



**AGENDA**  
**Special Meeting** of the  
**Urban Renewal Agency of the City of Twin Falls**  
305 3<sup>rd</sup> Avenue East, Twin Falls, Idaho  
City Council Chambers  
Thursday, May 26, 2016 at 12:00pm

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1. Call meeting to order.
2. Consideration of a request to approve the Bond Resolution and Bond Purchase Agreement for the Clif Bar Revenue Allocation 4-4 project.
3. Adjourn. Next regular meeting: **Monday, June 13, 2016 @ 12:00 pm.**

*\*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.*

EXECUTION COPY

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

**REVENUE ALLOCATION BOND,  
SERIES 2016A**

**BOND RESOLUTION NO. 2016-3**

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## TABLE OF CONTENTS

	Page
Parties and Recitals .....	1
SECTION 1. DEFINITIONS.....	2
SECTION 2. THE PROJECT .....	8
SECTION 3. THE REVENUE ALLOCATION BOND	
A. Bond Authorized; Findings.....	8
B. Description of Bond.....	8
C. Payment of Debt Service.....	9
D. Determination of Taxability.....	9
SECTION 4. MANNER AND SOURCE OF PAYMENT .....	9
SECTION 5. REDEMPTION PRIOR TO MATURITY	
A. Redemptions .....	10
B. Effect of Redemption.....	10
SECTION 6. EXECUTION OF THE BOND; TRANSFER AND REGISTRATION .....	10
SECTION 7. SALE OF THE BOND.....	12
SECTION 8. TRUSTEE, REGISTRAR AND PAYING AGENT	
A. Trustee; Acceptance of Duties.....	12
B. Registrar and Paying Agent: Acceptance of Duties.....	13
C. Responsibilities of Trustee, Registrar and Paying Agent .....	13
D. Evidence on Which Trustees, Registrars or Paying Agents May Act.....	14
E. Compensation .....	14
F. Resignation of Trustee, Registrar or Paying Agent .....	15
G. Removal of Trustee, Registrar or Paying Agent .....	15
H. Appointment of Successor Trustee, Registrar or Paying Agent .....	15
I. Transfer of Rights and Property to Successor Trustee, Registrar or Paying Agent .....	15
J. Merger or Consolidation .....	16
K. Successor Trustee, Registrar or Paying Agent; Qualifications .....	16
SECTION 9. REVENUE ALLOCATION FUND .....	16
SECTION 10. PLEDGE FOR PAYMENT OF BOND .....	17
SECTION 11. COSTS OF ISSUANCE FUND; DISBURSEMENTS.....	18
SECTION 12. PROJECT FUND	
A. Project Fund Created.....	18

## TABLE OF CONTENTS

	Page
B. Fund Deposits and Disbursements .....	18
SECTION 13. BOND FUND	
A. Creation of Bond Fund and Accounts .....	19
B. Deposits to Bond Fund .....	19
C. Use of Bond Fund Moneys .....	19
D. Priority of Lien of Payment into the Bond Fund .....	19
E. Application and Investment of Moneys in the Bond Fund .....	19
F. Repayment to Agency from Amounts Remaining in the Bond Fund .....	19
SECTION 14. EXEMPTION FROM ARBITRAGE REBATE REQUIREMENTS; REBATE FUND .....	20
SECTION 15. [RESERVED] .....	20
SECTION 16. INVESTMENTS .....	20
SECTION 17. [RESERVED] .....	21
SECTION 18. AGENCY COVENANTS	
A. Punctual Payment .....	21
B. Against Encumbrances .....	22
C. Extension or Funding of Claims for Interest .....	22
D. Management and Operation of Properties .....	22
E. Payment of Claims .....	22
F. Books and Accounts; Financial and Project Statements .....	22
G. Protection of Security and Rights of Registered Owners .....	22
H. Payment of Taxes and Other Charges .....	22
I. Taxation of Leased Property .....	23
J. Disposition of Property in Revenue Allocation Area .....	23
K. Amendment of Urban Renewal Plan .....	24
L. Further Assurances .....	24
M. Accounts and Reports .....	24
N. General .....	25
O. Arbitrage; Special Tax Covenants .....	26
P. Private Person Use Limitation .....	26
Q. Private Loan Limitation .....	27
R. Federal Guaranty Prohibition .....	27
S. Opinions of Bond Counsel .....	27
T. Debt Service Coverage .....	27
U. Agency Work with the County .....	28
SECTION 19. TRANSFER OF OR EXCHANGE OF BONDS .....	28
SECTION 20. LOST, STOLEN, MUTILATED OR DESTROYED BONDS .....	28

## TABLE OF CONTENTS

	Page
SECTION 21. REGISTRATION .....	28
SECTION 22. ADDITIONAL BONDS .....	29
SECTION 23. AMENDMENTS.....	30
SECTION 24. EVENTS OF DEFAULT AND REMEDIES	
A. Events of Default and Remedies .....	32
SECTION 25. SEVERABILITY .....	33
SECTION 26. VALIDITY OF BOND .....	33
SECTION 27. [RESERVED] .....	33
SECTION 28. [RESERVED] .....	33
SECTION 29. NOTICES .....	33
SECTION 30. EXHIBITS INCORPORATED .....	34
SECTION 31. DEPOSIT OF FUNDS FOR PAYMENT OF BONDS .....	34
SECTION 32. PUBLICATION OF NOTICE OF RESOLUTION.....	34
SECTION 33. EFFECTIVE DATE .....	34
PARTIES' EXECUTION .....	35
CERTIFICATION .....	36
Exhibit "A" Project Description .....	A-1
Exhibit "B" Form of Bond.....	B-1
Exhibit "C" Bond Purchase Agreement .....	C-1
Exhibit "D" Costs of Issuance .....	D-1
Exhibit "E" Investment Securities .....	E-1
Exhibit "F" Form of Notice of Bond Resolution No. 2016-3.....	F-1
Exhibit "G" Form of Requisition .....	G-1

**RESOLUTION NO. 2016-3**

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 A REVENUE ALLOCATION BOND UP TO \$13,670,000 PRINCIPAL AMOUNT EVIDENCING A LOAN TO THE AGENCY; DESCRIBING SAID BOND; PROVIDING FOR THE COLLECTION, HANDLING AND DISPOSITION OF REVENUE ALLOCATION PROCEEDS; AUTHORIZING AND CREATING CERTAIN FUNDS AND ACCOUNTS FOR USE OF THE BOND; 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 BOND  
PRINCIPAL AMOUNT OF UP TO \$13,670,000

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 financing 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 June 1, 2015, on the Twin Falls Urban Renewal Plan for Urban Renewal Area No. 4-4 (the “Urban Renewal Plan”); and

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 3097 on June 1, 2015, approving the Urban Renewal Plan as amended, and making certain findings; and

