

**Special Board Meeting
July 31, 2013**

I. CALL TO ORDER

The special meeting of the Board of Trustees of Moscow School District No. 281 is called to order at 5:30 PM, July 31, 2013 by Dawn Fazio, Chair, pursuant to Idaho Code Sections 33-506 and 33-510. The meeting is held in the Board Room of the District Office, 650 N. Cleveland, Moscow, Idaho.

II. DETERMINE QUORUM

The Chair asked the clerk to determine if a quorum of the Board is present. Packard responded that four trustees are in attendance and a quorum is present.

Trustees present are Dawn Fazio, Chair, Zone 4, Kim Campbell, Vice Chair, Zone 3, Aleisa Barber, Zone 2 and Margaret Dibble, Zone 5. Jim Frenzel, Zone 1, is absent and excused.

The staff members present are Deb Adair, Business Manager/Treasurer and Angie Packard, Clerk.

III. AUTHORIZING THE ISSUANCE AND CONFIRMING THE SALE OF BONDS

Eric Heringer, Piper Jaffray & Co., stated that the bonds were sold this morning and reviewed the document that was given to the Board members. This document gives the overview of the bond sale results. Heringer stated that this process needed to be done now in order to have it certified with the county by September. He then went on to review the document and explained what it means. The interest rate will be 3.39% which is .18% higher than the pre-election plan of 3.21%. This will then be \$0.55 per thousand to the taxpayer versus the \$0.54 that was projected. He concluded his review with an explanation of the rating the District received from Moody which was an A1.

Danielle Quade, Bond Counsel, then went on to review the legal documents related to the bond sale and directed the Board's attention to the redline document. She then went on to review the document, beginning with page 5 which shows the bond details. She then moved on to page 7. She noted that on page 12 that the bond funds need to be kept in a separate account. She noted that page 20 there is a statement that relates to the full faith and credit and all taxable property in the district. Quade then reviewed the remaining pages in the document. She spoke about "Exhibit C" which deals with Post Issuance Compliance Procedures. She concluded her report with further information on the bond sale. Barber asked about the Joseph Street Playfields usage and the selling of tickets, etc. Quade responded that governmental usage is free but other entities will need to be charged. She will provide Adair with the rules related to this issue. Fazio noted that there is also city funds going into the project for the Joseph Street Playfields and Quade will follow up on that.

Resolution 14-22

A Resolution authorizing the issuance and confirming the sale of \$910,000 General Obligation Bonds, Series 2013A (Taxable) and \$9,560,000 General Obligation Bonds, Series 2013B (Tax-Exempt) of School District No. 281 (Moscow), Latah County, State of Idaho, and providing for related matters.

WHEREAS, pursuant to a bond election duly called and held on May 21, 2013 (the "Bond Election") in School District No. 281 (Moscow), Latah County, State of Idaho (the "District"), there was submitted to the qualified electors of the District the following proposition:

QUESTION: Shall the Board of Trustees of School District No. 281 (Moscow), Latah County, State of Idaho (the “District”), be authorized to issue general obligation school bonds of said District in the principal amount of up to \$10,800,000 to be issued in one or more series and to become due in such installments as may be fixed by the Board of Trustees of the District, the final installment of each series to fall due not later than twenty (20) years from the date of issuance of such series of bonds, for the purpose of financing the costs of renovating, remodeling and adding to existing schools and school facilities in the District, acquiring related equipment and making safety and security improvements throughout the District, all as provided in the Bond Election Resolution adopted by the Board of Trustees on March 26, 2013?

WHEREAS, more than two-thirds of the votes cast at the Bond Election were cast in favor of said proposition, as certified by the Clerk of Latah County, Idaho, on May 29, 2013, and the issuance of up to \$10,800,000 general obligation school bonds of the District was authorized at the Bond Election for the purposes set forth in said proposition and to pay the costs of issuance thereof;

WHEREAS, the District plans to issue and sell the general obligation bonds authorized pursuant to the Bond Election by issuing and selling pursuant to negotiated sale its \$910,000 General Obligation Bonds, Series 2013A (Taxable) (the “2013A Bonds”) and \$9,560,000 General Obligation Bonds, Series 2013B (Tax-Exempt) (the “2013B Bonds”) to finance the Project (hereinafter defined) and to pay the costs of issuance thereof;

WHEREAS, there has been presented to the District a proposed form of Bond Purchase Agreement dated of even date herewith (the “Bond Purchase Agreement”) between the District and Piper Jaffray & Co. (the “Underwriter”) contemplating the negotiated sale of the 2013A Bonds and 2013B Bonds (collectively, the “Bonds”);

WHEREAS, pursuant to Section 57-215, Idaho Code, the District’s Notice of Negotiated Private Bond Sale was published on July 26, 2013, in *The Moscow-Pullman Daily News*, a newspaper published in the District, and the District desires to sell the Bonds to the Underwriter pursuant to the Bond Purchase Agreement; and

WHEREAS, the Board of Trustees of the District desires to provide for the details of the Bonds and the payment thereof;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the Board of Trustees of the District as follows:

ARTICLE I DEFINITIONS

101. Definitions. As used in this Bond Resolution, unless the context shall otherwise require, the following terms shall have the following meanings:

“2013A Bonds” means the \$910,000 General Obligation Bonds, Series 2013A (Taxable) of the District authorized by this Bond Resolution.

“2013B Bonds” means the \$9,560,000 General Obligation Bonds, Series 2013B (Tax-Exempt) of the District authorized by this Bond Resolution.

“Act” means, collectively, chapter 11 of Title 33 and chapters 2 and 9 of Title 57, Idaho Code, as amended.

“Board” means the Board of Trustees of the District.

“Bond Account” means the Bond Account established in Section 210 hereof.

“Bond Counsel” means Hawley Troxell Ennis & Hawley LLP, or another attorney at law or a firm of attorneys of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States.

“Bond Election” means the District’s Bond Election held in the District on May 21, 2013, at which the issuance and sale by the District of up to \$10,800,000 general obligation school bonds was authorized for the purposes presented to the electorate.

