

ORDINANCE NO. 156-91

AN ORDINANCE OF BONNEVILLE COUNTY, IDAHO, PROVIDING FOR THE ISSUANCE OF LOCAL IMPROVEMENT DISTRICT INTERIM WARRANTS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$245,000 IN ORDER TO OBTAIN INTERIM FUNDS TO PAY PART OF THE COSTS OF THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF IMPROVEMENTS TO THE WATER SYSTEM AND FACILITIES OF THE COUNTY; PROVIDING FOR THE SALE OF THE WARRANTS TO WEST ONE BANK, IDAHO, N.A.; PROVIDING FOR THE REGISTRATION OF SAID WARRANTS; CREATING CERTAIN FUNDS; FIXING THE INTEREST RATE, MATURITY, FORM, TERMS AND COVENANTS OF SAID WARRANTS; PROVIDING FOR THE ISSUANCE OF BONDS; PROVIDING CERTAIN COVENANTS WITH RESPECT TO FEDERAL TAX LAW; PROVIDING FOR THE EFFECTIVE DATE OF THIS ORDINANCE; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

BONNEVILLE COUNTY, IDAHO

LOCAL IMPROVEMENT DISTRICT NO. 7 INTERIM WARRANTS  
AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$245,000

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF BONNEVILLE COUNTY, IDAHO, as follows:

WHEREAS, Bonneville County (the "County"), Idaho, is a duly incorporated and existing municipal corporation organized and operating under the Constitution and laws of the State of Idaho; and

WHEREAS, the County is authorized to conduct proceedings and to form local improvement districts pursuant to the terms and provisions of Idaho Code Title 50, Chapter 17, to form local improvement districts to finance the acquisition, construction and installation of improvements to facilities within the local improvement district;

WHEREAS, the Board of Commissioners of the District (the "Board") by Ordinance No. 155-91, adopted on August 19, 1991, duly created its Local Improvement District No. 7 ("LID No. 7");

WHEREAS, the County is authorized by Idaho Code Section 50-1722 to borrow money, and issue short-term obligations in the form of warrants in anticipation of the receipt of

proceeds of local improvement district bonds secured, in part, by assessments to be levied on real property within LID No. 7;

WHEREAS, the County desires to issue up to \$245,000 principal amount of local improvement district warrants in order to provide a portion of the funds necessary for the acquisition, construction and installation of certain improvements on its facilities, in anticipation of the issuance of bonds for LID No. 7;

WHEREAS, West One Bank, Idaho, N.A., of Idaho Falls, Idaho, has offered to purchase the warrants of the County in an amount of not to exceed \$245,000 on the terms hereinafter set forth; and

WHEREAS, in the judgment of the Board, it is in the best interest of the County to accept said offer;

NOW, THEREFORE, IT IS HEREBY ORDAINED, as follows:

Section 1: DEFINITIONS

As used in this Ordinance, capitalized terms shall have the meanings provided in this Section. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and vice versa. Words imparting the singular number shall include the plural numbers and vice versa, unless the context shall otherwise indicate.

Acquire, Acquiring, or Acquisition includes the opening, laying out, establishment, purchase, construction, securing, installation, reconstruction, lease, gift, grant from the federal government, the State of Idaho, any public body therein or any person or entity, the condemnation, transfer, option to purchase, other contract, or other acquirement, or any combination thereof.

Board shall mean the Board of Commissioners of Bonneville County, Idaho.

Bonds shall mean the herein authorized bonds designated "Bonneville County Local Improvement District No. 7 Bonds," in the principal amount of not to exceed \$245,000.

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

Clerk shall mean the de facto or de jure Clerk, or other officer of the County who is the custodian of the seal of the County and of the records of the proceedings of the Board, or his/her successor in function, if any.

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

Construction Fund shall mean the "Bonneville County Construction Fund" created by Section 13 of this Ordinance for the purpose of paying the Cost of the Project.