WHEREAS, the Agency desires to finance various public facilities, which are further described in the Urban Renewal Plan and on Exhibit “A” attached hereto (the “Project”); and

WHEREAS, in order to secure interim financing to commence the construction of the Project, the Agency delivered a Promissory Note dated November 12, 2013, in the amount of \$22,000,000 (the “Promissory Note”) to Clif Bar & Company, a California corporation (“Clif Bar”)

pursuant to the Line of Credit Agreement, as amended, by and between the Agency and Clif Bar dated November 12, 2013, (the “Line of Credit”); and

WHEREAS, in order to finance the Project by repaying a portion of the Promissory Note, the Agency now desires to accept a loan in an aggregate principal amount of up to \$13,670,000 evidenced by the issuance, sale and delivery of its Revenue Allocation Bond, Series 2016A (the “Bond”); and

WHEREAS, on May 19, 2016, 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, the Agency has retained Piper Jaffray & Co. to serve as Placement Agent (defined below) to assist with the placement of the Bond with a purchaser; and

WHEREAS, a proposal to purchase the Bond has been submitted to the Agency by Clif Bar 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 22 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.

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

**Authenticating Agent** shall mean the Trustee.

**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 Loan evidenced by the Bond herein authorized to be issued, sold and delivered, in the approximate aggregate principal amount of up to \$13,670,000 for purposes of financing the Project by repaying a portion of the Promissory Note, and paying the Costs of Issuance of the Bond.

**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 2016A," created by Section 13 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 Registrar, on which shall appear the names and addresses of the Registered Owners of the Bond.

**Bond Resolution** shall mean this Resolution No. 2016-3, 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 Bond.

**Business Day** means any day of the year other than (i) a Saturday or Sunday, (ii) any day on which banks located in either Idaho, or the state in which the principal corporate office of the Purchaser 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.

**Clif Bar** shall mean Clif Bar & Company, a California corporation.

**Closing** shall mean the date of issuance and delivery of the Bond.

**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, all other costs of issuance of the Bond, 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.

**Costs of Issuance Fund** shall mean the fund designated "Revenue Allocation Costs of Issuance Fund, Series 2016A," 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 Bond. Such Debt Service of the Bond shall be calculated on the assumption that no portion of the Bond Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of principal on the Bond on the due date thereof.

**Determination of Taxability** means (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 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 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.

**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 24.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 March 1 and September 1 of each year beginning March 1, 2017. 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 Bond shall begin on (and include) the date of the initial delivery of the Bond. The final Interest Period shall end on the maturity (or redemption) date for the Bond.

**Interest Rate** means 5.50% per annum calculated on the basis of a 360-day year consisting of twelve 30-day months.

**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.

**Line of Credit** shall mean the Line of Credit Agreement entered by and between the Agency and Clif Bar dated November 12, 2013, as amended from time to time.

**Loan** shall mean a loan to the Agency in an aggregate principal amount of up to \$13,670,000 evidenced by the issuance, sale and delivery of the Bond.

**Maximum Annual Debt Service** shall mean an amount equal to the greatest annual Debt Service with respect to the Bond for the current or any future Bond Year.

**Net Proceeds**, when used with reference to the Bond, shall mean the aggregate principal amount of the Bond, 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 amount of Bonds which have been issued, executed, authenticated, delivered and drawn down 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.

**Paying Agent** shall mean Zions Bank, a division of ZB, National Association or any successor paying agents for the Bond, and the duties of such Paying Agent shall include those of registrar, authenticating agent, transfer agent and paying agent for the Bond.

**Placement Agent** shall mean Piper Jaffray & Co., and the duties of such Placement Agent shall include providing advice to the Agency concerning the structure, timing, terms, and other similar matters concerning the Bond.

**Pledged Revenues** shall mean, for each Fiscal Year, the Revenue Allocation Revenues and all amounts deposited to or held in the Revenue Allocation Fund.

**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 including the items set forth in Exhibit “A.”

**Project Fund** shall mean the fund designated “Revenue Allocation Project Fund, Series 2016A,” created by Section 12 of this Bond Resolution.

**Promissory Note** shall mean the Agency’s Promissory Note dated November 12, 2013, as amended from time to time, in the amount of TWENTY TWO MILLION AND NO/100 DOLLARS (\$22,000,000) delivered to Clif Bar pursuant to the Line of Credit Agreement.

**Purchaser** shall mean Clif Bar & Company, a California corporation or its successors or assigns.

**Rebate Fund** shall mean the fund designated “Rebate Fund, Series 2016A,” created by Section 14 of this Bond Resolution.

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

**Registered Owner(s), Bondowners, Bondholder, Holder or Owner(s)** shall mean the person or persons in whose name or names the Bond shall be registered in the Bond Register maintained by the Agency in accordance with the terms of this Bond Resolution.

**Registrar** shall mean Zions Bank, a division of ZB, National Association, which shall maintain the Bond Register and otherwise provide for the registration of the Bond.

**Regular Record Date** means the 15th day of the calendar month immediately preceding any Interest Payment Date.

**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, Series 2016A” created by Section 9 of this Bond Resolution.

**Revenue Allocation Revenues** shall mean all incremental tax revenues due to 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.

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

**Taxable Rate** means a taxable fixed rate of interest equal to 9.70% per annum.

**Transfer Agent** shall mean the Trustee.

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

**Trustee** shall mean Zions Bank, a division of ZB, National Association, or its successors in functions, as now or hereafter designated. The Trustee shall also hold the Project Fund so long as it is authorized by Title 57, Chapter 1, Idaho Code, as amended, to act as a public depository.

**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. 4-4,” originally adopted and approved by the City and the Agency, pursuant to the Law and City Ordinance No. 3097 approved June 1, 2015, 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, programs and related improvements 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 the proceeds of the Bonds to finance the Project by repaying a portion of the Promissory Note.

**SECTION 3. THE REVENUE ALLOCATION BOND.**

A. Bond Authorized; Findings. In order to provide financing for the Project, and finance the Costs of Issuance, the Agency shall accept the Loan evidenced by the issuance of its Bond in the form of a revenue allocation bond, which is hereby authorized to be issued and designated “Urban Renewal Agency of the City of Twin Falls, Idaho, Revenue Allocation Bond, Series 2016A.”

B. Description of Bond. The Bond shall be in the minimum authorized denomination of \$100,000 each or integral multiples of \$5,000 above \$100,000. The Bond shall be dated the date of Closing and shall be in the aggregate principal amount of up to \$13,670,000.

The Bond 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 Bond shall mature as set forth Schedule 1 to the form of Bond attached as Exhibit “B” hereto.

The Interest on the Bond shall be payable on March 1 and September 1 of each year commencing on March 1, 2017, at the Interest Rate. Amortized principal shall be due and payable as set forth in Schedule 1 to the form of Bond attached as Exhibit "B" hereto.

