



Special Meeting
AGENDA
Regular Meeting of the City of Twin Falls
Urban Renewal Agency Board
305 3rd Avenue East, Twin Falls, Idaho
City Council Chambers
Monday, December 22, 2014 at 12:00 pm.

URBAN RENEWAL AGENCY BOARD MEMBERS:

Leon Smith Dan Brizee Dexter Ball Neil Christensen Perri Gardner Bob Richards Sarah Taylor
Chairman Vice-Chairman Secretary

1. Call meeting to order.
 2. Consideration of a request to adopt Resolution 2014-2 – authorize the sale of Revenue Allocation Refunding Bonds, Series 2015A (Tax-Exempt) and Series 2015B (Federally Taxable) – Brent Hyatt/Rick Skinner/Melinda Anderson
 3. Consideration of a request to authorize the Chairman to sign a Public Easement for permanent roadway and public utilities located within the “Jayco Subdivision” – Jason Brown (see staff report) .
 4. Consideration of a request to adopt the 2015 regular Board meeting schedule. Schedule attached.
 5. Presentation and possible action for a decision regarding Main Avenue utility placement – Jesse Schuerman/Gary Haderlie
 6. Public input and/or items from the Urban Renewal Agency Board or staff.
 7. Adjourn. Next regular meeting: **Monday, January 12, 2015 @ 12:00 pm**
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****Any person(s) needing special accommodations to participate in the above noticed meeting should contact Lorrie Bauer at (208) 735-7313 at least two days before the meeting. Si desea esta información en español, llame Leila Sanchez al (208)735-7287.***



Date: December 22, 2014

To: Urban Renewal Agency of the City of Twin Falls

From: Brent Hyatt, Assistant Finance Director

Request: Consideration of a request to approve Resolution 2014-2, authorizing the sale of Refunding Bonds 2015A and 2015B in the amount of \$4,350,000.

Background: At the November 10, 2014 meeting, TFURA Board approved accepting the proposal from Washington Federal to refund the 2005A bonds and to issue an additional bond for \$4,000,000. Revenue Allocation Area 4-1 is scheduled to terminate when current bonds 2005A are paid off in 2022. That termination date cannot be extended. The Agency is currently making an extensive commitment to the Downtown area for construction of infrastructure projects. The cash needs for Area 4-1 will be in the next few years for those projects, rather than later in the district's life. Property taxes will be collected steadily over the remaining life of the Area to 2022 – estimated to be approximately \$17,000,000 additional revenue after projected commitments are subtracted. There will be available cash in those later years for additional downtown infrastructure construction projects but the timing for the Main Avenue project is nearer term. By accelerating the available cash through issuance of debt, The Agency will be able to have more cash available now for the projects and use later years' revenue for the debt payments on that debt.

To refund the 2005A bonds, it is necessary to issue two bonds: 2015A bond for \$3,900,000 which is federally tax-exempt and 2015B bond for \$450,000 which is federally taxable. As the 2005A bond was itself a refunding bond, a portion of this refunding cannot continue to be tax-exempt under IRS code.

We estimate the interest rates for the 2015A bond will be 2.16% and the 2015B bond will be 2.48% but that won't be confirmed until just a few days before closing. It's estimated the bonds will close around February 1st.

The expected costs of issuance for both 2015A and 2015B bonds is \$70,000 which includes the escrow agreement, origination fees, attorney fees, and financial advisor fees.

Bonds 2015A and 2015B do not need judicial confirmation. The new money bond will require judicial confirmation which will take place after the refunding bonds are sold. Assuming the judicial confirmation is affirmative, staff will bring back a resolution for the Board's consideration to issue the new money bond.

A notice was printed in the Times-News on December 17, 2014 announcing its intention to sell bonds and notifying the meeting date of December 22, 2014.

Part of the process to authorize the refunding bonds will be to also approve the Escrow Agreement with Wells Fargo. It's necessary to have an escrow agent to hold the funds until August 1, 2015 when the current bond 2005A is callable. This cost is estimated at \$2,500.

Approval Process: Approval by a majority of the board in open meeting. Assuming the Resolution is approved, that document must be signed today. There are various documents included here that won't be signed until the bond sale closes including the bond purchase agreement and escrow agreement. Staff wanted you to have access to them now.

Budget Impact: The Agency will need to increase its annual bond payment from the budgeted \$697,342 to approximately \$1,118,000 for 2015. The increase in the annual debt payment is due to the expected sale of the new money bond sometime in 2015.

Conclusion: Staff recommends the board approve Resolution 2014-2 and authorize the Chairman to sign the bond purchase agreement.

Attachments:

1. Bond Resolution 2014-2

EXECUTION COPY

**URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO**

**REVENUE ALLOCATION REFUNDING BONDS,
SERIES 2015A (TAX-EXEMPT) AND SERIES 2015B (FEDERALLY TAXABLE)**

BOND RESOLUTION NO. 2014-2

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RESOLUTION NO. 2014-2

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO, AUTHORIZING THE ISSUANCE OF UP TO \$4,350,000 PRINCIPAL AMOUNT OF REVENUE ALLOCATION REFUNDING BONDS; DESCRIBING SAID BONDS; PROVIDING FOR THE REFUNDING OF THE AGENCY'S PRIOR BONDS, PROVIDING FOR THE COLLECTION, HANDLING AND DISPOSITION OF REVENUE ALLOCATION PROCEEDS; AUTHORIZING AND CREATING CERTAIN FUNDS AND ACCOUNTS FOR USE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; PROVIDING FOR AN EFFECTIVE DATE OF THIS RESOLUTION; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO

REVENUE ALLOCATION REFUNDING BONDS
PRINCIPAL AMOUNT OF UP TO \$4,350,000

WHEREAS, the Urban Renewal Agency of the City of Twin Falls, Idaho, (herein referred to as the "Agency"), an independent public body corporate and politic, is an urban renewal agency created by and existing under the authority of and pursuant to the Idaho Urban Renewal Law of 1965, being Title 50, Chapter 20, Idaho Code as amended and supplemented, and possessing revenue allocation financing powers under Title 50, Chapter 29, Idaho Code, as amended and supplemented (collectively, the "Law"); and

WHEREAS, the Agency is authorized to conduct proceedings and to issue revenue allocation bonds pursuant to the terms and provisions of the Law, for the purpose of refunding and refinancing its outstanding prior bonds and applying any financial benefit therefrom to urban renewal projects authorized under its Urban Renewal Plan (defined below); and

WHEREAS, the City Council of the City of Twin Falls, Idaho (the "City"), after notice duly published, conducted a public hearing on May 4, 1998, on the Twin Falls Urban Renewal Plan for Urban Renewal Area No. 4 (the "Urban Renewal Plan"); and

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 2579 on May 4, 1998, approving the Urban Renewal Plan as amended, and making certain findings; and

WHEREAS, the City Council, after notice duly published, conducted a hearing on August 26, 2013, to expand Revenue Allocation Area #4-1 and to approve an Amended Urban Renewal Plan related thereto (the "Amendment"); and

WHEREAS, following said public hearing the City Council adopted its Ordinance No. 3056 on August 26, 2013, approving the Urban Renewal Plan as amended by the Amendment; and

WHEREAS, on August 2, 2005, the Agency issued its Revenue Allocation Refunding Bonds, Series 2005A in the original aggregate principal amount of \$7,735,000, (the "Prior Bonds") to refund the Agency's prior Multi-Mode Revenue Allocation (Tax-Increment) Bonds 1998 Series A (Tax-Exempt) (the "1998 Bonds") which financed and/or refinanced various facilities and related improvements under urban renewal plans which have been merged into the Urban Renewal Plan; and

WHEREAS, the Agency desires to refinance the Prior Bonds which refinanced various public facilities, originally financed or refinanced by the 1998 Bonds, which are further described in the Urban Renewal Plan and on Exhibit "A" attached hereto (the "Project"); and

WHEREAS, the Agency now desires to undertake the refunding and refinancing of the outstanding Prior Bonds; and

WHEREAS, in order to refund, refinance and defease the Prior Bonds and to refinance the Project the Agency now desires to authorize the issuance, sale and delivery of its Revenue Allocation Refunding Bonds, Series 2015A (Tax-Exempt) (the "Tax-Exempt Bond") and Series 2015B (Federally Taxable) (the "Taxable Bond" and with the Tax-Exempt Bond, the "Bonds"), in the principal amount of up to an aggregate amount of \$4,350,000; and

WHEREAS, on December 17, 2014, a notice of negotiated bond sale was published in The Times News, a newspaper of general circulation in the City, as required by Idaho Code, Section 50-2012 as amended; and

WHEREAS, a proposal to purchase the revenue allocation bonds has been submitted to the Agency by Washington Federal for its acceptance;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO, as follows:

SECTION 1. DEFINITIONS. For all purposes of this Bond Resolution, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the following meanings:

Accountant's Certificate shall mean a certificate signed by an independent certified public accountant of recognized standing or a firm of independent public accountants of recognized standing, selected by the Agency, who may be the accountant or firm of accountants who regularly audit the books of the Agency.

Additional Bonds means obligations having an equal priority of lien upon the Pledged Revenues as permitted under Section 21 hereof to pay and secure the payment of the principal of and interest on such obligations as the priority of lien created on such Pledged Revenues to pay and secure the payment of the principal of and interest on the Bonds.

Affiliate of any specified entity means any other entity directly or indirectly controlling or controlled by or under direct or indirect common control with such specified entity and “control,” when used with respect to any specified entity, means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

Agency shall mean the Urban Renewal Agency of the City of Twin Falls, Idaho, an urban renewal agency created by and existing under the authority of the Law as an independent public body corporate and politic.

Amendment, in reference to the Urban Renewal Plan, shall mean the Amended Urban Renewal Plan for Revenue Allocation Area #4-1 Expansion adopted on August 26, 2013.

Annual Budget shall mean the annual budget of the Agency, as amended or supplemented, adopted or in effect for a particular Fiscal Year.

Authorized Officer of the Agency shall mean the Chairman, Vice Chairman, Executive Director, Secretary, Treasurer or any officer or employee of the Agency authorized to perform specific acts or duties pursuant to the Law, the bylaws of the Agency or a resolution duly adopted by the Agency. The signature of one Authorized Officer shall be sufficient to bind the Agency.

Board shall mean the Board of Commissioners of the Agency, as the same shall be duly and regularly constituted from time to time.

Bond or **Bonds** shall mean the Tax-Exempt Bond and Taxable Bond herein authorized to be issued, sold and delivered, in the approximate aggregate principal amount of up to \$4,350,000 for purposes of refunding and defeasing the Prior Bonds, providing for a reserve fund and paying the Costs of Issuance of the Bonds.

Bond Counsel shall mean Skinner Fawcett LLP, Boise, Idaho, or another nationally recognized bond counsel acceptable to the Agency.

Bond Fund shall mean the fund designated “Revenue Allocation Bond Fund, Series 2015,” created by Section 12 of this Bond Resolution.

Bond Purchase Agreement shall mean a Bond Purchase Agreement between the Agency and Purchaser in substantially the form set forth in Exhibit “C” attached hereto.

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

Bond Resolution shall mean this Resolution No. 2014-2, adopted and supplemented by the Board of the Agency.

Bond Year shall mean the twelve-month period beginning the date of Closing and each twelve-month period thereafter, and the last Bond Year shall terminate upon retirement of the Bonds.

Business Day means any day of the year other than (i) a Saturday or Sunday, (ii) any day on which banks located in either Boise, Idaho, or the principal corporate trust office of the Trustee is located are required or authorized by law to remain closed, or (iii) any day on which the New York Stock Exchange is closed.

Chairman shall mean the Chairman of the Board or any presiding officer or titular head of the Board, or his/her successor in functions.

City shall mean the City of Twin Falls, Idaho.

Closing shall mean the date of issuance and delivery of the Bonds.

Code shall mean the Internal Revenue Code of 1986, as amended, and any Treasury Regulations promulgated thereunder.

Consultant's Report shall mean a report signed by an independent financial consultant or an independent redevelopment consultant, as may be appropriate to the subject of the report, and including:

- (1) a statement that the person or firm making or giving such report has read the pertinent provisions of this Bond Resolution to which such report relates;
- (2) a brief statement as to the nature and scope of the examination or investigation upon which the report is based;
- (3) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said independent financial consultant or independent redevelopment consultant to express an informed opinion with respect to the subject matter referred to in the report.

Costs of Issuance shall include, together with any other proper item of cost not specifically mentioned herein, the cost of allocable expenses of the Agency, and allocable portions of legal fees, fees and expenses of the Escrow Agent, all other costs of issuance of the Bonds, financing charges and fees and expenses of financial advisors and consultants in connection therewith, and such other expenses not specified herein as may be necessary or incident to the financing of the refunding of the Prior Bonds.

Costs of Issuance Fund shall mean the fund designated "Revenue Allocation Costs of Issuance Fund, Series 2015," created by Section 11 of this Bond Resolution.

Debt Service for any period shall mean, as of any date of calculation, an amount equal to the interest accruing and any payment of principal, including redemption price, during such period on the Bonds. Such Debt Service of 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 principal on the Bonds on the due date thereof.

Default Rate means a floating rate equal to three percentage points (3.00%) in excess of the Prime Rate.

Determination of Taxability means, with respect to the Tax-Exempt Bond, (i) the enactment of legislation or the adoption of final regulations or a final decision, ruling, determination or technical advice by any federal judicial or administrative authority which has the effect of requiring interest on the Tax-Exempt Bond to be included in the gross income of the Purchaser for federal income tax purposes, or (ii) the receipt by the Purchaser of a written opinion of nationally recognized bond counsel selected by the Agency to the effect that interest on the Tax-Exempt Bond must be included in the gross income of the Purchaser for federal income tax purposes; provided that no decision by any court or decision, ruling or technical advice by any administrative authority shall be considered final (a) unless the Purchaser (1) gives the Agency prompt notice of the commencement thereof and (2) offers the Agency the opportunity to control the contest thereof, provided the Agency shall have agreed to bear all expenses in connection therewith and to indemnify that Purchaser against all liabilities in connection therewith, and (b) until the expiration of all periods for judicial review or appeal.

Escrow Agent shall mean Wells Fargo Bank, National Association.

Escrow Agreement shall mean the Escrow Deposit Agreement between the Agency and the Escrow Agent .

Escrow Fund shall mean the escrow fund or account established under the Escrow Agreement.

Event of Bankruptcy means the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceedings) by or against the Agency, any Affiliate of the Agency or any Insider of any of them as debtor, under any applicable bankruptcy, reorganization, insolvency or other similar law as now or hereafter in effect.

Event of Default means any of the events specified in Section 23.A hereof to be an Event of Default. "Default" means any event which with the giving of notice or the lapse of time or both would constitute an Event of Default.

Fiscal Year shall mean the period beginning October 1 of each year and ending on the next succeeding September 30, or as otherwise defined by Idaho law or set by the Agency.

Governmental Obligations means (a) direct obligations of the United States of America, (b) obligations unconditionally guaranteed by the United States of America and (c) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in (a) or (b).

Insider means any entity referred to or described in Section 101(3) of the Bankruptcy Code, assuming for this purpose that the Agency, or any Affiliate of the Agency, as applicable, is a debtor, and any limited partner of any of the foregoing.

Interest Payment Date means February 1 and August 1 of each year beginning August 1, 2015. In any case, the final Interest Payment Date shall be the maturity date.

Interest Period means for all Bonds the period from and including each Interest Payment Date to and including the day preceding the next Interest Payment Date. The first Interest Period for the Bonds shall begin on (and include) the date of the initial delivery of the Bonds. The final Interest Period shall end on the maturity (or redemption) date for each Bond.

Investment Securities shall mean and include any of the securities set forth on Exhibit "E" hereto.

Law shall mean the Idaho Urban Renewal Law of 1965, being Title 50, Chapter 20, Idaho Code as amended and supplemented and The Economic Development Act of 1988, being Title 50, Chapter 29, Idaho Code, as amended and supplemented.

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 Bond Year.

Net Proceeds, when used with reference to the Bonds, shall mean the aggregate principal amount of the Bonds, plus accrued interest and original issue premium, if any, and less original issue discount, if any.

Outstanding, when used with reference to the Bonds, as of any particular date, shall mean the Bonds which have been issued, executed, authenticated 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) cancelled because of payment or redemption of which there has been separately set aside and held money for the payment thereof.

Parameters means the parameters for the Bonds including the interest rate, maturity, redemption provisions, principal payment schedule, amount of reserve funds, maturities and amounts of Prior Bonds to be refunded as set forth in Section 7 hereof.

Pledged Revenues shall mean the Revenue Allocation Revenues and all amounts deposited to or held in the Revenue Allocation Fund.

Prime Rate means the variable rate of interest published from time to time as the Prime Rate in the printed or internet edition of *The Wall Street Journal*. For purposes of determining any interest rate that is based on the Prime Rate, the interest rate shall change on the effective date of any change in the Prime Rate.

Prior Bond Resolution shall mean the Agency's Resolution No. 2005-1, adopted on July 27, 2005, as amended or supplemented.

Prior Bonds means the Agency's Revenue Allocation Refunding Bonds, Series 2005A.

Private Person shall mean any natural person engaged in a trade or business or any trust, estate, partnership, association, company or corporation.

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 or by the Private Person on a day-to-day basis if the fee paid by such Private Person is the same as the fee paid by any Private Person who desires to rent or otherwise use 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 the various public facilities, improvements and programs and related improvements all as further described in the Urban Renewal Plan, as amended.

Purchaser shall mean Washington Federal or its successors or assigns.

Rebate Fund shall mean the fund designated “Rebate Fund, Series 2015,” created by Section 13 of this Bond Resolution.

Record Date means, as the case may be, the applicable Regular or Special Record Date.

Registered Owner(s), Bondowners, Bondholder, Holder 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 Agency in accordance with the terms of this Bond Resolution.

Registrar shall mean the Agency, which shall maintain the Bond Register and otherwise provide for the registration of the Bonds.

Regular Record Date means the 15th day prior to any Interest Payment Date.

Reserve Fund shall mean the “Reserve Fund, 2015” created under Section 14 hereof.

Reserve Fund Requirement shall mean an amount equal to the least of 10% of the original proceeds of the Bonds, 125% of average annual Debt Service or Maximum Annual Debt Service.

Revenue Allocation Area shall mean the expanded area so designated under the Urban Renewal Plan, as amended, and such additional area as may be added by the Agency and approved by the City in accordance with the Law.

Revenue Allocation Fund shall mean the fund designated “Revenue Allocation Fund” created by Section 9 of this Bond Resolution.

Revenue Allocation Revenues shall mean the incremental tax revenues received by the Agency from the Revenue Allocation Area pursuant to the Law, as provided in the Urban Renewal Plan.

Securities Act means the Securities Act of 1933, as amended.

Security shall mean the Security defined in Section 10 of this Bond Resolution.

Taxable Bond means the Agency's Revenue Allocation Refunding Bond, Series 2015B (Federally Taxable).

Tax Certificate shall mean the Tax Certificate of the Agency delivered at Closing.

Tax-Exempt Bond means the Agency's Revenue Allocation Refunding Bond, Series 2015A (Tax-Exempt).

Terms Certificate means the certificate in the form attached hereto as Exhibit "G" setting forth certain terms for the Bonds within the parameters described in Section 3B hereof and signed by the Executive Director.

Treasurer shall mean the Treasurer of the Agency, or his/her successor in functions.

United States shall mean the United States of America.

Urban Renewal Plan or **Plan** shall mean that certain document entitled "Urban Renewal Plan for Urban Renewal Area No. 4," originally adopted and approved by the City and the Agency, pursuant to the Law and City Ordinance No. 2579 approved May 4, 1998, as amended by the Amendment and as may be further amended and modified.

The words "hereof," "herein," "hereto," "hereby" and "hereunder" (except in the form of Bond) refer to this entire Bond Resolution. Unless otherwise noted, all Section and Article references are to sections and articles in this Bond Resolution.

SECTION 2. THE PROJECT. The Project consists of certain public facilities, improvements and programs all as further described in the Urban Renewal Plan and in Exhibit A attached hereto and incorporated herein by reference. The Agency hereby authorizes and directs the appropriate officers and agents of the Agency to apply a portion of the proceeds of the Bonds to refinance the Project.

SECTION 3. THE REVENUE ALLOCATION BONDS; REFUNDING OF PRIOR BONDS

A. **Bonds Authorized; Findings.** In order to provide financing to refund the Prior Bonds, provide for a reserve fund and finance the Costs of Issuance, the Agency shall issue its Bonds in the form of revenue allocation refunding bonds, which are hereby authorized to be issued and designated "Urban Renewal Agency of the City of Twin Falls, Idaho, Revenue Allocation Refunding Bonds, Series 2015A (Tax-Exempt) and Series 2015B (Federally Taxable).