Cost of the Project or Costs of the Project or any phrase of similar import, shall mean all or any part designated by the Board of the costs of the Project, or interest therein, which costs, at the option of the Board, may include all or any part of the incidental costs pertaining to the Acquisition of the Project, including, without limitation:

(1) Preliminary expenses advanced by the County from funds available for the use therefor, or advanced by the federal government, or from any other source, with approval of the Board, or any combination thereof;

(2) The costs of making surveys, audits, preliminary plans, other plans, specifications, estimates of costs and other preliminaries;

(3) The costs of appraising, printing, estimates, advice, services of engineers, architects, financial consultants, attorneys at law, clerical help, or other agents or employees;

(4) The costs of contingencies;

(5) The costs of any discount on the Warrants and of any of the costs of issuance of the Warrants;

(6) The costs of funding and short-term financing, additional warrants, or other temporary loans appertaining to the Project, and of the incidental expenses incurred in connection with such loans;

(7) The Acquisition costs of any properties, rights, easements, or other interest in properties, or any licenses, privileges, agreements and franchises; and

(8) All other expenses necessary or desirable and appertaining to the Project, as estimated or otherwise ascertained by the County.

County shall mean Bonneville County, Idaho, a duly incorporated and existing municipal corporation organized and operating under the Constitution and laws of the State of Idaho.

Improvement(s) or Improve includes the Acquisition, extension, widening, lengthening, betterment, alteration, reconstruction, or other major improvement, or any combination thereof, of any properties pertaining to the System or an interest therein, but does not mean general maintenance or repair.

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

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

Project shall mean the undertaking or undertakings of Acquiring the Improvements described in Section 2 hereof.

Registered Owner shall mean West One Bank, Idaho, N.A., of Idaho Falls, Idaho, or its successors or assigns, as the initial purchaser of the Warrants.

Registrar shall mean the Treasurer of the County or his/her successor in function, if any.

System shall mean the water system and facilities of the County, as it now exists, including the assets, real and personal, tangible and intangible, as it will be added to by the Acquisition of the Project, and as it may later be added to, improved and extended, and shall include buildings, structures, utilities or other income-producing property from the operation of or in connection with which revenues for the payment of the Warrants to be issued hereunder will be derived, and the lands appertaining thereto, including, without limitation, any Improvement to be Acquired with the proceeds of the Warrants.

Treasurer shall mean the Treasurer of the County, or his or his/her successor in functions, if any.

United States shall mean the United States of America.

Warrant Fund shall mean the "Bonneville County Warrant Fund" created by Section 11 of this Ordinance.

Warrant Register or Register shall mean the registration records of the County, maintained by the Registrar, on which shall appear the name and address of the Registered Owner of the Warrants.

Warrants shall mean the interest-bearing "Bonneville County, Idaho Local Improvement District No. 7 Interim Warrants" issued in the aggregate principal amount of not to exceed \$245,000, pursuant to, and for the purposes authorized in this Ordinance.

Warrant Year shall mean the one-year period (or shorter period from the date of issue) that ends at the close of business on October 31.

## Section 2: THE PROJECT

The County shall Acquire certain Improvements to the System, consisting of the following:

- (a) Improvement of properties by the installation, construction, and reconstruction of a complete new water distribution system to extend, maintain, and repair water works, pipes, mains, hydrants, and other water facilities, for the purpose of supplying water for domestic and fire protection purposes including, but not limited to, installation of water mains, valves, fittings, fire hydrants, service lines, service connections, connection to houses, water meters, street repair and such other improvements as are reasonable and necessary for the improvement and installation of a new water distribution system to conform with the general regulations of the Idaho State Department of Health for culinary water systems.
- (b) Engineering fees, administrative costs, legal fees and all other costs incidental thereto; together with sites and easements therefor, and all appurtenances, equipment and machinery necessary or useful for said System.

Said project is more fully described in the plans and specifications prepared by David E. Benton and Associates, of Idaho Falls, Idaho, on file in the office of the Clerk and hereby incorporated herein by this reference.

### Section 3: COST OF THE PROJECT

The total Cost of the Project is estimated to be \$408,800, of which not to exceed \$245,000 will be temporarily financed by the proceeds of the Warrants and the balance of which will be paid from other legally available funds including grant funds from the United States.