The Bond shall be substantially in the form set forth in Exhibit "B" attached hereto and incorporated herein by reference. Said form may be altered to include appropriate term Bond provisions, if applicable. The Bond 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 Bond shall be authenticated by the Registrar.

C. 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 Trustee 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 Bond shall be payable to the Registered Owners at the office of the Trustee.

D. Determination of Taxability. In the event there is a Determination of Taxability for the Bond, the rate of interest on such bond shall be increased to the Taxable Rate effective on the date interest on the Bond became federally taxable under such Determination of Taxability.

#### **SECTION 4. MANNER AND SOURCE OF PAYMENT.**

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

B. To the extent provided in and except as otherwise permitted by this Resolution, (i) the Bond shall be special obligations of the Agency and the Debt Service thereon shall be payable equally and ratably with any Additional Bonds and solely from the Pledged Revenues, (ii) the payment of Debt Service on the Bond 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 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 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 Bond shall be subject to redemption prior to maturity in the amounts, at the times and in the manner provided in this Section 5.

(2) **Principal of the Bond shall, at the option and direction of the Agency, be subject to redemption on any Business Day, upon ten (10) Business Days' prior written notice to the Purchaser and the Trustee, in a redemption amount of at least \$100,000 and at the redemption price of par, plus interest accrued to the redemption date.**

(3) **Prepayments by the Agency to the Purchaser pursuant to subsection 2 of this Section 5(A) shall be applied first to pay accrued interest, and second to pay principal of the Bond in inverse order of maturity.**

(4) **Agency Direction of Optional Redemption.** The Agency shall call the principal of the Bond for optional redemption by written notice to the Purchaser pursuant to subsection 2 of this Section 5(A). Notice of any optional redemption shall specify the principal amount of the Bond to be redeemed and the redemption date.

**B. Effect of Redemption.** If any portion of the principal of the 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 BOND; TRANSFER AND REGISTRATION**

**A.** Without unreasonable delay, the Agency shall cause a definitive Bond to be prepared, executed and delivered, which Bond shall be typewritten, lithographed or printed with steel engraved or lithographed borders. The Bond 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 Bond shall then be authenticated. Only the Bond 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 Bond so authenticated have been duly executed, authenticated and delivered hereunder and is 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 Trustee is hereby appointed Registrar and shall cause the 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 Trustee, and upon surrender of such Bond to the Trustee for cancellation. Whenever any Bond or Bonds shall be surrendered for registration or transfer, the Trustee shall execute and authenticate and deliver to the transferee a new Bond or Bonds 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 Trustee, 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 Trustee 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 Trustee 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 Trustee 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 neither the Agency nor the Trustee shall 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 BOND.** Piper Jaffray & Co. is hereby appointed as Placement Agent, and the sale of the Bond to the Purchaser, in accordance with the terms and provisions set

forth in the Bond Purchase Agreement attached hereto as Exhibit “C,” and expected to be dated on or after the date of this Resolution, is hereby approved.

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 Bond 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 Bond. 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. TRUSTEE, REGISTRAR AND PAYING AGENT**

A. Trustee; Acceptance of Duties. Zions Bank, a division of ZB, National Association is hereby appointed as Trustee, and may also act as bond registrar, authenticating agent, paying agent and transfer agent with respect to the Bond if those duties are not assumed by another institution, subject to the following terms and conditions:

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

(ii) Subject to the terms of any agreement with the Trustee, and as provided in this Section 8(E), the Agency shall pay to the Trustee from time to time 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, agent and employees, incurred in good faith in and about the performance of their powers and duties under this Bond Resolution.

(iii) The Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bond.

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

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

B. Registrar and Paying Agent: Acceptance of Duties. Zions Bank, a division of ZB, National Association is hereby appointed as Registrar and Paying Agent for the Bond and shall carry out the responsibilities of Registrar and Paying Agent set forth in this Bond Resolution. The Registrar and Paying Agent shall signify its acceptance of the duties imposed upon it under this Bond Resolution by a written instrument of acceptance with the Agency.

C. Responsibilities of Trustee, Registrar and Paying Agent.

(i) The recitals of fact herein and in the Bond contained shall be taken as the statements of the Agency and no Trustee, Registrar or Paying Agent assumes any responsibility for the correctness of the same. No Trustee, Registrar or Paying Agent makes any representations as to the validity or sufficiency of the Bond Resolution or of any Bonds issued thereunder or as to the security afforded by the Bond Resolution, and no Trustee, Registrar or Paying Agent shall incur any liability in respect thereof. No Trustee, Registrar or Paying Agent shall be under any responsibility or duty with respect to the application of any moneys paid by such Trustee, Registrar or Paying Agent in accordance with the provisions of the Bond Resolution to the Agency or to any other Trustee. No Trustee, Registrar or Paying Agent shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified. No Trustee, Registrar or Paying Agent shall be liable in connection with the performance of its duties hereunder except for its own negligence, misconduct or default.

(ii) The Trustee, Registrar and Paying Agent, prior to the occurrence of an Event of Default and after the curing of all events of default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Bond Resolution. In case an event of default has occurred (which has not been cured) the Trustee, Registrar and Paying Agent shall exercise such of the rights and powers vested in it by the Bond Resolution, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provisions of the Bond Resolution relating to action taken or to be taken by the Trustee, Registrar or Paying Agent or to evidence upon which the Trustee, Registrar or Paying Agent may rely shall be subject to the provisions of this Section 8(C).

D. Evidence on Which Trustees, Registrars or Paying Agents May Act.

(i) Each Trustee, Registrar or Paying Agent, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provisions of the Bond Resolution, shall examine such instrument to determine whether it conforms to the requirements of the Bond Resolution and shall be protected in acting upon any

such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Trustee, Registrar or Paying Agent may consult with counsel, who may or may not be of counsel to the Agency, and the opinion of such counsel shall be full and complete and the authorization and protection in respect of any action taken or suffered by it under the Bond Resolution in good faith and in accordance therewith.

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

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

E. Compensation. The Agency shall pay to the Trustee, Registrar and Paying Agent an initial setup charge of \$2,000 and \$2,000 per year during the time the Bond is outstanding, or to each subsequent Trustee, Registrar or Paying Agent, if any, reasonable compensation, for all services rendered under the Bond Resolution and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under the Bond Resolution. Subject to Section 8(C) of this Bond Resolution, the Agency shall indemnify and hold each Trustee, Registrar and Paying Agent harmless against any liabilities they may incur in the exercise and performance of their powers and duties hereunder that are not due to their own negligence, misconduct or default.

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

G. Removal of Trustee, Registrar or Paying Agent. The Trustee, Registrar or Paying Agent may be removed by the Agency at any time upon giving thirty (30) days notice by an instrument in writing filed with such Trustee, Registrar or Paying Agent.

