications therefor with an estimate of the cost thereof, and the insurance proceeds and condemnation awards, if any, shall be applied thereto. Any balance not so used shall be transferred to the Trustee for deposit in the Bond Fund.

If the insurance proceeds or condemnation awards are insufficient to pay the cost of repair or replacement, the deficiency shall be supplied out of funds payable by the Agency.

If the Agency fails to file the required certificate with respect to any damage to the Project within three months after the occurrence of the damage, or if the certificate which is filed states that the repair, reconstruction, or replacement is not practicable, desirable or financially feasible, the insurance proceeds or condemnation awards shall be transferred to the Trustee for deposit in the Debt Service Account for use in redeeming Bonds.

#### Section 9.12 Compliance With the Resolution

The Agency will not issue, or permit to be issued, any Bonds in any manner other than in accordance with the provisions of this Bond Resolution and will not suffer or permit any default to this Bond Resolution, but will faithfully observe and perform all the covenants, conditions, and requirements thereof. The Agency will make, execute, and deliver any and all such further resolutions, instruments, and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Bond Resolution, and for the better assuring and confirming unto the Registered Owners of the Bonds of the rights, benefits, and security provided in the Resolution. The Agency for itself, its successors and assigns, represents, covenants, and agrees with the Registered Owners of the Bonds, as a material inducement to the purchase of the Bonds, that so long as any of the Bonds shall remain Outstanding and the principal or redemption price thereof or interest thereon shall be unpaid or unprovided for, it will faithfully perform all of the covenants and agreements contained in this Bond Resolution and the Bonds.

#### Section 9.13 Power to Issue Bonds and Pledge Pledged Revenues and Other Funds

The Agency is duly authorized under all applicable laws to issue the Bonds and to adopt the Resolution and to pledge the Pledged Revenues and other moneys, securities, and funds purported to be pledged by this Bond Resolution in the manner and to the extent provided in this Bond Resolution. The Bonds and the provisions of this Bond Resolution are and will be the valid and legally enforceable obligations of the Agency in accordance with their terms and the terms of this Bond Resolution. The Agency shall at all times, to the extent permitted by law, defend, preserve, and protect the pledge of the Pledged Revenues and other moneys, securities, and funds pledged under this Bond Resolution and all the rights of the Registered Owners under this Bond Resolution against all claims and demands of all persons whomsoever.

#### Section 9.14 Power to Own and Operate the Project and Collect Fees

The Agency has, and will have so long as any Bonds are Outstanding, good right and lawful power to own and operate the Project and to fix and collect the Pledged Revenues.

#### Section 9.15 Arbitrage; Special Tax Covenants

The Agency shall comply with the provisions of this Section unless, in the written opinion of nationally recognized bond counsel to the Agency, such compliance is not required in order to maintain the exemption of the interest on the Bonds from federal income taxation.

The Agency hereby covenants that it will not make any use of the proceeds of sale of the Bonds or any other funds of the Agency which may be deemed to be proceeds of such Bonds pursuant to Section 148 of the Code which will cause the Bonds to be "arbitrage bonds" within the meaning of said Section. The Agency will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Bonds) throughout the term of the Bonds.

The Agency hereby further covenants that it will comply with the registration requirements of Section 149(a) of the Code so long as any portion of the Bonds is Outstanding.

The Agency hereby further covenants that it will not take any action or permit any action to be taken that would cause the Bonds to constitute "private activity bonds" under Section 141 of the Code.

#### Section 9.16 Private Person Use Limitation

The Agency shall comply with the provisions of this Section unless, in the written opinion of nationally recognized bond counsel to the Agency, such compliance is not required in order to maintain the exemption of the interest on the Bonds from federal income taxation.

The Agency covenants that so long as any portion of the Bonds are Outstanding, it will not permit:

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

The Agency further covenants that, if:

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

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

then, (i) any Private Person Use of the Project described in subsection (c) hereof or Private Person Use payments in excess of the 5% limitation described in such subsections (b) or (c) will be for a Private Person Use that is related to the state or local governmental use of the Project, and (ii) any Private Person Use will not exceed the amount of Net Proceeds of the Bonds used for the state or local governmental use portion of the Project to which the Private Person Use of such portion of the Project relates. The Agency further covenants that it will comply with any limitations on the use of the Project by other than state and local governmental users that are

necessary, in the opinion of nationally recognized bond counsel, to preserve the tax exemption of the interest on the Bonds.

#### Section 9.17 Private Loan Limitation

The Agency shall comply with the provisions of this Section unless, in the written opinion of nationally recognized bond counsel to the Agency, such compliance is not required in order to maintain the exemption of the interest on the Bonds from federal income taxation.

The Agency covenants that so long as any portion of the Bonds are Outstanding, it will not permit Bond proceeds in excess of 5% of the Net Proceeds of the Bonds to be used (directly or indirectly) to make loans (other than loans that enable a borrower to finance a governmental tax or assessment of general application for a specific essential governmental function) to a Private Person.

#### Section 9.18 Federal Guaranty Prohibition

The Agency shall comply with the provisions of this section unless, in the written opinion of nationally recognized bond counsel to the Agency, such compliance is not required in order to maintain the exemption of the interest on the Bonds from federal income taxation.

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

#### Section 9.19 Opinions of Bond Counsel

Whenever an opinion of bond counsel is rendered in connection with any provision of this Bond Resolution, the opinion shall affirmatively state, in a manner acceptable to the Agency and the Trustee, that interest on the Bonds is excluded from gross income for federal income tax purposes and will remain so after the action in question.