### Section 4: AUTHORIZATION OF THE BONDS

For the purpose of providing funds with which to permanently pay for a portion of the Cost of the Project authorized by Section 2 of this Ordinance and all necessary expenses in connection therewith, there shall be issued, sold and delivered not to exceed \$245,000 principal amount of local improvement district bonds of LID No. 7 to be designated "Bonneville County Local Improvement District No. 7 Bonds" (herein called the "Bonds").

The Bonds shall be in such denomination(s) and form; shall be dated, and bear interest at such rate or rates; shall be payable at such place or places; shall have such option of redemption prior to maturity; and may be combined with any subsequently authorized series of local improvement district bonds and issued as a single combined series, as provided hereafter by an ordinance of the Board.

#### Section 5: AUTHORIZATION OF THE WARRANTS

In order to provide interim financing to pay a portion of the Cost of the Project, and in anticipation of the issuance of the Bonds, the County shall issue its short-term obligations in the form of local improvement district warrants in an amount of not to exceed \$245,000. Said warrants shall be designated "Bonneville County Local Improvement District No. 7 Interim Warrants" (the "Warrants"), shall be dated as of the date of issue thereof, shall be issued in the form of a single Warrant or as serial Warrants, shall mature on March 1, 1992, and shall be numbered from One upward. The Warrants shall be substantially in form set forth in Exhibit A attached hereto and by this reference made a part hereof.

The Warrants shall bear interest on the unpaid balance at the rate of six and thirty-five hundredths percent (6.35%) per annum, from its date of issuance to the date of maturity or prior redemption. Interest shall be calculated on the basis of a 365-day year, and shall be payable at maturity.

A request for draw pursuant to the Warrants may be made by the County in writing at any time, which request shall be approved by the engineer chosen by the County for the Project and by an authorized representative of the United States of America, Farmers Home Administration.

#### Section 6: PLACE AND MANNER OF PAYMENT

Both principal of and interest on the Warrants shall be payable in immediately available lawful money of the United States to the Registered Owner thereof whose name and address appear on the Warrant Register maintained by the Registrar, upon presentation and surrender of each of the Warrants on or after the date of maturity or prior redemption at the principal office of the Registrar.

Section 7: REDEMPTION PRIOR TO MATURITY

The Warrants are subject to call or redemption on any business day prior to their fixed dates of maturity at the price of par, plus accrued interest, if any, to the date of redemption.

Notice of any such intended redemption shall be mailed by first-class mail, postage prepaid, at least ten (10) days prior to the redemption date, to the Registered Owner of the Warrants at its address appearing on the Warrant Register.

Section 8: LOST, STOLEN, MUTILATED OR DESTROYED  
WARRANTS

In case any of the Warrants are lost, stolen, mutilated or destroyed, the Registrar may register and deliver a new Warrant of like date, rate of interest, maturity, tenor and effect to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the County in Connection therewith and upon his filing with the Registrar and the County evidence satisfactory to the Registrar and the County that such Warrant was actually lost, stolen, mutilated or destroyed and of his ownership thereof, and upon furnishing the Registrar and the County with indemnity satisfactory to the Registrar and the County.

Section 9: TRANSFER OR EXCHANGE OF WARRANTS

The Warrants shall be transferable by the Registered Owner thereof in person, or by his attorney duly authorized in writing, upon presentation and surrender of such Warrants at the principal office of the Registrar for cancellation and issuance of new Warrants registered in the name of the transferee, in exchange therefor.

Whenever any Warrant shall be surrendered for transfer, the Registrar shall register and deliver to the transferee, in exchange therefor, a new Warrant of the same denomination, maturity and interest rate as the Warrant surrendered.

The Registrar shall require the payment by the Registered Owner requesting such transfer of any tax, fee or governmental charge required to be paid with respect to such transfer. The costs imposed by the Registrar for such transfer shall be deemed to be a Cost of the Project to be borne by the County.