“Bondholder” or “Holder” means the registered owner of any Bond as shown in the registration books of the District kept by the Bond Registrar for such purpose.

“Bond Purchase Agreement” means the agreement between the District and Underwriter setting for the terms and conditions of the District’s sale of the Bonds to the Underwriter.

“Bond Register” means the registration records of the District, maintained by the Paying Agent, on which shall appear the names and addresses of the Holders of the Bonds.

“Bond Registrar” means each Person appointed by the District as bond registrar and agent for the transfer, exchange and authentication of the Bonds. Pursuant to Section 206 hereof the initial Bond Registrar is Zions First National Bank, Corporate Trust Department, Boise, Idaho.

“Bond Resolution” or “Resolution” means this Resolution adopted by the Board on July 31, 2013, authorizing the issuance and confirming the sale of the Bonds.

“Bonds” means the 2013A Bonds and 2013B Bonds.

“Business Day” means any day other than (i) a Saturday, Sunday or legal holiday, or (ii) a day on which the Paying Agent is authorized by law to close.

“Cede & Co.” means Cede & Co., as the nominee of DTC, and any successor nominee of DTC with respect to the Bonds pursuant to Section 401 hereof.

“Code” means the Internal Revenue Code of 1986, as amended and supplemented from time to time, and the Regulations promulgated thereunder.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

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

“District” means School District No. 281 (Moscow), Latah County, State of Idaho, a political subdivision and corporate upon the general laws of the State of Idaho.

“Electronic Means” means telecopy, facsimile transmissions, e-mail transmissions or other similar electronic means of communication providing evidence of transmission.

“Exchange Bond” means any Exchange Bond, as defined in Section 209 hereof.

“Information Reporting Agreement” means the undertaking to be delivered by the District in compliance with SEC Rule 15c2-12.

“Investment Securities” means such investments as shall be legal investments for such funds under Idaho law as then in effect.

“Participants” means those broker-dealers, banks and other financial institutions from time to time for which DTC holds bonds as securities depository.

“Paying Agent” means each Person appointed by the District as paying agent with respect to the Bonds. Pursuant to Section 206 hereof, the initial Paying Agent is Zions First National Bank, Corporate Trust Department, Boise, Idaho.

“Person” means natural persons, firms, partnerships, associations, corporations, trusts, public bodies and other entities.

“Project” means financing the costs of renovating, remodeling and adding to existing schools and school facilities in the District, acquiring related equipment and making safety and security improvements throughout the District.

“Project Account” means the Project Account and subaccounts thereunder established in Section 210 hereof.

“Record Date” means (a) in the case of each interest payment date, the close of business on the fifteenth day preceding the interest payment date; and, if not a Business Day, the next preceding day that is a Business Day, and (b) in the case of redemption, if applicable, such record date as shall be specified by the Bond Registrar in the notice of redemption, provided that such record date shall be not less than fifteen (15) calendar days before the mailing of such notice of redemption.

“Registered Owner” means the person(s) in whose name or names the Bonds shall be registered in the Bond Register maintained by the Paying Agent in accordance with the terms of the Bond Resolution.

“Regulations” means the treasury regulations promulgated under the Code and those provisions of the treasury regulations originally promulgated under Section 103 of the Internal Revenue Code of 1954, as amended, which remain in effect under the Code.

“Representations Letter” means the District’s Blanket Issuer Representations Letter authorized under Section 402 hereof to be filed with DTC.

“Rule 15c2-12” means Rule 15c2-12, as amended, promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

“SEC” means the Securities and Exchange Commission.

“Securities Depository” means DTC, or any successor securities depository appointed pursuant to Section 401.

“Tax Certificate” means any agreement or certificate of the District which the District executes in order to establish and assure the tax-exempt status of interest received on the 2013B Bonds.

“Underwriter” means Piper Jaffray & Co., the initial purchaser of the Bonds from the District.

“United States” means the government of the United States of America.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms used in this Bond Resolution refer to this Bond Resolution.

102. Authority for Bond Resolution. This Bond Resolution is adopted pursuant to the provisions of the Act.

ARTICLE II
AUTHORIZATION, TERMS, SALE AND ISSUANCE
OF BONDS, AND PAYING AGENT PROVISIONS

201. Authorization of Bonds, Principal Amount, Designation and Series. In accordance with and subject to the terms, conditions and limitations established by the Act and contained in this Bond Resolution, general obligation school bonds of the District are hereby authorized to be issued in two series in the aggregate principal amount of \$10,470,000. The Bonds are hereby designated and shall be issued in principal amounts as follows: (i) “General Obligation Bonds, Series 2013A (Taxable),” in the principal amount of \$910,000; and (ii) “General Obligation Bonds, Series 2013B (Tax-Exempt),” in the principal amount of \$9,560,000. The Bonds shall be issued in fully registered form only, without coupons.

202. Purposes. The Bonds are hereby authorized to be issued for the purpose of acquisition of the Project and to pay the costs of issuance thereof.

203. Issue Date. The Bonds shall be dated as of the date of their delivery.

204. Bond Details.

(a) The 2013A Bonds shall be issued in the form of serial bonds maturing on the dates and in the amounts as indicated below. The 2013A Bonds shall bear interest at the rates indicated below (calculated on the basis of a year of 360 days and twelve 30-day months) from the date of their delivery payable February 15, 2014, and semiannually thereafter on August 15 and February 15 in each year until their respective dates of maturity or prior redemption:

<u>August 15</u> <u>Year</u>	<u>Amount</u> <u>Maturing</u>	<u>Interest Rate %</u> <u>(Per Annum)</u>
2014	\$305,000	1.000
2015	420,000	1.250
2016	185,000	1.250

(b) The 2013B Bonds shall be issued in the form of serial bonds maturing on the dates and in the amounts as indicated below. The 2013B Bonds shall bear interest at the rates indicated below (calculated on the basis of a year of 360 days and twelve 30-day months) from the date of their delivery payable February 15, 2014, and semiannually thereafter on August 15 and February 15 in each year until their respective dates of maturity or prior redemption:

