

ORDINANCE NO. 876

AN ORDINANCE of the City of Payette, Idaho, authorizing the issuance of \$875,000 principal amount of general obligation refunding bonds of the city for the purpose of providing part of the funds necessary to refund certain of the city's outstanding general obligation bonds; authorizing the purchase of certain obligations with the proceeds of the sale of such refunding bonds and certain additional funds of the city and for the use and application of the moneys to be derived from such investments; providing for the redemption of the outstanding bonds to be refunded; providing the date, form, terms, maturities and covenants of said refunding bonds to be issued and for unlimited tax levies to pay the principal thereof and interest thereon; and confirming the sale thereof.

WHEREAS, the City of Payette, Idaho, (hereinafter called the "City"), now has outstanding its general obligation bonds in the aggregate principal amount of \$180,000, issued under date of July 1, 1972 (hereinafter called the "1972 Bonds"), which Bonds mature July 1 in each of the following years in the following amounts and bear interest as follows:

Years	Amounts	Interest Rates	Years	Amounts	Interest Rates
1978	\$10,000	4.50%	1986	\$10,000	5.25%
1979	10,000	4.50%	1987	15,000	5.25%
1980	10,000	4.50%	1988	15,000	5.50%
1981	10,000	5.00%	1989	15,000	5.50%
1982	10,000	5.00%	1990	15,000	5.50%
1983	10,000	5.00%	1991	15,000	5.50%
1984	10,000	5.00%	1992	15,000	5.50%
1985	10,000	5.25%			

WHEREAS, the City now has outstanding its general obligation bonds in the aggregate principal amount of \$215,000, issued under date of April 1, 1974 (hereinafter called the "1974 Bonds"), which Bonds mature April 1 in each of the following years in the following amounts and bear interest as follows:

Years	Amounts	Interest Rates	Years	Amounts	Interest Rates
1978	\$ 5,000	5.75%	1987	\$15,000	5.25%
1979	5,000	5.75%	1988	15,000	5.50%
1980	10,000	5.25%	1989	15,000	5.50%
1981	10,000	5.25%	1990	15,000	5.50%
1982	10,000	5.25%	1991	15,000	5.50%
1983	10,000	5.25%	1992	15,000	5.50%
1984	10,000	5.25%	1993	20,000	5.50%
1985	10,000	5.25%	1994	20,000	5.50%
1986	15,000	5.25%			

WHEREAS, the City now has outstanding its general obligation bonds in the aggregate principal amount of \$505,000, issued under date of September 1, 1976 (hereinafter called the "1976 Bonds"), which Bonds mature on September 1 in each of the following years in the following amounts and bear interest as follows:

Years	Amounts	Interest Rates	Years	Amounts	Interest Rates
1978	\$10,000	7.25%	1990	\$20,000	6.30%
1979	10,000	7.25%	1991	20,000	6.30%
1980	10,000	7.25%	1992	25,000	6.30%
1981	10,000	7.25%	1993	25,000	6.30%
1982	10,000	6.50%	1994	25,000	6.40%
1983	15,000	6.50%	1995	25,000	6.40%
1984	15,000	6.50%	1996	30,000	6.40%
1985	15,000	6.50%	1997	30,000	6.45%
1986	15,000	6.30%	1998	35,000	6.45%
1987	15,000	6.30%	1999	35,000	6.50%
1988	15,000	6.30%	2000	35,000	6.50%
1989	20,000	6.30%	2001	40,000	6.50%

WHEREAS, the proceedings of the City Council of the City authorizing the issuance of the 1974 and 1976 Bonds provide that the City may call such bonds for redemption on the dates and at the prices contained in such proceedings; and

WHEREAS, after due consideration it appears to this Council that the 1972, 1974 and 1976 Bonds (herein together called the "Outstanding Bonds") may be refunded by the issuance and sale of the general obligation refunding bonds of the City authorized herein (hereinafter called the "Refunding Bonds") so that a substantial savings to the City and its taxpayers will be effected by the issuance of the Refunding Bonds and the redemption of the 1974 Bonds on October 1, 1992 at 101% and the redemption of the 1976 Bonds on September 1, 1991 at 102%; and

WHEREAS, in order to effect such refunding in the manner that will be most advantageous to the City and its taxpayers, it is hereby found necessary and advisable that certain "Acquired Obligations" (hereinafter identified) bearing interest and maturing at such time or times as necessary to pay the principal of and interest on the Outstanding Bonds as the same shall become due

and to so redeem and retire the Outstanding Bonds be purchased out of the proceeds of sale of the Refunding Bonds and certain available funds of the City;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Payette, Idaho, as follows:

Section 1. For the purpose of refunding the Outstanding Bonds and thereby to effect a savings to the City and its taxpayers, the City shall issue the Refunding Bonds in the aggregate principal amount of \$875,000.