### ARTICLE X

#### MODIFICATION OR AMENDMENT OF RESOLUTION

##### Section 10.1 Amendments Permitted

A. The Resolution or any Supplemental Resolution and the rights and obligations of the Agency and of the Registered Owners of the Bonds may be modified or amended at any time by a Supplemental Resolution and pursuant to the affirmative vote at a meeting of Registered Owners, or with the written consent without a meeting, (1) of the Registered Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, (2) in case less than all of the several series of Bonds then Outstanding are affected by the modification or amendment, of the Registered Owners of at least sixty percent (60%) in principal amount of the Bonds of each series so affected and then Outstanding, and (3) in case the modification or amendment changes the terms of any Mandatory Redemption Amounts, of the Registered Owners of at least sixty percent (60%) in principal amount of the Bonds of the particular series

and maturity entitled to such Mandatory Redemption Amounts and then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified series remain Outstanding, the consent of the Registered Owners of Bonds of such series shall not be required and Bonds of such series shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section. No such modification or amendment shall (x) extend the fixed maturity of any Bond, or reduce the principal amount or redemption price thereof, or reduce the rate or extend the time of payment of interest thereon, without the consent of the Registered Owner of each Bond so affected, or (y) reduce the aforesaid percentage of Bonds required for the affirmative vote or written consent to an amendment or modification of the Resolution, without the consent of the Registered Owners of all of the Bonds then Outstanding, or (z) without its written consent thereto, modify any of the rights or obligations of the Trustee.

B. The Resolution or any Supplemental Resolution and the rights and obligations of the Agency and of the Registered Owners of the Bonds may also be modified or amended at any time by a Supplemental Resolution, without the consent of any Registered Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Agency in the Resolution contained, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the Agency;

(2) to make such provisions for the purpose of curing any ambiguity, or of curing or correcting any defective provision contained in the Resolution, or in regard to questions arising under the Resolution, as the Agency may deem necessary or desirable, and which shall not adversely affect the interests of the Trustee or the Registered Owners of the Bonds;

(3) to provide for the issuance of a series of Bonds, and to provide the terms and conditions under which such series of Bonds may be issued, subject to and in accordance with the provisions of Article VII;

(4) to provide for the issuance of the Bonds pursuant to a book-entry system or as uncertificated public obligations pursuant to the provisions of the Registered Public Obligations Act, Chapter 9 of Title 57, Idaho Code; and

(5) during the term of any credit enhancement agreements (including, without limitation, standby bond purchase agreements and letters of credit) permitted in Section 57-231, Idaho Code, to amend any provisions of the Resolution which is intended solely to be for the benefit of the issuer of the credit enhancement agreement.

C. Such Supplemental Resolution shall become effective as of the date of its adoption or such later date as shall be specified in such Supplemental Resolution.

D. Copies of any modification or amendment to the Resolution shall be sent to any rating agency maintaining a rating on the Bonds at least 10 days prior to the effective date thereof.

## Section 10.2 Registered Owners' Meetings

A. The Trustee may, and upon the Written Certificate of the Agency shall, at any time, call a meeting of the Registered Owners of Bonds, to be held at such place as may be selected by the Trustee and specified in the notice calling such meeting. Written notice of such meeting, stating the time and place of meeting and in general terms the business to be submitted, shall be mailed by the Trustee, postage prepaid, not less than thirty (30) nor more than sixty (60) days before such meeting, to each Registered Owner of Bonds then Outstanding at his address, if any, appearing upon the Bond Register of the Agency. The cost and expense of the giving of such notice shall be borne by the Agency, and the Trustee shall be reimbursed by the Agency for any expense incurred by it.

B. Prior to calling any meeting of the Registered Owners of Bonds, the Trustee shall adopt regulations for the holding and conduct of such meeting, and copies of such regulations shall be filed at the principal corporate trust office of the Trustee and at the office of the Agency and shall be open to the inspection of all Registered Owners. The regulations shall include such provisions as the Trustee may deem advisable for evidencing the ownership of Bonds, for voting in person or by proxy, for the selection of temporary and permanent officers to conduct the meeting and inspectors to tabulate and canvass the votes cast thereat, the adjournment of any meeting and the records to be kept of the proceedings of such meeting, including rules of order for the conduct of such meeting and such other regulations as, in the opinion of the Trustee, may be necessary or desirable.

C. No resolution adopted by such meeting of Registered Owners shall be binding unless and until a valid Supplemental Resolution has been passed containing the modifications or amendments authorized by the resolution adopted at such meeting. Such Supplemental Resolution shall become effective upon the filing with the Trustee of the resolution adopted at such meeting and such Supplemental Resolution.

## Section 10.3 Amendment by Written Consent

The Agency may at any time adopt a valid Supplemental Resolution amending the provisions of the Bonds or of the Resolution or any Supplemental Resolution, to the extent that such an amendment is permitted by this article, to become effective when and as approved by written consent of the Registered Owners and as provided in this section. Such Supplemental Resolution shall not be effective unless there shall have been filed with the Agency or the Trustee the written consents of the necessary number of Registered Owners of the Bonds then Outstanding and a notice shall have been mailed as hereinafter in this section provided. It shall not be necessary for the consent of the Registered Owners under this section to approve the particular form of any proposed Supplemental Resolution, but it shall be sufficient if such consent shall approve the substance thereof. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 13.3. Any such consent shall be binding upon the Registered Owner of the Bonds giving such consent and on any subsequent Registered Owner thereof (whether or not such subsequent Registered Owner has notice thereof) unless such consent is revoked in writing by the Registered Owner of the Bonds giving such consent or a subsequent Registered Owner thereof by filing such revocation with the Agency prior to the date when the notice hereinafter in this section provided for has been mailed. Notice of the fact of the adoption of such Supplemental Resolution shall be mailed by the Agency to Registered Owners

(but failure to mail copies of such notice shall not affect the validity of the Supplemental Resolution when assented to by the requisite percentage of the Registered Owners of the Bonds as aforesaid).