<u>August 15</u> <u>Year</u>	<u>Amount</u> <u>Maturing</u>	<u>Interest Rate %</u> <u>(Per Annum)</u>
2016	\$215,000	4.000
2017	410,000	4.000
2018	430,000	4.000

2019	445,000	3.000
2020	460,000	3.000
2021	470,000	3.000
2022	485,000	3.000
2023	500,000	3.000
2024	515,000	3.000
2025	530,000	4.000
2026	555,000	4.000
2027	575,000	4.000
2028	600,000	4.000
2029	620,000	4.000
2030	645,000	4.125
2031	675,000	4.250
2032	700,000	4.250
2033	730,000	4.000

(c) Each Bond shall bear interest from the interest payment date next preceding the date of registration and authentication thereof unless it is registered and authenticated as of an interest payment date, in which event it shall bear interest from the date thereof, or unless it is registered and authenticated prior to the first interest payment date, in which event it shall bear interest from its date, or unless, as shown by the records of the Bond Registrar, interest on the Bonds shall be in default, in which event it shall bear interest from the date to which interest has been paid in full. The Bond Registrar shall insert the date of registration and authentication of each Bond in the place provided for such purpose in the form of the Bond Registrar's certificate of authentication on each Bond. To the extent permitted by law, the Bonds shall bear interest on overdue principal at the aforesaid respective rates.

205. Denominations and Numbers. The Bonds shall be issued as fully registered bonds, without coupons, in the denomination of \$5,000, or any integral multiple thereof, not exceeding the amount of each maturity. Each series of the Bonds shall be numbered from one (1) upward in order of issuance with the prefix "R" preceding each number.

206. Paying Agent and Bond Registrar. Zions First National Bank, Corporate Trust Department, Boise, Idaho, is hereby appointed the Paying Agent and Bond Registrar for the Bonds. The District may remove any Paying Agent and any Bond Registrar, and any successor thereto, and appoint a successor or successors thereto. Each Paying Agent and Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by the Bond Resolution by executing and delivering to the District a written acceptance thereof. The principal of, premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. Principal of and premium, if any, on the Bonds shall be payable when due to the Bondholder of each Bond at the principal corporate trust office of the Paying Agent. Payment of interest on each Bond shall be made to the Person which, as of the Record Date, is the Holder of the Bond and shall be made by check or draft mailed to the Person which, as of the Record Date, is the Holder of the Bond, at the address of such Holder as it appears on the registration books of the District kept by the Bond Registrar or at such other address as is furnished to the Bond Registrar in writing by such Holder on or prior to the Record Date.

207. Redemption and Redemption Price.

(a) The 2013A Bonds are not subject to call and redemption prior to maturity. The 2013B Bonds maturing on or prior to August 15, 2023, are not subject to call and redemption prior to

maturity. The 2013B Bonds maturing on and after August 15, 2024, are subject to redemption at the election of the District on August 15, 2023, and on any date thereafter prior to maturity, in whole or in part, in accordance with the optional arrangements then in effect with DTC, at the price of 100% of the principal amount of the 2013B Bonds to be redeemed plus accrued interest, if any, to the date of redemption.

(b) If less than all of the 2013B Bonds of any maturity are to be redeemed, the particular 2013B Bonds or portion of the 2013B Bonds of such maturity to be redeemed shall be selected by lot by the Bond Registrar in such manner as the Bond Registrar in its discretion may deem fair and appropriate. The portion of any registered 2013B Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or an integral multiple of \$5,000 and in selecting portions of such 2013B Bonds for redemption the Bond Registrar will treat each such 2013B Bond as representing that number of Bonds of \$5,000 denomination which is obtained by dividing the principal amount of such 2013B Bond by \$5,000.

(c) Redemption Notice. Notice of redemption shall be given by the Bond Registrar by Electronic Means or by first class mail, postage prepaid, not less than thirty (30) or more than sixty (60) days prior to the redemption date, to the Bondholder, as of the Record Date, of each Bond which is subject to redemption, at the address of such Bondholder as it appears in the registration books of the District kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such Bondholder on or prior to the Record Date. Notice also shall be given by registered mail to The Bond Buyer, a publication printed in the City of New York, New York, to the fiscal agent of the District, if any, and to the Paying Agent, if other than the Bond Registrar. Each notice of redemption shall state the name and series of the Bonds, the Record Date, the redemption date, the place of redemption, the principal amount if less than all, the distinctive numbers of the Bonds or portions of Bonds to be redeemed, and also shall state that the interest on the Bonds in such notice designated for redemption shall cease to accrue from and after such redemption date and that, on said date, there will become due and payable on each of said Bonds the principal thereof, interest accrued thereon to the redemption date, and premium, if any. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Bondholder or other recipient receives such notice. Failure to mail such notice or any defect therein shall not affect the validity of the proceedings for redemption of the Bonds.

In addition to the foregoing notice, further notice shall be given by the Bond Registrar as set out below, but no defect in said further notice or any failure to give all or any portion of such further notice shall affect in any manner the validity of a call for redemption if notice thereof is given as above prescribed.

(1) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) the series and any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption shall be sent at least 35 days before the redemption date by telecopy, registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds designated to the Bond Registrar by the District and to any nationally recognized information services designated by the District to the Bond Registrar.

(d) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number or numbers

identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

208. Sale of Bonds. The Bonds authorized to be issued herein are hereby sold to the Underwriter on the terms and conditions set forth in the Bond Purchase Agreement at the aggregate purchase price equal to \$10,852,132.10, representing the aggregate par amount of the Bonds, plus aggregate premium of \$443,381.60, less aggregate underwriter's discount of \$61,249.50. The 2013A Bonds are hereby sold to the Underwriter at the purchase price equal to \$911,863.05, representing the par amount of the 2013A Bonds, plus premium of \$7,186.55, less underwriter's discount of \$5,323.50. The 2013B Bonds are hereby sold to the Underwriter at the purchase price equal to \$9,940,269.05, representing the par amount of the 2013B Bonds, plus net premium of \$436,195.05, less underwriter's discount of \$55,926.00.