B. Bond Parameters and Terms Certificate. The Bonds shall be issued in accordance with and subject to the Parameters established and set forth in Section 7 hereof and shall be consistent with the terms of the Bond Purchase Agreement attached hereto as Exhibit “C.”

C. Description of Bonds. The Bonds shall be issued in fully registered form in the minimum authorized denomination of \$100,000 each or integral multiples of \$5,000 above \$100,000 (provided that no single Bond shall represent more than one maturity). The Bonds shall be dated the date of Closing and shall be in the aggregate principal amount of up to \$4,350,000 with the Tax-Exempt Bonds being issued in the principal amount of \$3,900,000 and the Taxable Bonds in the principal amount of \$450,000.

The Bonds 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 determined herein, payable as provided below. The Bonds shall mature as set forth in the Bond Purchase Agreement attached hereto as Exhibit “C” and the Terms Certificate.

Interest on the Bonds shall be as set forth in the Terms Certificate and calculated on the basis of a 360 day year consisting of twelve 30-day months, payable on February 1 and August 1 of each year commencing on August 1, 2015.

The Bonds shall be substantially in the form set forth in Exhibits “B-1” and “B-2” attached hereto and incorporated herein by reference. Said form may be altered to include appropriate term Bond provisions, if applicable. The Bonds shall be numbered separately in the manner and with any additional designator as the Registrar shall deem necessary for purposes of identification. After execution, as hereinafter provided, by the proper officials of the Agency, the Bonds shall be authenticated by the Registrar.

D. Payment of Debt Service. Payment of each installment of interest shall be made to the Registered Owner whose name appears on the Bond Register at the close of business on the Record Date, and shall be paid by electronic funds transfer of the Agency to be received by the Registered Owner on the due date at his address as it appears on such Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar.

Principal of the Bonds shall be payable to the Registered Owners, upon presentation and surrender of the Bonds on or after the date of maturity or prior redemption, at the office of the Agency.

E. Refunding Plan. From the proceeds of the Bonds an amount set forth in a request by the Agency to the Escrow Agent shall be deposited to the Escrow Fund as provided in the Escrow Agreement and applied to the redemption in full of the Prior Bonds on August 1, 2015. Said funds, together with any funds held under the Prior Bond Resolution, shall be applied to defease and refund the Prior Bonds in accordance with the provisions of the Prior Bond Resolution. Funds deposited to the said Escrow Fund are hereby irrevocably pledged as the payment of the Prior Bonds. The Escrow Agent shall give all notice of redemption as provided in the Escrow Agreement.

F. Determination of Taxability. In the event there is a Determination of Taxability for the Tax-Exempt Bond, the rate of interest on such bond shall be increased to the rate set forth in the Terms Certificate effective on the date interest on the Tax-Exempt Bond became federally taxable under such Determination of Taxability.

SECTION 4. MANNER AND SOURCE OF PAYMENT.

A. Both principal of and interest on the Bonds are payable in lawful money of the United States by the Agency to the Registered Owner thereof, whose name and address shall appear on the Bond Register. Such payment shall be made by the Agency from moneys transferred from the Bond Fund.

B. To the extent provided in and except as otherwise permitted by this Resolution, (i) the Bonds shall be special obligations of the Agency and the Debt Service thereon shall be payable equally and ratably solely from the Pledged Revenues, (ii) the payment of Debt Service on the Bonds shall be secured by the assignment of the Bond Fund and the grant of a security interest in all moneys and investments in the Costs of Issuance Fund, the Reserve Fund and the Pledged Revenues hereunder and by this Resolution.

C. Principal of and interest on any Bond shall be payable by check or warrant or by other means mutually acceptable to the Registered Owner and the Agency. Upon final payment of principal of and interest on any Bond, the Registered Owner shall surrender such Bond for cancellation at the offices of the Agency, as Bond Registrar.

Subject to the foregoing provisions of this Section 4.C, each Bond delivered under this Bond Resolution upon registration of transfer of or exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

SECTION 5. REDEMPTION PRIOR TO MATURITY

A. Redemptions.

(1) Redemption Dates and Prices. The Taxable Bond shall not be subject to redemption prior to maturity. The Tax-Exempt Bond shall be subject to redemption prior to maturity in the amounts, at the times and in the manner provided in this Section 5. Principal of the Tax-Exempt Bond maturing on August 1, 2019 or thereafter shall, at the option and direction of the Agency, be subject to redemption on August 1, 2018 and on any Business Day thereafter, upon thirty (30) days' prior written notice to the Purchaser, in a redemption amount of at least \$100,000 and at the redemption price of par, plus interest accrued to the redemption date. In addition, the Agency shall reimburse the Purchaser for any reasonable loss or expense incurred in obtaining, liquidating, or reemploying deposits from third parties as a result of such optional redemptions. A statement of the amount of that reasonable loss or expense, prepared in good faith and in reasonable detail by the Purchaser and submitted by the Purchaser to the Agency, shall be conclusive and binding for all purposes absent manifest error in computation. The Purchaser's calculation of any amounts payable

upon prepayment shall be based on the assumption that the Purchaser actually funded the Tax-Exempt Bond through deposits or other funds acquired from third parties for such purpose; however, the Purchaser shall not be obligated to fund the Tax-Exempt Bond through such deposits or other funds acquired from third parties, but may fund the Tax-Exempt Bond through any available resources. Prepayments by the Agency to the Purchaser shall be applied first to pay accrued interest, and second to pay principal of the Tax-Exempt Bond in inverse order of maturity.

(2) Agency Direction of Optional Redemption. The Agency shall call the principal of the Tax-Exempt Bond for optional redemption by written notice to the Purchaser at least thirty (30) days prior to the redemption date. Notice of any optional redemption shall specify the principal amount of the Tax-Exempt Bond to be redeemed and the redemption date.

- B. Effect of Redemption. If any portion of the principal of the Tax-Exempt Bond is prepaid in accordance with this Section 5, interest on such portion shall cease to accrue on the date the Purchaser receives such prepayment, and such portion shall not be deemed to be outstanding as of such prepayment date.

SECTION 6. EXECUTION OF THE BONDS; TRANSFER AND REGISTRATION

A. Without unreasonable delay, the Agency shall cause definitive Bonds to be prepared, executed and delivered, which Bonds shall be typewritten, lithographed or printed with steel engraved or lithographed borders. The Bonds shall be executed on behalf of the Agency by the Chairman and shall be attested by the Secretary (all of which may be by facsimile or manual signature), and shall have the seal of the Agency impressed or imprinted thereon.

The Bonds shall then be authenticated. Only the Bonds bearing thereon a Certificate of Authentication in the form hereinafter recited, manually executed by the Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Bond Resolution, and such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Bond Resolution.

In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the Agency before the Bonds so signed or attested shall have been authenticated or delivered by the Registrar, or issued by the Agency, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Agency as though those who signed and attested the same had continued to be such officers of the Agency. Any Bond may also be executed by officers who, at the actual date of execution of such Bond, shall be the proper officers of the Agency, although at the original date of such Bond any such person was not an officer of the Agency.

- B. The Agency is hereby appointed Bond Registrar and shall cause a register (herein sometimes referred to as "Bond Register") to be kept for the registration of Bonds and the

registration of transfers of Bonds. The registration of any Bond may be transferred only upon an assignment duly executed by the registered holder or his duly authorized representative in such form as shall be satisfactory to the Agency, and upon surrender of such Bond to the Agency for cancellation. Whenever any Bond or Bonds shall be surrendered for registration or transfer, the Agency shall execute and authenticate and deliver to the transferee a new Bond or Bond of like series and maturity of authorized denomination or denominations and for the amount of such Bond or Bonds so surrendered.

Any Bond may be exchanged at the office of the Agency, for a new Bond or Bonds, of the same series and maturity, of any authorized denomination or denominations and for the aggregate amount of such Bond then remaining Outstanding.

Notwithstanding the foregoing, no Bonds may be transferred or exchanged in violation of any applicable federal or state securities laws.

In all cases in which the registration of Bonds shall be transferred or Bonds shall be exchanged hereunder, the Agency may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange. The Agency shall not be required to transfer any Bond after the publication of notice calling such Bond for redemption has been made, or during the period of fifteen days next preceding publication of a notice of redemption of any Bonds. The Agency may also charge a sum sufficient to pay costs of issuing each new Bond.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of and premium and interest on any such Bond shall be made only to or upon the order of the registered holder thereof, or his legal representative, and the Agency shall not be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums to be paid.

SECTION 7. SALE OF THE BONDS.

A. The sale of the Bonds to the Purchaser, in accordance with the terms and provisions set forth in the Bond Purchase Agreement expected to be dated on or after January 25, 2015, attached hereto as Exhibit "C," the Parameters set forth below and the Terms Certificate are hereby approved.

(1) Pursuant to Section 57-235, Idaho Code, as amended, the Board of Commissioners hereby delegates to the Chairman and Executive Director, each with the authority to act alone (hereinafter each referred to as the "Delegated Officer"), the power to make the following determinations on the date of sale of the Bonds to the Purchaser, without any requirement that the members of the Board of Commissioners meet to approve such determinations, but subject to the limitations provided:

- (i) The rate of interest to be borne by the Tax-Exempt Bond, as measured by the true interest cost, not to exceed 2.80% and the rate of interest to be borne by the Taxable Bond not to exceed 3.30%. The rate of interest to

be borne by the Tax-Exempt Bond upon a Determination of Taxability does not exceed 3.80%.

- (ii) The principal amount of the Tax-Exempt Bond not to exceed \$3,900,000, and the principal amount of the Taxable Bond, not to exceed \$450,000.
- (iii) The principal payment dates with a final payment date not to exceed August 1, 2022.
- (iv) The amount of principal of the Bonds maturing in any particular year, and the rate of interest accruing thereon.
- (v) The final maturity of the Tax-Exempt Bond and Taxable Bond, to be not later than August 1, 2022.
- (vi) The price at which the Bonds will be sold which shall not be less than par.
- (vii) The dates, if any, on which, and the prices at which, the Tax-Exempt Bond will be subject to optional redemption but not sooner than August 1, 2018.
- (viii) The amount of proceeds of the Bonds, if any, to fund the Reserve Fund.

(2) Upon the sale of the Bonds, including the final terms and provisions of the Bonds, the Delegated Officer shall execute a Terms Certificate substantially in the form attached hereto as Exhibit "G" reflecting the final terms and provisions of the Bonds and certifying that the final terms and provisions of the Bonds are consistent with, not in excess of and no less favorable than the terms set forth in subparagraph (1) above.

B. The proceeds of the Bonds shall, upon delivery thereof, be applied as follows:

- (1) Any accrued interest shall be deposited to the Bond Fund.
- (2) The amount set forth in the Terms Certificate shall be deposited to the Prior Bond Escrow Fund in order to accomplish the refunding and defeasance of the Prior Bonds in accordance with the Escrow Agreement.
- (3) It is expected that the Reserve Fund will be funded from monies held in the reserve fund for the Prior Bonds. Any amounts in the reserve fund for the Prior Bonds which exceed the Reserve Requirement shall be deposited to the Escrow Fund. If monies in the reserve fund for the Prior Bonds are less than the Reserve Requirement then proceeds of the Bonds in the amount of the Reserve Requirement shall be deposited to the Reserve Fund.
- (4) The balance thereof shall be deposited to the Costs of Issuance Fund.

Subject to the foregoing provisions, the Authorized Officers are hereby authorized and directed to do all things necessary for the prompt execution and delivery of the Bonds and the Bond

Purchase Agreement and for the proper use and application of the proceeds of sale thereof, and further all other documents related to the Project and the sale and issuance of the Bonds. The Chairman, Vice-Chairman, Executive Director, Secretary or Treasurer are authorized to execute the Bond Purchase Agreement on behalf of the Agency and any and all related documents.

SECTION 8. REGISTRAR

- A. Acceptance of Duties. The Agency is hereby appointed as Registrar for the Bonds and agrees to carry out the responsibilities of Registrar set forth in this Bond Resolution.

- B. Responsibilities of Registrar. The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Agency and the Agency shall fulfill the responsibilities of the Registrar as described in this Resolution.

SECTION 9. REVENUE ALLOCATION FUND. There is hereby established a fund, held by the Agency, separate and apart from all other funds of the Agency, designated the Revenue Allocation Fund, which shall include any Revenue Allocation Revenues established under the Urban Renewal Plan, as amended. All Pledged Revenues shall be promptly deposited upon receipt by the Agency in the Revenue Allocation Fund. Except as provided in Section 21 or elsewhere in this Bond Resolution, the Pledged Revenues deposited therein shall be used only for the following purposes and in the following order of priority:

First, to pay or provide for the payment of the interest on the Bonds and Additional Bonds by deposits into the Bond Fund and the bond fund for the Additional Bonds;

Second, to pay or provide for the payment of the principal and redemption premium, if any, of the Bonds and Additional Bonds by deposits into the Bond Fund and the bond fund for the Additional Bonds;

Third, to fund the Reserve Fund in the amount of the Reserve Fund Requirement for the Bonds or reserve requirement for Additional Bonds;

Fourth, to pay the fees and expenses of the Escrow Agent; and

Fifth, to pay for any repairs, additions or improvements to the Project or for any other urban renewal project in the Revenue Allocation Area or any other purpose of the Agency permitted by the Urban Renewal Plan and Law. The Agency shall restrict the yield on amounts remaining in the Revenue Allocation Fund to the extent required in the Tax Certificate. Amounts for all such purposes shall be paid from the Revenue Allocation Fund by the Agency.

SECTION 10: PLEDGE FOR PAYMENT OF BONDS. The Agency hereby pledges for the payment of the Bonds and any Additional Bonds the following: the Pledged Revenues and all money in the Revenue Allocation Fund and for the payment of the Bonds only, the Bond Fund, the Reserve Fund and the Costs of Issuance Fund (collectively, the "Security"). Except as provided in Section 21 or elsewhere in this Bond Resolution, the Pledged Revenues, Revenue Allocation Fund, Reserve

Fund, Costs of Issuance Fund and Bond Fund shall not be used for any other purpose while the Bonds remain Outstanding. Moneys in the Rebate Fund and the earnings thereon are not pledged to the payment of the Bonds. This pledge shall constitute a first and exclusive lien on the Pledged Revenues and such other moneys in the Revenue Allocation Fund for the payment of the Bonds and any Additional Bonds, and a first lien and exclusive lien on the Reserve Fund, Costs of Issuance Fund and Bond Fund for the payment of the Bonds in accordance with the terms hereof.

The Agency covenants and agrees that all Pledged Revenues, when and as received, will be received by the Agency in trust hereunder, and will be immediately deposited by the Agency in the Revenue Allocation Fund and will be accounted for and held in trust in the Revenue Allocation Fund, and the Agency shall have no beneficial right or interest in any of such money, except only as in this Bond Resolution provided. All such Pledged Revenues, shall nevertheless be disbursed, allocated and applied solely to the uses and purposes herein set forth, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the Agency.

SECTION 11: COSTS OF ISSUANCE FUND; DISBURSEMENTS. There is hereby created a fund to be held by the Agency, separate and apart from all other funds of the Trustee and Agency, designated “Revenue Allocation Costs of Issuance Fund, Series 2015” (the “Costs of Issuance Fund”), or such other designation conforming to generally accepted accounting practices, into which shall be deposited the amounts set forth in Section 7 above, and which shall be used to pay Costs of Issuance. Such proceeds may be invested by the Agency in Investment Securities that mature not later than such times as shall be necessary to provide moneys when needed to pay such Costs of Issuance and interest on the Bonds. The interest, as well as the gain, if any, on such investments shall remain a part of said Costs of Issuance Fund to be applied as provided in this Section.

The Agency shall make payments from the Costs of Issuance Fund, in the amounts, at the times, in the manner, and on the other terms and conditions set forth in Exhibit “D” attached hereto. At the later of the date on which the Costs of Issuance have been paid in full or 30 days following Closing, money remaining in the Costs of Issuance Fund shall be transferred to the Bond Fund and the Costs of Issuance Fund shall thereafter be closed and terminated.

SECTION 12: BOND FUND.

A. Creation of Bond Fund and Accounts. There is hereby created and held by the Agency a separate deposit account to be designated “Revenue Allocation Bond Fund, Series 2015” (the “Bond Fund”), the moneys in which, in accordance with Section 12.C., the Agency shall make available to pay (i) the principal of Bonds as it becomes due, and (ii) the interest on Bonds as it becomes payable.

B. Deposits to Bond Fund. The Agency shall deposit into the Bond Fund all amounts needed from the Revenue Allocation Fund in respect to Debt Service and all other moneys received by the Agency under and pursuant to the provisions of this Bond Resolution, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund.

C. Use of Bond Fund Moneys. Except as provided in Section 23.C., moneys in the Bond Fund shall be used solely for the payment of the principal of and interest on the Bonds.

D. Priority of Lien of Payment into the Bond Fund. The amounts so pledged to be paid into the Bond Fund for the Bonds from the Pledged Revenues are hereby declared to be a prior lien and charge upon the amounts in the Bond Fund superior to all other charges of any kind or nature whatsoever.

E. Application and Investment of Moneys in the Bond Fund. Moneys in the Bond Fund shall be invested in Investment Securities. Investments in the Bond Fund shall mature prior to the date on which such moneys shall be needed for required payments. All interest earned and income derived by virtue of such investments shall remain in the Bond Fund and be used to meet the required deposits therein or payments therefrom. Until applied as provided in this Bond Resolution to the payment of Bonds or transferred to the Agency pursuant to Section 30 or Section 12.F., Pledged Revenues shall be held by the Agency in the Bond Fund for the benefit of the owners of all Outstanding Bonds, except that (i) any portion of the Pledged Revenues representing principal or redemption or purchase price of any Bonds, and interest on any Bonds previously matured or called for redemption in accordance with this Bond Resolution, shall be held for the benefit of the owners of such Bonds only.

F. Repayment to the Agency from Amounts Remaining in the Bond Fund. Any amounts remaining in the Bond Fund after all of the outstanding Bonds shall be deemed paid and discharged under the provisions of this Bond Resolution, shall be paid to the Agency.

SECTION 13: EXEMPTION FROM ARBITRAGE REBATE REQUIREMENTS; REBATE FUND

(a) The Agency currently expects the Tax-Exempt Bonds to qualify for an exception to arbitrage rebate as provided in accordance with the requirements of the Code and the Tax Certificate.

(b) The Agency hereby further elects and covenants that if the Tax-Exempt Bonds do not qualify for an exception to arbitrage rebate as referenced above, the Agency will take all necessary steps to comply with the continuing arbitrage rebate rules under Section 148(f) of the Code and applicable regulations in accordance with the instructions of Bond Counsel and the Tax Certificate delivered at Closing.

(c) There is hereby established the "Rebate Fund Series 2015" into which shall be deposited all amounts required by the Tax Certificate and this Section 13. None of the amounts held in the Rebate Fund are pledged to the payment of the Bonds.

(d) All moneys deposited in the Rebate Fund shall be held in trust for the payment of any rebate to the United States which must be made under federal law to qualify the interest on the Tax-Exempt Bonds as exempt from federal income taxation as calculated by the Agency in accordance with the Tax Certificate delivered at closing. Amounts in the Rebate Fund shall not be used for any other purpose unless the Agency provides to the Purchaser an opinion from Bond Counsel that such rebate is not required to qualify the interest on the Bonds as exempt from federal income taxation. If such an opinion is obtained, the amounts approved in the opinion shall be transferred to the Bond Fund.

SECTION 14: RESERVE FUND.

A. Reserve Fund Created. There is hereby created the “Reserve Fund, 2015” for the Bonds to be established by the Agency with the Purchaser in an interest-bearing account. Such account will be subject to the Purchaser’s published schedule of fees applicable to business and government clients, as such fees may change from time to time.