Section 10: REGISTRAR

The Treasurer is hereby appointed as Registrar, paying agent, and transfer agent with respect to the Warrants, subject to the following terms and conditions:

A. The Registrar shall keep, or cause to be kept, at his/her principal office, sufficient books for the registration and transfer of the Warrants (the "Warrant Register"), in which shall be maintained the name and address of the Registered Owner of the Warrants.

B. The Registrar is authorized, on behalf of the County, to register and deliver any Warrant issued or transferred in accordance with the provisions of such Warrant and this Ordinance, and to carry out all of the Registrar's powers and duties under this Ordinance.

C. The Registrar shall be responsible for his/her representations contained in the Registration Certificate on the Warrants.

D. The County hereby adopts as its system of registration the system of registration set forth herein.

Section 11: WARRANT FUND

There is hereby created, and shall be maintained by the Treasurer, a fund known as the "Bonneville County Warrant Fund" (the "Warrant Fund") which shall be drawn upon for the sole purpose of paying the principal of and interest on the Warrants. Money on deposit in the Warrant Fund not immediately needed to pay such interest or principal may be temporarily deposited in such institutions or invested in any obligations which are legal investment for County funds. Any interest earnings from the investment of such money shall be deposited into the Warrant Fund.

The County hereby covenants that it will issue the Bonds, additional bond anticipation warrants or a combination thereof, which will provide proceeds sufficient, together with assessments, if any, to pay the principal of and interest on the Warrants.

The County further covenants that simultaneously with the receipt of the proceeds of sale of the Bonds, it will pay into the Warrant Fund moneys sufficient to pay the principal

of and interest on the Warrants then outstanding to the date of their maturity or prior redemption.

All grants, if any, received by the County for the Project, and the proceeds of sale of the Bonds issued to pay a portion of the Costs of the Project, shall be paid into the Warrant Fund to the extent necessary (together with other available funds) to pay and redeem the Warrants. When the Warrants and interest accrued thereon have been paid in full, any balance in the Warrant Fund shall be deposited into the Construction Fund to pay the cost of additional Improvements to the System.

**Section 12: PLEDGE OF BOND PROCEEDS: LIMITATION OF LIABILITY**

The County hereby covenants with the Registered Owner of the Warrants that it will issue Bonds in the amount of the confirmed assessment roll for LID No. 7, less the prepayment of assessments as authorized by law, and further pledges the first proceeds of said prepayments of assessments and of the Bonds to payment of the Warrant.

The Warrant shall not constitute an indebtedness of the County within the meaning of any State Constitutional provision or statutory limitation, nor a charge against the general credit or taxing power of the County, and except as otherwise permitted in this Ordinance, the Registered Owner of the Warrants shall have no claim against the County, its funds, or property.

**Section 13: CONSTRUCTION FUND**

There is hereby created, and shall be maintained by the Treasurer, a fund known as the "Bonneville County Construction Fund" (herein called the "Construction Fund"), into which shall be deposited all of the proceeds of the sale of the Warrants, to be used for the payment of part of the Cost of the Project. Any interest earnings on moneys invested from the Construction Fund shall be deposited into said Construction Fund. The County's share of any liquidated damages or other moneys paid by defaulting contractors or their sureties shall be deposited into the Construction Fund to assure the completion of the Project.

When the Project has been completed and all Costs of the Project have been paid in full, any balance remaining in the

Construction Fund shall be deposited into the Warrant Fund, heretofore described, or, if the Warrants have been fully paid, shall be deposited in the Bond Fund to be created hereafter.

Section 14: PROVISION FOR DEFEASANCE OF THE WARRANTS

In the event that money and/or direct obligations of, or obligations guaranteed by the United States (hereinafter referred to as "government obligations") as provided by Section 57-504, Idaho Code, as it now reads or is hereafter amended, maturing or having guaranteed redemption prices, at such time or times and bearing interest to be earned thereon in such amounts as are sufficient (together with any resulting cash balances) to redeem and retire part or all of the Warrants in accordance with their terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, then no further payments need be made into the Warrant Fund for the payment of the principal of and interest on the Warrants so provided for and such Warrants shall then cease to be entitled to any lien, benefit or security of this Ordinance, except the right to receive the funds so set aside and pledged, and such Warrants shall no longer be deemed to be outstanding hereunder.