The pricing details of each series of Bonds are as follows:

2013A Bonds:

Maturity August 15 <u>Year</u>	<u>Amount</u> <u>Maturing</u>	<u>Rate%</u>	<u>Yield%</u>	<u>Price%</u>
2014	\$305,000	1.000	0.500	100.498
2015	420,000	1.250	0.700	101.090
2016	185,000	1.250	1.050	100.589

2013B Bonds:

Maturity August 15 <u>Year</u>	<u>Amount</u> <u>Maturing</u>	<u>Rate%</u>	<u>Yield%</u>	<u>Price%</u>
2016	\$215,000	4.000	0.790	109.498
2017	410,000	4.000	1.180	110.986
2018	430,000	4.000	1.480	112.102
2019	445,000	3.000	1.810	106.737
2020	460,000	3.000	2.150	105.496
2021	470,000	3.000	2.370	104.566
2022	485,000	3.000	2.550	103.598
2023	500,000	3.000	2.720	102.437
2024	515,000	3.000	2.850	101.297
2025	530,000	4.000	3.040	108.224
2026	555,000	4.000	3.200	106.800
2027	575,000	4.000	3.320	105.746
2028	600,000	4.000	3.480	104.360
2029	620,000	4.000	3.700	102.488
2030	645,000	4.125	3.750	103.103
2031	675,000	4.250	3.830	103.462
2032	700,000	4.250	3.950	102.458
2033	730,000	4.000	4.110	98.509

To evidence the acceptance of the Bond Purchase Agreement, the Chair or Vice Chair of the Board is hereby authorized to execute and deliver, and the Clerk to attest, as required, the Bond Purchase Agreement in the form presented at this meeting. The Chair or Vice Chair of the Board of Trustees and the Clerk of the Board are, and each of them is, hereby authorized to do or perform all such acts as may be necessary or advisable to comply with the Bond Purchase Agreement and to carry the same into effect.

The final Official Statement of the District for the sale of the Bonds, in substantially the form presented at this meeting, with such changes, omissions, insertions and revisions as the Superintendent and/or Business Manager of the District shall approve, is hereby authorized, and the Superintendent, Business Manager or Chair of the Board of Trustees shall sign such final Official Statement and deliver such final Official Statement to the Underwriter for distribution to prospective purchasers of the Bonds and other interested persons, which signature shall evidence such approval. The use of the Preliminary Official Statement dated July 19, 2013 (the "Preliminary Official Statement"), by the Underwriter and the actions of the District, including the certification by the Chair, the Superintendent or the Business Manager of the District as to the "deemed finality" of the Preliminary Official Statement pursuant to SEC Rule 15c2-12 in connection with the offering of the Bonds are hereby acknowledged, approved and ratified.

In order to comply with subsection (b)(5) of SEC Rule 15c2-12, the Underwriter has provided in the Bond Purchase Agreement that it is a condition to delivery of the Bonds that the District shall execute and deliver the Information Reporting Agreement. The Information Reporting Agreement is hereby ratified and approved in all respects and the Chair or Vice Chair is hereby authorized to execute and deliver the Information Reporting Agreement. Such Information Reporting Agreement shall constitute the District's undertaking for compliance with Rule 15c2-12.

209. Execution of Bonds. The Bonds shall be executed on behalf of the District by the Chair or Vice Chair of the Board and countersigned by the Clerk of the Board (such signatures being either manual or by facsimile), and the corporate seal of the District, if any, shall be impressed or printed thereon (either by facsimile or impression). The certificate of the Treasurer of the Board attached to the Bonds shall be signed, either manually or by facsimile, by the Treasurer of the Board, with the seal of the District impressed or printed thereon. The said officials and each of them are hereby authorized and instructed to execute the Bonds accordingly, and, the use of facsimile signatures of said Chair, Vice Chair, Treasurer and Clerk and facsimile of the seal of the District on the Bonds are hereby authorized, approved and adopted as the authorized and authentic execution, countersigning, and sealing, as applicable, of the Bonds by said officials. The Bonds shall then be delivered to the Bond Registrar for manual authentication by it. Only the Bonds as shall bear a certificate of authentication, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Bond Resolution, and such certificate of the Bond Registrar shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered under, and are entitled to the benefits of, this Bond Resolution and that the Bondholder thereof is entitled to the benefits of this Bond Resolution. The certificate of authentication of the Bond Registrar on any Bond shall be deemed to have been executed by it if (a) such Bond is signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder or that all of the Bonds hereunder be authenticated by the same Bond Registrar, and (b) the date of registration and authentication of the Bond is inserted in the place provided therefor on the certificate of authentication.

The Chair, Vice Chair and Clerk of the Board are authorized to execute, countersign and seal from time to time, as applicable, in the manner described above, Bonds (the "Exchange Bonds") to be issued and delivered for the purpose of effecting transfers and exchanges of Bonds pursuant to Article

III hereof. At the time of the execution, countersigning, and sealing of the Exchange Bonds by the District, the payee, maturity date and interest rate shall be in blank. All Exchange Bonds shall be in the denomination of \$5,000. Upon any transfer or exchange of Bonds pursuant to Article III hereof, the Bond Registrar shall cause to be inserted in appropriate Exchange Bonds the appropriate payee, maturity date and interest rate. The Bond Registrar is hereby authorized and directed to hold the Exchange Bonds and to complete, authenticate and deliver the Exchange Bonds for the purpose of effecting transfers and exchanges of Bonds; provided that any Exchange Bonds authenticated and delivered by the Bond Registrar shall bear the same series, maturity date and interest rate as Bonds delivered to the Bond Registrar for exchange or transfer and shall bear the name of such payee as the Bondholder requesting an exchange or transfer shall designate; and provided further that, upon the delivery of any Exchange Bonds by the Bond Registrar a like principal amount of Bonds submitted for transfer or exchange and of like series and having like maturities and interest rates, shall be cancelled. The execution, countersigning and sealing, if applicable, by the District and delivery to the Bond Registrar of any Exchange Bond shall constitute full and due authorization of such Bond containing such payee, maturity date and interest rate as the Bond Registrar shall cause to be inserted, and the Bond Registrar shall thereby be authorized to authenticate and deliver such Exchange Bond in accordance with the provisions hereof.