B. Fund Deposits and Disbursements. The Reserve Fund shall be initially funded on the date of Closing in an amount equal to the Reserve Fund Requirement. All amounts in the Reserve Fund shall be used and withdrawn by the Purchaser solely for the purpose of making up any deficiency in a payment of principal of or interest on the Bonds when due. Amounts on deposit in the Reserve Fund shall be valued at their market value on (i) each date that any amounts therein are withdrawn for the purpose of making up any deficiency in a payment of principal of or interest on the Bonds, and (ii) on each annual anniversary of the date of Closing, if no valuation of the Reserve Fund is required on such date pursuant to the immediately preceding clause (i). If the amount on deposit in the Reserve Fund on any day following such valuation is less than the Reserve Fund Requirement, the Agency shall deposit, from Pledged Revenues and any other legally available revenues, the amount necessary to increase the balance in the Reserve Fund to the Reserve Fund Requirement as follows: (a) if it is determined that the amount on deposit in the Reserve Fund is less than the Reserve Fund Requirement due to a valuation in such amount as set forth in clause (ii) above, the Agency shall within five Business Days of such valuation transfer to the Reserve Fund from Pledged Revenues and any other legally available revenues the amount of money necessary to increase the balance therein to the Reserve Fund Requirement; and (b) if it is determined that the amount on deposit in the Reserve Fund is less than the Reserve Fund Requirement due to a valuation in such amount as set forth in clause (i) above, the Agency shall transfer from Pledged Revenues and any other legally available revenues to the Reserve Fund on or before the tenth Business Day of each calendar month, commencing with the calendar month immediately succeeding such valuation, one-twelfth of the aggregate amount of each prior withdrawal from the Reserve Fund; provided that no such transfer need be made to the extent the balance in such account shall be at least equal to the Reserve Requirement. If the amount on deposit in the Reserve Fund on any day following such valuation is more than the Reserve Requirement, the amount in excess of the Reserve Requirement may, upon the Agency’s written request to the Purchaser, be withdrawn by the Purchaser and transferred to the Agency for deposit in the Bond Fund.

Provided that (x) on August 1, 2022 there is no deficiency in the Reserve Fund, and (y) no Event of Default has occurred and is continuing, the amount in the Reserve Fund may, upon the Agency’s written request to the Purchaser, be withdrawn by the Purchaser and applied to the final payment of principal of and interest on the Tax-Exempt Bond.

SECTION 15: INVESTMENTS. All funds and accounts hereunder (except the Reserve Fund, which shall be deposited with the Purchaser and invested as provided in Section 14 hereof) shall be invested in Investment Securities by the Agency. 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 the amortized cost of such obligations plus accrued interest. Such computations shall be determined as of each February 1 and August 1 of each year.

Moneys in the Costs of Issuance Fund, the Bond Fund, and the Rebate Fund shall be invested and reinvested by the Agency in Investment Securities set forth in Exhibit "E" hereof. At no time shall any funds constituting gross proceeds of the Tax-Exempt Bonds be used in any manner to cause or result in a prohibited payment under applicable regulations pertaining to, or in any other fashion as would constitute failure of compliance with, Section 148 of the Code. Investments of moneys in the Bond Fund shall mature or be redeemable at the option of the Agency at the times and in the amounts necessary to provide moneys to pay Debt Service as it becomes due at stated maturity or by redemption. Each investment of moneys in the Rebate Fund shall mature or be redeemable at such time as may be necessary to make payments from the Rebate Fund as calculated by the Agency in accordance with the Tax Certificate.

The Agency may sell those investments and reinvest the proceeds therefrom in Investment Securities maturing or redeemable as aforesaid. The Agency shall sell or redeem investments credited to the Bond Fund to produce sufficient moneys applicable hereunder to and at the times required for the purposes of paying Debt Service when due as aforesaid, and shall do so without necessity for any order on behalf of the Agency and without restriction by reason of any order. An investment made from moneys credited to the Costs of Issuance Fund, Bond Fund, or the Rebate Fund shall constitute part of that respective Fund. The Costs of Issuance Fund, Bond Fund, and the Rebate Fund shall be credited with all proceeds of sale and income from investment of moneys credited thereto. For purposes of this Bond Resolution, those investments shall be valued at face amount or market value, whichever is less.

SECTION 16: [RESERVED]

SECTION 17: AGENCY COVENANTS. The Agency covenants and agrees with the Registered Owner of the Bonds as follows:

- A. Punctual Payment. The Agency will punctually pay or cause to be paid the interest on and principal of and redemption premiums, if any, to become due with respect to the Bonds, in strict conformity with the terms of the Bonds and of this Bond Resolution, and will faithfully satisfy, observe and perform all conditions, covenants and requirements of the Bonds and of this Bond Resolution.

- B. Against Encumbrances. The Agency will not mortgage or otherwise encumber, pledge or place any charge upon any of the Pledged Revenues and will not issue any obligation or security superior to or on a parity with the Bonds payable in whole or in part from the Pledge Revenues, except as provided in this Bond Resolution.

C. Extension or Funding of Claims for Interest. In order to prevent any claims for interest after maturity, the Agency will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any Bonds and will not, directly or indirectly, be a party to or approve any such arrangements by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the Agency, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Bond Resolution, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

D. Management and Operation of Properties. The Agency will manage and operate any property owned by the Agency and comprising any part of the Project or the Revenue Allocation Area in a sound and business-like manner and in conformity with all valid requirements of any governmental authority relative to the Project or any part thereof, and will keep such property insured at all times in conformity with sound business practice.

E. Payment of Claims. The Agency will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Agency or upon the Pledged Revenues or any part thereof, or which might impair the security of the Bonds; provided that nothing herein contained shall require the Agency to make any such payments so long as the Agency in good faith shall contest the validity of any such claims.

F. Books and Accounts; Financial and Project Statements. The Agency will keep proper books of record and accounts, separate from all other records and accounts of the Agency, in which complete and correct entries shall be made of all transactions relating to the Project and the funds created hereunder. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Purchaser or of the Registered Owners of not less than twenty-five percent (25%) of the aggregate amount of Outstanding Bonds or their representatives authorized in writing.

G. Protection of Security and Rights of Registered Owners. The Agency will preserve and protect the security of the Bonds and the rights of the Registered Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of the Bonds by the Agency, such Bonds shall be incontestable by the Agency.

H. Payment of Taxes and Other Charges. Subject to the provisions of Section 17(I) hereof, the Agency will pay and discharge any taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Agency or any properties owned by the Agency in the Revenue Allocation Area, or upon the revenues therefrom, when the same shall become due; provided that nothing herein contained shall require the Agency to make any such payments so long as the Agency in good faith shall contest the validity of any such taxes, service charges, assessments or other governmental charges.

I. Taxation of Leased Property. If any property in the Revenue Allocation Area is hereafter owned and redeveloped by the Agency and thereafter is leased by the Agency to any person or persons, or whenever the Agency leases any such real property to any person or persons for redevelopment, the property shall be assessed and taxed in the same manner as privately-owned property (in accordance with the law), and the lease or contract shall provide (1) that the lessee shall pay taxes upon the assessed value of the entire property and not merely upon the assessed value of the leasehold interest, and (2) that if for any reason the taxes paid by the lessee on such property in any year during the term of the lease shall be less than the taxes that would have been payable upon the entire property if the property were assessed and taxed in the same manner as privately owned property, the lessee shall pay such difference to the Agency within thirty (30) days after the taxes for such year become payable, and in any event prior to the delinquency date of such taxes established by law, and such payments shall be treated as Revenue Allocation Revenues and shall be deposited by the Agency in the Revenue Allocation Fund.

J. Disposition of Property in Revenue Allocation Area. The Agency will not, except as otherwise provided in this Section 17(J) and except for property currently owned by the City or the Agency in the Revenue Allocation Area, authorize the disposition of any such real property in the Revenue Allocation Area to anyone which will result in such property becoming exempt from taxation because of public ownership or use or otherwise (except for public ownership or use contemplated by the Revenue Allocation Area under the Urban Renewal Plan in effect on the date of adoption of this Bond Resolution, or property to be used for public streets or easements or rights of way for public utilities, or other similar uses). If such dispositions, together with all similar prior dispositions on or subsequent to the effective date of this Bond Resolution, shall comprise more than ten percent (10%) of the land area in the Revenue Allocation Area, the Agency shall obtain the prior written consent of the Purchaser as to the disposition and shall cause to be filed with the Purchaser a Consultant's Report on the effect of such proposed disposition. If the prior written consent of the Purchaser is obtained and the Consultant's Report concludes that the Pledged Revenues will not be materially reduced by such proposed disposition, the Agency may proceed with such proposed disposition. If the Consultant's Report concludes that Revenue Allocation Revenues will be materially reduced by such proposed disposition, the Agency shall, as a condition precedent to proceeding with such proposed disposition, require that such new owner or owners either:

- (1) Pay to the Agency, so long as any of the Bonds are Outstanding, an amount equal to the amount that would have been received by the Agency as Pledged Revenues if such property were assessed and taxed in the same manner as privately-owned non-exempt property, which payment shall be made within thirty (30) days after taxes for each year would become payable to the taxing agencies for non-exempt property and in any event prior to the delinquency date of such taxes established by law; or
- (2) Pay to the Agency a single sum equal to the amount estimated by an independent redevelopment consultant to be receivable from taxes on such property

from the date of such payment to the last maturity date of all Outstanding Bonds, less a reasonable discount value.

All such payments to the Agency in lieu of taxes shall be treated as Pledged Revenues and shall be deposited by the Agency in the Revenue Allocation Fund to be available as Pledged Revenues for payment of the Bonds provided that the Agency first receives an opinion of Bond Counsel to the effect that the above payments will not jeopardize the exemption of interest on the Tax-Exempt Bonds from federal tax.

K. Amendment of Urban Renewal Plan. The Agency will not amend the Urban Renewal Plan except as provided in this Section 17(K). If the Agency proposes to amend the Urban Renewal Plan for any purpose other than to expand the Revenue Allocation Area or to create an additional and separate revenue allocation area under Title 50, Chapter 29, Idaho Code, as amended, that does not overlap the Revenue Allocation Area (both of which are permitted hereunder), it shall cause to be filed with the Purchaser (a) the certificate of an Authorized Officer to the effect that in the current Fiscal Year the Pledged Revenues would have been no less than 175% of Maximum Annual Debt Service, with any property to be released from the Revenue Allocation Area removed from the incremental value for purposes of this calculation, and (b) a copy of a Consultant's Report projecting that the Pledged Revenues for the three (3) Fiscal Years immediately following the proposed amendment will be no less than 175% of Maximum Annual Debt Service, with any property to be released from the Revenue Allocation Area removed from the incremental value for purposes of this calculation. The Agency may undertake the proposed amendment only if the conditions under (a) and (b) of the previous sentence are met.

L. Further Assurances. The Agency will adopt, make, execute and deliver any and all such further ordinances, 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 Owner of the Bonds of the rights and benefits provided in this Bond Resolution.

M. Accounts and Reports.

(1) The Agency shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Project and each fund and account established under this Bond Resolution, and which, together with all books and papers of the Agency, including insurance policies, relating to the Project, shall at all times be subject to the inspection of the Purchaser or its representative duly authorized in writing.

(2) The Agency shall annually, within 180 days after the close of each Fiscal Year, file with the Purchaser, and otherwise as provided by law, a copy of its complete annual audited financial statements for each Fiscal Year, accompanied by an Accountant's Certificate, relating to the Project and including the following statements in reasonable detail: a balance sheet showing assets and liabilities as of the end of such year, to the extent relating to the Project a statement of Pledged Revenues, expenses and changes in retained earnings for such year; and a summary

with respect to each fund and account established under this Bond Resolution of the receipt therein and disbursements therefrom during such year and the amount held therein at the end of such year. The accountant or accounting firm completing the Accountant's Certificate shall provide a written statement as to whether or not, to the knowledge of the signer, the Agency is in default with respect to any of the covenants, agreements or conditions on its part contained in this Bond Resolution, and if so, the nature of such default. In addition, the Agency shall provide the Purchaser with such other information as the Purchaser may reasonably request from time to time.

The Agency will notify the Purchaser promptly of any development that is likely to have a material and adverse effect (a) on the ability of the Agency to pay the Debt Service when due or (b) on the financial condition of the Agency generally.

N. General.

(1) The Agency shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Agency under the provisions of the Law and this Bond Resolution.

(2) Upon the date of authentication and delivery of the Bonds, all conditions, acts and things required by law and this Bond Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds shall exist, have happened and have been performed and the issue of such Bonds, together with all other indebtedness of the Agency, shall comply in all respects with the applicable laws of the State of Idaho.

(3) The Bonds are issued in connection with an Urban Renewal Project, as defined in the Law. Accordingly, in any suit, action or proceeding involving the validity or enforceability of the Bonds, the Bonds shall be conclusively deemed to have been issued for such purpose and such Urban Renewal Project shall be conclusively deemed to have been planned, located and carried out in accordance with the provisions of the law.

O. Arbitrage; Special Tax Covenants. The Agency shall comply with the provisions of this Section unless, in the written opinion of Bond Counsel, such compliance is not required in order to maintain the exemption of the interest on the Tax-Exempt Bond from federal income taxation.

The Agency hereby covenants that it will not make any use of the proceeds of sale of the Tax-Exempt Bond or any other funds of the Agency which may be deemed to be proceeds of such Tax-Exempt Bond pursuant to Section 148 of the Code which will cause the Tax-Exempt Bond to be an "arbitrage bond" 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 Tax-Exempt Bond) throughout the term of the Tax-Exempt Bond.

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 Tax-Exempt Bond 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 Tax-Exempt Bond to constitute a “private activity bond” under Section 141 of the Code or to adversely affect the exclusion of interest on the Tax-Exempt Bond from gross income for federal income tax purposes and will take all actions required for interest on the Tax-Exempt Bond to be excluded from gross income for federal income tax purposes. The Agency hereby designates the Tax-Exempt Bond as a “qualified tax-exempt obligation(s)” under the provisions of Section 265(b) of the Code. The Agency does not expect that it and the City will issue tax-exempt obligations in an aggregate principal amount in excess of \$10,000,000 during calendar year 2015.

P. Private Person Use Limitation. The Agency shall comply with the provisions of this Section unless, in the written opinion of Bond Counsel, such compliance is not required in order to maintain the exemption of the interest on the Tax-Exempt Bond from federal income taxation.

The Agency covenants that so long as any portion of the Tax-Exempt Bond is Outstanding, it will not permit:

- (a) More than 10% of the Net Proceeds of the Tax-Exempt Bond to be used for any Private Person Use; and
- (b) More than 10% of the principal or interest payments on the Tax-Exempt Bond 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:

- (c) More than 5% of the Net Proceeds of the Tax-Exempt Bond is to be used for any Private Person Use; and
- (d) More than 5% of the principal or interest payments on the Tax-Exempt Bond 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 described in subsection (d) hereof that is in excess of the 5%

limitations described in such subsections (c) or (d) will be for a Private Person Use that is relating to the state or local governmental use or purpose of the Project, and (ii) any Private Person Use will not exceed the amount of Net Proceeds of the Tax-Exempt Bond 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 Bond Counsel, to preserve the tax exemption of the interest on the Tax-Exempt Bond.

Q. Private Loan Limitation. The Agency shall comply with the provisions of this Section unless, in the written opinion of Bond Counsel, such compliance is not required in order to maintain the exemption of the interest on the Tax-Exempt Bond from federal income taxation.

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

R. Federal Guaranty Prohibition. The Agency shall comply with the provisions of this Section unless, in the written opinion of Bond Counsel, such compliance is not required in order to maintain the exemption of the interest on the Tax-Exempt Bond from federal income taxation.

The Agency covenants that so long as any portion of the Tax-Exempt Bond 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 Tax-Exempt Bond to be “federally guaranteed” within the meaning of Section 149(b) of the Code and any Regulations promulgated thereunder.

S. Opinions of Bond Counsel. Whenever an opinion of bond counsel is rendered in connection with any provision of this Bond Resolution (including, but not limited to, any modification of Sections 17(P), (Q), (R) and (S) above), unless such opinion is given by Bond Counsel, the opinion shall affirmatively state, in a manner acceptable to the Agency, that interest on the Tax-Exempt Bond is excluded from gross income for federal tax purposes and will remain so after the action in question. This Section shall apply in the same fashion with respect to the affirmative opinion of any such successor bond counsel.

T. Debt Service Coverage. The Agency agrees to use its best efforts to ensure that the Pledged Revenues in each Fiscal Year equal or exceed 150% of the sum of (a) Debt Service due during such Fiscal Year, and (b) principal and interest payments on any Additional Bonds due during such Fiscal Year. If the Pledged Revenues received in any Fiscal Year are less than one hundred fifty percent (150%) of such sum, the Agency shall promptly use its best efforts to cause the Pledged Revenues for collection in future Fiscal Years to include such additional amount as is necessary to make up any deficiency for previous Fiscal Years.

SECTION 18: TRANSFER OF 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 Bonds at the principal office of the Registrar for cancellation and issuance of new Bonds registered in the name of the transferee, in exchange therefor. Provided, however, that the Registrar shall not be required to transfer the Bonds within fifteen calendar days prior to 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 Registrar.

Whenever any Bond or Bonds shall be surrendered for transfer, the Registrar shall authenticate and deliver to the transferee, in exchange therefor, a new fully registered Bonds of the same Maturity and interest rate, and for the Maximum Principal Amount of such Bonds being surrendered.

The Registrar 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 Registrar for such transfer or exchange shall be deemed to be a Project cost to be borne by the Agency. The Registrar may also require the transferor and/or transferee of the Bonds to execute any documents in connection with such transfer as may be reasonably required by the Registrar.

SECTION 19: LOST, STOLEN, MUTILATED OR DESTROYED BONDS. In case the Bonds shall be lost, stolen, mutilated or destroyed, the Registrar may authenticate and deliver new 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 Registrar in connection therewith and upon his filing with the Registrar evidence satisfactory to the Registrar that such Bonds were actually lost, stolen, mutilated or destroyed and of his ownership thereof, and upon furnishing the Registrar with indemnity satisfactory to the Registrar.

SECTION 20: REGISTRATION. The Agency hereby adopts a system of registration with respect to the Bonds as required by Title 57, Chapter 7, Idaho Code as amended, pursuant to this Section and Sections 3, 4, 6, 18, and 19 hereof.

The Registrar is hereby appointed as authenticating agent, registrar and transfer agent with respect to the Bonds, subject to the following terms and conditions:

A. The Registrar shall keep, or cause to be kept, at the principal office of the Agency, sufficient books for the registration and transfer of the Bonds, which books are hereby defined as the "Bond Register," in which shall be maintained the names and addresses of the Registered Owner of the Bonds. Said Bond Register shall at all reasonable times be open to inspection by the Agency.

B. Subject to the terms of any agreement with the Registrar, the Agency shall pay to the Registrar reasonable compensation for all services rendered under this Bond Resolution, together with 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 this Bond Resolution shall be deemed operation and maintenance expenses of the Project.

C. The Registrar may become the owner of the Bonds with the same rights it would have it if were not the Registrar, 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 the Registered Owners.

SECTION 21: ADDITIONAL BONDS. The Agency will not issue any obligations having a greater priority of lien upon the Pledged Revenues to pay and secure the payment of the principal of and interest on such obligations than the priority of lien created on such Pledged Revenues to pay and secure the payment of the principal of and interest on the Bonds. For so long as any of the Bonds remain Outstanding, the Agency will not issue any obligations having an equal priority of lien upon the Pledged Revenues to pay and secure the payment of the principal of and interest on such obligations than the priority of lien created on such Pledged Revenues to pay and secure the payment of the principal of and interest on the Bonds, except as follows:

A. The Agency reserves the right to issue Additional Bonds only for the purposes of:

First, providing money to pay for construction of a new urban renewal project in the Revenue Allocation Area, or

Second, refunding, as permitted by law, at or prior to their maturity, any outstanding revenue allocation bonds or outstanding revenue allocation bonds or other obligations payable out of Pledged Revenues,

and to pledge that payments will be made out of the Pledged Revenues and into the bond fund for such Additional Bonds to pay and secure the payment of the principal of and interest on such Additional Bonds on a parity with the payment required herein to be made out of such Pledged Revenues into such accounts to pay and secure the payment of the principal of and interest on any Additional Bonds then outstanding, upon compliance with the following conditions:

(1) At the time of issuance of any Additional Bonds there is no default under this Bond Resolution and there is no deficiency in the Bond Fund or Reserve Fund; and

(2) The principal of and interest on any Additional Bonds shall be payable out of the bond fund for such Additional Bonds and the requirements for the Bond Fund payments in Section 12 hereof and in the Resolution for the Additional Bonds shall be met; and

(3) The resolution, which may be a supplemental resolution to this Resolution, authorizing such Additional Bonds shall contain the provisions for payment, security and deposits as set forth herein; and

(4) A deposit to the reserve fund for such Additional Bonds shall be made in an amount sufficient to bring the balance of the Reserve Fund and the reserve fund for such Additional Bonds equal to the Reserve Fund Requirement for the bonds Outstanding, treating the Bonds and such Additional Bonds as also Outstanding; and

(5) Prior to the issuance of the Additional Bonds, the Agency either: (a) certifies to the Purchaser that for the 12 months immediately preceding the issuance of the Additional Bonds, the available Revenue Allocation Revenues of the Agency were not less than 175% of the Maximum Annual Debt Service on Outstanding Bonds and the projected Maximum Annual Debt Service on the Additional Bonds, treating the Additional Bonds as then Outstanding, or (b) furnishes the Purchaser with a copy of a Consultant's Report stating that the projected Revenue Allocation Revenues for each of the three (3) Fiscal Years following the proposed issuance of such Additional Bonds are expected to equal at least 175% of the Maximum Annual Debt Service on Outstanding Bonds including any Additional Bonds. For the purpose of calculating the Maximum Annual Debt Service on Outstanding Bonds and proposed Additional Bonds in (a) and (b) of the previous sentence, the sum of (i) the balance on deposit in the Reserve Fund at the time of such calculation, plus (ii) the balance to be required in any reserve fund to secure the proposed Additional Bonds, provided such Additional Bonds are being purchased by the Purchaser, may be subtracted from the Debt Service on Outstanding Bonds and proposed Additional Bonds due for the year ending August 1, 2022.