#### Section 10.4 Disqualified Bonds

Bonds owned or held by or for the account of the Agency shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds in this article provided for, and shall not be entitled to vote or consent to, or to take, any other action provided for in this article.

#### Section 10.5 Effect of Modification or Amendment

When any Supplemental Resolution modifying or amending the provisions of the Resolution or any Supplemental Resolution shall become effective, as provided in this article, the Resolution or such Supplemental Resolution shall be and be deemed to be modified and amended in accordance therewith and the respective rights, duties and obligations under the Resolution or such Supplemental Resolution of the Agency, the Trustee and all Registered Owners of Bonds Outstanding hereunder shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Resolution shall be and be deemed to be part of the terms and conditions of the Resolution or such Supplemental Resolution for any and all purposes.

#### Section 10.6 Endorsement or Replacement of Bonds Issued After Amendments

The Agency or the Trustee may determine that Bonds executed and delivered after the effective date of a Supplemental Resolution adopted as provided in this article shall bear a notation, by endorsement or otherwise, in form approved by the Agency, as to the modification or amendment provided for by such Supplemental Resolution. In that case, upon demand of the Registered Owner of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the principal corporate trust office of the Trustee or at such other office as the Agency may select and designate for that purpose, a suitable notation shall be made on such Bond. The Agency may determine that new Bonds, so modified as in the opinion of the Agency is necessary to conform to such Supplemental Resolution shall be prepared, executed and delivered. In that case, upon demand of the Registered Owner of any Bond then Outstanding, such new Bonds shall be exchanged at the principal corporate trust office of the Trustee without cost to any Registered Owner, for Bonds then Outstanding, upon surrender of such Bonds.

## ARTICLE XI

### EVENTS OF DEFAULT

#### Section 11.1 Events of Default

If any one or more of the following Events of Default shall occur, it is hereby declared to constitute an "event of default":



(1) failure to make the due and punctual payment of any Principal Installment of a Bond when and as the same shall become due and payable, whether at maturity, by call for redemption, or declaration or otherwise;

(2) failure to make the due and punctual payment of any installment of interest on any Bond or any Mandatory Redemption Amount, when and as such interest installment or any Mandatory Redemption Amount shall become due and payable;

(3) failure by the Agency to perform or observe any other of the covenants, agreements, or conditions on its part in this Resolution or in the Bonds issued hereunder and the continuation of such default for a period of thirty (30) days after written notice thereof to the Agency by the Trustee specifying such failure and requiring the same to be remedied;

(4) a judgment for the payment of money shall be rendered against the Agency, and any such judgment shall not be discharged within one hundred twenty (120) days of the entry thereof, or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to set aside or stay the execution of or levy under such judgment, or order, decree or process or the enforcement thereof;

(5) dissolution or liquidation of the Agency or the filing by the Agency of a voluntary petition in bankruptcy, or the commission by the Agency of any act of bankruptcy, or adjudication of the Agency as a bankrupt, or assignment by the Agency for the benefit of its creditors, or the entry by the Agency into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Agency in any proceeding for its reorganization instituted under the provisions of the federal bankruptcy act, as amended, or under any similar act in any jurisdiction which may now be in effect or which may hereafter be enacted;

(6) if an order or decree shall be entered, with the consent or acquiescence of the Agency, appointing a receiver or receivers of the Project, or any part thereof, or if such order or decree, having been entered without the consent and acquiescence of the Agency, shall not be vacated or discharged or stayed within ninety (90) days after the entry thereof;

(7) any event of default specified in a Supplemental Resolution;

then, and in each and every such case, so long as such Event of Default shall not have been remedied, unless the Outstanding amount of the Bonds shall have already become due and payable. the Trustee (by thirty (30) days' written notice to the Agency), or the Registered Owners of not less than twenty-five percent (25%) of the Bonds then Outstanding (by notice in writing to the Agency and the Trustee) may declare the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in this Bond Resolution or in the Bonds contained to the contrary notwithstanding. The right of the Trustee or the Registered Owners of not less than twenty-five percent (25%) of the Bonds then Outstanding to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Bond shall have matured by their terms, all overdue installments of

Debt Service on the series Bonds, together with interest on such overdue installments of Debt Service to the extent permitted by law and reasonable and proper charges, if any, and all other sums then payable by the Agency under this Bond Resolution (except the principal of, and interest accrued since the next preceding Debt Service payment date on, the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of the Agency or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Bonds or under this Bond Resolution (other than the payment of principal and interest due and payable, solely be reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Registered Owners of not less than sixty percent (60%) of the Bonds then Outstanding, by written notice to the Agency and the Trustee, may rescind such declaration and annual such default in its entirety or, if the Trustee shall have acted itself without direction of the Registered Owners of the Bonds it may rescind such declaration and annual such default in its entirety, or if the Trustee shall have acted upon the direction of the Registered Owners of not less than sixty percent (60%) of the Bonds then Outstanding, unless there shall have been delivered to the Trustee written direction to the contrary by the Registered Owners of a majority in principal amount of the Bonds then Outstanding, the Trustee may rescind such declaration and annual such default in its entirety. No such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

#### Section 11.2 Accounting and Examination of Records in Event of Default

A. The Agency covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Agency and all other records relating to the facilities shall at all reasonable times be subject to the inspection and use of the Trustee and of its agents and attorneys.

B. The Agency covenants that if an Event of Default shall happen and shall not have been remedied, the Agency, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all moneys, securities, and funds pledged or held under this Bond Resolution for such period as shall be stated in such demand.

#### Section 11.3 Application of Funds and Moneys in Event of Default

A. The Agency covenants that if an Event of Default shall happen and shall not have been remedied, the Agency, upon demand of the Trustee, shall pay over or cause to be paid over to the Trustee (i) forthwith, all moneys, securities, and funds then held by the Agency in any Fund under this Bond Resolution, and (ii) all Pledged Revenues as promptly as practicable after receipt thereof.