H. Appointment of Successor Trustee, Registrar or Paying Agent.

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

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

(iii) Any Trustee, Registrar or Paying Agent appointed under the provisions of this Subsection in succession to the Trustee, Registrar or Paying Agent shall be a bank or trust company or national banking association doing business and having an office in the State of Idaho, and having capital stock and surplus aggregating at least \$50,000,000, if there be such bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Bond Resolution.

I. Transfer of Rights and Property to Successor Trustee, Registrar or Paying Agent.

Any successor Trustee, Registrar or Paying Agent appointed under the Bond Resolution shall execute, acknowledge and deliver to its predecessor Trustee, Registrar or Paying Agent, and also to the Agency, an instrument accepting such appointment, and thereupon such successor Trustee, Registrar or Paying Agent, without any further act, shall become fully vested with all rights, powers, duties and obligations of such predecessor Trustee, Registrar or Paying Agent, with like effect as if originally named as Trustee, Registrar or Paying Agent; but the Trustee, Registrar or Paying Agent, ceasing to act shall, nevertheless, on the written request of the Agency, or of the successor Trustee, Registrar or Paying Agent, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee, Registrar or Paying Agent, all the right, title and interest of the predecessor Trustee, Registrar or Paying Agent in and to any property held by it under the Bond Resolution, and shall pay over,

assign and deliver to the successor Trustee, Registrar or Paying Agent any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Agency be required by such successor Trustee, Registrar or Paying Agent for more fully and certainly vesting in and confirming to such successor Trustee, Registrar or Paying Agent any such estates, rights, power and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Agency. Any such successor Trustee, Registrar or Paying Agent shall promptly notify the Rating Agency and the paying agents of its appointments as Trustee, Registrar or Paying Agent.

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

K. Successor Trustee, Registrar or Paying Agent; Qualifications. Notwithstanding anything else in this Section to the contrary, any successor Trustee, Registrar or Paying Agent appointed pursuant to the provisions of this Section shall (i) be a trust company or bank in good standing, located in or incorporated under the laws of any state of the United States, duly authorized to exercise trust powers and subject to examination by federal or state authority, (ii) have a reported capital and surplus of not less than \$50,000,000, and (iii) have substantial prior experience as a trustee for the benefit of municipal bondholders

**SECTION 9. REVENUE ALLOCATION FUND.** There is hereby established a fund, held by the Trustee, separate and apart from all other funds of the Agency, designated the “Revenue Allocation Fund, Series 2016A” which shall include any Revenue Allocation Revenues established under the Urban Renewal Plan. All Pledged Revenues shall be promptly deposited upon receipt by the Agency in the Revenue Allocation Fund. Except as provided in Section 22 or elsewhere in this Bond Resolution, the Pledged Revenues deposited therein shall be used only for Trustee fees and expenses and for the following purposes and in the following order of priority:

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

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

Third, to deposit any amounts needed for arbitrage rebate to the Rebate Fund under Section 14 hereof;

Fourth, to the extent the three above priorities are satisfied and if, on a September 1 Interest Payment Date, there remains, after payment of the interest and principal amounts due on said September 1 Interest Payment Date, at least \$100,000 in the Revenue Allocation Fund, then all remaining excess is to be applied to payment of the Promissory Note, which amount the Trustee shall transfer directly to Clif Bar by wire transfer or other immediately available funds until such time as the Trustee receives written notice from the Agency and Clif Bar that the Promissory Note is paid in full;

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, and approved by Purchaser. 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 per written instruction to the Trustee.

**SECTION 10: PLEDGE FOR PAYMENT OF BOND.** The Agency hereby pledges for the payment of the Bond 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 amounts in the Bond Fund, Project Fund, and Costs of Issuance Fund (collectively, the “Security”). Except as provided in Section 22 of Section 9 or elsewhere in this Bond Resolution, the Pledged Revenues, Revenue Allocation Fund, Project 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 for the benefit of the Registered Owner on the Pledged Revenues and such other moneys in the Revenue Allocation Fund for the payment of the Bonds and Additional Bonds and a first lien and exclusive lien on the Project Fund, Costs of Issuance Fund and Bond Fund for the payment of the Bond 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 shall be held by the Trustee, 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, whether received by the Agency in trust or deposited with the Trustee, all as herein provided, 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 Trustee, separate and apart from all other funds of the Trustee and Agency, designated “Revenue Allocation Costs of Issuance Fund, Series 2016A” (the “Costs of Issuance Fund”), or such other designation conforming to generally accepted accounting practices, into which Bond proceeds shall be deposited in accordance with Section 12, and which shall be used to pay

Costs of Issuance. Such proceeds may be invested by the Trustee, upon the direction of the Agency, which shall be assisted by the City, 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 Bond. 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 Trustee shall make payments from the Costs of Issuance Fund, for the items listed in and in the total amount 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: PROJECT FUND**

- A. Project Fund Created. There is hereby created the "Project Fund, Series 2016A" to be held by the Trustee.
  
- B. Fund Deposits and Disbursements. The Project Fund shall be initially funded on the date of Closing in the amount of \$13,143,341.67. In addition, costs of issuing the Bond in the amount of \$39,500.00 shall be deposited into the Cost of Issuance Fund or otherwise paid on the date of Closing and accrued interest, if any, shall be deposited into the Bond Fund, hereinafter created. Investment earnings on moneys deposited and held in the Project Fund and the Bond Fund will remain in each such respective fund and be used as set forth in this Bond Resolution. All Bond proceeds in the Project Fund shall be drawn upon the receipt by the Trustee of a requisition from the Agency in the form set forth on Exhibit "G" hereof, and shall be used to pay for the costs of the Project by repaying a portion of the Promissory Note, and the Agency and Trustee shall keep a record of such draw. In the event there are funds remaining in the Project Fund after all expenditures for the Project, any surplus funds, shall be drawn and deposited into the Bond Fund not later than June 1, 2019, and used for the payment of principal of and interest on the outstanding Bond as the same shall accrue.

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## SECTION 13: BOND FUND

A. Creation of Bond Fund and Accounts. There is hereby created a fund, to be held by the Trustee separate and apart from all other funds of the Trustee, a deposit account to be designated "Revenue Allocation Bond Fund, Series 2016A" (the "Bond Fund"), the moneys in which, in accordance with Section 13.C., the Trustee shall make available to pay (i) the principal of Bond as it becomes due, and (ii) the interest on Bond as it becomes payable.

Within the Bond Fund, there is hereby created a separate deposit account to be designated the "Capitalized Interest Account" (the "Capitalized Interest Account"). The Capitalized Interest Account shall be funded by on the date of Closing in the amount of \$487,158.33, which sum shall be used solely for the payment of the first and second installments of interest due on the Bond.