B. Nothing herein contained shall prevent the Agency from issuing obligations approved in advance and in writing by the Purchaser which are a charge upon the Pledged Revenues junior or inferior to the payments required by this Resolution to be made out of such revenue into the Bond Fund to pay and secure the payment of the Bonds and any Additional Bonds.

SECTION 22: AMENDMENTS.

A. The Board from time to time and at any time may adopt a resolution or resolutions supplemental hereto, which resolution or resolutions thereafter shall become a part of this Bond Resolution, for any one or more or all of the following purposes:

(1) To add to the covenants and agreements of the Agency in this Bond Resolution, other covenants and agreements thereafter to be observed, which shall not adversely affect the interests of the Registered Owners of the Bonds, or to surrender any right or power herein reserved.

(2) To make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this Bond Resolution or any ordinance or resolution authorizing future notes, warrants or bonds in regard to matters or questions arising under such ordinances or resolutions as the Board may deem necessary or desirable and not inconsistent with such ordinances or resolutions and which shall not adversely affect, in any material respect, the interests of the Registered Owners of the Bonds.

Any such supplemental resolution may be adopted without the consent of the Purchaser.

B. With the written consent of the Purchaser, the Agency may adopt a resolution or resolutions supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Bond Resolution or of any supplemental resolution. No such supplemental resolution shall extend the fixed maturity of the Bonds, or reduce the rate of interest thereon, or extend the time of payment of Debt Service from its due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the Registered Owner of the Bond so affected.

C. Prior to delivery of the Bonds this Bond Resolution may be amended in any manner approved by the Purchaser, which approval may be evidenced by the Agency's execution and delivery of the Bonds and the Purchaser's purchase and acceptance of the Bonds, as the case may be. Thereafter this Bond Resolution shall not be amended except as herein provided.

D. Upon the adoption of any supplemental resolution pursuant to the provisions of this section, this Bond Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the Agency under this Bond Resolution and the Registered Owners of the Bonds Outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all terms and conditions of any such supplemental resolution shall be deemed to be part of the terms and conditions of this Bond Resolution for any and all purposes.

E. Bonds executed and delivered after the execution of any supplemental resolution adopted pursuant to the provisions of this section may have a notation as to any matter provided for in such supplemental resolution, and if such supplemental resolution shall so provide, new Bonds so modified as to conform, in the opinion of the Board, to any modification of this Bond Resolution contained in any such supplemental resolution, may be prepared and delivered without cost to the Registered Owner of the affected Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts.

(Remainder of this page is intentionally left blank.)

SECTION 23: EVENTS OF DEFAULT.

A. Events of Default and Remedies. If one or more of the following events of default shall happen, that is to say:

- (1) if default shall be made in the due and punctual payment of the principal or redemption price of the Bonds when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise; or
- (2) if default shall be made in the due and punctual payment of any installment of interest on the Bonds, when and as such interest installment shall become due and payable; or
- (3) if default shall be made by the Agency in the performance or observance of any other of the covenants, agreements or conditions on its part in this Bond Resolution, the Bond Purchase Agreement or the Bonds contained, and such default shall continue for a period of thirty (30) days after written notice thereof to the Agency by the Purchaser; or
- (4) if 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 of 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, decrees or process or the enforcement thereof; or
- (5) if there shall occur 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; or
- (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; or
- (7) if there has been a material misrepresentation by the Agency in this Resolution, the Bond Purchase Agreement or the Bonds;

then the Purchaser may exercise any remedy available at law or in equity, including acceleration to the extent there are Pledged Revenues or other legally available revenues and including increasing the interest rate applicable to the Bonds to the Default Rate. No remedy shall be exclusive. The

Purchaser may waive any Event of Default, but no such waiver shall extend to a subsequent Event of Default. If the Purchaser increases the interest rate to the Default Rate and the Agency subsequently cures all Events of Default, then the rate of interest applicable to each Bond shall decrease to the rate set forth in the Bond, effective on the date that written notice of such cure is received by the Purchaser.

SECTION 24: SEVERABILITY. If any one or more of the covenants or agreements provided in this Bond Resolution to be performed on the part of the Agency shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Bond Resolution and shall in no way affect the validity of the other provisions of this Bond Resolution or of the Bonds.

SECTION 25: VALIDITY OF BONDS. Pursuant to Sections 50-2027 and 50-2911, Idaho Code, no direct or collateral action attacking or otherwise questioning the validity of the Bonds may be brought prior to the effective date of this Bond Resolution or after the elapse of thirty (30) days from and after the effective date of this Bond Resolution.

SECTION 26: [RESERVED.]

SECTION 27. [RESERVED.]

SECTION 28. NOTICES. All notices to Bond Owners shall be given by telex, telegram, telecopier or other telecommunication device unless otherwise provided herein and confirmed in writing as soon as practicable if such Bond Owners have given appropriate information to the Registrar for notice to be given in such manner, and otherwise by first class mail. Any notice to or demand upon the following parties shall be given by certified mail, return receipt requested, as follows:

If to the Agency/Registrar	Urban Renewal Agency of the City of Twin Falls, Idaho 321 Second Avenue East Twin Falls, Idaho 83303-1907 Attention: Executive Director
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SECTION 29. EXHIBITS INCORPORATED. All Exhibits hereto are hereby incorporated by reference as if fully set forth herein.

SECTION 30. DEPOSIT OF FUNDS FOR PAYMENT OF BONDS. If the principal or redemption price of any Bonds becoming due, either at maturity or by call for redemption or otherwise, together with all interest accruing thereon to the due date, has been paid or provision therefor made in accordance with Section 16, all interest on such Bonds shall cease to accrue on the due date and all liability of the Agency with respect to such Bonds shall likewise cease, except as hereinafter provided. Thereafter the owners of such Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bonds, and the Agency shall hold such funds in trust for such owners.

Moneys so deposited with the Agency which remain unclaimed 2 years after the date payment thereof becomes due shall, if the Agency is not at the time in default with respect to any covenant in the Bonds contained, be paid to the Agency, subject to the unclaimed property laws of the State; and the owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Agency or the State as applicable. With respect to that principal and interest on the Bonds to be paid from moneys paid to the Agency pursuant to the two preceding sentences, the Holders of the Bonds entitled to those moneys shall look solely to the Agency for the payment of those moneys.

SECTION 31. PUBLICATION OF NOTICE OF RESOLUTION. A notice of this Resolution substantially in the form set forth on Exhibit “F” hereof shall be published as soon as possible once in a newspaper of general circulation in the City.

SECTION 32. POST ISSUANCE TAX COMPLIANCE PROCEDURES. The Agency hereby adopts the Post Issuance Tax Compliance Procedures set forth in Exhibit “H” hereto.

SECTION 33. EFFECTIVE DATE. This Bond Resolution shall take effect immediately upon its adoption and approval.

(The remainder of this page intentionally left blank.)

PASSED by the Urban Renewal Agency of the City of Twin Falls, Idaho, on December 22, 2014. Signed by the Chairman of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on December 22, 2014.

**URBAN RENEWAL AGENCY OF THE
CITY OF TWIN FALLS, IDAHO**

Chairman, Board of Commissioners

ATTEST:

Secretary

(S E A L)

CERTIFICATION

I, the undersigned Secretary of the Board of Commissioners of the Urban Renewal Agency of the City of Twin Falls, Idaho, hereby certify that the foregoing Resolution is a full, true and correct copy of an Resolution duly passed and adopted at a regular meeting of the Board of Commissioners of said Agency, duly and regularly held at the special meeting place thereof on December 22, 2014, of which meeting all members of said Board had due notice, and at which a majority thereof were present; and that at said meeting said Resolution was adopted by the following vote:

AYES, and in favor thereof, Commissioners:

NAYS, Commissioners:

ABSENT, Commissioners:

ABSTAIN, Commissioners:

I further certify that I have carefully compared the same with the original Resolution on file and of record in my office, that said Resolution is a full, true and correct copy of the original Resolution adopted at said meeting; and that said Resolution has not been amended, modified or rescinded since the date of its adoption, and is now in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the official seal of said Agency on December 22, 2014.

Secretary

(S E A L)

EXHIBIT “A”

PROJECT DESCRIPTION

The Project consists of any of the public facilities and improvements as described in the Agency’s Urban Renewal Plan for Urban Renewal Area No. 4, approved by the Twin Falls City Council by Ordinance No. 2579 including:

1. Land Acquisition for Public Park and Recreation (Villafranco, Koutnik, Myers and Kroll Properties).
2. Public Parking and Redevelopment Property and Related Costs.
(Feed and Ice Property)
3. Curb, gutter, sidewalk and right-of-way improvements including landscaping (Old Canal Co. Building, Cain Furniture Building, Twin Falls Garden Apartments, Pepsi relocation site, Old Gem State Paper Building).
4. Water Utilities (Woodhead Project)
5. Street and sidewalk (2nd Street South)
6. Street Lights
7. Koutnik Building Demolition (for park land)
8. City Water System Improvements
9. 5th Avenue South Reconstruction
10. Seastrom Site Costs
11. Clear Shield site and related Costs
12. Southern Idaho Distributing Site Costs
13. Engineering and Project Management Costs; and
14. Other costs of eligible projects under the Urban Renewal Plan.

EXHIBIT "B-1"

No. R- _____

\$ _____

UNITED STATES OF AMERICA
STATE OF IDAHO
COUNTY OF TWIN FALLS

URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO

REVENUE ALLOCATION REFUNDING BONDS,
SERIES 2015A (TAX-EXEMPT)

MATURITY DATE:

DATED DATE:

_____, 2015

The URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO (the "Agency"), for value received, promises to pay from the Bond Fund (the "Bond Fund") transferred from the Revenue Allocation Fund, created by Resolution No. 2014-2, adopted by the Board of Commissioners of the Agency on December 22, 2014 (the "Bond Resolution"), to

WASHINGTON FEDERAL

or registered assigns, on the Maturity Date specified above, the principal sum of

*** _____ AND NO/100 DOLLARS***

In annual payments on each August 1, beginning August 1, 2015, as set forth below:

And to pay interest thereon from the aforesaid Bond Fund from _____, 2015, or the most recent date to which interest has been paid or duly provided for, at the rate per annum specified above, payable commencing on August 1, 2015, and semiannually thereafter on each February 1 and August 1 until the date of maturity or prior redemption of this Bond.

Principal and interest shall be paid in coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts. Interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, except as provided in the Bond Resolution, be paid to the person in whose name this Bond is registered at the close of business on the Regular Record Date (as hereinafter defined) for such interest.

The principal or redemption price of and interest on this Bond shall be payable to the registered owner of this Bond at such owner's address as it appears on the Bond Register of the Bond Registrar. Upon final payment of principal of and interest on this Bond, the registered owner shall surrender this Bond for cancellation at the offices of the Agency, as Bond Registrar.

This Bond shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and shall not constitute a general obligation or debt of the City of Twin Falls, Idaho, or of any municipality, the State of Idaho, or any of its political subdivisions. In no event shall this Bond give rise to a general obligation or liability of the Agency, any municipality, the State of Idaho, or any of its political subdivisions, or give rise to a charge against their general credit or taxing powers, or be payable out of any funds or properties other than those of the Agency specifically pledged therefor.

This Bond is one of a duly authorized series of the Agency designated "Revenue Allocation Refunding Bonds, Series 2015A (Tax Exempt) and Series 2015B (Federally Taxable) (the "Bonds"), issuable under the Bond Resolution, aggregating in principal amount \$4,350,000 and issued for the purpose of refunding certain prior bonds of the Agency which previously funded certain urban renewal projects (the "Projects"). The Bonds are special obligations of the Agency, issued or to be issued under and are to be secured and entitled equally and ratably to the protection given by the Bond Resolution.

This Bond and the Bonds of this issue are not general obligations of the Agency, and its full faith and credit are not pledged for payment of the principal thereof and interest thereon. The Bonds constitute a prior lien and charge upon the Pledged Revenues.

This Bond and the Bonds of this issue are issued by the Agency pursuant to and in full compliance with the Constitution and laws of the State of Idaho, particularly the Idaho Urban Renewal Law of 1965, being Idaho Code, Title 50, Chapter 20 and the Local Economic Development Act, being Idaho Code, Title 50, Chapter 29, (collectively, the "Law"), and also pursuant to the Bond Resolution. The Bonds are issued by the Agency in connection with an urban renewal project (as defined in the Law), and pursuant to Section 50-2012(f) of the Idaho Code this Bond shall be conclusively deemed to have been issued for such purpose and such project shall be conclusively deemed to have been planned, located, and carried out in accordance with the provisions of the Law.

If an Event of Default as defined in the Bond Resolution occurs, the principal of all Bonds issued under the Bond Resolution may become due and payable upon the conditions and in the manner and with the effect provided in the Bond Resolution.

Reference is made to the Bond Resolution for a more complete description of the Project, the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Agency and the Bondholders, and the terms and conditions upon which the Bonds are issued and secured. All terms used herein with initial capitalization where the rules of grammar or context do not otherwise require shall have the meanings as set forth in the Bond Resolution. Each Bondholder assents, by its acceptance hereof, to all of the provisions of the Bond Resolution.

The Bonds are subject to optional redemption prior to their stated maturity on certain conditions, all as provided for in the Bond Resolution.

The Bonds are issuable only as fully registered bonds in the denominations of \$100,000 and in any integral multiple of \$5,000 above \$100,000. This Bond is transferable by the registered owner hereof or his duly authorized attorney at the office of the Agency, as Bond Registrar, in the City of Twin Falls, Idaho, upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, subject to such reasonable regulations as the Agency or the Bond Registrar may prescribe. Upon any such transfer a new Bond or Bonds in the same aggregate principal amount will be issued to the transferee. Except as set forth in this Bond and as otherwise provided in the Bond Resolution, the person in whose name this Bond is registered shall be deemed the owner hereof for all purposes, and the Agency and the Bond Registrar shall not be affected by any notice to the contrary.

The Bond Resolution permits certain amendments or supplements to the Bond Resolution not prejudicial to the Bondholder to be made without the consent of or notice to the Bondholder, and other amendments or supplements thereto to be made with the consent of the Bondholder.

The Bondholder has only those remedies provided in the Bond Resolution.

The Bonds shall not constitute the personal obligation, either jointly or severally, of the commissioners of the Agency or of any other officer of the Agency.

The Agency has covenanted and agreed with the Registered Owner of the Bond that it will keep and perform all of the covenants of this Bond, the Bond Purchase Agreement, and the Bond Resolution to be by it kept and performed.

The covenants contained herein and in the Bond Resolution may be discharged by making provision, at any time, for the payment of the principal of and interest on this Bond in the manner provided in the Bond Resolution.

The Agency has designated this Bond as a “qualified tax-exempt obligation” under Section 265 of the Code. This Bond is not a “private activity bond” within the meaning of Section 141 of the Code.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions, and things essential to the validity of this Bond do exist, have happened, and have been done and that every requirement of the Constitution and statutes of the State of Idaho and the ordinances and resolutions of the Agency affecting the issue hereof have been duly complied with; the Pledged Revenues have been pledged and will be set aside into the Bond Fund to be used for the payment of principal of and interest on this Bond in the order of priority provided in the Bond Resolution.

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 Registrar.

(The remainder of this page intentionally left blank.)

IN WITNESS WHEREOF, the Urban Renewal Agency of the City of Twin Falls, Idaho, has caused this Bond to be executed by the manual or facsimile signatures of the Chairman of the Board of Commissioners, attested by the manual or facsimile signature of the Secretary, and the seal of the Agency imprinted hereon, as of this ____ day of _____, 2015.

**URBAN RENEWAL AGENCY OF
THE CITY OF TWIN FALLS, IDAHO**

[Manual or Facsimile Signature] _____
Chairman, Board of Commissioners

ATTEST:

[Manual or Facsimile Signature] _____
Secretary

[Manual or Facsimile Seal]

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____, 2015

This Bond is one of the Urban Renewal Agency of the City of Twin Falls, Idaho, Revenue Allocation Refunding Bonds, Series 2015A, described in the within-mentioned Bond Resolution.

**URBAN RENEWAL AGENCY OF THE CITY
OF TWIN FALLS, IDAHO**, as Registrar

By: _____
Authorized Officer

LEGAL OPINION

It is hereby certified that a true and complete copy of the legal opinion of Skinner Fawcett LLP, of Boise, Idaho, is on file in my office, which opinion is dated the date of delivery of and payment for the Bond described therein, an original of which was delivered to me on said date, and is a part of the permanent records of the Agency.

**URBAN RENEWAL AGENCY OF
THE CITY OF TWIN FALLS, IDAHO**

[Manual or Facsimile Signature]

Secretary

ASSIGNMENT

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

Name of Transferee: _____

Address: _____

Tax Identification No. _____

the within Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Registered Owner

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:

Bank, Trust Agency or Member Firm
of the New York Stock Exchange

Authorized Officer

EXHIBIT "B-2"

No. R- _____

\$ _____

UNITED STATES OF AMERICA
STATE OF IDAHO
COUNTY OF TWIN FALLS

URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO

REVENUE ALLOCATION REFUNDING BONDS,
SERIES 2015B (FEDERALLY TAXABLE)

MATURITY DATE:

DATED DATE:

_____, 2015

The URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO (the "Agency"), for value received, promises to pay from the Bond Fund (the "Bond Fund") transferred from the Revenue Allocation Fund, created by Resolution No. 2014-2, adopted by the Board of Commissioners of the Agency on December 22, 2014 (the "Bond Resolution"), to

WASHINGTON FEDERAL

or register assigns, on the Maturity Date specified above, the principal sum of

*** _____ AND NO/100 DOLLARS***

In annual payments on each August 1, beginning August 1, 2015, as set forth below:

And to pay interest thereon from the aforesaid Bond Fund from _____, 2015, or the most recent date to which interest has been paid or duly provided for, at the rate per annum specified above, payable commencing on August 1, 2015, and semiannually thereafter on each February 1 and August 1 until the date of maturity or prior redemption of this Bond.

Principal and interest shall be paid in coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts. Interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, except as provided in the Bond Resolution, be paid to the person in whose name this Bond is registered at the close of business on the Regular Record Date (as hereinafter defined) for such interest.

The principal or redemption price of and interest on this Bond shall be payable to the registered owner of this Bond at such owner's address as it appears on the Bond Register of the Bond Registrar.

This Bond shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and shall not constitute a general obligation or debt of the City of Twin Falls, Idaho, or of any municipality, the State of Idaho, or any of its political subdivisions. In no event shall this Bond give rise to a general obligation or liability of the Agency, any municipality, the State of Idaho, or any of its political subdivisions, or give rise to a charge against their general credit or taxing powers, or be payable out of any funds or properties other than those of the Agency specifically pledged therefor.

This Bond is one of a duly authorized series of the Agency designated “ Revenue Allocation Refunding Bonds, Series 2015A (Tax-Exempt) and Series 2015B (Federally Taxable) (the “Bonds”), issuable under the Bond Resolution, aggregating in principal amount \$4,350,000 and issued for the purpose of refunding certain prior bonds of the Agency which previously funded certain urban renewal projects (the “Projects”). The Bonds are special obligations of the Agency, issued or to be issued under and are to be secured and entitled equally and ratably to the protection given by the Bond Resolution.

This Bond and the Bonds of this issue are not general obligations of the Agency, and its full faith and credit are not pledged for payment of the principal thereof and interest thereon. The Bonds constitute a prior lien and charge upon the Pledged Revenues.