The Refunding Bonds shall be dated March 1, 1978, shall be in the denomination of \$5,000 each, shall bear interest payable semiannually on the first days of March and September of each year (commencing September 1, 1978) as evidenced by coupons to be attached thereto, and shall be numbered and mature on September 1 of each year as follows:

<u>Bond Nos.</u>	<u>Maturity Years</u>	<u>Amounts</u>	<u>Interest Rates</u>
1-3	1978	\$ 15,000	5.75%
4-7	1979	20,000	5.75%
8-11	1980	20,000	5.75%
12-16	1981	25,000	5.75%
17-21	1982	25,000	5.75%
22-27	1983	30,000	5.75%
28-33	1984	30,000	5.75%
34-40	1985	35,000	5.75%
41-54	1986	70,000	5.75%
55-70	1987	80,000	5.75%
71-87	1988	85,000	5.10%
88-104	1989	85,000	5.20%
105-122	1990	90,000	5.30%
123-141	1991	95,000	5.40%
142-161	1992	100,000	5.50%
162-175	1993	70,000	5.60%

Both principal of and interest on the Refunding Bonds shall be payable in lawful money of the United States of America at the Idaho First National Bank, Payette, Idaho.

It is hereby determined that the maturity schedule herein set forth is to the best advantage of the City.

Section 2. The City hereby reserves the right to redeem the outstanding bonds of this issue maturing after September 1, 1988 in whole, or in part in inverse numerical order, on September 1,

1988 or on any interest payment date thereafter at par, plus accrued interest to the date of redemption. Notice of any such intended redemption shall be given by one publication thereof in a newspaper of general circulation within the City not more than 40 nor less than 30 days prior to such redemption date. Interest on any Refunding Bonds or Bonds so called for redemption shall cease on such redemption date unless the same are not redeemed upon presentation made pursuant to such call.

In addition to such publication the City shall also mail notice of any such intended redemption to Standard & Poor's Corporation and Moody's Investors Service, Inc., New York, New York, or to their business successors, if any. The mailing of such notice shall not, however, be a condition precedent to the call of any of the Refunding Bonds for redemption, and failure to give such notice shall not affect the right of the City to redeem the Bonds called for redemption in the manner set forth in the preceding paragraph.

Section 3. The Refunding Bonds shall be in substantially the following form:

NO. _____ \$ _____

UNITED STATES OF AMERICA

STATE OF IDAHO

PAYETTE, IDAHO

GENERAL OBLIGATION REFUNDING BOND, 1978

The City of Payette, Idaho (hereinafter called the "City"), hereby acknowledges itself to owe and for value received promises to pay to bearer on the FIRST DAY OF SEPTEMBER, 19__, the principal amount of

FIVE THOUSAND DOLLARS

together with interest thereon at the rate of _____ % per annum payable on September 1, 1978 and semiannually thereafter on March 1 and September 1 of each year upon presentation and surrender of the attached interest coupons as they severally become due. Both principal of and interest on this bond are payable in lawful money of the United States of America at the Idaho First National Bank, Payette, Idaho.

The City has reserved the right to redeem the outstanding bonds of this issue maturing after September 1, 1988 in whole, or in part in inverse numerical order, on September 1, 1988 or on any interest payment date thereafter at par, plus accrued interest to the date of redemption. Notice of any such intended redemption shall be given by one publication thereof in a newspaper of general circulation within the City not more than 40 nor less than 30 days prior to such redemption date. Interest on any bond or bonds so called for redemption shall cease on such redemption date unless the same are not redeemed upon presentation made pursuant to such call.

This bond is one of an issue of 175 bonds of like amount, date and tenor except as to number, rate of interest and date of maturity in the aggregate principal amount of \$875,000 which bonds are issued for the purpose of providing part of the moneys necessary to refund certain outstanding general obligation bonds of the City.

The bonds of this refunding issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Idaho, including Chapter 10 of Title 50, Idaho Code, and Chapters 2 and 5 of Title 57, Idaho Code.

The City hereby irrevocably covenants that it will levy taxes annually in amounts sufficient, together with other funds on hand and available for such purpose, to pay the principal of and interest on the bonds of this issue as the same shall become due. The full faith, credit and all taxable property within the City are and shall continue pledged for and until the full payment of such principal and interest.

