

RESOLUTION NO. 2004-16

RESOLUTION OF THE CITY OF REXBURG APPROVING A FORM OF LOAN AGREEMENT WITH THE IDAHO BOND BANK AUTHORITY TO REFINANCE THE CITY'S DEPARTMENT OF ENVIRONMENTAL QUALITY OF THE STATE OF IDAHO LOAN IN THE AMOUNT OF NOT TO EXCEED \$2,184,910 AND AUTHORIZING THE EXECUTION AND DELIVERY THEREOF, AND RELATED MATTERS

**WHEREAS**, pursuant to the Water Pollution Abatement Act, Idaho Code, Title 39, Chapter 36, the City of Rexburg, Idaho (the "City") entered into a Department of Health and Welfare Loan Offer, Acceptance and Contract for Wastewater Facility Design and Construction in the amount of \$5,000,000 with the entity now known as the Department of Environmental Quality of the State of Idaho ("DEQ"), and the City issued its promissory obligation to DEQ upon full disbursement of the loan (collectively, the "Prior Loan");

**WHEREAS**, the Idaho Bond Bank Authority (the "Authority") is an independent public body corporate and politic duly created and operating pursuant to Idaho Code, Title 67, Chapter 87 as amended or supplemented from time to time (the "Act");

**WHEREAS**, the Act authorizes and empowers the Authority to issue bonds for the purpose of purchasing municipal bonds, including loans undertaken by municipalities for any purpose authorized by law;

**WHEREAS**, the Authority intends to issue Idaho Bond Bank Authority Revenue Bonds, Series 2004 (the "Bonds");

**WHEREAS**, the City desires to execute a loan agreement by and between the City and the Authority, in which a portion of the proceeds of the Bonds shall prepay in full the Prior Loan (the "Loan Agreement"); and

**WHEREAS**, the City acknowledges that pursuant to Idaho Code, Section 67-8727, execution and delivery of the Loan Agreement shall, upon failure by the City to transfer scheduled payments under the Loan Agreement, subject certain funds held by the State of Idaho on behalf of the City to intercept by the trustee for the Bonds;

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Rexburg, Idaho, as follows:

**SECTION 1.** The City Council hereby finds and determines that the foregoing recitals are true and correct.

**SECTION 2.** The proposed form of Loan Agreement, by and between the City and the Authority, on file with the City Clerk, is hereby approved. The Mayor, City Manager, Treasurer, or City Clerk, jointly and severally, or any such officer's designee, are each hereby authorized and directed, on behalf of the City, to execute and deliver the Loan Agreement in substantially said form, with such changes therein as such officer may require or approve, subject to review by the City Attorney or the City Attorney's designee, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that (i) the term of the Loan Agreement shall end no later than September 1, 2010, (ii) the principal amount as set forth in the Loan Agreement shall not exceed \$2,184,910; (iii) the true interest cost as set forth in the Loan Agreement shall not exceed 2.978%; and (iv) the net cash flow savings shall be at least \$11,777.

**SECTION 3.** All actions heretofore taken by the officers and agents of the City with respect to the refinancing of the Prior Loan are hereby approved, confirmed and ratified, and the officers and City Council members of the City or their duly authorized designees are hereby authorized and directed, jointly and severally, to execute and deliver any and all documents, including but not limited to those described in the Loan Agreement, and do any and all things, deemed necessary to effect the execution and delivery of the Loan Agreement and to carry out the intent and purpose of this resolution and otherwise necessary to carry out the refinancing of the Prior Loan, including, without limiting the forgoing, the execution and delivery of a continuing disclosure agreement, if necessary, a tax certificate, any amendments to the Prior Loan, and closing documents.

**SECTION 4.** This resolution shall become effective immediately upon adoption.

**PASSED** by the City Council of the City of Rexburg, Idaho, this 6<sup>th</sup> day of October, 2004.

**APPROVED** by the City Council of the City of Rexburg, Idaho, this 6<sup>th</sup> day of October, 2004.

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Shawn Larsen  
Mayor

ATTEST:

[City Seal]

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Blair D. Kay  
City Clerk

STATE OF IDAHO            )  
                                  )        ss:  
COUNTY OF Madison        )

I, Blair D. Kay, Clerk of the City of Rexburg, Idaho (the “City”), hereby certify that the foregoing is a full, true and correct copy of the record of Resolution No. 2004-16 as the same now remains on file and of record in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of Rexburg, Idaho, on this 6<sup>th</sup> day of October, 2004.

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Blair D. Kay  
CITY CLERK

(SEAL)