B. Deposits to Bond Fund. The Trustee 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 24, moneys in the Bond Fund shall be used solely for the payment of the principal of and interest on the Bond.

D. Priority of Lien of Payment into the Bond Fund. The amounts so pledged to be paid into the Bond Fund for the Bond 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 by the Trustee upon the written direction of the Agency, as assisted by the City, 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 Bond or transferred to the Trustee pursuant to Section 31 or Section 13.F., Pledged Revenues shall be held by the Trustee 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 first be used to pay any outstanding balance due on the Promissory Note and shall then be paid to the Agency by the Trustee.

## **SECTION 14: EXEMPTION FROM ARBITRAGE REBATE REQUIREMENTS; REBATE FUND**

- (a) The Agency currently expects the 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 Bonds do not qualify for an exception to arbitrage rebate as referenced above, as determined by Bond Counsel or the Rebate Analyst under the Tax Certificate, 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 2016A” into which shall be deposited all amounts required by the Tax Certificate and this Section 14. 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 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 Bond 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 15: [RESERVED.]**

**SECTION 16: INVESTMENTS.** All funds and accounts hereunder shall be invested in Investment Securities by the Trustee upon the direction of an Authorized Officer of the Agency as assisted by the City. In the event of any failure by the Agency or City to give directions for investment, the Trustee shall invest such funds in short term Investment Securities. The Trustee may make any and all investments permitted by the provision of this Bond Resolution through its own or any of its affiliates investment departments. 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 Interest Payment Date of each year.

Moneys in the Costs of Issuance Fund, the Project Fund, the Bond Fund, Revenue Allocation Fund and the Rebate Fund shall be invested and reinvested by the Trustee in Investment Securities set forth in Exhibit "E" hereof. At no time shall any funds constituting gross proceeds of the Bond 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 Trustee may sell those investments and reinvest the proceeds therefrom in Investment Securities maturing or redeemable as aforesaid. The Trustee 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, the Revenue Allocation Fund, or the Rebate Fund shall constitute part of that respective Fund. The Costs of Issuance Fund, Bond Fund, the Revenue Allocation 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.

Except as otherwise provided in this Bond Resolution, the Trustee shall sell at the best price obtainable or present for redemption or transfer as provided in the next sentence any obligation so purchased as an investment whenever either it shall be requested in writing by an Authorized Officer of the Agency so to do or it shall be necessary in order to provide money to meet any payment or transfer from any fund or account held by them. In lieu of such sale or presentment for redemption, the Trustee may, in making the payment or transfer from any fund or account mentioned in the preceding sentence, transfer such investment obligations, or interest appertaining thereto if such investment obligations shall mature or be collectable at or prior to the time the proceeds thereof shall be needed and such transfer of investment obligations may be made in book entry form. The Trustee shall not be liable or responsible for making any such investment in the manner provided above or for any loss resulting from such investment.

**SECTION 17: [RESERVED.]**

**SECTION 18: 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 18(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 18(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 Trustee for deposit into the Revenue Allocation Fund, 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 Trustee for deposit into the Revenue Allocation Fund 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 Trustee in lieu of taxes shall be treated as Pledged Revenues and shall be deposited by the Trustee 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 18(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 the Law that does not overlap the Revenue Allocation Area (both of which are permitted hereunder and so long as such amendment does not diminish the Revenue Allocation Revenues), it shall cause to be filed with the Trustee and 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 and such amendment is approved by Purchaser.

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 Trustee and Purchaser or the Purchaser's representative duly authorized in writing.

(2) The Trustee, Registrar and Paying Agent shall advise the Agency in writing promptly as requested by the Agency, but in no event less often than annually, of its transactions during such period relating to each fund and account held by it under this Bond Resolution

(3) The Agency shall annually, within 180 days after the close of each Fiscal Year, file with the Trustee and 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. 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 Trustee and 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 Bonds from federal income taxation.

The Agency hereby covenants that it will not make any use of the proceeds of sale of the Bonds or any other funds of the Agency which may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Code which will cause the Bonds to be “arbitrage bonds” within the meaning of said Section. The Agency will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Bond) throughout the term of the 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 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 Bond to constitute a “private activity bond” under Section 141 of the Code or to adversely affect the exclusion of interest on the Bond from gross income for federal income tax purposes and will take all actions required for interest on the Bond to be excluded from gross income for federal income tax purposes.

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 Bond from federal income taxation.

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

- (a) More than 10% of the Net Proceeds of the Bond to be used for any Private Person Use; and
- (b) More than 10% of the principal or interest payments on the 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 Bond is to be used for any Private Person Use; and
- (d) More than 5% of the principal or interest payments on the 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 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 Bond from federal income taxation.

The Agency covenants that so long as any portion of the Bonds are Outstanding, it will not permit Bond proceeds in excess of 5% of the Net Proceeds of the 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 Bond from federal income taxation.

The Agency covenants that so long as any portion of the 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 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 18(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 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 100% of the sum of (a) Debt Service due during such Fiscal Year, and (b) principal and interest payments on any Prior Bonds and Additional Bonds due during such Fiscal Year. If the Pledged Revenues received in any Fiscal Year are less than 100% 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.

U. Agency Work with the County. The Agency will use its best efforts to work with Twin Falls County to obtain the proper transfer of Revenue Allocation Revenues each year.

**SECTION 19: TRANSFER OF OR EXCHANGE OF BONDS.** Any Bond shall be transferable in accordance with its terms 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, that the Registrar has received a certificate from the transferor or transferee that: 1) the transferee is an “accredited investor” or a “qualified institutional buyer” under the Securities Act of 1933; and 2) the transfer is exempt from or in compliance with all applicable federal securities laws; and further provided 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 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 and the Agency 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 Agency and the Registrar.

**SECTION 20: 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 21: 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, 19, and 20 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 Registrar, 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 Bond. 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 and as provided in Section 8(E) hereof, 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 Bond with the same rights it would have if it 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 22: 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 to pay all or a portion of the Promissory Note and/or 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 for these Bonds; and

(2) At the time of issuance of any Additional Bonds, the Promissory Note has been paid in full or the proceeds of the Additional Bonds are being used for the purpose of paying all or a portion of the Promissory Note.

(3) 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 13 hereof as well as the requirements in the Resolution for the Additional Bonds shall be met; and

(4) 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

(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 100% of the combined 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 100% of the Maximum Annual Debt Service on Outstanding Bonds including any Additional Bonds.

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 Section 9 and Section 10 of this Resolution.

### **SECTION 23: 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.

## SECTION 24: EVENTS OF DEFAULT AND REMEDIES.

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, excluding acceleration. 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.