This Bond and the Bonds of this issue are issued by the Agency pursuant to and in full compliance with the Constitution and laws of the State of Idaho, particularly the Idaho Urban Renewal Law of 1965, being Idaho Code, Title 50, Chapter 20 and the Local Economic Development Act, being Idaho Code, Title 50, Chapter 29, (collectively, the “Law”), and also pursuant to the Bond Resolution. The Bonds are issued by the Agency in connection with an urban renewal project (as defined in the Law), and pursuant to Section 50-2012(f) of the Idaho Code this Bond shall be conclusively deemed to have been issued for such purpose and such project shall be conclusively deemed to have been planned, located, and carried out in accordance with the provisions of the Law.

If an Event of Default as defined in the Bond Resolution occurs, the principal of all Bonds issued under the Bond Resolution may become due and payable upon the conditions and in the manner and with the effect provided in the Bond Resolution.

Reference is made to the Bond Resolution for a more complete description of the Project, the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Agency and the Bondholders, and the terms and conditions upon which the Bonds are issued and secured. All terms used herein with initial capitalization where the rules of grammar or context do not otherwise require shall have the meanings as set forth in the Bond Resolution. Each Bondholder assents, by its acceptance hereof, to all of the provisions of the Bond Resolution.

The Bonds are issuable only as fully registered bonds in the denominations of \$100,000 and in any integral multiple of \$5,000 above \$100,000. This Bond is transferable by the registered owner hereof or his duly authorized attorney at the office of the Agency, as Bond Registrar, in the City of Twin Falls, Idaho, upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature satisfactory to the Bond

Registrar, subject to such reasonable regulations as the Agency or the Bond Registrar may prescribe. Upon any such transfer a new Bond or Bonds in the same aggregate principal amount will be issued to the transferee. Except as set forth in this Bond and as otherwise provided in the Bond Resolution, the person in whose name this Bond is registered shall be deemed the owner hereof for all purposes, and the Agency and the Bond Registrar shall not be affected by any notice to the contrary.

The Bond Resolution permits certain amendments or supplements to the Bond Resolution not prejudicial to the Bondholders to be made without the consent of or notice to the Bondholders, and other amendments or supplements thereto to be made with the consent of the Bondholders.

The Bondholder has only those remedies provided in the Bond Resolution.

The Bonds shall not constitute the personal obligation, either jointly or severally, of the commissioners of the Agency or of any other officer of the Agency.

The Agency has covenanted and agreed with the Registered Owner of the Bond that it will keep and perform all of the covenants of this Bond, the Bond Purchase Agreement, and the Bond Resolution to be by it kept and performed.

The covenants contained herein and in the Bond Resolution may be discharged by making provision, at any time, for the payment of the principal of and interest on this Bond in the manner provided in the Bond Resolution.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions, and things essential to the validity of this Bond do exist, have happened, and have been done and that every requirement of the Constitution and statutes of the State of Idaho and the ordinances and resolutions of the Agency affecting the issue hereof have been duly complied with; the Pledged Revenues have been pledged and will be set aside into the Bond Fund to be used for the payment of principal of and interest on this Bond in the order of priority provided in the Bond Resolution.

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 Registrar.

(The remainder of this page intentionally left blank.)

IN WITNESS WHEREOF, the Urban Renewal Agency of the City of Twin Falls, Idaho, has caused this Bond to be executed by the manual or facsimile signatures of the Chairman of the Board of Commissioners, attested by the manual or facsimile signature of the Secretary, and the seal of the Agency imprinted hereon, as of this ____ day of _____, 2015.

**URBAN RENEWAL AGENCY OF
THE CITY OF TWIN FALLS, IDAHO**

[Manual or Facsimile Signature] _____
Chairman, Board of Commissioners

ATTEST:

[Manual or Facsimile Signature] _____
Secretary

[Manual or Facsimile Seal]

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____, 2015

This Bond is one of the Urban Renewal Agency of the City of Twin Falls, Idaho, Revenue Allocation Refunding Bonds, Series 2015B, described in the within-mentioned Bond Resolution.

**URBAN RENEWAL AGENCY OF THE CITY
OF TWIN FALLS, IDAHO**, as Registrar

By: _____
Authorized Officer

LEGAL OPINION

It is hereby certified that a true and complete copy of the legal opinion of Skinner Fawcett LLP, of Boise, Idaho, is on file in my office, which opinion is dated the date of delivery of and payment for the Bond described therein, an original of which was delivered to me on said date, and is a part of the permanent records of the Agency.

**URBAN RENEWAL AGENCY OF
THE CITY OF TWIN FALLS, IDAHO**

[Manual or Facsimile Signature]

Secretary

ASSIGNMENT

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

Name of Transferee: _____

Address: _____

Tax Identification No. _____

the within Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Registered Owner

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:

Bank, Trust Agency or Member Firm
of the New York Stock Exchange

Authorized Officer

EXHIBIT “C”

BOND PURCHASE AGREEMENT

[Attached]

BOND PURCHASE AGREEMENT

Washington Federal enters into this Bond Purchase Agreement with the Urban Renewal Agency of the City of Twin Falls, Idaho, upon the terms and conditions described below.

Section 1. Definitions.

For purposes of this Bond Purchase Agreement, the following capitalized terms shall have the following meanings, unless the context clearly requires otherwise:

“Agency” means the Urban Renewal Agency of the City of Twin Falls, Idaho.

“Agreement” means this Bond Purchase Agreement.

“Authorized Officer” means the Chairman, Vice Chairman, Executive Director, Secretary, Treasurer or any officer or employee of the Agency authorized to perform specific acts or duties pursuant to the Law, the bylaws of the Agency or a resolution duly adopted by the Agency. The signature of one Authorized Officer shall be sufficient to bind the Agency.

“Bank” means Washington Federal, or its successors or assigns.

“Bonds” means the Agency’s Revenue Allocation Refunding Bonds, Series 2015A (Tax-Exempt) and Series 2015B (Federally Taxable), evidencing the amount owed under this Agreement to the Bank, and in form consistent with the terms of this Agreement.

“Bond Counsel” means Skinner Fawcett LLP, Boise, Idaho.

“Business Day” has the meaning set forth in Section 1 of the Resolution.

“Closing Date” means _____, 2015.

“Code” has the meaning set forth in Section 1 of the Resolution.

“Event of Default” means the declaration by the Bank of an event of default as a result of a determination by the Bank that any of the events of default specified in Section 23.A of the Resolution have occurred.

“Interest Payment Date” has the meaning set forth in Section 1 of the Resolution.

“Law” means, collectively, the Idaho Urban Renewal Law of 1965, being Title 50, Chapter 20, Idaho Code as amended and supplemented, and The Economic Development Act of 1988, being Title 50, Chapter 29, Idaho Code, as amended and supplemented.

“Prime Rate” means the variable rate of interest published from time to time as the Prime Rate in the printed or internet edition of *The Wall Street Journal*. For purposes of determining any interest rate that is based on the Prime Rate, the interest rate shall change on the effective date of any change in the Prime Rate.

“Prior Bonds” means the Agency’s Revenue Allocation Refunding Bonds, Series 2005A, which were issued in the original principal amount of \$7,735,000.

“Resolution” means the Agency’s Resolution No. 2014-2 adopted December 22, 2014, authorizing the Bonds.

“Security” has the meaning set forth in Section 1 of the Resolution.

“Series A Interest Rate” means a rate of interest of ____% per annum.

“Series A Taxable Rate” means a rate of interest of ____% per annum.

“Series B Interest Rate” means a rate of interest of ____% per annum.

“Taxable Bond” has the meaning set forth in Section 1 of the Resolution.

“Tax-Exempt Bond” has the meaning set forth in Section 1 of the Resolution.

2. Recitals.

The Bank has expressed interest in purchasing the Bonds pursuant to this Agreement and the Bonds. The Agency has adopted the Resolution, which authorizes the Agency to execute and deliver this Agreement and the Bonds in the aggregate principal amount of up to \$4,350,000 for the purpose of providing all or part of the funds with which to refund all of the Prior Bonds.

3. Purchase Agreement.

3.1 The principal amount of the Tax-Exempt Bond is \$3,900,000. The principal amount of the Taxable Bond is \$450,000.

3.2 The Bank hereby agrees to purchase the Bonds in the aggregate principal amount of \$4,350,000 at a price of 100% of par, subject to the terms and conditions contained in this Agreement.

3.3 The Tax-Exempt Bond shall bear interest at the Series A Interest Rate. The Agency will pay accrued interest on the Series A Bond on each Interest Payment Date.

Until the Tax-Exempt Bond is paid in full, if interest paid on any portion of the outstanding principal balance is determined not to be, or not to have been, excludable from gross income under the Code, the Bank may increase the interest rate applicable to such balance to the Series A Taxable Rate, retroactive to the date when interest was determined to have been includable in gross income under the Code.

3.4 The Taxable Bond shall bear interest at the Series B Interest Rate. The Agency will pay all principal of and accrued interest on the Tax-Exempt Bond on August 1, 2015.

3.5 The Agency will repay the principal amount of the Tax-Exempt Bond by making payments on August 1 of each year, beginning August 1, 2015, in accordance with the following table:

Payment Date (August 1)	Principal Amount
2015	\$620,000.00
2016	\$1,005,000.00
2017	\$1,040,000.00
2018	\$198,000.00
2019	\$203,000.00
2020	\$211,000.00
2021	\$218,000.00
2022	\$405,000.00

3.6 All principal of the Taxable Bond, plus accrued interest, shall be paid no later than August 1, 2015. All principal of the Tax-Exempt Bond, plus accrued interest, shall be

paid no later than August 1, 2022.

- 3.7 Any payment by the Agency to the Bank shall be applied first to pay accrued interest, and second to pay Bond principal.

4. Prepayment.

- 4.1 The Taxable Bond is not subject to prepayment.
- 4.2 The Tax-Exempt Bond may be prepaid at the election of the Agency in any amount of \$100,000.00 or more on August 1, 2018 and on any Business Day thereafter, upon 30 days' prior written notice to the Bank; provided, that the Agency shall reimburse the Bank for any reasonable, resulting loss or expense incurred by the Bank, including without limitation any reasonable loss or expense incurred in obtaining, liquidating, or reemploying deposits from third parties. A statement of the amount of that reasonable loss or expense, prepared in good faith and in reasonable detail by the Bank and submitted by the Bank to the Agency, shall be conclusive and binding for all purposes absent manifest error in computation. The Bank's calculation of any amounts payable upon prepayment shall be based on the assumption that the Bank actually funded the Tax-Exempt Bond through deposits or other funds acquired from third parties for such purpose; however, the Bank shall not be obligated to fund the Tax-Exempt Bond through such deposits or other funds acquired from third parties, but may fund the Tax-Exempt Bond through any available resources.

Prepayments by the Agency to the Bank shall be applied first to pay accrued interest, and second to pay Tax-Exempt Bond principal. Upon a partial prepayment by the Agency to the Bank, the schedule of principal payments in Section 3.5 of this Agreement shall be recomputed by the Bank such that the prepayment of principal of the Tax-Exempt Bond shall be applied to the last principal payments and the term of such principal payments shall be shortened.

5. Security.

The Bonds are secured by the Security.

6. Closing.

The Bank shall purchase the Bonds upon execution by the Agency of this Agreement and the Bonds, and upon satisfaction of the conditions specified in Section 14 of this Agreement.

7. Deposit and Use of Bond Proceeds.

The proceeds of the Bonds shall be deposited and expended by the Agency in accordance with the Resolution and the tax certificate of the Agency executed in connection with the issuance of the Bonds.

8. Default.

If an Event of Default occurs, the Bank may exercise any remedy available at law or in equity (excluding acceleration), and may at its election increase the interest rate of the Bonds to a floating rate equal to three percentage points (3.00%) in excess of the Prime Rate. No remedy shall be exclusive. The Bank may waive any Event of Default, but no such waiver shall extend to a subsequent Event of Default.

9. Fees, Costs and Expenses.

- 9.1 The Agency shall pay the Bank an origination fee of \$9,850.00 no later than the date of this Agreement.
- 9.2 If, due to the Agency's actions or failure to act, the Bank incurs any expenses in connection with enforcing this Agreement, or if the Bank takes collection action under this Agreement, the Agency shall pay to the Bank, on demand, the Bank's reasonable costs and attorneys' fees, whether at trial, on appeal or otherwise, including any allocated costs of in-house counsel.
- 9.3 The Agency shall pay the fees and costs of Bond Counsel, and any other expenses and costs which the Agency incurs in connection with this Agreement. The Agency shall pay all of the Bank's attorney fees related to this Agreement.

10. Representations, Warranties and Agreements of the Agency.

By executing this Agreement in the space provided below, the Agency represents and warrants to, and agrees with the Bank that:

- 10.1 The Agency is duly created and existing under the laws of the State of Idaho, has all necessary power and authority to enter into this Agreement and perform its duties under the Resolution and this Agreement, and that the Resolution, this Agreement, and the Bonds will constitute legal, valid and binding obligations of the Agency which are enforceable in accordance with their terms.
- 10.2 The acceptance of this Agreement, the adoption of the Resolution and the execution and delivery of the Bonds will not conflict in any material respect with, or constitute a material breach of or default under, any law, charter provision, court decree, administrative regulation, ordinance, resolution or other agreement to which the Agency is a party or by which it is bound.
- 10.3 There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental body pending or, to the best of the knowledge of the Agency, threatened against the Agency to restrain or enjoin the acceptance of this Agreement, the adoption of the Resolution or the execution and delivery of the Bonds, or the collection and application of the funds as contemplated by the Resolution and this Agreement, which, in the reasonable judgment of the Agency, would have a material and adverse effect on the ability of the Agency to pay the amounts due under this Agreement and the Bonds.
- 10.4 To the extent permitted by law, the Agency agrees to indemnify and hold harmless the Bank and all of its agents and employees against any and all losses, claims, damages, liabilities and expenses arising out of any statement made by the Agency to the Bank, its agents or employees that relates to this Agreement or the Bonds, and that is untrue or incorrect in any material respect, or arising out of an Event of Default.

Section 11. Conditions to the Obligations of the Bank.

The Bank may refuse to purchase the Bonds unless, on or prior to the Closing Date, the Bank shall have received:

- 11.1 a certified copy of the duly authorized Resolution, and a signed original of this Agreement and the Bonds;

- 11.2 an opinion of Bond Counsel to the effect that:
 - 11.2.1 the Resolution, this Agreement and the Bonds are and will be valid and legally binding obligations of the Agency, enforceable against the Agency in accordance with their terms, except to the extent that enforceability may be limited by or rendered ineffective by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the Agency,
 - 11.2.2 the interest payable on the Tax-Exempt Bond is excludable from gross income under the Code,
 - 11.2.3 the Tax-Exempt Bond is not a "private activity bond" within the meaning of Section 141 of the Code,
 - 11.2.4 the Tax-Exempt Bond has been designated by the Agency as a qualified tax-exempt obligation under Section 265(b)(3)(B) of the Code, and
 - 11.2.5 all principal of and interest on the Prior Bonds have been defeased and the Prior Bonds are no longer deemed outstanding under the Agency's Bond Resolution No. 2005-1 dated as of June 27, 2005;
- 11.3 the certificate of an Authorized Officer to the effect that:
 - 11.3.1 there is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental body pending or, to the best of the knowledge of the Agency, threatened against the Agency to restrain or enjoin the adoption of the Resolution or the execution and delivery of this Agreement and the Bonds, or the collection and application of funds as contemplated by the Resolution, this Agreement and the Bonds, that, in the reasonable judgment of the Agency, would have a material and adverse effect on the ability of the Agency to pay the amounts due under this Agreement and the Bonds, and
 - 11.3.2 the adoption of the Resolution and the execution and delivery of this Agreement and the Bonds do not and will not conflict in any material respect with, or constitute a material breach of or default under, any law, charter provision, court decree, administrative regulation, ordinance, resolution or other agreement to which the Agency is a party or by which it is bound;
- 11.4 a copy of the verification by a firm of independent certified public accountants of the adequacy of the escrow account established for the defeasance of the Prior Bonds; and
- 11.5 such additional legal opinions, certificates, proceedings, instruments, or other documents as the Bank or the Agency's Bond Counsel may reasonably request to evidence compliance by the Agency with the legal requirements for execution and delivery of this Agreement and the Bonds and the due performance or satisfaction by the Agency of all

agreements then to be performed and all conditions then to be satisfied by the Agency.

Section 12. Notices.

Any notices required to be given pursuant to this Agreement shall be given to the following addresses:

Agency: Urban Renewal Agency of the City of Twin Falls
321 2nd Avenue East
Twin Falls, ID 83301
Attn: Executive Director

Bank: Washington Federal
14990 SW Bangy Road
Lake Oswego, OR 97035
Attn: Government Banking

Section 13. Assignment; Survival; Agreement Constitutes Contract.

13.1 This Agreement shall be binding upon and shall inure to the benefit of the Agency and the Bank and their respective successors and assigns. The Agency agrees that it may not assign this Agreement without the Bank's prior written consent. The Bank may not transfer the Bonds unless (i) the Bank's corporate name is changed and the transfer is necessary to reflect such change; or (ii) the transferee is a successor in interest of the Bank by means of a corporate merger, an exchange of stock, or a sale of assets. All representations, warranties, and agreements contained in this Agreement shall survive the execution, delivery and payment of the Bonds.

13.2 This Agreement and the Bonds shall constitute a contract between the Agency and the Bank. The Bank's extension of credit hereunder is expressly made in reliance on such contract.

Section 14. Applicable Law.

This Agreement shall be governed and interpreted in accordance with the laws of the State of Idaho.

Section 15. Severability and Waivers.

If any part of this Agreement is not enforceable, the rest of the Agreement may be enforced. The Bank retains all rights, even if it makes a loan after default. If the Bank waives a default, it may enforce a later default. Any consent or waiver under this Agreement must be in writing.

Section 16. Counterparts.

This Agreement may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute one and the same agreement.

Section 17. Waiver of Jury Trial.

To the extent permitted by applicable law, each of the parties waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort, or otherwise between the parties arising out of, connected with, related to, or incidental to the relationship between any of them in connection with this Agreement or the transactions contemplated hereby. Instead, any such dispute resolved in court will be resolved in a bench trial without a jury.

DATED as of _____, 2015.

WASHINGTON FEDERAL

By: _____
Authorized Officer

URBAN RENEWAL AGENCY OF THE CITY OF
TWIN FALLS, IDAHO

By: _____
Authorized Officer

EXHIBIT “D”

COSTS OF ISSUANCE

Bond Counsel Fees.....	\$34,500.00
Purchaser Fee.....	\$9,850.00
Purchaser Counsel Fee.....	\$7,000.00
Escrow Agent Fee.....	\$2,500.00
Financial Advisor and other expenses not to exceed	\$10,000.00

EXHIBIT “E”

INVESTMENT SECURITIES

“Investment Securities” means any of the following:

(1) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or obligations the full and timely payment of the principal of and interest on which are fully guaranteed by the United States of America, including instruments evidencing an ownership interest in securities described in this clause (1);

(2) obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following:

Federal Home Loan Bank System, Export-Import Bank of the United States, Federal Financing Bank, Federal Land Banks, Government National Mortgage Association, Federal Home Loan Mortgage Corporation or Federal Housing Administration;

(3) repurchase agreements with an investment provider then rated as required for investment by the Agency under the Idaho Code, and fully secured by collateral security described in clause (1) or (2) of this definition, which collateral (a) is held by the Trustee or a third party agent during the term of such repurchase agreement, (b) is not subject to liens or claims of third parties and (c) has a market value (determined at least once every fourteen days) at least equal to the amount so invested;

(4) certificates of deposit of, or time deposits in, any bank (including the Purchaser) or savings and loan association (a) the debt obligations of which (or in the case of the principal bank of a bank holding company, the debt obligations of the bank holding company of which) have been rated as required for investment by the Agency under the Idaho Code and (b) which are fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or (c) which are secured at all times, in the manner and to the extent provided by law, by collateral security (described in clause (1) or (2) of this definition) of a market value (valued at least quarterly) of no less than the amount of money so invested; and

(5) shares in any investment company registered under the federal Investment Borrower Act of 1940 whose shares are registered under the federal Securities Act of 1933 and whose only investments are government securities described in clause (1) or (2) of this definition and repurchase agreements fully secured by government securities described in clause (1) or (2) of this definition and/or other obligations rated as required for investment by the Agency under the Idaho Code.

(6) Money market funds containing investments in any of the above Investment Securities, provided such money market fund bears a rating as provided for investment by the Agency under the Idaho Code.

(7) Any other investment that bears a rating permitted for investment by the Agency under the Idaho Code.

EXHIBIT “F”

FORM OF NOTICE OF BOND RESOLUTION NO. 2014-2

Public notice is hereby given by the Urban Renewal Agency of the City of Twin Falls, Idaho (the “Agency”), that on December 22, 2014, the Board of Commissioners of the Agency approved and adopted Bond Resolution No. 2014-2 (the “Resolution”).