Section 15: EXECUTION OF THE WARRANTS

Without unreasonable delay the County shall cause the Warrants to be prepared, executed and delivered, which Warrants shall be typed, lithographed or printed with steel engraved or lithographed borders. Each Warrant shall be executed on behalf of the County by the Chairman, countersigned by the Treasurer, shall be attested by the Clerk (all of which signatures shall be by manual signature), and shall have the seal of the County impressed thereon. Each Warrant shall be substantially in the form as set forth in Exhibit A attached hereto and made a part hereof.

The Warrants shall then be delivered to the Registrar for registration and delivery. Only such Warrants as shall bear thereon a Registration Certificate 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 Ordinance, and such Registration Certificate shall be conclusive evidence that the Warrants so registered have been duly executed and delivered hereunder and are entitled to the benefits of this Ordinance.

**Section 16: SALE OF WARRANTS**

The sale of the Warrants to West One Bank, Idaho, N.A., of Idaho Falls, Idaho, in accordance with its offer to purchase dated October 2, 1991, is hereby authorized and approved.

The proper officials of the County are hereby authorized and directed to do all things necessary for the prompt execution and delivery of the Warrants and for the proper use and application of the proceeds of sale thereof.

**Section 17: AMENDMENTS**

A. The Board, from time to time and at any time, may adopt an ordinance or ordinances supplemental hereto, which ordinance or ordinances hereafter shall become a part of this Ordinance, for any one or more or all of the following purposes:

(1) To add to the covenants and agreements of the County in this Ordinance, other covenants and agreements hereafter to be observed, which shall not adversely affect the interests of the Registered Owner of the Warrants, 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 Ordinance or any ordinance authorizing future warrants or warrants in regard to matters or questions arising under such ordinances as the Board may deem necessary or desirable and not inconsistent with such ordinances and which shall not adversely affect, in any material respect, the interest of the Registered Owner of the Warrants.

Any such supplemental ordinance may be adopted without the consent of the Registered Owner of the Warrants at any time outstanding, notwithstanding any of the provisions of subsection B of this Section.

B. With the consent of the Registered Owner, the Board may adopt an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Ordinance

or of any supplemental ordinance; provided, however, that no such supplemental ordinance shall:

(1) Extend the fixed maturity of the Warrants, or reduce the rate of interest thereon, or extend the time of payment of interest from their due dates, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the Registered Owners of the Warrants; or

(2) Delete the above requirement for the consent of the Registered Owner of the Warrants then outstanding before the approval of any such supplemental ordinance.

It shall not be necessary for the consent of Registered Owner under this subsection B to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

C. Upon the adoption of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the County under this Ordinance and the Registered Owner of Warrants 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 ordinance shall be deemed to be part of the terms and conditions of this Ordinance for any and all purposes.

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

#### Section 18: ARBITRAGE; SPECIAL TAX COVENANTS

The County hereby covenants that it will not make any use of the proceeds of sale of the Warrants or any other funds

of the County which may be deemed to be proceeds of said Warrants pursuant to Section 148 of the Code which will cause the Warrants to be "arbitrage bonds" within the meaning of said Section. The County will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Warrants) throughout the term of the Warrants.

The County hereby further covenants that it will comply with the registration requirements of Section 149(a) of the Code so long as any of the Warrants are outstanding.

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

**Section 19: WARRANTS DESIGNATED QUALIFIED  
TAX-EXEMPT OBLIGATIONS**

The County hereby designates the Warrants as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Code. The County does not expect to issue tax-exempt obligations in an aggregate principal amount in excess of \$10,000,000 during the calendar year 1991.

**Section 20: EXEMPTION FROM ARBITRAGE REBATE  
REQUIREMENTS**

The County hereby covenants and represents that it does not reasonably expect to issue more than \$5,000,000 in tax-exempt obligations during the 1991 calendar year. Accordingly, the County is not required to comply with the arbitrage rebate rules by virtue of Section 148(f)(4(C) of the Code.