In case any officer whose signature or a facsimile of whose signature shall appear on any Bond (including any Exchange Bond) shall cease to be such officer before the issuance or delivery of such Bond, such signature or such facsimile nevertheless shall be valid and sufficient for all purposes, the same as if such officer had remained in office until such issuance or delivery, respectively.

210. Establishment of Accounts and Funds.

A. The following accounts and funds on the accounting records of the District are hereby created with respect to the Bonds:

(1) Bond Account, separate from all other funds and accounts of the District, to be held by the District;

(2) Project Account, consisting of the following subaccounts: 2013A Project Account (Taxable) and 2013B Project Account (Tax-Exempt), both subaccounts to be held by the District;

(3) Rebate Fund, to be held by the District.

B. There shall be deposited into the Bond Account (i) taxes collected pursuant to Section 501 hereof, (ii) funds from the State of Idaho pursuant to Idaho Code Section 33-906, and (iii) such other funds as the District shall designate as irrevocably available to pay principal and interest on the Bonds. The District shall make disbursements from the Bond Account in accordance with Sections 404 and 501 hereof. For purposes of investment of funds in the Bond Account, the District may consider funds in the Bond Account not expected to be used to pay principal and interest on the Bonds to be held for the purpose of paying principal and interest on other bonds issued or to be issued by the District or to be used for any lawful purpose of the District. Moneys in the Bond Account may be invested in Investment Securities.

C. There shall be deposited into and disbursed from the subaccounts of the Project Account the moneys referred to in Sections 211(b) and 211(c) hereof.

D. There shall be deposited into and disbursed from the Rebate Fund the sums required under the Code.

211. Delivery of Bonds; Application of Proceeds. The Treasurer of the District is hereby instructed to make delivery of the Bonds to the Underwriter under the DTC Fast Automated Securities Transfer System and to receive payment therefor in accordance with the terms of the Bond Purchase Agreement and to deposit or use the proceeds of sale as follows:

(a) accrued interest, if any, on the Bonds shall be deposited into the Bond Account;

(b) 2013A Bond proceeds in the amount of \$911,599.73 will be deposited into the 2013A Project Account (Taxable) to be used by the District to pay a portion of the cost of the Project, including costs of issuance of the 2013A Bonds;

(c) 2013B Bond proceeds in the amount of \$9,937,502.77 will be deposited into the 2013B Project Account (Tax-Exempt) to be used by the District to pay a portion of the cost of the Project, including costs of issuance of the 2013B Bonds; and

(d) 2013A Bond proceeds in the amount of \$263.32 will be used by the Underwriter on behalf of the District to pay the credit enhancement fee for the 2013A Bonds; 2013B Bond proceeds in the amount of \$2,766.28 will be used by the Underwriter on behalf of the District to pay the credit enhancement fee for the 2013B Bonds.

212. Defeasance.

(a) If the District shall pay or cause to be paid, or there shall otherwise be paid, to the Bondholders the principal of or redemption price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Resolution, or such Bonds shall have been deemed to have been paid, then the levy of taxes provided in Section 501 hereof and other moneys, securities and funds pledged under this Bond Resolution and all covenants, agreements and other obligations of the District to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied.

(b) Bonds or interest installments the payment or redemption of which moneys shall have been set aside and shall be held in trust (through deposit by the District of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this section. All outstanding Bonds shall prior to the maturity thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this section if:

(1) in case any of said Bonds are to be redeemed on any date prior to their maturity, if applicable, the District shall have given irrevocable instructions to mail to the Bondholders of such Bonds, notice of redemption of such Bonds on said date;

(2) there shall have been deposited in escrow with a bank, trust company or suitable depository (the "Defeasance Agent") either (a) moneys in an amount which shall be sufficient, or (b) Defeasance Securities (defined below) (including any Defeasance Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Defeasance Agent at the same time, shall be sufficient, to pay when due the principal or redemption price, as applicable, and interest due and to become due, if applicable, on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, without adversely affecting the tax status of the Bonds under the Code. In the case of a deposit under clause (b) above, the District will provide to the Defeasance Agent a verification as to the sufficiency of the Defeasance Securities to pay when due the principal or redemption price, as

applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof; and

(3) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the District shall have given irrevocable instructions to mail, first class postage prepaid, a notice to the Bondholders that the deposit required by (2) above has been made with the Defeasance Agent and that said Bonds are deemed to have been paid in accordance with this section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price as applicable, and interest due or to become due, if applicable, on said Bonds.

(c) Neither Defeasance Securities nor moneys deposited with the Defeasance Agent pursuant to this section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or redemption price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Securities deposited with the Defeasance Agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal or redemption price, as applicable, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the District, free and clear of any trust, lien or pledge. For the purposes of this section, "Defeasance Securities" shall include the following:

(1) cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (2) below), or

(2) direct obligations of the United States of America, or other securities, the principal and interest of which are unconditionally guaranteed by 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, provided such securities shall be authorized as Investment Securities for such purpose by the laws of the State of Idaho.

Bonds, the principal of and interest on and redemption premium, if any, which shall have been provided for in the manner set forth in subsection (b) hereof shall be deemed not to be outstanding under this Bond Resolution or under applicable provisions of the law of the State of Idaho, including without limitation, the Act and in particular Section 33-1103 of the Act.

213. Further Authority. The Chair, Vice Chair, Clerk and Treasurer of the Board and other officers of the District are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments as may be necessary or advisable to provide for the issuance, sale and delivery of the Bonds, and the fulfillment of the covenants and obligations of the District contained herein, in the Bonds, and in any Tax Certificate.

214. Designation as "Qualified Tax-Exempt Obligations". The District hereby designates the 2013B Bonds as "Qualified Tax-Exempt Obligations" for the purpose and within the meaning of Section 265(b)(3) of the Code. The District hereby certifies that the 2013B Bonds are the only bonds or similar obligations of the District for which a designation as "Qualified Tax-Exempt Obligations" has been made for the current calendar year.