The Resolution authorizes the issuance of the Agency’s Revenue Allocation Refunding Bonds, Series 2015A (Tax-Exempt) and Series 2015B (Federally Taxable) (the “Bonds”), in the aggregate amount of up to \$4,350,000.

The Bonds are being issued to refund certain prior bonds of the Agency, provide for a reserve fund and to pay costs of issuance of the Bonds and other expenses as provided in the Resolution.

Under the Resolution, the Agency has pledged for the payment of the amount of interest coming due on each interest payment date and the principal coming due on each annual principal payment date of the Bonds, all tax increment revenues received by the Agency, and moneys in the Revenue Allocation Fund, the Reserve Fund and the Bond Fund, all as defined in the Resolution. Pledged Revenues received by the Agency in excess of Debt Service on the Bonds may be reserved by the Agency for future payments of Debt Service on the Bonds, to redeem or purchase Outstanding Bonds on the open market, or for any other legal purpose of the Agency.

Neither the City of Twin Falls, the State of Idaho, its Legislature, nor any political subdivision thereof is liable for the payment of the principal of or interest or redemption premium, if any, on the Bonds.

The Resolution and other supporting material is available for public inspection at the offices of the Agency at Twin Falls City Hall, 321 Second Avenue East, Twin Falls, Idaho, Monday through Friday, 8:00 a.m. to 5:00 p.m. (telephone (208) 735-7240).

The Resolution became effective upon its passage and approval on December 22, 2014.

In accordance with the provisions of Sections 50-2027 and 50-2911 of the Idaho Code, no direct or collateral action attacking or otherwise questioning the validity of the Bonds may be brought prior to the effective date of the Resolution authorizing such Bonds or after the elapse of thirty (30) days from and after the effective date of the Resolution authorizing such Bonds.

By Order of the Board of Commissioners of the Urban Renewal Agency of the City of Twin Falls, Idaho dated as of the ____ day of _____, ____.

EXHIBIT "G"

FORM OF CERTIFICATE AS TO BOND PRICING TERMS AND RELATED MATTERS

The undersigned official of the Urban Renewal Agency of the City of Twin Falls, Idaho (the "Agency"), as a Delegated Officer, does hereby certify as follows (capitalized terms used herein and not defined have the meanings assigned to such terms in the Resolution, hereinafter defined):

1. The undersigned is familiar with the Bond Resolution of the Agency adopted on December 22, 2014 to authorize issuance of the Agency's Revenue Allocation Refunding Bonds, Series 2015A (Tax-Exempt) (the "Tax-Exempt Bond") and Series 2015B (Federally Taxable) (the "Taxable Bond," and, collectively with the Tax-Exempt Bond, the "Bonds") and related documents, which Bonds are sold this date to Washington Federal (the "Purchaser") pursuant to the Bond Purchase Agreement dated _____, 2015, between the Agency and the Purchaser (the "Bond Purchase Agreement").

2. Section 7 of the Bond Resolution delegated to the undersigned, as a Delegated Officer, the power to make certain determinations on the date of sale of the Bonds.

3. Pursuant to such delegation, the undersigned Delegated Officer hereby determines as follows:

- a. Details of the terms of the Bonds including payment schedules are reflected in the final bond sale number schedules provided by the Purchaser this date, which schedules are attached as Exhibit A hereto.
- b. The rate of interest to be borne by the Tax-Exempt Bond is ____% per annum and the rate of interest for the Taxable Bond is ____%. The interest rate to be borne by the Tax-Exempt Bond upon a Determination of Taxability is ____%. The true interest cost on the Tax-Exempt Bond does not exceed ____% and the true interest cost on the Taxable Bond does not exceed ____%.
- c. The principal amount of the Taxable Bond is \$_____ and the principal amount of the Taxable Bond is \$_____.
- d. The principal payment dates and the amount of principal of the Bonds maturing in any particular year are reflected on the attached Exhibit A.
- e. The final maturity of the Tax-Exempt Bond is _____ and the final maturity of the Taxable Bond is _____.
- f. The Tax-Exempt Bond is sold at the purchase price of \$_____, representing the principal amount thereof, plus a fee to Purchaser and the Taxable Bond is sold at the purchase price of \$_____, representing the principal amount thereof plus a fee to Purchaser in the amount of \$_____.

- g. The Bonds are subject to optional redemption as follows:
_____.
- h. The amount of proceeds of the Tax-Exempt Bond to fund the Reserve Fund is \$_____ and the amount of proceeds of the Taxable Bond to fund the Reserve Fund is \$_____ with \$_____ from the reserve fund for the Revenue Allocation Refunding Bonds, Series 2005A being deposited to the Reserve Fund for the Bonds.
- i. The amount of proceeds of the Tax-Exempt Bond to fund the Escrow Fund is \$_____ and the amount of proceeds of the Taxable Bond to fund the Escrow Fund is \$_____.
- j. The amount of proceeds of the Tax-Exempt Bond to fund the Costs of Issuance is \$_____ and the amount of proceeds of the Taxable Bond to fund the Costs of Issuance is \$_____.

4. The undersigned Delegated Officer hereby certifies that the final terms and provisions of the Bonds, as described above and in the attached Exhibit A and Exhibit B, are consistent with, not in excess of, and no less favorable than, the terms set forth in Section 7 of the Bond Resolution and as approved by the Commissioners of the Agency.

5. The undersigned Delegated Officer has therefore caused to be executed and delivered the Bond Purchase Agreement and the Bonds this date.

DATED: _____, 2015.

URBAN RENEWAL AGENCY OF THE CITY OF
TWIN FALLS, IDAHO

By: _____
Title: _____

EXHIBIT “H”

Urban Renewal Agency of the City Of Twin Falls, Idaho Post-Issuance Tax Compliance Procedures For Tax-Exempt Bonds

December 22, 2014

The purpose of these Post-Issuance Tax Compliance Procedures is to establish policies and procedures in connection with tax-exempt bonds (“Bonds”) issued by the Urban Renewal Agency of the City of Twin Falls, Idaho (the “Agency”), so as to ensure that the Agency complies with all applicable post-issuance requirements of federal income tax law needed to preserve the tax-exempt status of the Bonds.

General

Ultimate responsibility for all matters relating to Agency financings and refinancings rests with the Executive Director (the “Executive Director”).

Post-Issuance Compliance Requirements

External Advisors / Documentation

The Executive Director and other appropriate Agency personnel, agents or contractors shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for the appropriate tax status. Those requirements and procedures shall be documented in an Agency resolution(s), Tax Certificate(s) and / or other documents finalized at or before issuance of the Bonds. Those requirements and procedures shall including future compliance with applicable arbitrage rebate requirements and all other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the Bonds.

The Executive Director and other appropriate Agency personnel, agents or contractors also shall consult with bond counsel and other legal counsel and advisors, as needed, following issuance of the Bonds to ensure that all applicable post-issuance requirements in fact are met. This shall include, without limitation, consultation in connection with future contracts with respect to the use of Bond-financed assets and future contracts with respect to the use of output or throughput of Bond-financed assets.

Whenever necessary or appropriate, the Agency shall engage expert advisors (each a “Rebate Service Provider”) to assist in the calculation of arbitrage rebate payable in respect of the investment of Bond proceeds.

Role of the Agency as Bond Issuer

Unless otherwise provided by Agency resolutions, unexpended Bond proceeds shall be held by the Agency, and the investment of Bond proceeds shall be managed by the Executive Director. The Executive Director shall maintain records and shall prepare regular, periodic statements to the Agency regarding the investments and transactions involving Bond proceeds.

If an Agency resolution provides for Bond proceeds to be administered by a trustee, the trustee shall provide regular, periodic (monthly) statements regarding the investments and transactions involving Bond proceeds.

Arbitrage Rebate and Yield

Unless a Tax Certificate documents that bond counsel has advised that arbitrage rebate will not be applicable to an issue of Bonds:

- the Agency shall engage the services of a Rebate Service Provider, and the Agency or the Bond trustee shall deliver periodic statements concerning the investment of Bond proceeds to the Rebate Service Provider on a prompt basis;
- upon request, the Executive Director and other appropriate Agency personnel, agents or contractors shall provide to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
- the Executive Director and other appropriate Agency personnel, agents or contractors shall monitor efforts of the Rebate Service Provider and assure payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed; and
- during the construction period of each capital project financed in whole or in part by Bonds, the Executive Director and other appropriate Agency personnel, agents or contractors shall monitor the investment and expenditure of Bond proceeds and shall consult with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the Bonds.

For working capital financings, the Agency shall follow procedures set forth in the applicable Tax Certificate and/or instructions delivered at bond or note closing.

The Agency shall retain copies of all arbitrage reports and trustee statements as described below under “Record Keeping Requirements.”

Use of Bond Proceeds

The Executive Director and other appropriate Agency personnel, contractors or agents shall:

- monitor the use of Bond proceeds, the use of Bond-financed assets (e.g., facilities, furnishings or equipment) and the use of output or throughput of Bond-financed assets throughout the term of the Bonds (and in some cases beyond the term of the Bonds) to ensure compliance with covenants and restrictions set forth in applicable Agency resolutions and Tax Certificates;
- maintain records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds;
- consult with Bond Counsel and other professional expert advisers in the review of any contracts or arrangements involving use of Bond-financed facilities to ensure compliance with all covenants and restrictions set forth in applicable Agency resolutions and Tax Certificates;
- maintain records for any contracts or arrangements involving the use of Bond-financed facilities as might be necessary or appropriate to document compliance with all covenants and restrictions set forth in applicable Agency resolutions and Tax Certificates;
- meet at least annually with those responsible for Bond-financed assets to identify and discuss any existing or planned use of Bond-financed, assets or output or throughput of Bond-financed assets, to ensure that those uses are consistent with all covenants and restrictions set forth in applicable Agency resolutions and Tax Certificates.
- take timely remedial actions under section 1.141-12 of the Treasury Regulations (or other remedial actions authorized by the Commissioner of the IRS under Section 1.141-12(h) of the Regulations) to prevent from being considered “deliberate actions” any actions of the Agency which cause the conditions of the private business tests or the private loan financing test to be met resulting in private activity bonds.

All relevant records and contracts shall be maintained as described below and in the applicable Tax Certificate.

Investment of bond proceeds in compliance with the arbitrage bond rules and rebate of arbitrage will be supervised by the Executive Director.

- Guaranteed investment contracts (“GIC”) will be purchased only using the three-bid “safe harbor” of applicable Treasury regulations, in compliance with fee limitations on GIC brokers in the regulations.
- Other investments will be purchased only in market transactions.
- Calculations of rebate liability will be performed annually by outside consultants.
- Rebate payments will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance and (b) the final retirement of the

issue. Compliance with rebate requirements will be reported to the bond trustee and the issuer.

- Identify date for first rebate payment at time of issuance. Enter in records for the issue.

Record Keeping Requirements

Unless otherwise specified in applicable Agency resolutions or Tax Certificates, the Agency shall maintain the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least three years:

- a copy of the Bond closing transcript(s) and other relevant documentation delivered to the Agency at or in connection with closing of the issue of Bonds;
- a copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds;
- a copy of all contracts and arrangements involving private use of Bond-financed assets or for the private use of output or throughput of Bond-financed assets; and
- copies of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements.

ESCROW DEPOSIT AGREEMENT

Dated as of _____, 2015

Between

URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO

and

WELLS FARGO BANK, NATIONAL ASSOCIATION
as Escrow Agent

ESCROW DEPOSIT AGREEMENT

This ESCROW AGREEMENT, dated as of _____, 2015, between the URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO (the "Agency"), an urban renewal agency formed under the laws of the State of Idaho and WELLS FARGO BANK, NATIONAL ASSOCIATION, Denver, Colorado (in its capacity as escrow agent hereunder, the "Escrow Agent"), a national banking association organized and existing under the laws of the United States of America;

WITNESSETH

WHEREAS, under Bond Resolution No. 2005-1 of the Agency adopted June 27, 2005 (the "Prior Bond Resolution"), the Agency issued its Revenue Allocation Refunding Bonds, Series 2005A, (the "Prior Bonds"), in the original aggregate principal amount of \$7,735,000 and dated August 1, 2005, to refund the Agency's prior Multi-Mode Revenue Allocation (Tax-Increment) Bonds 1998 Series A (Tax-Exempt) (the "1998 Bonds"); and

WHEREAS, the Agency has determined to cause the defeasance and advance refunding of the Prior Bonds of which \$_____ are currently outstanding as set forth in Exhibit "A" attached hereto; and

WHEREAS, in order to accomplish the defeasance and refunding of the Prior Bonds, the Agency has authorized the execution and delivery of its Revenue Allocation Refunding Bonds, Series 2015A (Tax-Exempt) (the "Tax-Exempt Bond") and Series 2015B (Federally Taxable) (the "Taxable Bond" and with the Tax-Exempt Bond, the "Refunding Bonds") in the aggregate principal amount of \$_____ pursuant to the provisions of the Agency's Bond Resolution No. ____ (the "Refunding Bond Resolution"); and

WHEREAS, Wells Fargo Bank, National Association is the trustee (the "Trustee") for the Prior Bonds; and

WHEREAS, the Agency and the Escrow Agent enter into this Escrow Deposit Agreement in order to provide for the defeasance and advance refunding of the Prior Bonds;

NOW, THEREFORE, to secure all outstanding Prior Bonds, the payment of the principal thereof and the interest thereon, the Agency does hereby sell, assign, transfer, set over and pledge unto the Escrow Agent, its successors in the trust and its assigns forever, all of the right, title and interest of the Agency in and to all amounts in the funds established hereunder,

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, investments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise be subject to the lien and security created by this Escrow Agreement,

IN ESCROW AND TRUST, NEVERTHELESS, for the equal and ratable benefit and security of all present and future holders of the Prior Bonds, without preference, priority or distinction as to the Prior Bonds.

SECTION 1. Creation of Escrow Fund.

There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund designated the Urban Renewal Agency of the City of Twin Falls, Idaho, 2005A Bond Escrow Fund (the "Escrow Fund") to be held by the Escrow Agent as a trust fund for the benefit of the owners of the Prior Bonds. The Escrow Fund shall be held by the Escrow Agent separate and apart from other funds of the Agency or of the Escrow Agent.

SECTION 2. Receipt of Agency Funds.

The Escrow Agent hereby acknowledges receipt of the sum of \$_____ (the "Tax-Exempt Proceeds") from the proceeds of the Tax-Exempt Bond and \$_____ (the "Taxable Proceeds") from the proceeds of the Taxable Bond and \$_____ from funds held under the Prior Bond Resolution. [Need to check to see if there are excess funds held for 2005A Bonds]

SECTION 3. Application of Proceeds of Refunding Bonds.

(a) Upon receipt by the Escrow Agent of the amount of the proceeds of the Refunding Bonds set forth in Section 2 hereof the Escrow Agent shall immediately deposit said amount in the Escrow Fund.

The Escrow Agent shall apply \$_____ of the amount to be deposited in the Escrow Fund from the Tax-Exempt Proceeds pursuant to this Section 3 to the purchase of United States Treasury Securities - State and Local Government Series, as described in Exhibit "B-1" attached hereto (the "Government Obligations") [and shall deposit \$_____ in cash to said Fund.] The Escrow Agent acknowledges receipt of book entry credit for the Government Obligations from the [Seattle] office of the Federal Reserve Bank, Government Bond Registration Section.

The Escrow Agent shall apply \$_____ of the amount to be deposited to the Escrow Fund from the Taxable Proceeds to the purchase of U.S. Government Obligations described in Exhibit "B-2" attached hereto) and the Escrow Agent acknowledges purchase of said securities (the "Other Government Obligations") [and shall deposit \$_____ in cash to said Fund.]

(b) In reliance on the computations prepared by [Washington Federal] and verified by[_____], attached hereto as Exhibit "C," the Agency represents that the amounts deposited in the Escrow Fund pursuant to this Escrow Agreement together with income from the investment therefrom, will provide sufficient funds to pay the principal of and interest on the Prior Bonds through August 1, 2015.

Any portion of the amounts received from the Government Obligations not needed at the time of receipt to make the payments of interest and principal to the holders of the Prior Bonds shall remain uninvested in the Escrow Fund until applied for such purpose. For the purposes of the immediately preceding sentence "uninvested" shall mean (i) cash, if in an amount of less than \$5,000, or (ii) the purchase of additional Government Obligations bearing interest at such other rates as may be authorized by an approving opinion of nationally recognized bond counsel to the effect that such use of funds will not cause the Tax-Exempt Bond to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended; provided, however, that such additional Government Obligations shall mature on or before the dates and in the amounts needed to pay principal of and interest on the Prior Bonds.

SECTION 4. Issuance Costs.

All costs and expenses related to the issuance of the Bonds shall be paid from the proceeds of the Bonds.

SECTION 5. Application of Escrow.

The Escrow Agent agrees that the amounts deposited in the Escrow Fund pursuant to Section 3 hereof and the interest income to be earned thereon and any other moneys and investments deposited in the Escrow Fund will be held in trust for the holders of the Prior Bonds. The Escrow Agent shall apply the principal of, and interest earned, on the Government Obligations and Other Government Obligations to the payment of principal and redemption price of and interest on the Prior Bonds referenced in Section 3(b) hereof.

SECTION 6. Investment of Escrow Funds.

(a) Except as provided in Section 3 hereof, the Escrow Agent shall have no power or duty to invest any funds held under this Escrow Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Government Obligations and Other Government Obligations.

(b) The Agency hereby covenants that no part of the moneys or funds held at any time in the Escrow Fund shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause the Tax-Exempt Bond or the Prior Bonds or the obligations to which they relate to be "arbitrage bonds" as defined in subsections (a) and (b) of Section 148 of the Internal Revenue Code of 1986, as amended, and to be subject to treatment under subsection 103(b)(2) of the Internal Revenue Code of 1986 as obligations not described in subsection 103(a)(1).

(c) At the written direction of the Agency and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to sell, transfer or otherwise dispose of or request the redemption of the Government Obligations and Other Government Obligations acquired hereunder and to substitute therefor United States Treasury Obligations meeting the requirements of this subsection (the "Substitute Government Obligations"). The Escrow Agent shall purchase such Substitute Government Obligations with the proceeds derived from the sale, transfer, disposition or redemption of the Government Obligations or Other Government Obligations, together with any other funds available for such purpose. Any such transaction may be effected only if (i) an independent certified public accountant selected by the Agency shall certify that after such transaction (A) the principal amount of and interest on the Government Obligations and Other Government Obligations to be held in the Escrow Fund, after giving effect to such transaction (including the Substitute Government Obligations to be acquired), will, together with any other cash to be held in the Escrow Fund, after giving effect to such transaction, be sufficient to pay, as the same become due at maturity or earlier redemption, all principal of and premium, if any, and interest on the Prior Bonds that have not been paid previously, and (B) the amounts and dates of the anticipated payments from the Escrow Fund to the registered owners of the Prior Bonds will not be diminished or postponed thereby; and (ii) an opinion of counsel nationally recognized on the subject of municipal bonds shall be delivered to the Escrow Agent, which opinion shall be to the effect that such transaction will not result in the interest on the Prior Bonds or the Tax-Exempt Bond becoming includable in gross income for federal income tax purposes.

SECTION 7. Notices to Bond Holders and Redemption.

The Escrow Agent acknowledges receipt of a certified copy of the Refunding Bond Resolution, in which the advance refunding of the Prior Bonds is approved. The Escrow Agent

hereby agrees for all Prior Bonds: (a) to cause notice of such advance refunding, in the form attached hereto as Exhibit "D," to be mailed, as soon as possible, by first class mail, postage prepaid, to all registered owners of Prior Bonds, at their registered addresses and to all registered securities depositories and to national information services that disseminate redemption notices. A notice of redemption, in substantially the form as provided in Exhibit "E" attached hereto, of the Prior Bonds maturing on August 1, 2016, through August 1, 2022, shall be mailed to the Trustee and to all registered owners of the Prior Bonds maturing August 1, 2016, through August 1, 2022, at least thirty (30) days and not more than sixty (60) days prior to August 1, 2015. A similar notice shall also be sent by first class mail not less than thirty-five (35) days prior to the said redemption date, or as soon thereafter as possible, to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Prior Bonds (such depositories including Depository Trust Company of New York, New York and Midwest Securities Trust Company of Chicago, Illinois) and to one or more national information services that disseminate notices of redemption of obligations such as the Prior Bonds (such as MUNIFACTS). On August 1, 2015, the Escrow Agent shall redeem from monies in the Escrow Fund all Prior Bonds maturing on August 1, 2016, through August 1, 2022, and thereafter.