During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, funds, including without limitation, the moneys and investments in the Debt Service Account and Debt Service Reserve Account and Pledged Revenues received by the Trustee pursuant to any right given or action taken under the provisions of this Section 11.3 as follows and in the following order :

(1) Compensation and Expenses of Trustee. To the payment of the reasonable and proper compensation, charges, expenses and liabilities of the Trustee;

(2) Operating Costs. To the payment of the amounts required for reasonable and necessary Operation and Maintenance Expenses as necessary, as directed by a majority of the Registered Owners, to prevent deterioration of the Project or loss of Pledged Revenues therefrom. For this purpose the books or record and accounts of the Agency relating to the Project shall at all times be subject to the inspection of the Trustee, its representatives and agents, and Registered Owners during the continuance of such Event of Default;

(3) Principal or Redemption Price and Interest. To the payment of the interest and principal or redemption price then due on the Bonds as follows:

(a) unless the principal of all of the Bonds shall have become or have been declared due and payable;

First: Interest - To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest of the Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: Principal or redemption price - To the payment to the persons entitled thereto of the unpaid principal or redemption price of the Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or redemption due on such date, to the persons entitled thereto, without any discrimination or preference;

(b) if the principal of all of the Bond shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

B. If and whenever all overdue installments of interest on the Bonds, together with the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums payable by the Agency under this Bond Resolution, including the principal and redemption price of and accrued unpaid interest on the Bonds which shall then be payable by declaration or otherwise, shall either be paid by the Trustee for the account of the Agency, or provision satisfactory to the Trustee shall be made for such payment, and all Events of Default under this Bond Resolution shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Agency and the Trustee shall be restored, respectively, to their former positions and right under this Bond Resolution. No such restoration of the Agency and the Trustee in their former positions and rights shall extend to

or affect any subsequent Events of Default under this Bond Resolution or impair any right consequent thereon.

#### Section 11.4 Rights and Remedies of Registered Owners

A. No Registered Owner of any Bond shall have any right to institute any proceeding, judicial or otherwise, with respect to this Resolution, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(1) such Registered Owner has previously given written notice to the Trustee of a continuing Event of Default;

(2) the Registered Owners of not less than twenty-five percent (25%) in principal amount of the Bonds shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(3) such Registered Owners have offered to the Trustee reasonable indemnity against the costs, expenses, and liabilities to be incurred in compliance with such request;

(4) the Trustee for sixty (60) days after its receipt of such notice, request, and offer of indemnity has failed to institute any such proceedings; and

(5) no direction inconsistent with such written request has been given to the Trustee during such sixty-day period by the Registered Owners of a majority in principal amount of the Bonds; it being understood and intended that no one or more Registered Owner of Bond shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Resolution to affect, disturb, or prejudice the rights of any other Registered Owner of Bonds, or to obtain or to seek to obtain priority or preference over any other Registered Owner, or to enforce any right under this Resolution, except in the manner herein provided and for the equal and ratable benefit of all the Registered Owners of Bonds.

B. The Registered Owners of a majority in principal amount of the Outstanding Bonds shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, provided that:

(1) such direction shall not be in conflict with any rule of law or this Resolution,

(2) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Registered Owners not taking part in such direction, and

(3) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

#### Section 11.5 Appointment of Receiver

Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Registered

Owners, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the trust estate created hereby, including, without limitation, the proceeds of the sale of Bonds, the Pledged Revenues, and the funds, including the investments, if any, thereof, pending such proceedings, with such powers as a court making such appointments shall confer.

Section 11.6 Proceedings Brought by Trustee

A. If an Event of Default shall happen and shall have been remedied, then and in every such case the Trustee, by its agents, and attorneys, may proceed, and upon written request of the Registered Owners of not less than twenty-five percent (25%) in principal amount of the Bonds then Outstanding shall proceed to protect and enforce its rights and the rights of the Registered Owners of the Bonds under this Bond Resolution forthwith by a suit or suits in equity or at law, whether for the specified performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Agency as if the Agency were the Trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Bond Resolution.

B. All rights of action under this Bond Resolution may be enforced by the Trustee without the possession of any of the Bonds or the production thereof on the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

C. The Registered Owners of not less than a majority in principal amount of the Bonds at the time Outstanding may direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by its counsel that the action or proceeding so directly may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Registered Owners of the Bonds not parties to such direction.

D. Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under this Bond Resolution the Trustee shall be entitled to exercise any and all rights and powers conferred in this Bond Resolution and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

E. Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Registered Owners of a majority in principal amount of the Bonds then Outstanding, and furnished with reasonable security and indemnity, shall be under no obligation to institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Bond Resolution by any acts which may be unlawful or in violation of this Bond Resolution, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interest and the interests of the Registered Owners.

### Section 11.7 Remedies Not Exclusive

No remedy by the terms of this Bond Resolution conferred or reserved to the Trustee or the Registered Owners of this Bonds is intended to be exclusive of any other remedy, but each and every such remedy given under this Bond Resolution or existing at law or in equity or by statute on or after the date of adoption of this Bond Resolution shall be available to the Trustee and the Registered Owners.

### Section 11.8 Effect of Waiver and Other Circumstances

A. No delay or omission of the Trustee or any Registered Owner to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by this section to the Trustee or to the Registered Owners may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Registered Owners.