**Section 21: PRIVATE PERSON USE LIMITATION**

The County hereby covenants that so long as the Warrants are outstanding, it will not permit the use of any Net Proceeds of the Warrants for any Private Person Use as determined under the Code.

The County 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 Warrants.

**Section 22: PRIVATE LOAN LIMITATION**

The County hereby covenants that so long as the Warrants are outstanding, it will not permit Warrant proceeds to be used in a manner which may be characterized as a loan to a Private Person.

**Section 23: FEDERAL GUARANTY PROHIBITION**

The County hereby covenants that so long as the Warrants are 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 Warrants to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

**Section 24: TAX COVENANTS; BOND COUNSEL OPINION**

The County hereby covenants that it will comply with the provisions of this Ordinance pertaining to the Code unless, in the written opinion of Preston, Thorgrimson, Shidler, Gates & Ellis, or other nationally recognized bond counsel to the County, such compliance is not required in order to maintain the exemption of the interest on the Warrants from federal income taxation.

**Section 25: SEVERABILITY**

If any one or more of the covenants or agreements provided in this Ordinance to be performed on the part of the County 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 Ordinance and shall in no way affect the validity of the other provisions of this Ordinance or of the Warrants.

Section 26: ORDINANCE A CONTRACT

The provisions of this Ordinance shall constitute a contract between the County and the Registered Owner so long as the Warrants hereby authorized remain unpaid.

Section 27: RATIFICATION

All actions (not inconsistent with the provisions of this Ordinance) heretofore taken by the Board, and its employees, with respect to the Acquisition of the Improvements, and the issuance, sale and delivery of the Warrants, are hereby in all respects ratified, approved, and confirmed.

Section 28: REPEALER

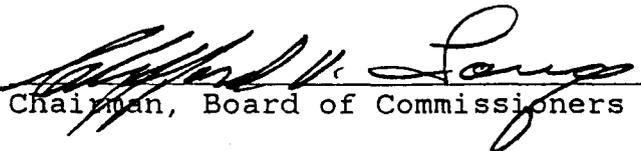
All resolutions, ordinances, or parts thereof in conflict herewith, to the extent of such conflict, are hereby repealed.

Section 29: EFFECTIVE DATE

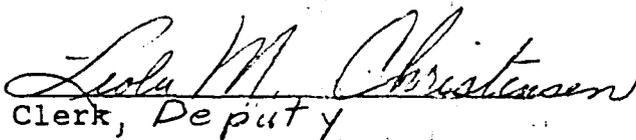
This Ordinance shall be effective from and after publication of a summary of this Ordinance pursuant to Idaho Code 31-715A.

PASSED AND ADOPTED this 8th day of November, 1991.

BONNEVILLE COUNTY, IDAHO

  
Chairman, Board of Commissioners

ATTEST:

  
Clerk, Deputy

(SEAL)

CERTIFICATION

I, the undersigned Clerk of the Board of Commissioners of Bonneville County, Idaho, HEREBY CERTIFY that the foregoing Ordinance is a full, true, and correct copy of an Ordinance duly adopted at a regular meeting of the Board of said County, duly and regularly held at the regular meeting place thereof on November 8, 1991 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 Ordinance was adopted by the following vote:

AYES, and in favor thereof, Commissioners:

Clifford Long  
Clyde Burtenshaw  
Edith Stanger

NOES, Commissioners:

None

ABSENT, Commissioners:

None

ABSTAIN, Commissioners:

None

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 County on November 8, 1991.

  
Deputy Clerk and Secretary to the  
Board of Commissioners

(SEAL)

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REGISTERED  
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REGISTERED  
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UNITED STATES OF AMERICA  
STATE OF IDAHO

BONNEVILLE COUNTY  
LOCAL IMPROVEMENT DISTRICT NO. 7 INTERIM WARRANT

(The County has Designated the Warrants of this Series  
as "Qualified Tax-Exempt Obligations")

The County Commissioners of Bonneville County, Idaho, acknowledges itself to owe, and for value received, promises to pay from the "Bonneville County Warrant Fund" (the "Warrant Fund"), created by Ordinance No. 156-91 (the "Warrant Ordinance"), adopted on November 8, 1991, to

WEST ONE BANK, IDAHO, N.A.

or registered assigns, on the maturity date specified above, the principal sum of

DOLLARS

and to pay interest thereon from the aforesaid Warrant Fund from the date hereof, or the most recent date to which interest has been paid or duly provided for, at the rate of six and thirty-five hundredths percent (6.35%), payable on the date of maturity or prior redemption of this Warrant. Interest shall be calculated on the basis of a 365-day year. Capitalized terms used herein shall have the meanings given to them by the Warrant Ordinance.