SECTION 8. Disposition of Remaining Amounts, If Any. On or after August 1, 2015, after payment of the principal of, and interest on, all the Prior Bonds has been made to the Trustee, all remaining moneys and securities in the Escrow Fund shall be transferred by the Escrow Agent to the Agency and, provided that if the Refunding Bonds have been paid or payment thereof has been provided for, such amounts may be paid to such other person or applied to such other purpose as may be approved in a written opinion of nationally recognized bond counsel satisfactory to the Agency to the effect that such other application of such amounts will not cause the Prior Bonds or the Tax-Exempt Bond to become "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986.

SECTION 9. Lien and Irrevocable Agreement; Perfection of Security. The Escrow Fund created hereby shall be irrevocable and the holders of the Prior Bonds shall have an express lien on and security interest in all amounts deposited in the Escrow Fund, including all amounts representing principal and all amounts representing interest on the Government Obligations and Other Government Obligations in the Escrow Fund, until used and applied in accordance herewith. The Agency shall cause financing and continuation statements to be filed with respect to this Escrow Agreement in such manner and in such places as may be required by law to fully protect the security of the holders of the Prior Bonds and the right, title and interest of the Escrow Agent, to all amounts deposited in the Escrow Fund and the principal and interest with respect to the Government Obligations and Other Government Obligations, and shall take or cause to be taken all action necessary to preserve the aforesaid security so long as any of the Prior Bonds remain unpaid.

SECTION 10. Escrow Agent Compensation and Liability; Resignation.

(a) The Escrow Agent shall be compensated for its reasonable fees, expenses and disbursements, including legal fees, as more particularly set out in Exhibit "F" attached hereto. This right to receive compensation notwithstanding, the Escrow Agent acknowledges that it has no claim for any such payment under the Prior Bond Resolution or the Refunding Bond Resolution, and that it has no lien on the moneys in the Escrow Fund for any such payment.

(b) The Escrow Agent may act in reliance upon any signature believed by it to be genuine, and may assume that any person purporting to give any notice or receipt or advice or make any statements in connection with the provisions hereof has been duly authorized to do so.

(c) The Escrow Agent may act relative hereto in reliance upon advice of nationally recognized bond counsel in reference to any matter connected herewith, and shall not be liable for any mistake of fact or error of judgment, or for any acts or omissions of any kind, unless caused by its willful misconduct or gross negligence.

(d) The Escrow Agent may resign and be discharged of its duties hereunder provided that: (i) it has given thirty (30) days written notice to the Agency of such resignation; (ii) the Agency has appointed a successor to the Escrow Agent hereunder; (iii) the Escrow Agent and the Agency have received an instrument of acceptance executed by the successor to the Escrow Agent and (iv) the Escrow Agent has delivered to its successor hereunder all of the escrowed documents, Government Obligations, Other Government Obligations, moneys and investments held by the Escrow Agent in the Escrow Fund. Such resignation shall take effect only upon the occurrence of all of the events listed in clauses (i) through (iv) above. Upon receipt by the Agency of the written notice described in clause (i) above, the Agency shall use its best efforts to obtain a successor to the Escrow Agent hereunder as soon as possible.

SECTION 11. Governing Law, Counterparts, Termination. This Escrow Agreement may be executed in several counterparts as part of one and the same instrument and shall be governed by the laws of the State of Idaho. This Escrow Agreement shall terminate when the principal of, and interest on, all Prior Bonds has been paid to the Trustee for the Prior Bonds.

SECTION 12. Amendments or Supplements. This Escrow Agreement shall not be repealed, revoked, rescinded, altered, amended or supplemented in whole or in part without the written consent of 100% of the then holders of the unpaid Prior Bonds, and the written consent of the Escrow Agent; provided, however, that this Escrow Agreement may be amended with the consent of the Agency and the Escrow Agent to correct, cure or supplement any ambiguous or defective provision in a manner not inconsistent with the security of the holders of the Prior Bonds, upon delivery of an opinion of nationally recognized bond counsel satisfactory to the Agency that such amendment will not adversely affect the exemption from federal income tax of the interest on either the Prior Bonds or the Refunding Bonds. The Escrow Agent shall give notice to Moody's Investors, Inc. or Standard and Poor's Corporation, as the case may be, of any amendment proposed pursuant to this Section if the Refunding Bonds or the Prior Bonds have been assigned a rating by either such agency.

SECTION 13. Severability. If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the Agency or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

SECTION 14. Successors and Assigns. All of the covenants, promises and agreements in this Escrow Agreement contained by or on behalf of the Agency or the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 15. Headings. Any headings preceding the text of the several Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Escrow Agreement, nor shall they affect its meaning, construction or effect.

SECTION 16. Duties, Immunities and Liabilities of Escrow Agent. Section 3 of the Refunding Bond Resolution is hereby made applicable to this Escrow Agreement as if this Escrow Agreement were (solely for this purpose) contained in the Refunding Bond Resolution. The Escrow Agent shall have only such duties as are specifically set forth in this Escrow Agreement, and the Agency agrees to indemnify and save the Escrow Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Escrow Agent's negligence or willful misconduct. The obligations of the Agency under this Section shall survive resignation or removal of the Escrow Agent and payment of the Prior Bonds.

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Agreement to be executed by their duly authorized officers and their corporate seals to be hereunto affixed and attested as of the date first above written.

**URBAN RENEWAL AGENCY OF THE
CITY OF TWIN FALLS, IDAHO**

By: _____
Chairman

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By: _____
Authorized Officer

EXHIBIT "A"

Schedule of Urban Renewal Agency of the City of Twin Falls, Idaho
Revenue Allocation Refunding Bonds, Series 2005A

<u>Maturity Date (August 1)</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2017	\$1,455,000	5.15%	901625 AD5
2022	2,980,000	5.45%	901625 AE3

NOTE: The Prior Bonds are in denominations of \$5,000 each, or integral multiples thereof, and are not callable prior to August 1, 2015 (for Prior Bonds maturing on August 1, 2016 and thereafter). Prior Bonds maturing on August 1, 2016 or thereafter are callable at the option of the Agency on August 1, 2015 and any interest payment date thereafter in inverse order of maturity (and by lot within a maturity in such manner as the Trustee shall determine) at the redemption price of par and accrued interest to the date fixed for redemption.

EXHIBIT "B"

The Government Obligations set forth on Schedule B-1 attached hereto and the Other Government Obligations set forth on Schedule B-2 attached hereto shall be purchased pursuant to Section 3 of this Escrow Agreement.

EXHIBIT "C"

Refunding Report Prepared

by [Washington Federal]
with verification by

[_____]

(Attached)

EXHIBIT "D"

Form of Notice of Refunding
Urban Renewal Agency of the City of Twin Falls, Idaho
Revenue Allocation Refunding Bonds, Series 2005A

NOTICE IS HEREBY GIVEN that, for the payment of the interest, principal and redemption price of the above-designated Bonds which mature August 1, 2016 through August 1, 2022 (the "Prior Bonds"), and are more fully described on Exhibit "A" attached hereto, there have been deposited in escrow with Wells Fargo Bank, National Association, of Boise, Idaho, moneys which, except to the extent maintained in cash, have been invested in direct obligations of the United States of America. The projected principal payments to be received from such investments and the projected interest income therefrom have been calculated to be sufficient to pay the interest and principal on all Prior Bonds through the date of their maturity or redemption and to redeem on August 1, 2015, the Prior Bonds maturing on August 1, 2016 and thereafter at the redemption price of par plus accrued interest thereon to the date of redemption.

Dated this _____ day of _____, 2015.

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

as Escrow Agent and Paying Agent
for said Bonds

EXHIBIT "A"
TO NOTICE OF REFUNDING

Schedule of Urban Renewal Agency of the City of Twin Falls, Idaho
Revenue Allocation Refunding Bonds, Series 2005A

<u>Maturity Date (August 1)</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2017	\$1,455,000	5.15%	901625 AD5
2022	2,980,000	5.45%	901625 AE3

EXHIBIT "E"

NOTICE OF REDEMPTION

To the Owners of

Urban Renewal Agency of the City of Twin Falls, Idaho
Revenue Allocation Refunding Bonds, Series 2005A

NOTICE IS HEREBY GIVEN THAT, pursuant to the provisions of the Bond Resolution No. 2005-1 dated June 27, 2005, (the "Resolution") of the Urban Renewal Agency of the City of Twin Falls, Idaho (the "Agency") appointing Wells Fargo Bank, National Association as Registrar and Paying Agent and authorizing the execution and delivery of the Agency's Revenue Allocation Refunding Bonds, Series 2005A dated August 1, 2005, (the "Bonds") all of the following Bonds will be redeemed as provided in the Resolution, on August 1, 2015 (the "Redemption Date"), at a redemption price equal to 100% of the par amount thereof plus accrued interest to the Redemption Date:

<u>Maturity Date (August 1)</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2017	\$1,455,000	5.15%	901625 AD5
2022	2,980,000	5.45%	901625 AE3

Interest on the Bonds to be redeemed shall cease to accrue from and after the Redemption Date.

Upon presentation and surrender of the Bonds to be redeemed, the redemption price is due and payable and payment of the redemption price will be made.

Payment of the redemption price on the Bonds to be redeemed will be made upon presentation and surrender of the Bonds on or before the Redemption Date at the office of Wells Fargo Bank, National Association, at the following addresses, based on the method of presentation:

<u>Registered/Certified Mail:</u> Wells Fargo Bank, N.A. Corporate Trust Operations P.O. Box 1517 Minneapolis, MN 55480-1517	<u>Air Courier:</u> Wells Fargo Bank, N.A. Corporate Trust Operations N9303-121 6 th & Marquette Avenue Minneapolis, MN 55479	<u>In Person:</u> Wells Fargo Bank, N.A. Northstar East Building 608 2 nd Ave. So. 12 th Minneapolis, MN 55402
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Dated: _____

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

as Paying Agent for the Bonds

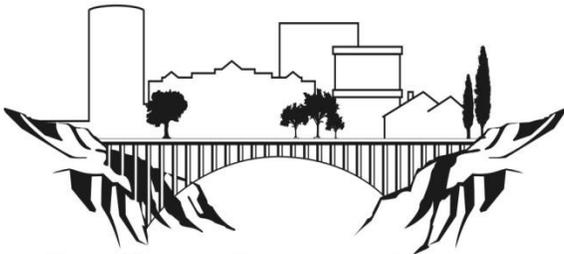
EXHIBIT "F"

URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO
REVENUE ALLOCATION (REFUNDING) BONDS, SERIES 2005A
REFUNDING ESCROW
FEE SCHEDULE

ESCROW AGENT FEE

ACCEPTANCE FEE (one time) payable at closing \$_____

Plus out-of-pocket expenses, including but not limited to attorney fees, publication and other expenses of the notice and proceedings for redemption of Prior Bonds, billed at the time such costs are incurred



**THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS**

Date: December 22, 2014
To: Urban Renewal Agency of the City of Twin Falls
From: Jason Brown, Environmental Engineer

Request:

Consideration of a request to authorize the Chairman to sign a Public Easement for permanent roadway and public utilities located within the "Jayco Subdivision".

Background:

As part of the projects related to Clif Bar and the vacation of the "Jayco Subdivision" a new turnaround needs to be constructed in order for traffic to have easy turn around ability. The Public Easement dedicates the area for the traffic to do so.

The turnaround will be located next to the future pre-treatment facility located on Eldridge Ave prior to the intersection of Middlebury Way (Exhibit).

Approval Process:

A quorum of the Board may approve to authorize the URA Chairman to sign the Public Easement to dedicate permanent roadway for a traffic turn around.

Budget Impact:

No budget impact.

Conclusion:

Staff recommends the Board approve the Chairman to sign Public Easement.

Attachments:

1. Public Easement
2. Exhibit

Exhibit



Public Easement

FOR VALUABLE CONSIDERATION, The receipt of which is hereby acknowledged, the **URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS**; having lawful authority to do so, hereafter referred to as "Grantor(s)", do hereby irrevocably grant unto **THE CITY OF TWIN FALLS**, a Municipal Corporation, whose address is P.O. Box 1907, Twin Falls, Idaho, 83303-1907, hereafter referred to as "Grantee", a permanent roadway and utility easement. Said easement is particularly described as:

See attached Exhibit A

Grantor agrees not to build or permit any obstruction, building or other structure, over, on, around or about said Easement right-of-way that would interfere with Grantee's right hereunder including Grantee's right of ingress and egress for maintenance and upkeep.

This agreement, together with Exhibit A if attached, covers all of the agreements by the parties hereto and the parties agree further that there are no written or verbal agreements otherwise which change or add to the terms hereof. This grant of easement is perpetual, and shall bind the parties, their heirs, personal representatives, lawful assigns and successors in interest.

TO HAVE AND TO HOLD, said easement unto Grantee, its successors and assigns this _____ day of _____, 20____.

URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

BY: _____

STATE OF _____)
)ss
County of _____)

On this ____ day of _____, 20____, at _____M., before me, a Notary Public, personally appeared _____, known or identified to me to be the person whose name is subscribed to the foregoing instrument as President of the **Urban Renewal Agency of the City of Twin Falls**, a municipal agency, and acknowledged to me that they executed the same on behalf of said Urban Renewal Agency of the City of Twin Falls.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year in the certificate first above written.

Notary Public for Idaho

Residing at _____
Commission Expires _____

Exhibit A

An easement for permanent roadway and public utilities, located within "Jayco Subdivision" according to the plat thereof recorded as Instrument #2007-023302 of the records of Twin Falls County, Idaho; and being more particularly described as follows:

Commencing at the Northeast corner of Lot 1, Block 1, of said subdivision, Thence North 87°49'49" East 33.10 feet along the south right of way of Eldridge Avenue to the REAL POINT OF BEGINNING.

Thence continuing North 87°49'49" East 135.14 feet along the south right of way of Eldridge Avenue.

Thence along a curve Right:

Δ - 04°44'36"

R - 969.65

A - 80.28'

C - 80.25'

LCB - South 89°47'53" East

Thence South 44°34'27" West 83.41 feet

Thence along a curve Right:

Δ - 89°11'34"

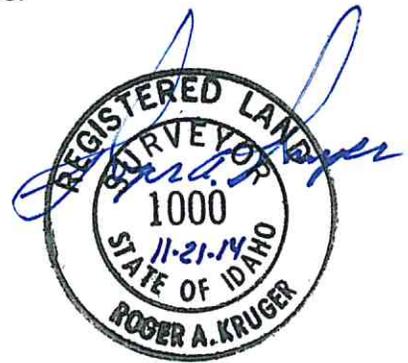
R - 70.00'

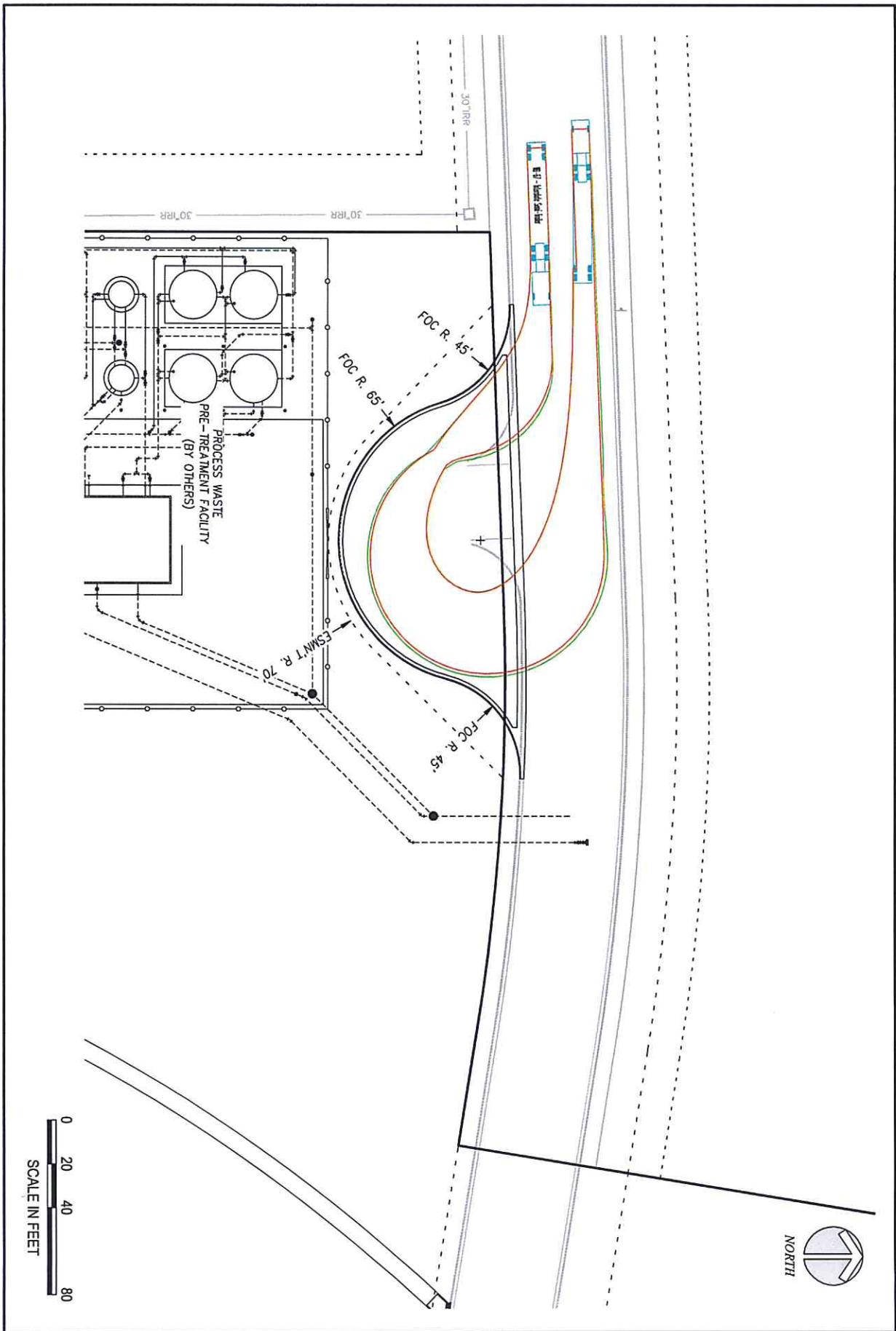
A - 108.97'

C - 98.30

LCB - South 89°10'14" West

Thence North 46°13'59" West 80.96 feet to the REAL POINT OF BEGINNING.





WB-67 Truck Turn Movement Exhibit
Jayco Subdivision
 Twin Falls, Idaho

EHM Engineers, Inc.
 BUILDING THE FUTURE ON A FOUNDATION OF EXCELLENCE
 Engineers / Surveyors / Planners
 621 North College Road, Suite 100 Twin Falls, Idaho 83301
 p (208)-734-4888 fax (208)-734-6049 web: ehminc.com

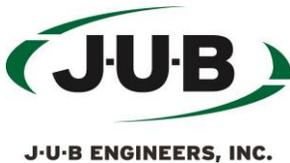
JOB NUMBER:	078-14
APPROVED:	
DESIGN:	
DRAWN:	M. LAW
DATE:	3-27-2014
SCALE:	SPOKES
DRAWING:	EXHIBIT
Sheet No.:	1

CITY OF TWIN FALLS, IDAHO
URBAN RENEWAL AGENCY
SCHEDULE OF REGULAR MEETINGS
for **2015**



The meetings are generally held on the second Monday of every month starting at 12:00 P.M., unless posted otherwise. All meetings are held in the **City Council Chambers, 305 Third Avenue East.**

Monday, January 12	12:00 pm
Monday, February 9	12:00 pm
Monday, March 9	12:00 pm
Monday, April 13	12:00 pm
Monday, May 11	12:00 pm
Monday, June 8	12:00 pm
Monday, July 13	12:00 pm
Monday, August 10	12:00 pm
Monday, September 14	12:00 pm
Monday, October 12	12:00 pm
Monday, November 9	12:00 pm
Monday, December 14	12:00 pm



MEMORANDUM

DATE: 12/19/14

TO: Mandi Roberts, Otak

CC: Leon Smith, Melinda Anderson, Jesse Shuerman, P.E.,
Travis Rothweiler, Mitch Humble, Brian Pike, Jackie Fields, P.E., Jon Caton, P.E.,

FROM: Gary Haderlie, P.E.