B. Prior to the declaration of maturity of the Bonds as provided in the Bond Resolution, the Registered Owners of not less than sixty-six and two-thirds percent (66-2/3%) in principal amount of the Bonds at the time Outstanding, or their attorney-in-fact duly authorized, may on behalf of the Registered Owners of all of the Bonds waive any past default under this Bond Resolution and its consequences, except a default in the payment of interest on, principal of, or premium (if any) on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

### Section 11.9 Notice of Event of Default

The Trustee shall promptly mail to the Agency, and to the Registered Owners of the Bonds then Outstanding, written notice of the occurrence of any Event of Default.

## **ARTICLE XII**

### **DEFEASANCE**

#### Section 12.1 Discharge of Indebtedness

A. If the Agency shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owners of all Bonds the principal of or redemption price, if applicable, and interest due or to become due thereon, if applicable, at the times and in the manner stipulated therein and in the Resolution, or such Bonds shall have been deemed to have been paid as provided in the Supplemental Resolution authorizing a series of Bonds, then the pledge of any Pledged Revenues, and other moneys, securities and funds pledged under the Resolution and all covenants, agreements and other obligations of the Agency to the Registered Owners, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Agency to be prepared and filed with the Agency and, upon the request of the Agency, shall execute and deliver to the Agency all such instruments as may be desirable to evidence such discharge and

satisfaction, and the Trustee shall pay over or deliver to the Agency all moneys or securities held by it pursuant to the Resolution which are not required for the payment of principal or redemption price, if applicable, on Bonds.

B. Bonds or interest installments the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit by the Agency of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection A of this section. All Outstanding Bonds of any series shall prior to the maturity thereof be deemed to have been paid within the meaning and with the effect expressed in subsection A of this section if (1) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Agency shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail to the Registered Owners of such Bonds, notice of redemption of such Bonds on said date, (2) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Investment Securities (including any Investment Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or redemption price, as applicable, and interest due and to become due, if applicable, on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, without adversely affecting the tax-exempt status of the interest on said Bonds taxable under the Code, and (3) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Agency shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, first class postage prepaid, a notice to the Registered Owners of such Bonds that the deposit required by (2) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price is applicable, and interest due or to become due, if applicable, on said Bonds. Notwithstanding the foregoing, in the case of any Bonds that are payable from amounts drawn on or derived under any credit enhancement arrangement as provided in Section 57-231, Idaho Code, the moneys and Investment Securities referred to in clause (2) of the preceding sentence shall be deemed to refer only to (i) moneys drawn or derived, or Investment Securities acquired with moneys drawn or derived, under such credit enhancement arrangement, or (ii) moneys or Investment Securities which have been on deposit with the Trustee for 123 days during which period no Event of Bankruptcy shall have occurred, unless an opinion of nationally recognized counsel in the field of bankruptcy law is filed with the Trustee to the effect that such moneys and Investment Securities are not subject to the avoidance powers of a trustee in bankruptcy under the provisions of Section 544(b) or Section 547(b) of the United States Bankruptcy Code, Title 11, U.S.C., in which case such moneys or Investment Securities need not be on deposit with the Trustee as heretofore required in this sub-clause (ii). Neither Investment Securities nor moneys deposited with the Trustee pursuant to this section nor principal or interest payments on any such Investment Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Investment Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Investment Securities maturing at times and in amounts sufficient to pay when due the principal or Maturity Amount or Redemption Price, as applicable, and interest to become due on said Bonds on and

prior to such Redemption Date or Maturity Date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Agency, as received by the Trustee, free and clear of any trust, lien or pledge.

#### Section 12.2 Unclaimed Moneys

Anything in the Resolution to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for five (5) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee at such date, or for one year after the date of deposit of such moneys if deposited with the Trustee after the said date when such Bonds become due and payable, shall be paid by the Trustee to the State of Idaho free from the trusts created by this Resolution for deposit in its unclaimed property account. Thereafter, Registered Owners of the Bonds shall be entitled to recourse only against the State of Idaho pursuant to its unclaimed property procedure. The State of Idaho shall not be liable for any interest on the sums paid to it pursuant to this section and shall not be regarded as a trustee or trustees of such money. If the monies are not claimed and paid over or delivered as an allowed claim, the monies shall become payable by escheat to the State of Idaho.

### ARTICLE XIII

#### MISCELLANEOUS

##### Section 13.1 Benefits of Resolution Limited to Parties

Nothing in the Resolution, expressed or implied, is intended to give to any person other than the Agency, the Trustee, and the Registered Owners of the Bonds, any right, remedy or claim under or by reason of the Resolution. Any covenants, stipulations, promises or agreements in the Resolution contained by and on behalf of the Agency shall be for the sole and exclusive benefit of the Agency, the Trustee and the Registered Owners of the Bonds.

##### Section 13.2 Successor is Deemed Included in All References to Predecessor

Whenever in the Resolution either the Agency or the Trustee or any paying agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in the Resolution contained by or on behalf of the Agency, the Trustee or any paying agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

##### Section 13.3 Execution of Documents By Registered Owners

Any request, declaration or other instrument which the Resolution may require or permit to be executed by Registered Owners may be in one or more instruments of similar tenor, and shall be executed by Registered Owners in person or by their attorneys appointed in writing.

Except as otherwise expressly provided, the fact and date of the execution by any Registered Owner or his attorney of such request, declaration or other instrument, or of such



writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the amount of Bonds transferable by delivery held by any person executing such request, declaration or other instrument or writing as a Registered Owner, and the numbers thereof, and the date of his holding such Bonds, may be proved by a certificate, which need not be acknowledged or verified, satisfactory to the Trustee, executed by a trust company, bank or other depository, wherever situated, showing that at the date therein mentioned such person had on deposit with, or exhibited to, such depository the Bonds described in such certificate. Continued ownership after the date of deposit stated in such certificate may be proved by the presentation of such certificate if the certificate contains a statement by the depository that the Bonds therein referred to will not be surrendered without the surrender of the certificate to the depository, except with the consent of the Trustee. The Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable. The ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the Bond register.