215. Idaho State Bond Guaranty.

(a) Payment of the principal of and interest on the Bonds when due is guaranteed by the sales tax collected by the State of Idaho pursuant to the provisions of the Idaho School Bond

Guaranty Act, Title 33, chapter 53, Idaho Code (the “Sales Tax Guaranty Act”). In addition, payment of the principal of and interest on the Bonds when due is guaranteed by the school district bond credit enhancement program under Title 57, chapter 7, Idaho Code (the “Credit Enhancement Program”) (the Sales Tax Guaranty Act and Credit Enhancement Program hereinafter sometimes referred to collectively as the “Bond Guaranty Programs”).

(b) In accordance with the requirements of the Bond Guaranty Programs, the District shall transfer moneys from the Bond Account sufficient for the scheduled debt service payment on the Bonds to the Paying Agent at least fifteen (15) days before each principal or interest payment date for the Bonds, and if the District is unable to transfer the scheduled debt service payment to the Paying Agent fifteen (15) days before the payment date, the District shall immediately notify the Paying Agent and the Treasurer of the State of Idaho (the “State Treasurer”).

(c) The District will use its best effort to cause the Paying Agent to comply with the requirements imposed on the Paying Agent by the Bond Guaranty Programs, including requiring in any paying agent agreement that the Paying Agent notify the State Treasurer in writing at least ten (10) days before the scheduled debt service payment date in the event the District has not transferred sufficient funds as required in (b) above.

(d) The District shall reimburse all moneys drawn by the State Treasurer on its behalf and shall pay interest to the State on all moneys paid by the State as provided in the Bond Guaranty Programs.

(e) The District covenants to comply with the notification, recordkeeping, financial disclosure and other requirements of the Bond Guaranty Programs.

ARTICLE III TRANSFER AND EXCHANGE OF BONDS; BOND REGISTRAR

301. Transfer of Bonds.

(a) Any Bond may, in accordance with its terms, be transferred upon the registration books kept by the Bond Registrar pursuant to Section 303 hereof by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Bond Registrar. No transfer shall be effective until entered on the registration books kept by the Bond Registrar. The District, the Bond Registrar and the Paying Agent may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Bond Registrar as the Bondholder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and interest due thereon and for all other purposes whatsoever.

(b) Whenever any Bond or Bonds shall be surrendered for transfer, the Bond Registrar shall authenticate and deliver a new fully registered Bond or Bonds in an authorized denomination (which may be an Exchange Bond or Bonds pursuant to Section 209 hereof) and of the same series, designation, maturity and interest rate duly executed by the District, for a like aggregate principal amount. The Bond Registrar shall require the payment by the Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. With respect to each Bond, no such transfer shall be required to be made (i) after the Record Date with respect to any interest payment date to and including such interest payment date, or (ii) after the Record Date with respect to any redemption of such Bond, if applicable. If Exchange Bonds are prepared in connection with transfers outside the book-entry registration system as provided in Section 209, the foregoing provisions of this Section 301 shall apply to such transfers or exchanges.

Then and thereafter, Exchange Bonds shall be in the denomination of \$5,000 only, and shall bear numbers as provided in Section 205 hereof. All Bonds issued after the first numbering of Bonds in \$5,000 denominations pursuant to Section 301 shall thereafter continue to bear the same number, which shall be used on all newly issued Bonds issued for purposes of all subsequent transfers and exchanges.

302. Exchange of Bonds. Bonds may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of fully registered Bonds (which may be an Exchange Bond or Bonds pursuant to Section 209 hereof) of the same series, designation, maturity and interest rate of other authorized denominations. The Bond Registrar shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. With respect to each Bond, no such exchange shall be required to be made (i) after the Record Date with respect to any interest payment date to and including such interest payment date or (ii) after the Record Date with respect to any redemption of such Bond, if applicable.

303. Bond Registration Books. This Bond Resolution shall constitute a system of registration within the meaning and for all purposes of the Registered Public Obligations Act of Idaho, chapter 9 of Title 57, Idaho Code. The Bond Registrar shall keep or cause to be kept at its principal corporate trust office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the District; and, upon presentation for such purpose, the Bond Registrar, under such reasonable regulations as it may prescribe, shall register or transfer or cause to be registered or transferred on said books Bonds as herein provided.

304. List of Bondholders. The Bond Registrar shall maintain a list of the names and addresses of the Bondholders of all Bonds and, upon any transfer, shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

305. Duties of Bond Registrar. If requested by the Bond Registrar, the Chair, Vice Chair and/or Clerk of the Board are authorized to execute the Bond Registrar's standard form of agreement between the District and the Bond Registrar with respect to the compensation, obligations and duties of the Bond Registrar hereunder which may include the following:

- (a) to act as bond registrar, authenticating agent, paying agent, and transfer agent as provided herein;
- (b) to maintain a list of Bondholders as set forth herein and to furnish such list to the District upon request but otherwise to keep such list confidential;
- (c) to give notice of redemption of Bonds as applicable;
- (d) to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption, if applicable, or submitted for exchange or transfer;
- (e) to furnish the District at least annually a certificate with respect to Bonds cancelled and/or destroyed;
- (f) to furnish the District at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds; and
- (g) to comply with all applicable provisions of the Representations Letter, as called for in Section 402 hereof.