**SECTION 25: 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 26: VALIDITY OF BOND.** Pursuant to Sections 50-2027 and 50-2911, Idaho Code, no direct or collateral action attacking or otherwise questioning the validity of the Bond 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 27: [RESERVED.]**

**SECTION 28. [RESERVED.]**

**SECTION 29. 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:	Urban Renewal Agency of the City of Twin Falls, Idaho 103 Main Avenue East PO Box 1907 Twin Falls, Idaho 83303-1907 Attention: Executive Director
If to the Purchaser:	Richard Boragno, Chief Financial Officer Clif Bar & Company 1451 66th Street Emeryville, California 94608 Facsimile No.: (510) 295-2552
With a copy to:	Bruce Lymburn, General Counsel and Secretary Clif Bar & Company 1451 66th Street Emeryville, California 94608 Facsimile No.: (510) 295-2682

<p>If to the Paying Agent/Registrar or Trustee:</p>	<p>Deborah Nelson  Givens Pursley LLP  PO Box 2720  601 W. Bannock Street  Boise, Idaho 83702  Facsimile No.: (208) 388-1300</p> <p>Zions Bank, a division of ZB,  National Association  800 W. Main Street, Suite 700  Boise, Idaho 83702</p>
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**SECTION 30. EXHIBITS INCORPORATED.** All Exhibits hereto are hereby incorporated by reference as if fully set forth herein.

**SECTION 31. 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 17, 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 Trustee shall hold such funds in trust for such owners.

Moneys so deposited with the Trustee 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 32. 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 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 May 26, 2016.  
Signed by the Chairman of the Board of Commissioners, and attested by the Secretary to the Board  
of Commissioners, on May 26, 2016.

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

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Chairman, Board of Commissioners

ATTEST:

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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 May 26, 2016, 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 May 26, 2016.

\_\_\_\_\_  
Secretary

( S E A L )

## **EXHIBIT “A”**

### **PROJECT DESCRIPTION**

The Project consists of certain public facilities and improvements as described in the Agency’s Urban Renewal Plan for Urban Renewal Area No. 4-4, approved by the Twin Falls City Council by Ordinance No. 3097, as amended by the Amendment, including, property acquisition, site development, water system improvements, waste water pretreatment and system improvements, electrical power and natural gas line extensions and related improvements, street and railroad crossing improvements, and other related public infrastructure improvements.

**EXHIBIT "B"**

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 BOND,  
SERIES 2016A**

THIS BOND IS SUBJECT TO RESTRICTIONS ON TRANSFER AS SET FORTH IN SECTION 19 OF THE BOND RESOLUTION DEFINED BELOW INCLUDING A CERTIFICATE TO THE REGISTRAR THAT THE TRASFER IS TO AN "ACCREDITED INVESTOR" OR "QUALIFIED INSTIUTIONAL BUYER" UNDER FEDERAL SECURITIES LAWS, AMONG OTHER THINGS

MATURITY DATE:

\_\_\_\_\_

DATED DATE:

\_\_\_\_\_, 2016

INTEREST RATE:

\_\_\_\_\_ %

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. 2016-3, adopted by the Board of Commissioners of the Agency on May 26, 2016 (the "Bond Resolution"), to

\_\_\_\_\_

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

\*\*\* \_\_\_\_\_ MILLION \_\_\_\_\_ HUNDRED THOUSAND AND NO/100 DOLLARS\*\*\*

in semiannual payments commencing on March 1, 2018, and thereafter on each March 1 and September 1, as set forth on Schedule 1 hereto

And to pay interest accruing on the Outstanding Balance at the above Interest Rate from the aforesaid Bond Fund from \_\_\_\_\_, 2016, or the most recent date to which interest has been paid or duly provided for, payable commencing on March 1, 2017, and semiannually thereafter on each March 1 and September 1 until the above Maturity Date 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 Trustee, as Bond Registrar.

This Bond evidences a loan to the Agency and 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 issuable under the Bond Resolution, issued in the principal amount of \$13,670,000 and issued for the purpose of funding certain urban renewal projects (the "Projects"). Capitalized terms used herein, and not otherwise defined, shall have the meanings set forth in the Bond Resolution. The Bond is a special obligation of the Agency, issued or to be issued under and to be secured and entitled equally and ratably to the protection given by the Bond Resolution.

This Bond is not a general obligation of the Agency, and its full faith and credit are not pledged for payment of the principal thereof and interest thereon. The Bond constitutes a prior lien and charge upon the Pledged Revenues on a parity with any Additional Bonds.

This Bond is 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 Bond is 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 Bond, the rights, duties and obligations of the Agency and the Bondholders, and the terms and conditions upon which the Bond is 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 Bond is subject to optional redemption prior to its stated maturity on certain conditions, all as provided for in the Bond Resolution.

The Bond is issuable only as a fully registered bond, 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 Trustee, 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 Bond 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 this 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.

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 \_\_\_\_\_, 2016.

**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: \_\_\_\_\_, 2016

This Bond is the Urban Renewal Agency of the City of Twin Falls, Idaho, Revenue Allocation Bond, Series 2016A, described in the within-mentioned Bond Resolution.

**ZIONS BANK, A DIVISION OF ZB,  
NATIONAL ASSOCIATION**, 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

SIGNATURE GUARANTEED BY:

\_\_\_\_\_

Note: The signatures to this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever, and the signatures must be guaranteed by an eligible guarantor institution. Social Security Number, Taxpayer Identification Number or other Identifying Number of Assignee.

**SCHEDULE 1**

**Principal and Interest Payment Schedule**

Date	Principal	Interest	Total Debt Service
03/01/2017	-	501,233.33	501,233.33
09/01/2017	-	375,925.00	375,925.00
03/01/2018	200,000	375,925.00	575,925.00
09/01/2018	195,000	370,425.00	565,425.00
03/01/2019	375,000	365,062.50	740,062.50
09/01/2019	370,000	354,750.00	724,750.00
03/01/2020	375,000	344,575.00	719,575.00
09/01/2020	370,000	334,262.50	704,262.50
03/01/2021	370,000	324,087.50	694,087.50
09/01/2021	365,000	313,912.50	678,912.50
03/01/2022	370,000	303,875.00	673,875.00
09/01/2022	365,000	293,700.00	658,700.00
03/01/2023	370,000	283,662.50	653,662.50
09/01/2023	370,000	273,487.50	643,487.50
03/01/2024	365,000	263,312.50	628,312.50
09/01/2024	360,000	253,275.00	613,275.00
03/01/2025	355,000	243,375.00	598,375.00
09/01/2025	355,000	233,612.50	588,612.50
03/01/2026	355,000	223,850.00	578,850.00
09/01/2026	350,000	214,087.50	564,087.50
03/01/2027	355,000	204,462.50	559,462.50
09/01/2027	345,000	194,700.00	539,700.00
03/01/2028	350,000	185,212.50	535,212.50
09/01/2028	350,000	175,587.50	525,587.50
03/01/2029	345,000	165,962.50	510,962.50
09/01/2029	345,000	156,475.00	501,475.00
03/01/2030	335,000	146,987.50	481,987.50
09/01/2030	330,000	137,775.00	467,775.00