Any request, declaration or other instrument or writing of the Registered Owners of any Bond shall bind all future Registered Owners of such Bond in respect of anything done or suffered to be done by the Agency or the Trustee in good faith and in accordance therewith or in reliance thereon.

#### Section 13.4 Waiver of Notice

Whenever in the Resolution the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice, and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

#### Section 13.5 Cremation or Destruction of Canceled Bonds

Whenever in the Resolution provision is made for the surrender to the Agency of any Bonds which have been paid or canceled pursuant to the provisions of the Resolution, the Agency may, by a written request of the Agency, direct the Trustee to cremate or destroy such Bonds and furnish to the Agency a certificate of such cremation or destruction.

#### Section 13.6 Governing Law

The Resolution shall be governed by and construed in accordance with the laws of the State of Idaho.

#### Section 13.7 District of Registration

This Resolution shall constitute a District of registration within the meaning and for all purposes of the Registered Public Obligations Act, Chapter 9 of Title 57, Idaho Code.

### Section 13.8 Article and Section Headings

All references herein to "Articles", "Sections" and other subdivisions are to the corresponding articles, sections or subdivisions of the Resolution, and the words "herein", "hereof", "hereunder" and other words of similar import refer to the Resolution as a whole and not to any particular article, section or subdivision hereof. The headings or titles of the several articles and sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of the Resolution.

### Section 13.9 Partial Invalidity

If any one or more of the covenants or agreements, or portions thereof, provided in the Resolution on the part of the Agency (or of the Trustee or of any Paying Agent) to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of the Resolution or of the Bonds; but the Registered Owners shall retain all the rights and benefits accorded to them under the Act or any other applicable provisions of law.

### Section 13.10 Notices

Any notice, request, authorization, or demand required or permitted to be given by this Bond Resolution shall be deemed sufficiently given when delivered or mailed, by facsimile or first class mail, return receipt requested, postage prepaid, as follows: if to the Agency, at: 206 East 3<sup>rd</sup> Street, Moscow, ID 83843, if to the Trustee, at: Zions First National Bank, Corporate Trust Office, 100 N. 9<sup>th</sup> Street, Suite 301, Boise, ID 83702.

### Section 13.11 Further Authority

The Chairman of the Board of the Agency is hereby authorized to do or perform all such acts, to complete other documents, and to execute all such certificates, documents, and other instruments as may be necessary or advisable to comply with the Bond Purchase Agreement and to carry the same into effect.

### Section 13.12 Repeal

All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and this Bond Resolution shall take effect and be in full force and immediately upon its passage and approval.

### Section 13.13 Effective Date

This Resolution shall be of full force and effect immediately upon its adoption and approval by the Board of the Agency.

ADOPTED AND APPROVED by the Board of Commissioners of the Urban Renewal Agency for the City of Moscow, Idaho, on the 7th day of July, 2010.

*John McCabe*

Chairman, Board of Commissioners

ATTEST:

*[Signature]*

Secretary, Board of Commissioners



**EXHIBIT A**  
**LEGAL DESCRIPTION and SITE MAP**  
**OF**  
**SERIES 2010A PROJECT**



**EXHIBIT B**  
**FORM OF BOND PURCHASE AGREEMENT**

**EXHIBIT C**  
**FORM OF SERIES 2010A BOND**

[Face of Bond]

R- \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF IDAHO

BOARD OF COMMISSIONERS OF THE

URBAN RENEWAL AGENCY FOR THE CITY OF MOSCOW, IDAHO

REVENUE ALLOCATION (TAX INCREMENT) BOND, SERIES 2010A  
(LEGACY CROSSING REDEVELOPMENT PROJECT)

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP:
		08/11/2010	

Registered Owner:    CEDE & CO.

Principal Amount: \_\_\_\_\_ DOLLARS

KNOW ALL MEN BY THESE PRESENTS that the Urban Renewal Agency for the City of Moscow, Idaho, an urban renewal agency and body politic and corporate of the City of Moscow, State of Idaho (the "Agency"), for value received, hereby promises to pay, from the Bond Fund hereinafter defined, to the registered owner identified above, or registered assigns, on the maturity date specified above, the principal sum indicated above, and to pay interest thereon from the Bond Fund from August 11, 2010, or the most recent date to which interest has been paid or duly provided for, at the rate per annum specified above, payable on September 1, 2011, and semiannually on each March 1 and September 1 thereafter, until the date of maturity or prior redemption of this Bond. Interest shall be calculated on the basis of a 360-day year and twelve 30-day months.

Both principal of and interest on this Bond are payable in lawful money of the United States of America to the registered owner hereof whose name and address shall appear on the registration books of the Agency (the "Bond Register") maintained by the Corporate Trust Department of Zions First National Bank, Corporate Trust Office, Boise, Idaho (the "Trustee"). Interest shall be paid by the Trustee to the registered owner whose name appears on the Bond Register on the fifteenth day of the calendar month next preceding the interest payment date, at

the address appearing on the Bond Register, and shall be paid by check or draft of the Trustee on the due date at the address on instructions appearing on the Bond Register, or at such other instructions or address as may be furnished in writing by such registered owner to the Trustee. Principal shall be paid to the registered owner upon presentation and surrender of this Bond at the principal corporate trust office of the Trustee, on or after the date of maturity or prior redemption.

This Bond is a special obligation of the Agency payable solely in accordance with the terms hereof, and is not an obligation general, special, or otherwise of the City of Moscow, the State of Idaho, or any political subdivision thereof, does not constitute a debt, legal, moral, or otherwise, of the City of Moscow, the State of Idaho, or any political subdivision thereof, and is not enforceable against the City of Moscow, the State of Idaho, or any political subdivision thereof, nor shall payment hereof be enforceable out of any funds of the Agency other than the revenues, fees, and charges pledged thereto in the Bond Resolution (hereinafter defined).