ARTICLE IV
BOOK-ENTRY SYSTEM; LIMITED OBLIGATION
OF DISTRICT; REPRESENTATIONS LETTER

401. Book-Entry Only System. The Bonds shall be initially issued in the form of a separate single certificated fully registered Bond for each of the maturities set forth in Section 204 hereof. Upon initial issuance, the ownership of each Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC. Except as provided in Section 403 hereof, all of the outstanding Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC, the District, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any Participant or to any Person on behalf of which a Participant holds an interest in the Bonds with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other Person, other than a Bondholder, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Bonds, including any notice of redemption, if applicable, or (iii) the payment to any Participant or any other Person, other than a Bondholder, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal of or interest on the Bonds. The District, the Bond Registrar and the Paying Agent may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Bond Registrar as the Bondholder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of and interest on the Bonds only to or upon the order of the respective Bondholders, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided in Section 206 hereof, and all such payments shall be valid and effective to satisfy and discharge fully the District's obligations with respect to payment of principal of and interest on the Bonds, to the extent of the sum or sums so paid. No Person other than a Bondholder, as shown in the registration books kept by the Bond Registrar, shall receive a certificated Bond evidencing the obligation of the District to make payments of principal and interest pursuant to this Bond Resolution. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co. and subject to the provisions herein with respect to Record Dates, the word "Cede & Co." in this Bond Resolution shall refer to such new nominee of DTC, and, upon receipt of such a notice, the District promptly shall deliver a copy of the same to the Bond Registrar and the Paying Agent.

402. Representations Letter. The Representations Letter in the form presented to the Board is hereby authorized to be signed by the Chair or Vice Chair of the Board, and to be filed with DTC. In the written acceptance of each Paying Agent and Bond Registrar referred to in Section 206 hereof, such Paying Agent and Bond Registrar, respectively, shall agree to take all action necessary for all representations of the District in the Representations Letter with respect to the Paying Agent and Bond Registrar, respectively, to be complied with at all times. The Representations Letter is for the purpose of effectuating the book-entry-only system and shall not be deemed to amend, supersede or supplement the terms of this Resolution, which terms are intended to be complete without reference to the Representations Letter.

In the event of any conflict between the terms of the Representations Letter and the terms of this Resolution, the terms of this Resolution shall control. DTC may exercise the rights of a Bondholder hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

403. Transfers Outside Book-Entry System. In the event that (a) the District determines that DTC is incapable of discharging or is unwilling to discharge its responsibilities described herein and in the Representations Letter, (b) DTC determines to discontinue providing its service as securities depository with respect to the Bonds at any time as provided in the Representations Letter or (c) the District determines that it is in the best interests of the Bondholders, as the beneficial owners of the Bonds, that they be able to obtain certificated Bonds and an alternative book-entry system is not available or is not selected as provided in the succeeding sentence, the District shall notify DTC and direct DTC to notify the Participants of the availability through DTC of Bond certificates, and the Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC. At that time, the District may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a universal book-entry system as may be acceptable to the District or such depository's agent or designee, and, if the District does not select such alternate universal book-entry system, the Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of Article III hereof.

404. Payments to Cede & Co.. Notwithstanding any other provision of this Bond Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representations Letter.

ARTICLE V COVENANTS AND UNDERTAKINGS

501. Levy of Taxes. The District covenants and agrees that to pay principal of and interest on the Bonds falling due to and including August 15, 2033, the District shall levy and cause to be levied annually at the time when and in the manner in which other general taxes of the District are levied, upon all the taxable property within the limits of the District, in addition to all other authorized taxes and assessments, a tax or assessment, together with funds then on deposit in the Bond Account, in the amount specified by Idaho Code Sections 33-802 and 33-802A, and including amounts received by the District pursuant to Idaho Code Section 33-906, and sufficient to meet the payments of principal and interest on the Bonds as the same mature, and such taxes shall be levied, assessed, certified, extended and collected by their proper officers at the times other taxes are levied, assessed, certified, extended and collected in, for and by the District and by the officers thereof, all as fixed by law, until the principal and interest of all Bonds and interest thereon shall be fully paid.

Principal of or interest on the Bonds falling due at any time when the proceeds of said tax levy may not be available shall be paid from other funds of the District and shall be reimbursed from the proceeds of said taxes when said taxes shall have been collected. Said taxes in each of the several years shall be and are hereby certified to the Board of County Commissioners of Latah County, Idaho, as being taxes necessary to be levied on all of the taxable property in the District for the purpose of paying the principal of and the interest on the Bonds as the same become due. When collected, said taxes shall be placed into the Bond Account and shall be used for no other purpose than for the payment of the principal of and the interest on the Bonds as the same become due, so long as any of the Bonds remain outstanding and unpaid, but nothing herein contained shall be construed to prevent the District from paying the interest on or the principal of the Bonds from any other funds in its hands and available for that purpose or to prevent the District from levying any further or additional taxes which may be necessary to pay fully the interest on or the principal of the Bonds.

The full faith and credit and all taxable property in the District and all funds generated from the levy of taxes to pay the Bonds, as provided herein, are hereby pledged for the prompt payment of the principal of and the interest on the Bonds as the same become due, and, to that end, the tax levies herein provided shall be in full force and effect and remain so forever until the indebtedness hereby incurred, principal and interest, shall have been fully paid, satisfied and discharged, except as hereinbefore provided. Any collection fees or charges made in connection with the payment of the Bonds and interest thereon are to be paid by the District.

502. Bond Levy Subsidy. The District covenants to apply for and take all reasonable actions necessary to be eligible to receive payments and continue to receive payments from the State of Idaho under Idaho Code, Sections 33-906 and 33-906A, or any successor provision.

503. 2013B Bonds in Registered Form. The District recognizes that Section 149(a) of the Code requires the 2013B Bonds to be issued and to remain in fully registered form in order that interest thereon is excluded from gross income for purposes of federal income taxation under laws in force at the time the 2013B Bonds are delivered. In this connection, the District agrees that it will not take any action to permit the 2013B Bonds to be issued in or converted into bearer or coupon form.

504. Arbitrage Covenant; Covenant to Maintain Tax Exemption.

(a) The Chair or Vice Chair of the Board and Business Manager of the District and other appropriate officials of the District each are hereby authorized and directed to execute from time to time such Tax Certificates as shall be necessary to establish that the 2013B Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Code and the regulations promulgated or proposed thereunder, as the same presently exist or may from time to time hereafter be amended, supplemented or revised, and to establish that interest on the 2013B Bonds is not and will not become includable in gross income under the Code and applicable regulations. The District covenants and certifies to and for the benefit of the Bondholders that no use will be made of the proceeds of the issue and sale of the 2013B Bonds, or any funds or accounts of the District which may be deemed to be proceeds of the 2013B Bonds, pursuant to Section 148 of the Code and applicable regulations (proposed or promulgated,) which use, if it had been reasonably expected on the date of issuance of the 2013B Bonds, would have caused the 2013B Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code. Pursuant to this covenant, the District obligates itself to comply throughout the term of the 2013B Bonds with the requirements of Section 148 of the Code and the regulations proposed or promulgated thereunder.