Date	Principal	Interest	Total Debt Service
03/01/2031	325,000	128,700.00	453,700.00
09/01/2031	325,000	119,762.50	444,762.50
03/01/2032	340,000	110,825.00	450,825.00
09/01/2032	340,000	101,475.00	441,475.00
03/01/2033	370,000	92,125.00	462,125.00
09/01/2033	365,000	81,950.00	446,950.00
03/01/2034	390,000	71,912.50	461,912.50
09/01/2034	390,000	61,187.50	451,187.50
03/01/2035	420,000	50,462.50	470,462.50
09/01/2035	420,000	38,912.50	458,912.50
03/01/2036	500,000	27,362.50	527,362.50
09/01/2036	495,000	13,612.50	508,612.50
	13,670,000	8,511,845.83	22,181,845.83

**EXHIBIT “C”**

**BOND PURCHASE AGREEMENT**

(Attached)

**EXHIBIT "D"**

**COSTS OF ISSUANCE**

Bond Counsel Fees.....	\$30,500
Placement Agent Fee and other related expenses.....	\$5,000
Trustee/Paying Agent Fee.....	\$4,000
Total for Costs of Issuance Fund	\$39,500

## 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.

(The remainder of this page is intentionally left blank.)

**EXHIBIT “F”**

**FORM OF NOTICE OF BOND RESOLUTION NO. 2016-3**

Public notice is hereby given by the Urban Renewal Agency of the City of Twin Falls, Idaho (the “Agency”), that on May 26, 2016, the Board of Commissioners of the Agency approved and adopted Bond Resolution No. 2016-3 (the “Resolution”). All capitalized terms not otherwise defined herein shall have the same meaning as in the Resolution.

The Resolution approves a loan to the Agency in the aggregate principal amount of up to \$13,670,000 evidenced by the issuance of the Agency’s Revenue Allocation Bond, Series 2016A (the “Bond”), subject to the draw down provisions of the Bond Resolution.

The Bond is being issued to finance the Project and pay costs of issuance of the Bond 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 Bond, all tax increment revenues received by the Agency, and moneys in the Revenue Allocation Fund, and the Bond Fund, all as defined in the Resolution. Pledged Revenues received by the Agency in excess of Debt Service on the Bond may be reserved by the Agency for future payments of Debt Service on the Bond, 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 Bond.

The Resolution and other supporting material is available for public inspection at the offices of the Agency at 103 Main Avenue East, Twin Falls, Idaho, Monday through Friday, 8:00 a.m. to 5:00 p.m. (telephone (208) 735-7241).

The Resolution became effective upon its passage and approval on \_\_\_\_\_, 2016.

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 Bond or after the elapse of thirty (30) days from and after the effective date of the Resolution authorizing such Bond.

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 REQUISITION**

REQUISITION NO. \_\_

The undersigned, Urban Renewal Agency of the City of Twin Falls, Idaho (the "Agency"), hereby requests that Zions Bank, a division of ZB, National Association, as Trustee, make a disbursement from the proceeds of the Bond from the Project Fund pursuant to the Agency's Bond Resolution dated as of \_\_\_\_\_, 2016 (the "Bond Resolution"), all in accordance with the directions contained in this Requisition. Capitalized terms used herein as defined terms have the meaning assigned to such terms in the Bond Resolution.

1. This is a requisition contemplated by Section 12 of the Bond Resolution for payment of costs of the Project. The name, address of the person, firm or corporation to whom payment is due and the amounts are set forth below:

Person/Firm/Address

Amount

Item

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

By:

\_\_\_\_\_  
Authorized Officer

**URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO  
REVENUE ALLOCATION BOND, SERIES 2016A**

**BOND PURCHASE AGREEMENT**

Clif Bar & Company, a California corporation 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, capitalized terms herein shall have the meanings in the Resolution provided that 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.

“Bond” means the Agency’s Revenue Allocation Bond, Series 2016A, evidencing the amount owed under the Resolution to the Purchaser, and in form consistent with the terms of the Resolution.

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

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

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

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

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

“Event of Default” means the declaration by the Purchaser of an event of default as a result of a determination by the Purchaser that any of the events of default specified in Section 24.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.

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

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

“Purchaser” means Clif Bar & Company, a California corporation, or its successors or assigns.

“Resolution” means the Agency’s Resolution No. 2016-3 adopted May 26, 2016, authorizing the Bond.

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

## **2. Recitals.**

The Purchaser has expressed interest in purchasing the Bond pursuant to the Resolution, this Agreement and the Bond. The Agency has adopted the Resolution, which authorizes the Agency to execute and deliver this Agreement and the Bond in the aggregate principal amount of up to \$13,670,000 for the purpose of financing the Project.

## **3. Purchase Agreement; Draws; Interest Rates.**

- 3.1 The Purchaser hereby agrees to purchase the Bond under this Agreement, subject to the terms and conditions contained in this Agreement and the Bond, in aggregate principal amount of \$13,670,000.
- 3.2 The Agency will deposit the proceeds of the Bond into the Project Fund, Costs of Issuance Fund and the Capitalized Interest Account, as provided in the Resolution. The Agency agrees to maintain the Bond Fund in good order until the Bond is paid.
- 3.3 The Bond shall bear interest at 5.50% per annum.
- 3.4 Interest shall be calculated on a 30/360 day basis, shall begin to accrue on the date of the Bond, and shall be paid on each Interest Payment Date.
- 3.5 The Agency will repay the interest and the principal amount of the Bond by making payments as set forth on Schedule 1 attached hereto.
- 3.6 All principal of the Bond, plus accrued interest, shall be paid no later than September 1, 2036.
- 3.7 Any payment by the Agency to the Purchaser shall be applied first to pay accrued interest, and second to pay Bond principal.
- 3.8 In the event of a Determination of Taxability, the Purchaser may increase the interest rate applicable to the Outstanding Balance to the Taxable Fixed Rate, retroactive to the date when interest was determined to have been includable in the Purchaser’s gross income under the Code pursuant to such Determination of Taxability.

## **4. Prepayment.**

- 4.1 The Bond may be prepaid at the election of the Agency in any amount of \$100,000 or more on any Business Day, without premium, upon ten (10) Business Days’ prior written notice to the Purchaser and the Trustee.
- 4.2 Prepayments by the Agency to the Purchaser pursuant to Section 4.1 of this Agreement shall be applied first to pay accrued interest, and second to pay Bond principal. Upon a partial prepayment by the Agency to the Purchaser, the schedule of principal payments in Schedule 1 of this Agreement shall be recomputed by the Purchaser such that the

prepayment of principal of the Bond shall be applied to the last principal payments in inverse order of maturity and the term of such principal payments shall be shortened.