Both principal of and interest on this Warrant are payable in immediately available lawful money of the United States of America to the Registered Owner hereof whose name and address appear on the Warrant Register maintained by the Registrar, upon presentment and surrender of this Warrant on or after the date of maturity or prior redemption at the principal office of the Registrar.

Reference is hereby made to the Additional Provisions of this Warrant set forth on the reverse side hereof and such Additional Provisions shall for all purposes have the same effect as if set forth in this space.

This Warrant shall not become obligatory for any purpose or be entitled to any security or benefit under the Warrant Ordinance until the Registration Certificate hereon shall have been manually signed by the Registrar.

IT IS HEREBY CERTIFIED AND DECLARED that this Warrant is issued pursuant to and in strict compliance with the Constitution and laws of the State of Idaho and resolutions and ordinances of the County, specifically the Warrant Ordinance, and that all acts, conditions and things required to be done precedent to and in the issuance of this Warrant have happened, been done and performed.

IN WITNESS WHEREOF, the Board of Commissioners' of Bonneville County has caused this Warrant to be executed by the manual signature of its Chairman, countersigned by the manual signature of its Treasurer, and attested by the manual signature of its Clerk, with the official seal of the County impressed hereon this 8th day of November, 1991.

BONNEVILLE COUNTY, IDAHO

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Treasurer

ATTEST:

\_\_\_\_\_  
Clerk

(SEAL)

## ADDITIONAL PROVISIONS

The Warrants are issued pursuant to and in full compliance with the Constitution and laws of the State of Idaho, particularly Idaho Code Section \_\_\_\_\_, and also pursuant to all proceedings duly adopted and authorized by the Board, more particularly the Warrant Ordinance. Capitalized terms used herein shall have the meanings given to them by the Warrant Ordinance.

This Warrant is subject to call or redemption prior to its fixed date of maturity at the price of par, plus accrued interest, if any, to the date of redemption. Notice of any such redemption shall be mailed by first-class mail, postage prepaid, at least ten (10) days prior to the redemption date, to the Registered Owner of the Warrant at its address appearing on the Warrant Register.

The Warrants are issued by the County in the aggregate principal amount of not to exceed \$245,000 in anticipation of the issuance of local improvement district bonds to be designated "Bonneville County Local Improvement District No. 7 Bonds" (the "Bonds"), and said Bond proceeds have been irrevocably pledged to the payment of the principal of and interest on this Warrant and the Warrants of this series.

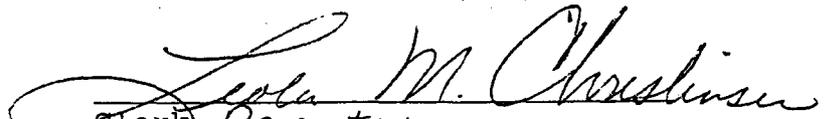
To provide for the payment of the Warrants, the County has created the Warrant Fund, into which shall be deposited the first proceeds of the Bonds, and which shall be drawn upon for the sole purpose of paying the principal of and interest on the Warrants.

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

LEGAL OPINION

I, the undersigned Clerk of the Board of County Commissioners of Bonneville County, Idaho, DO HEREBY CERTIFY that the legal opinion of Preston, Thorgrimson, Shidler, Gates & Ellis, of Spokane, Washington, which opinion was dated the date of delivery of and payment for the Warrants described therein, was delivered to me on said date, and is now part of the permanent records of the County.

BONNEVILLE COUNTY, IDAHO

  
Clerk, Deputy

1357W/WJABC