It is hereby certified that all acts, conditions and things required to be done precedent to and in the issuance of this bond have happened, been done and performed and that the total indebtedness of the City, including this bond and the bonds of this issue, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Payette, Idaho, has caused this bond to be signed with the facsimile signature of the Mayor, to be countersigned by the facsimile signature of the Treasurer, to be attested by the manual signature of the City Clerk, the facsimile seal of the City to be printed hereon, and the interest coupons attached hereto to be signed with the facsimile signature of said Treasurer this 1st day of March, 1978.

CITY OF PAYETTE, IDAHO

By _____
Mayor

ATTEST:

By _____
City Clerk

COUNTERSIGNED:

By _____
City Treasurer

The interest coupons attached to the Refunding Bonds shall be in substantially the following form:

NO. _____ \$ _____

On the _____ day of _____, 19____, unless the hereinafter mentioned bond is then callable and has been duly called for redemption and provision for redemption duly made, the City of Payette, Idaho, for value received will pay to bearer the amount shown hereon in lawful money of the United States of America, at the Idaho First National Bank in Payette, Idaho, being the interest then due on its General Obligation Refunding Bond, 1978, dated March 1, 1978, and numbered _____.

City Treasurer

The Refunding Bonds shall have the following certificate endorsed on the back thereof:

We, the undersigned City Clerk and City Treasurer of the City of Payette, Idaho, do hereby certify that the within bond has been duly registered in permanent public record books kept in our respective offices for the purpose of such registration, in full compliance with the provisions of Chapter 2, Title 57, Idaho Code, and laws amendatory thereof, such registration showing the number, date, amount of the bond, rate of interest thereon, date of maturity, place of payment and the number and denomination of the attached coupons, and the names of the purchasers and date of the delivery of the bond.

City Treasurer

City Clerk

Section 4. The Refunding Bonds shall be signed in the corporate name of the City with the facsimile signature of the Mayor, countersigned with the facsimile signature of the City Treasurer, and attested with the manual signature of the Clerk, and the facsimile seal of the City shall be printed thereon. Each of the interest coupons attached thereto shall be signed with the facsimile signature of the City Treasurer.

Until the definitive Refunding Bonds are prepared, the City may utilize a temporary Refunding Bond which shall be typewritten,

and which shall be delivered to the Refunding Bond purchaser or purchasers in lieu of definitive Refunding Bonds, but subject to the same provisions, limitations and conditions as the definitive Refunding Bonds. The temporary Refunding Bond shall be dated as of the date of the Refunding Bonds, shall be in the denomination of \$875,000, shall be numbered T-1, shall be substantially in the tenor of such definitive Refunding Bonds, but with such omissions, insertions and variations as may be appropriate to temporary bonds, shall be issued without coupons, and shall be signed by the Mayor, Treasurer and Clerk.

Section 5. The City hereby irrevocably covenants that for as long as any of the Refunding Bonds are outstanding it will make annual levies of ad valorem taxes in addition to all other taxes and without limitation as to rate or amount upon all the property within the District subject to taxation which will be sufficient in amount to pay the principal of and interest on the Refunding Bonds as the same shall become due, to-wit:

<u>Tax Collection Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1978	\$ 15,000	\$ 24,100.00	\$ 39,100.00
1979	20,000	47,337.50	67,377.50
1980	20,000	46,187.50	66,187.50
1981	25,000	45,037.50	70,037.50
1982	25,000	43,600.00	68,600.00
1983	30,000	42,162.50	72,162.50
1984	30,000	40,437.50	70,437.50
1985	35,000	38,712.50	73,712.50
1986	70,000	36,700.00	106,700.00
1987	80,000	32,675.00	112,675.00
1988	85,000	28,075.00	113,075.00
1989	85,000	23,740.00	108,740.00
1990	90,000	19,320.00	109,320.00
1991	95,000	14,550.00	109,550.00
1992	100,000	9,420.00	109,420.00
1993	70,000	3,920.00	73,920.00

It is hereby found and determined that funds are on hand, available and have been set aside in an amount which, with 1978 taxes ^{TO BE} ~~previously~~ levied and ~~xxx~~ collected are sufficient to pay the principal and interest coming due on the Refunding Bonds in 1978.

Said taxes in 1979 and each of the years thereafter in which the Refunding Bonds remain outstanding shall be and hereby are certified to the Board of County Commissioners of Payette County as being the taxes necessary to be levied on all of the taxable property in the City for the purpose of paying the principal of and interest on the Refunding Bonds as the same shall become due. Said taxes when collected shall be placed in a separate fund and shall be used for no other purpose than for the payment of the principal of and interest on the Refunding Bonds, so long as any of the Refunding Bonds remain outstanding and unpaid. It is specifically provided, however, that the City may pay the interest on or principal of all or any portion of the refunding bonds from any other funds or revenues of the City available for that purpose, provided that before the above-described taxes may be diminished in any year the funds or revenues from which such interest or principal is to be paid are available and have been irrevocably set aside for such purpose. Principal or interest falling due at any time when the proceeds of the tax levies herein certified may not be available shall be paid from other funds of the City and shall be reimbursed from the proceeds of such taxes when collected. The full faith, credit and all taxable property within the City are hereby irrevocably pledged for the annual levy and collection of such taxes and for the full payment of such principal and interest.