## **5. Security.**

The Bond is secured by the Security.

## **6. Deposit and Use of Bond Proceeds.**

The proceeds of the Bond deposited to the Project Fund will be used by the Agency to pay for the costs of the Project pursuant to the Resolution. All proceeds of the Bond 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 Bond.

## **7. Default.**

If an Event of Default occurs, the Purchaser may exercise any remedy available under the Resolution.

## **8. 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 Purchaser that:

- 8.1 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 Bond will constitute legal, valid, enforceable and binding obligations of the Agency which are enforceable in accordance with their terms.
- 8.2 The acceptance of this Agreement, the adoption of the Resolution and the execution and delivery of the Bond 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.
- 8.3 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 Bond, 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 Bond.

## **Section 9. Conditions to the Obligations of the Purchaser.**

- 9.1 The Purchaser may refuse to purchase the Bond if there has occurred one of the following events:
  - 9.1.1 a declaration of war or engagement in major military hostilities by the United States or the occurrence of any other national emergency or calamity relating to the effective operation of the government or the financial community of the United States; or

- 9.1.2 a declaration of a general banking moratorium by federal, New York, or Idaho authorities, or the general suspension of trading on any national securities exchange; or
  - 9.1.3 enactment of a state law that makes collection of the Revenue Allocation Revenues impossible.
- 9.2 The Purchaser shall not be obligated to purchase the Bond:
- 9.2.1 unless, on or prior to Closing, the Purchaser shall have received:
    - 9.2.1.1 a certified copy of the duly authorized Resolution, and a signed original of this Agreement and the Bond;
    - 9.2.1.2 an opinion of Bond Counsel in a form acceptable to Purchaser to the effect that:
      - 9.2.1.2.1 the Resolution, this Agreement and the Bond 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; and (iii) common law and statutes affecting the enforceability of contractual obligations generally,
      - 9.2.1.2.2 the interest payable on the Bond is excludable from gross income under the Code,
      - 9.2.1.2.3 the Bond is not a "private activity bond" within the meaning of Section 141 of the Code, and
    - 9.2.1.3 the certificate of an Authorized Officer to the effect that:
      - 9.2.1.3.1 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 Bond, or the collection and application of funds as contemplated by the Resolution, this Agreement and the Bond, 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
      - 9.2.1.3.2 the adoption of the Resolution and the execution and delivery of this Agreement and the Bond 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; and

9.2.1.4 such additional legal opinions, certificates, proceedings, instruments, or other documents as the Purchaser 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 Bond 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.

9.2.2 if the Purchaser reasonably determines that:

9.2.2.1 the representations and warranties of the Agency in this Agreement, or the Resolution were untrue in any material respect when made, or have become untrue; or

9.2.2.2 the Agency has breached any of its obligations under the Resolution, this Agreement or the Bond.

9.3 The Bond shall be issued and delivered to the Purchaser on the day of Closing.

#### **Section 10. 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  
103 Main Avenue East  
PO Box 1907  
Twin Falls, ID 83301  
Attn: Executive Director

Purchaser: Richard Boragno, Chief Financial Officer  
Clif Bar & Company  
1451 66th Street  
Emeryville, California 94608  
Facsimile No.: (510) 295-2552

Bruce Lymburn, General Counsel and Secretary  
Clif Bar & Company  
1451 66th Street  
Emeryville, California 94608  
Facsimile No.: (510) 295-2682

Deborah Nelson  
Givens Pursley LLP  
PO Box 2720  
601 W. Bannock Street  
Boise, Idaho 83702  
Facsimile No.: (208) 388-1300

**Section 11. Assignment; Survival; Agreement Constitutes Contract.**

11.1 This Agreement shall be binding upon and shall inure to the benefit of the Agency and the Purchaser and their respective successors and assigns. The Agency agrees that it may not assign this Agreement without the Purchaser's prior written consent. The Purchaser may not transfer the Bond unless (i) the Purchaser'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 Purchaser 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 Bond.

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

**Section 12. Applicable Law.**

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

**Section 13. Severability and Waivers.**

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

**Section 14. 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 15. 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.

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DATED as of May 26, 2016.

**CLIF BAR & COMPANY, A CALIFORNIA  
CORPORATION**

By: \_\_\_\_\_  
Authorized Officer

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

By: \_\_\_\_\_  
Authorized Officer

**SCHEDULE 1**

**Principal and Interest Repayment Schedule**

Date	Principal	Interest	Total Debt Service
03/01/2017	-	501,233.33	501,233.33
09/01/2017	-	375,925.00	375,925.00
03/01/2018	200,000	375,925.00	575,925.00
09/01/2018	195,000	370,425.00	565,425.00
03/01/2019	375,000	365,062.50	740,062.50
09/01/2019	370,000	354,750.00	724,750.00
03/01/2020	375,000	344,575.00	719,575.00
09/01/2020	370,000	334,262.50	704,262.50
03/01/2021	370,000	324,087.50	694,087.50
09/01/2021	365,000	313,912.50	678,912.50
03/01/2022	370,000	303,875.00	673,875.00
09/01/2022	365,000	293,700.00	658,700.00
03/01/2023	370,000	283,662.50	653,662.50
09/01/2023	370,000	273,487.50	643,487.50
03/01/2024	365,000	263,312.50	628,312.50
09/01/2024	360,000	253,275.00	613,275.00
03/01/2025	355,000	243,375.00	598,375.00
09/01/2025	355,000	233,612.50	588,612.50
03/01/2026	355,000	223,850.00	578,850.00
09/01/2026	350,000	214,087.50	564,087.50
03/01/2027	355,000	204,462.50	559,462.50
09/01/2027	345,000	194,700.00	539,700.00
03/01/2028	350,000	185,212.50	535,212.50
09/01/2028	350,000	175,587.50	525,587.50
03/01/2029	345,000	165,962.50	510,962.50
09/01/2029	345,000	156,475.00	501,475.00
03/01/2030	335,000	146,987.50	481,987.50
09/01/2030	330,000	137,775.00	467,775.00

Date	Principal	Interest	Total Debt Service
03/01/2031	325,000	128,700.00	453,700.00
09/01/2031	325,000	119,762.50	444,762.50
03/01/2032	340,000	110,825.00	450,825.00
09/01/2032	340,000	101,475.00	441,475.00
03/01/2033	370,000	92,125.00	462,125.00
09/01/2033	365,000	81,950.00	446,950.00
03/01/2034	390,000	71,912.50	461,912.50
09/01/2034	390,000	61,187.50	451,187.50
03/01/2035	420,000	50,462.50	470,462.50
09/01/2035	420,000	38,912.50	458,912.50
03/01/2036	500,000	27,362.50	527,362.50
09/01/2036	495,000	13,612.50	508,612.50
	13,670,000	8,511,845.83	22,181,845.83