(b) The District further covenants and agrees to and for the benefit of the Bondholders that the District (i) will not take any action that would cause interest on the 2013B Bonds to be or to become ineligible for the exclusion from gross income of the Bondholders as provided in Section 103 of the Code, (ii) will not omit to take or cause to be taken, in timely manner, any action which would cause interest on the 2013B Bonds to be or to become ineligible for the exclusion from gross income of the Bondholders as provided in Section 103 of the Code, and (iii) without limiting the generality of the foregoing, (a) will not take any action which would cause the 2013B Bonds, or any 2013B Bond, to be a “private activity bond” within the meaning of Section 141 of the Code or to fail to meet any applicable requirement of Section 149 of the Code and (b) will not omit to take or cause to be taken, in a timely manner, an action which would cause the 2013B Bonds, or any 2013B Bond, to be a “private activity bond” or to fail to meet any applicable requirement of Section 149 of the Code. The Chair or Vice Chair of the Board and Business Manager of the District and other appropriate officials of the District each are hereby authorized and directed to execute from time to time such Tax Certificates as shall be necessary to establish that the 2013B Bonds are not and will not become “private activity bonds,” that all applicable requirements

of Section 149 of the Code are and will be met, and that the covenant of the District contained in this Section 504(b) will be complied with.

(c) The District covenants and certifies to and for the benefit of the Bondholders of the 2013B Bonds that: (i) the District will at all times comply with the provisions of any Tax Certificates; (ii) the District will at all times comply with the rebate requirements contained in Section 148(f) of the Code, to the extent applicable; and (iii) except for the 2013A Bonds, no bonds or other evidences of indebtedness of the District have been or will be issued, sold or delivered within a period beginning 15 days prior to the sale of the 2013B Bonds and ending 15 days following the date of delivery of and payment for the 2013B Bonds.

(d) The Tax Certificate, in form acceptable to Bond Counsel, with such insertions and changes therein as shall be approved by the Chair or Vice Chair of the Board and Business Manager of the District or such other appropriate officials of the District, is hereby authorized and approved. Such approval of said Chair or Vice Chair and Business Manager shall be conclusively established by their execution of the Tax Certificate in its final form.

The District hereby covenants to adopt, make, execute and enter into (and to take such actions, if any, as may be necessary to enable it to do so) any resolution or Tax Certificate necessary to comply with any changes in law or regulations in order to preserve the exclusion of interest on the 2013B Bonds from gross income of the Bondholders thereof for purposes of the federal income tax to the extent that it may lawfully do so. The District further covenants to (a) impose such limitations on the investment or use of moneys or investment related to the 2013B Bonds, (b) make such payments to the United States Treasury, (c) maintain such records, (d) perform such calculations and (e) perform such other acts as may be necessary to preserve the exclusion of interest on the 2013B Bonds from gross income of the Bondholders thereof for purposes of the federal income tax and which it lawfully may do.

(e) Pursuant to these covenants, the District obligates itself to comply with the requirements of Section 103 of the Code and the regulations proposed or promulgated thereunder throughout the term of the issue of the 2013B Bonds.

(f) In conjunction with the Tax Certificate, the District desires to adopt written procedures to monitor the arbitrage, yield restriction, and rebate requirements of the Code in the form of the Post-Issuance Tax Compliance Procedures for Tax-Exempt Bonds (the "Post-Issuance Compliance Procedures") attached hereto as Exhibit C, and such Post-Issuance Compliance Procedures are hereby authorized, adopted and approved.

505. Approval of Plan and Form of Bonds. The Board hereby determines that the amortization plan of the Bonds, as approved herein, complies with the requirements of Section 33-1107, Idaho Code, including the safe harbor under Section 33-1107(1), Idaho Code.

506. Investment of Funds. Moneys held in any fund or account shall be invested and reinvested by the District to the fullest extent practicable in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such fund or account.

507. No Waiver of Limitation Provisions. The Board and the District, in consideration of the purchase of the Bonds by the aforesaid Underwriter, hereby covenant and agree with the Bondholders of the Bonds from time to time that neither the District nor the Board will ever waive, or agree to waive, as to the Bond Election, the time limitation provisions of subsection B of Section 34-2001A of the Idaho Code.

ARTICLE VI FORM OF BONDS

601. Form of Bonds. Each fully registered Bond shall be in substantially the forms attached as Exhibit A and Exhibit B hereto, respectively, with such insertions or variations as to the series thereof, any redemption or amortization provisions and such other insertions or omissions, endorsements and variations as may be required.

ARTICLE VII MISCELLANEOUS

701. Ratification. All proceedings, resolutions, and actions of the Board, the District, and their officers, agents and employees taken in connection with the authorization, sale and issuance of the Bonds are hereby in all respects ratified, confirmed and approved.

702. Severability. It is hereby declared that all parts of this Bond Resolution are severable, and if any section, paragraph, clause or provision of this Bond Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, paragraph, clause or provision shall not affect the remaining sections, paragraphs, clauses or provisions of this Bond Resolution.

703. Conflict. All resolutions, orders and regulations or parts thereof heretofore adopted or passed which are in conflict with any of the provisions of this Bond Resolution are, to the extent of such conflict, hereby repealed.

704. Captions. The table of contents and captions or headings herein are for convenience of reference only and in no way define, limit or describe the scope or intent of any provisions or sections of this Bond Resolution.

705. Effective Date. This Bond Resolution shall take effect immediately.

Dibble moves the Board approve Resolution 14-22, second by Campbell. The motion passes 4-0-0.

IV. ADJOURNMENT

With no further business, the meeting was adjourned at 6:10 PM.