ADDITIONAL PROVISIONS OF THIS BOND APPEAR ON THE REVERSE SIDE HEREOF. SUCH ADDITIONAL PROVISIONS HAVE THE SAME EFFECT AS IF THEY WERE PRINTED HEREIN.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by the Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions, and things required by the Constitution and statutes of the State of Idaho to exist, to have happened, been done, and performed precedent to and in the issuance of this Bond have happened, been done, and performed, and that the issuance of this Bond and the Bonds of this issue does not violate any Constitutional, statutory, or other limitation upon the amount of bonded indebtedness that the Agency may incur.

IN WITNESS WHEREOF, the Board of Commissioners of the Urban Renewal Agency for the City of Moscow, Idaho (the "Board"), has caused this Bond to be executed by the manual or facsimile signature of the Chairman of the Board, and attested by the manual or facsimile signature of the Secretary of the Board, and a facsimile or original of the official seal of the Agency to be imprinted hereon, as of this 11<sup>th</sup> day of August, 2010.

URBAN RENEWAL AGENCY FOR THE  
CITY OF MOSCOW, IDAHO

By \_\_\_\_\_  
Chairman, Board of Commissioners

ATTEST:

\_\_\_\_\_  
Secretary, Board of Commissioners

(SEAL)

EXHIBIT C - 2

## CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This Bond is one of the Urban Renewal Agency for the City of Moscow, Idaho, Revenue Allocation (Tax Increment) Bonds, Series 2010A (Legacy Crossing Redevelopment Project), described in the within-mentioned Bond Resolution.

ZIONS FIRST NATIONAL BANK,  
Corporate Trust Office, as Trustee

By \_\_\_\_\_  
Authorized Signature

[Reverse Side of Bond]

### ADDITIONAL PROVISIONS

This Bond is one of a duly authorized issue of Bonds of like date, tenor, and effect, except for variations required to state numbers, denominations, rates of interest, and dates of maturity, aggregating \$510,000 in principal amount. The Bonds are issued pursuant to and in full compliance with the Constitution and statutes of the State of Idaho, particularly the Idaho Urban Renewal Law of 1965, Title 50, Chapter 20, Idaho Code, and the Local Economic Development Act, Title 50, Chapter 29, Idaho Code (collectively, the "Act"). as the same shall be amended from time to time, and proceedings duly adopted and authorized by the Board on behalf of the Agency, more particularly the Resolution adopted by the Board on July 7, 2010, authorizing the issuance of the Bonds (the "Bond Resolution").

This Bond is one of the Revenue Allocation (Tax Increment) Bonds, Series 2010A (Legacy Crossing Redevelopment Project), of the Agency issued under the provisions of the Act for the purpose of providing funds with which to acquire and construct a portion of the Project, as more particularly defined in the Bond Resolution, and payment of expenses properly incident thereto and to the issuance of the Bonds. The principal of, interest on, and redemption price of the Bonds is payable solely from Pledged Revenues, consisting of (i) the Revenue Allocation Revenues (as defined in the Bond Resolution), (ii) earnings on funds and accounts established under the Bond Resolution, and (iii) other revenues the Agency may determine to subject to the lien of the Bond Resolution.

This Bond is an obligation of the Agency payable solely in accordance with the terms hereof, and is not an obligation general, special, or otherwise of the City of Moscow, the State of Idaho, or any political subdivision thereof, does not constitute a debt, legal, moral, or otherwise, of the City of Moscow, the State of Idaho, or any political subdivision thereof, and is not enforceable against the City of Moscow, the State of Idaho, or any political subdivision thereof, nor shall payment hereof be enforceable out of any funds of the Agency other than the revenues, fees, and charges pledged thereto in the Bond Resolution. Pursuant to the Bond Resolution, sufficient revenues have been pledged and will be set aside into the Bond Fund (as defined in the Bond Resolution) to provide for the prompt payment of the principal of and interest on, and



redemption price of, the Bonds of which this Bond is a part. For a more particular description of the Bond Fund, the revenues to be deposited therein, and the nature and extent of the security afforded thereby, reference is made to the provisions of the Bond Resolution.

Upon forty-five (45) days' notice by the Agency to the Trustee, the Bonds shall be subject to redemption at any time, in whole or in part, in inverse order of maturity (and by lot selected by the Trustee within a maturity), at par, plus accrued interest to the redemption date.

Portions of the principal amount of any Bond, in integral multiples of \$1,000, may also be redeemed. If less than all of the principal amount of any Bond is redeemed, upon surrender of such Bond at the principal corporate trust office of the Trustee there shall be issued to the registered owners, without charge therefor, for the then unredeemed balance of the principal amount thereof, a new Bond or Bonds, at the option of the registered owners, with like maturity and interest rate in any of the denominations authorized by the Bond Resolution.