Section 6. There is hereby created an account known as the "1978 Advance Refunding Account" which Account is to be drawn upon for the sole purpose of paying the principal of and interest on the Outstanding Bonds and to pay the costs of the City incurred in connection with the issuance of the Refunding Bonds and the payment of the Outstanding Bonds.

The proceeds of sale of the Refunding Bonds (exclusive of accrued interest thereon, if any, shall be paid into the Bond

Redemption Fund for the Refunding Bonds) including the premium paid thereon, shall be credited to such 1978 Advance Refunding Account. The City shall also pay into the 1978 Advance Refunding Account from available funds on hand an amount equal to the interest and principal payable on the Outstanding Bonds on the respective next payment dates together with such additional surplus funds of the City as are necessary to purchase the Acquired Obligations.

Moneys in the 1978 Advance Refunding Account shall be used immediately upon receipt thereof to discharge the obligations of the City under the ordinances authorizing the issuance of the Outstanding Bonds, by providing for the payment of the principal of and interest thereon as hereinafter set forth in this section. The City shall discharge such obligations by the use of moneys in the 1978 Advance Refunding Account to purchase certain direct obligations of the United States Government listed on Schedule A-1 attached hereto and incorporated by reference herein (which obligations so listed are herein called "Acquired Obligations"), bearing such interest and maturing as to principal and interest in such amounts and at such times, which, together with any necessary beginning cash balance, will provide for the payment of:

- a. the principal of and interest on the 1972 Bonds as the same shall become due.
- b. the interest on and principal of the 1974 Bonds which will become due and payable on or before October 1, 1992.
- c. the redemption price (101%) payable on October 1, 1992, for the 1974 Bonds maturing after such date.
- d. the interest on and principal of the 1976 Bonds which will become due and payable on or before September 1, 1991.
- e. the redemption price (102%) payable on September 1, 1991, for the 1976 Bonds maturing after such date.

Such Acquired Obligations shall be purchased at a yield not greater than the yield on the Refunding Bonds, provided however,

that non-bond proceeds may be used to acquire Acquired Obligations at the current market price.

Such beginning cash balance and Acquired Obligations shall be irrevocably deposited with Idaho First National Bank, Boise, Idaho (hereinafter called the "Refunding Agent"). Any amounts described in subparagraphs (a) through (e) of this section which are not provided for in full by such beginning cash balance and the purchase and deposit of the Acquired Obligations described in this section shall be provided for by the irrevocable deposit of the necessary amount out of the proceeds of sale of the Refunding Bonds or any other moneys of the City legally available therefor with the aforesaid Refunding Agent. The proceeds of the Refunding Bonds remaining in the 1978 Advance Refunding Account after acquisition of the Acquired Obligations and provision of necessary beginning cash balance shall be utilized to pay expenses of the issuance of the Refunding Bonds. The City may from time to time transfer, or cause to be transferred, from the 1978 Advance Refunding Account any moneys not thereafter required for the purposes set forth in (a) through (e) above or for the payment of expenses. The City reserves the right to substitute other securities for the Acquired Obligations in the event it may do so pursuant to Section 103(c)(2) of the Internal Revenue Code and applicable regulations thereunder, upon compliance with the following conditions:

(1) Such substitution is accomplished pursuant to ordinance of the City, which may be adopted either prior or subsequent to the delivery of the Refunding Bonds.

(2) The securities to be substituted are direct obligations of the United States Government and will not cause the Outstanding Bonds to be given a lesser rating by Moody's Investors Service, Inc.

(3) Such securities bear such interest and mature at such times and in such amounts as to fully replace the

Acquired Obligations for which they are substituted, and to provide, together with Acquired Obligations and cash remaining, for the payment of the amounts hereinbefore specified.

Section 7. The City hereby irrevocably calls for redemption on October 1, 1992, the 1974 Bonds maturing after such date in accordance with the provisions of the Ordinance of the City authorizing the redemption and retirement of the 1974 Bonds prior to their fixed maturities.

The City hereby irrevocably calls for redemption on September 1, 1991, the 1976 Bonds maturing after such date in accordance with the provisions of the Ordinance of the City authorizing the redemption and retirement of the 1976 Bonds prior to their fixed maturities.