SUBJECT: Main Avenue - utility replacement options selection process

Utility replacement options for the Main Avenue project have been reviewed by the following groups:

- City Engineering Department (Public Utilities)
- Private Utility Companies.
- Business via the Project Advisory Committee
- URA Board
- Preliminary discussions with DEQ

Based on feedback from these groups, a consensus of the preferred alternative was not apparent. Therefore, a more robust selection process was chosen. As part of this process, the replacement options were simplified and refined. In addition, revisions were made to a number of critical project elements that have varying levels of importance to the project stakeholders.

A meeting was held on December 19, 2014 with representatives of the City and URA to evaluate the rating criteria and replacement options according to requirements of the robust selection process. The individuals listed under "CC" of this memorandum participated in the meeting. Through this process, Option A was selected and approved by the group as the preferred alternative.

Results from this meeting as well as additional items relevant to the decision process are presented below in the following order:

1. Weighting criteria definitions and descriptions
2. Revised utility options A to D
3. Costs estimates for each option.
4. Rating matrix worksheet (**Completed by Group**)
5. Weighting criteria worksheet (**Completed by Group, not included**)

Main Avenue

Area Redesign Project

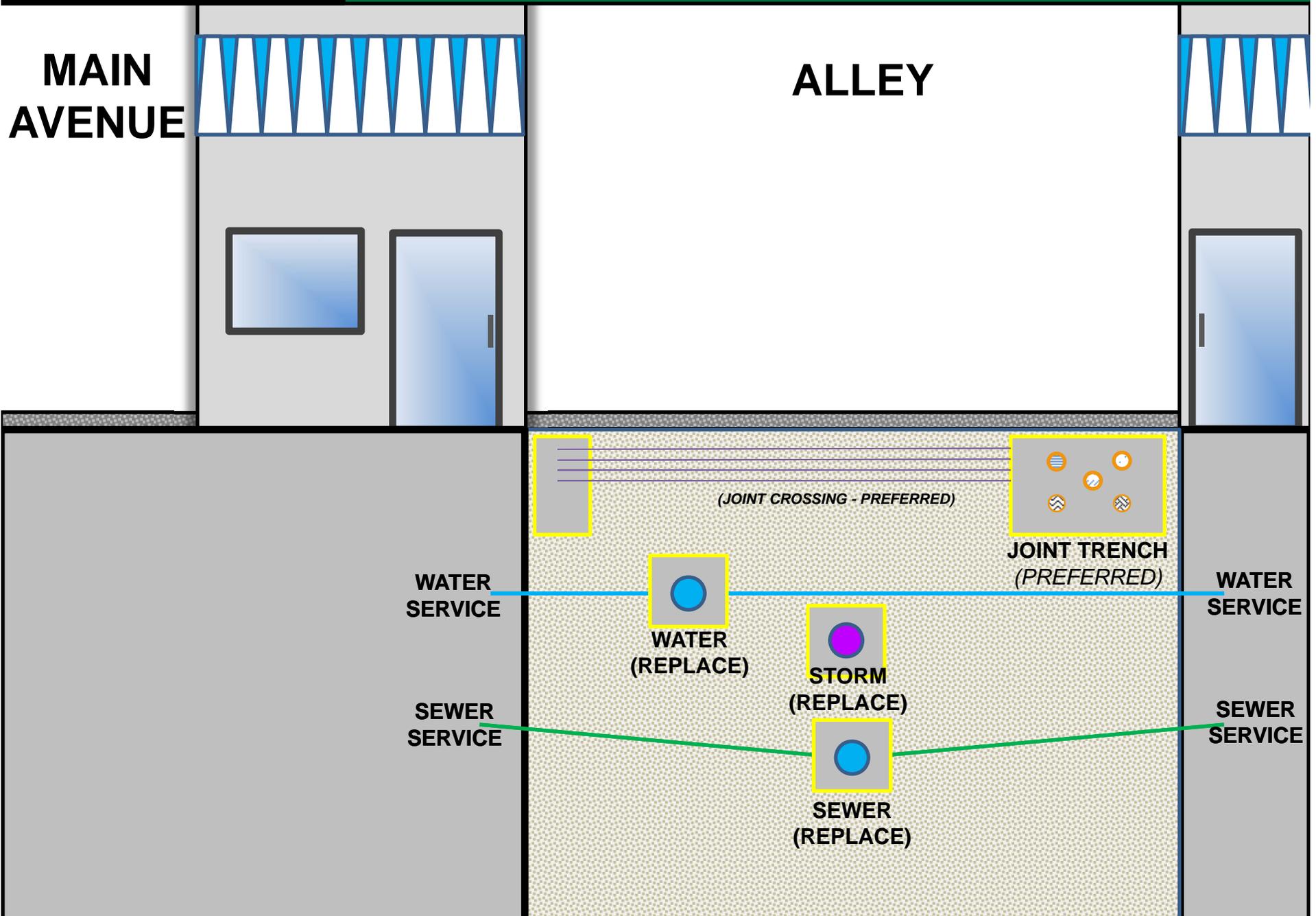


MAIN AVENUE UTILITY OPTIONS - RATING CRITERIA

RATING CRITERIA	IMPACT (TERM)		DESCRIPTION
	SHORT	LONG	
A) CAPITAL COST	X		Total capital cost for the project. We assume private utilities will be responsible for costs to relocate their existing infrastructure. We assume the URA will pay for costs associated with required internal plumbing of private businesses.
B) CONSTRUCTABILITY	X		Constructability describes ease and efficiency of building the project . Fewer unknown obstacles will lead to reduced errors, delays, and cost overruns.
C) SHORT TERM LIABILITY	X		Describes the risk or likelihood of near-term failures (0-10 years) in existing infrastructure (old or new) due to project construction.
D) IMPACT TO PRIVATE UTILITIES	X	X	The degree to which the project will impact private utility company resources which may include capital costs, infrastructure integrity, level of service, and customer base.
E) IMPACT TO BUSINESS OWNERS	X	X	Characterizes how the project will impact business owners which may include cost of repairs to existing internal infrastructure, disruption of public/private utility service, and potential loss of revenue or entire business.
F) ABILITY TO PHASE CONSTRUCTION	X	X	Describes the ease and ability to phase construction of the project both short term (block by block) and long-term (project by project).
G) EASE/COST OF OPERATION/MAINTENANCE		X	Describes the ease of City Public Works department repairing and maintaining infrastructure which includes the degree of difficulty, duration, frequency, and cost of repairs.
H) PUBLIC HEALTH		X	The degree to which the project maintains, protects, and improves public health resulting in a direct and efficient process to achieve regulatory compliance.

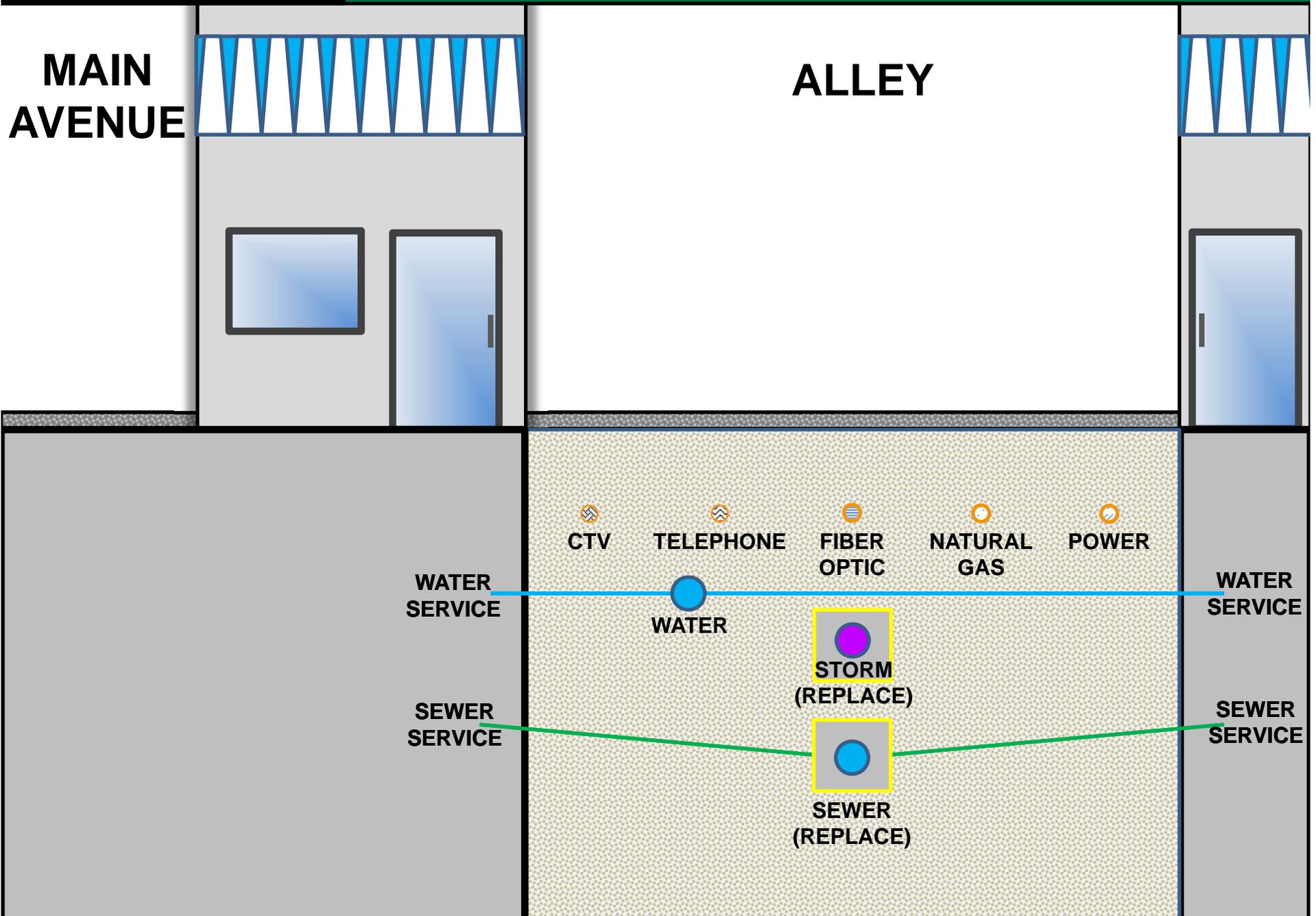
Option A

Replace all public utilities in alleyway



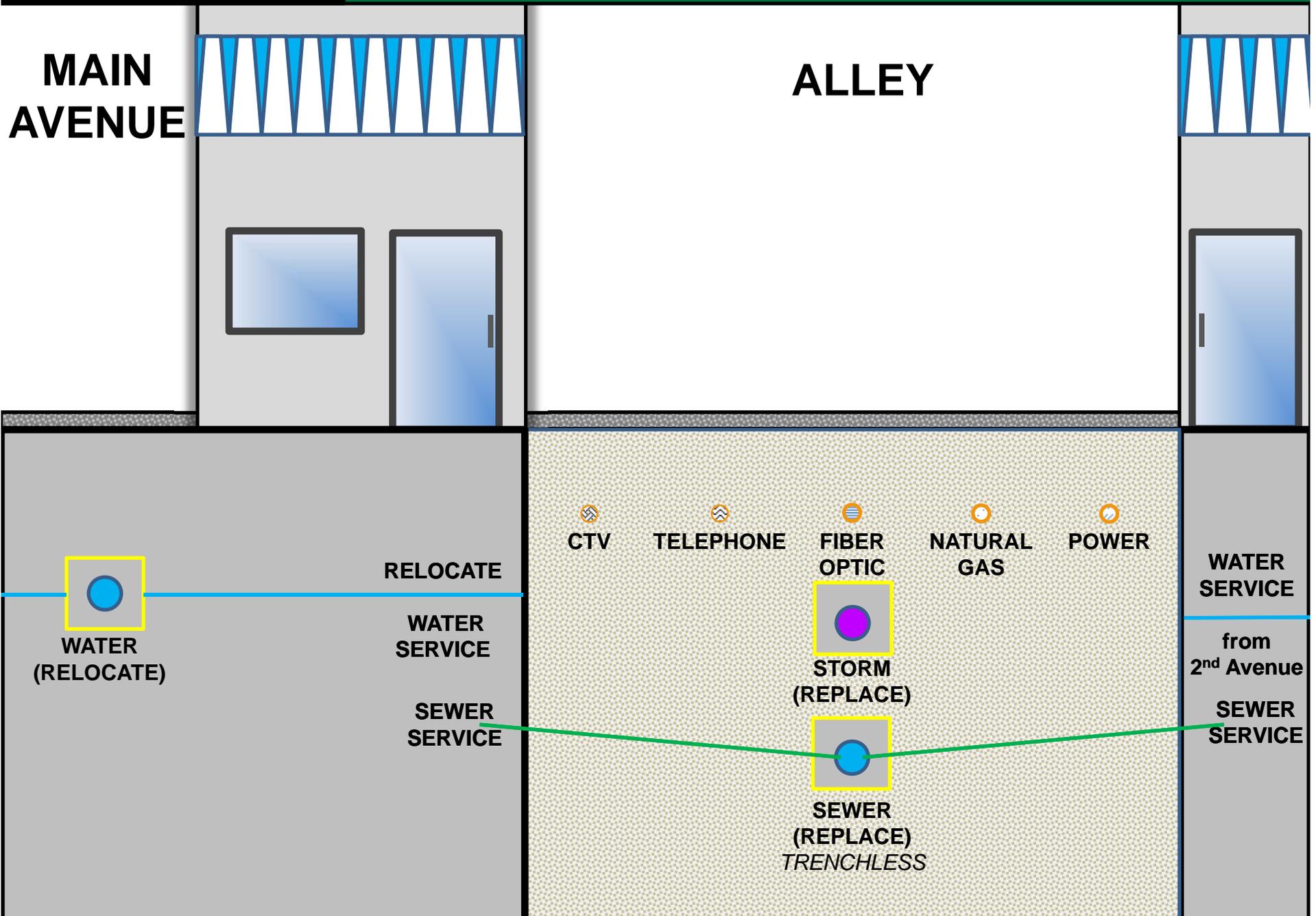
Option B

Replace sewer only in alleyway



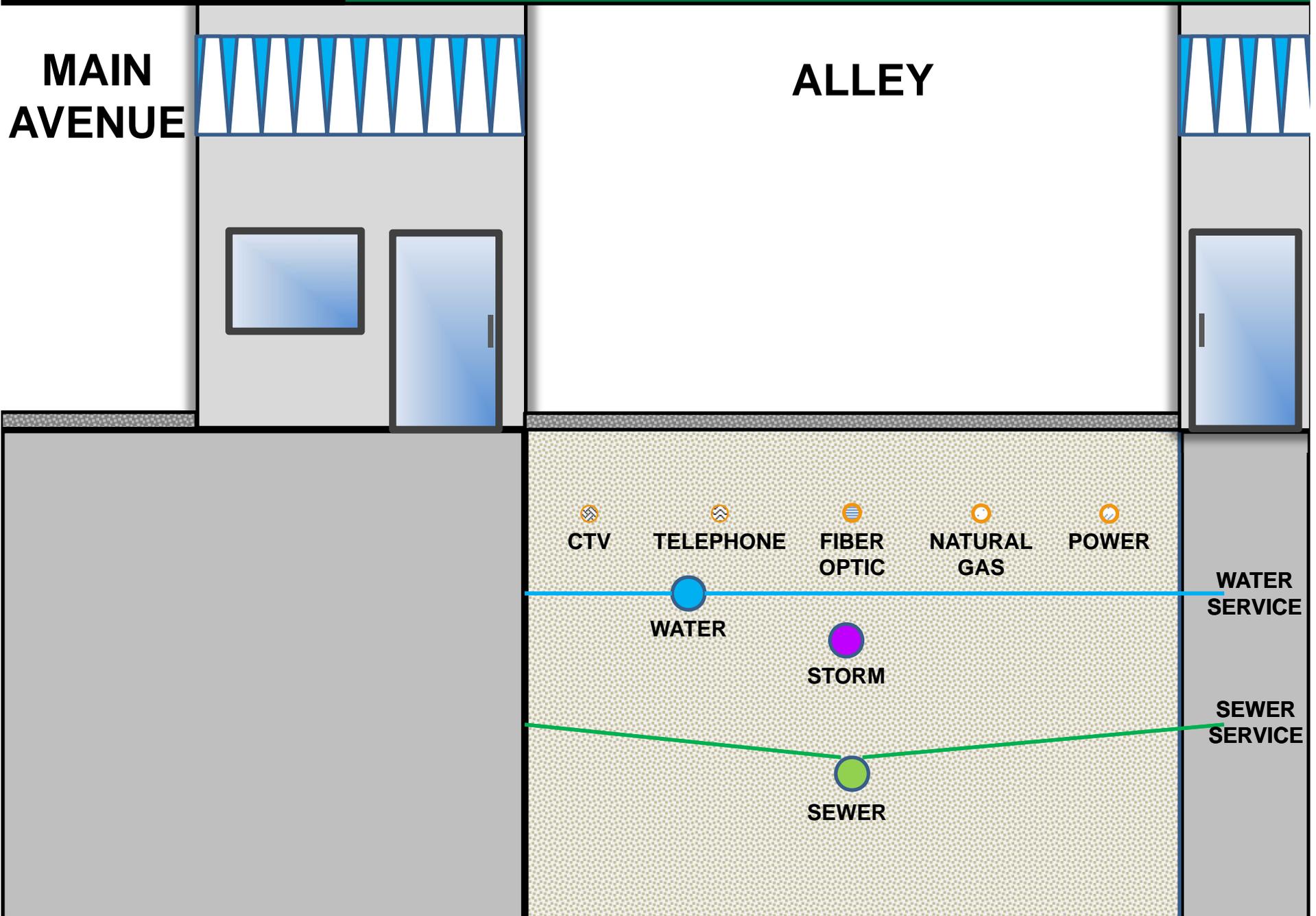
Option C

Upgrade all public utilities, relocate water mains



Option D

No upgrades to utilities



	Opinion of Probable Cost For Major Utilities Only ^{1,3}	Replace Water, Storm & Sewer in the alleyway	Replace Sewer, Storm in the alleyway	Water in Main Ave. Sewer in the alleyway	Do Nothing
		Option A	Option B	Option C	Option D
Water in two alleys (Fairfield to Liberty) and one-lane asphalt surface repair.	\$2.7	\$2.7			
Sewer Open Trench (Fairfield to Liberty). Surface repair cost is included with water. ²	\$1.6	\$1.6			
Storm Sewer repair. Surface repair is included with water or sewer. ²	\$0.7	\$0.7	\$0.7		
Sewer Open Trench (Fairfield to Jerome) and one lane asphalt surface repair. ²	\$2.0		\$2.0		
Water in Main Avenue (Fairfield to Liberty) and one-lane asphalt surface repair.	\$1.3			\$1.3	
Sewer CIPP & Open Trench (Fairfield to Jerome) and one lane asphalt surface repair.	\$0.8			\$0.8	
Water in 2nd Avenues (Fairfield to Liberty) and one-lane asphalt surface repair.	\$2.2			\$2.2	
Storm Sewer repair costs alleyways and cross streets. Surface repair cost is included with sewer.	\$0.4			\$0.4	
Internal Building Plumbing Costs on Main Avenue (Not right-of-way service costs)	\$0.6			\$0.6	
Internal Building Plumbing Costs on 2nd Avenue (Not right-of-way service costs)	\$0.3			\$0.3	
JUB <small>JUB ENGINEERS, INC.</small>	TOTAL PROJECT COSTS:	\$5.0	\$2.7	\$5.6	

TWIN FALLS URBAN RENEWAL AGENCY
 2014 MAIN AVENUE UTILITY REPLACEMENT OPTIONS SELECTION PROCESS
 PAIRWISE COMPARISON

Rating Matrix						
Criteria	Replacement Options				Criteria Weight	Criteria Rank
	A	B	C	D		
	All Public Utilities in Alleys	Sewer in Alleys	Water in Main, Sewer & Storm in Alley	Do Nothing		
A) CAPITAL COST	2	3	1	4	11.3%	5
B) CONSTRUCTABILITY	3	3	1	5	11.3%	5
C) SHORT TERM LIABILITY	5	2	3	1	15.5%	1
D) IMPACT TO PRIVATE UTILITIES	2	3	4	5	6.5%	8
E) IMPACT TO BUSINESS OWNERS	3	3	1	5	15.5%	1
F) ABILITY TO PHASE CONSTRUCTION	3	4	2	5	11.3%	5
G) EASE & COST OF OPERATION & MAINTENANCE	4	1	3	2	15.5%	1
H) PUBLIC HEALTH	5	3	5	1	13.1%	4

Enter responses in Green

1 = Lowest Rated/Worst Option
 5 = Highest Rated/Best Option

Weighted Score	3.5	2.6	2.5	3.3
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Highest Score is Preferred Alternative