The term Series 2010A Bonds maturing on September 1, 2027 (the "2027 Term Bonds"), shall be subject to mandatory redemption and retirement prior to maturity, in part, by lot in such manner as the Trustee shall determine, on September 1 in the years 2021 through 2027, inclusive, at 100% of the principal amount thereof plus accrued interest to the date of redemption, from Mandatory Redemption Amounts in the amounts set forth below:

<u>Mandatory Redemption Date</u>	
<u>September 1</u>	<u>Mandatory Redemption Amount</u>
2021	\$32,000
2022	34,000
2023	35,000
2024	37,000
2025	39,000
2026	40,000
2027*	42,000

\*Maturity Date

The 2027 Term Bonds shall bear interest from their date to, but not including September 1, 2015, at the initial rate of 4.39% per annum. On September 1 of the years 2015, 2020, and 2025 (each an "Adjustment Date"), the interest rate on the 2027 Term Bond shall be adjusted to equal the Index Rate (defined below) plus 165 basis points (rounded to the nearest one-hundredth of one percent) from the Adjustment Date to, but not including, the next Adjustment Date. On the last Business Day that is fifteen (15) days prior to each Adjustment Date, the Trustee shall determine the Index Rate for the next succeeding Adjustment Date and shall give notification to the Agency and the purchaser thereof, Zions First National Bank (by telephone or facsimile transmission) of the rate so determined. The Index Rate shall mean a rate per annum which equals the five year bullet Advance Fixed Rate quoted on the last Business Day that is fifteen (15) days prior to the Adjustment Date by the Seattle Federal Home Loan Bank on its website (currently [www.fhlbsea.com](http://www.fhlbsea.com)) or such other information distribution method the Seattle Federal Home Loan Bank should utilize, or if the Seattle Federal Home Loan Bank not make five year advance rates at some time in the future, then the Index Rate shall be a rate which equals the five year SWAP Rates Benchmark Rate plus the five year Ask Swap Spread as quoted on Bloomberg "SWYC" <Go>, "24" <Go>, "1" <Go>.

Notice of redemption of any Bond being called for redemption shall be given by mailing of notice to the registered owner thereof not less than thirty-five nor more than sixty days prior to the redemption date at the address shown on the Bond Register, or at such other address as may be furnished in writing by such registered owner to the Trustee. Provided that funds for the redemption price, together with interest to the redemption date, are on deposit at the place of payment at such time, the Bonds shall cease to accrue interest on the specified redemption date, and shall not be deemed to be Outstanding as of such redemption date.

This Bond is transferable by the registered owner hereof in person, or by his attorney duly authorized in writing, upon presentation and surrender of this Bond at the principal corporate trust office of the Trustee. Upon such transfer, a new Bond, of the same denomination, maturity, and interest rate, will be issued to the transferee, in exchange therefor.

Reference is hereby made to the Bond Resolution for the covenants and declarations of the Agency and other terms and conditions under which this Bond and the bonds of this issue have been issued. The covenants contained herein and in the Bond Resolution may be discharged by making provisions, at any time, for the payment of the principal of and interest on this Bond in the manner provided in the Bond Resolution.

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#### ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Name of Transferee: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Tax Identification No.: \_\_\_\_\_

the within Bond and hereby irrevocably constitutes and appoints

\_\_\_\_\_

of \_\_\_\_\_

to transfer said bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Registered Owner

NOTE: The signature on this Assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED:

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NOTICE: Signature(s) must be guaranteed by an "eligible guarantor institution" that is a member of or a participant in a "signature guarantee program" (e.g., the Securities Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program).

## EXHIBIT D

### FORM OF WRITTEN CERTIFICATE FOR PAYMENT OF COST OF ACQUISITION AND CONSTRUCTION AND COSTS OF ISSUANCE

#### URBAN RENEWAL AGENCY FOR THE CITY OF MOSCOW, IDAHO

#### WRITTEN CERTIFICATE

(Cost of Acquisition and Construction and/or Costs of Issuance)

The undersigned, the acting \_\_\_\_\_ of the Urban Renewal Agency for the City of Moscow, Idaho (the "Agency"), an independent public bond corporate and politic of the State of Idaho, does hereby certify and request as follows:

1. The undersigned is the duly appointed and qualified and acting \_\_\_\_\_ of the Agency, and as such is familiar with the books and corporate records of the Agency.

2. I have read the provisions of Sections 5.4E and 5.4F of Resolution No. 2010-01 (the "Resolution") adopted by the Board of Commissioners of the Agency (the "Board") on July 7, 2010, and ratified by the Board on July 13, 2010, [as supplemented by Supplemental Resolution adopted by the Board on \_\_\_\_\_ (the "Supplemental Resolution")] providing for issuance of the Agency's \$\_\_\_\_\_ Revenue Allocation (Tax Increment) Bonds, Series \_\_\_\_\_ (Legacy Crossing Redevelopment Project).

3. I have also read the provisions of Section 1.1 (Written Certificate) of the Resolution and in connection therewith have undertaken an examination and investigation of the facts and circumstances on which this Written Certificate is based in order to make the certifications and requests contained herein, and in my opinion this Written Certificate complies with the provisions of said Sections 1.1, 5.4E and 5.4F of the Resolution.

4. This is a Written Certificate contemplated by Section 5.4E and Section 5.4F of the Resolution relating to payment from the applicable Project Account in the Construction Fund of (i) Cost of Acquisition and Construction of the Projects authorized under the Resolution or Supplemental Resolution, and (ii) Costs of Issuance.

5. The name(s) and address(es) of the person(s), firm(s) or corporation(s) to whom payment is due (by check or wire transfer) and the amount(s) is set forth below:

Person and Address	Amount	Item
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Total:

6. I hereby certify that the obligation(s) to be paid as a Cost of Acquisition and Construction was incurred and is a proper charge against the applicable Project Account in the Construction Fund and is a reasonable amount against such Project Account in the Construction Fund and has not been heretofore

included in a prior Written Certificate, and that insofar as any such obligation was incurred for work, materials, equipment, or supplies, such work was actually performed, or such materials, equipment or supplies were actually installed in furtherance of the acquisition of the Project or delivered at the site of the Project for that purpose or delivered for storage or fabrication or as a progress payment due on equipment being fabricated to order.

7. I hereby certify that the obligation(s) to be paid as a Cost of Issuance is a proper item of the Costs of Issuance and has not been paid or heretofore included in a prior Written Certificate.

IN WITNESS WHEREOF, the undersigned has hereunto set his official signature this \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

Urban Renewal Agency for the  
City of Moscow, Idaho

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_