Said calls for redemption shall be irrevocable after the delivery of the Refunding Bonds to the initial purchasers thereof.

The Refunding Agent is hereby authorized and directed to provide for the giving of notice of the redemption of the 1974 and 1976 Bonds in accordance with the applicable provisions of said ordinances. The Treasurer is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notice therefor.

The Refunding Agent is hereby authorized and directed to pay to the Treasurer, or, at the direction of the Treasurer, to the paying agent for the Outstanding Bonds, sums sufficient to pay, when due, the payments specified in subparagraphs (a) through (e) of Section 6 of this Ordinance. All such sums shall be paid from the moneys and Acquired Obligations deposited with said Refunding Agent pursuant to the previous section of this Ordinance, and the income therefrom and proceeds thereof. All such sums so paid to said Treasurer shall be credited to the 1978 Advance Refunding Account. All moneys and Acquired Obligations deposited with said bank and any income therefrom shall be held, invested (but only at the direction of the Treasurer) and applied in accordance with

the provisions of this Ordinance and with the laws of the State of Idaho for the benefit of the City and holders of the Outstanding Bonds.

The City shall take such actions as are found necessary to see that all necessary and proper fees, compensation and expenses of the Refunding Agent for the Outstanding Bonds shall be paid when due. The proper officers and agents of the City are directed to obtain from the Refunding Agent an agreement setting forth the duties, obligations and responsibilities of the Refunding Agent in connection with the redemption and retirement of the Outstanding Bonds as provided herein and stating that such provisions for the payment of the fees, compensation and expenses of such Refunding Agent are satisfactory to it.

In order to carry out the purposes of the preceding section of this Ordinance and this section, the Mayor and Clerk of the City are authorized and directed to execute and deliver to the Idaho First National Bank, Boise, Idaho, a copy of such agreement when the provisions thereof have been fixed and determined. Such agreement, when finally executed, shall be marked "Exhibit A," shall be attached to this Ordinance and by this reference thereto is hereby made a part of this Ordinance. The Refunding Agent is authorized to receive the proceeds of the sale of the Refunding Bonds and to apply them on behalf of the City for the purposes herein described.

Section 8. The City hereby covenants that it will not make any use of the proceeds of sale of the Refunding Bonds or any other funds of the City which may be deemed to be proceeds of such Refunding Bonds pursuant to Section 103(c) of the Internal Revenue Code and the applicable Regulations thereunder which, if such use had been reasonably expected on the date of delivery of the Refunding Bonds to the initial purchasers thereof, would have caused the Refunding Bonds to be "arbitrage Bonds" within the

meaning of said section and said Regulations. The City will comply with the requirements of subsection (c) of Section 103 of the Internal Revenue Code and the applicable Regulations thereunder.

The Council hereby finds and determines that the issuance and sale of the Refunding Bonds at this time will effect a saving to the City and its taxpayers.

This Council further finds and determines that the moneys and Acquired Obligations to be deposited with the Refunding Agent for the Outstanding Bonds in accordance with Section 6 of this Ordinance will discharge and satisfy the obligations of the City under the ordinances authorizing the issuance of the Outstanding Bonds and the pledges, charges, trusts, covenants and agreements of the City therein made or provided for as to said Outstanding Bonds.

Section 9. The action of the Council of the City heretofore taken on February 21, 1978 in entering into the contract attached hereto as Exhibit B, with Foster & Marshall Inc., to purchase the Refunding Bonds at the price specified therein, plus accrued interest, if any, and under the terms and conditions thereof as provided in said contract and in this Ordinance is hereby in all respects authorized, approved, ratified and confirmed.

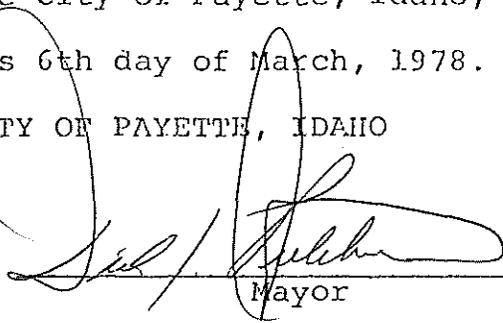
The proper City officials are hereby authorized and directed to do everything necessary for the prompt execution and delivery of the Refunding Bonds to said purchaser and for the proper application and use of the proceeds of sale thereof.

Section 10. If any one or more of the covenants or agreements provided in this Ordinance to be performed on the part of the City 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 agreement in this Ordinance and shall in no way affect the validity of the other provisions of this Ordinance or of the Bonds.

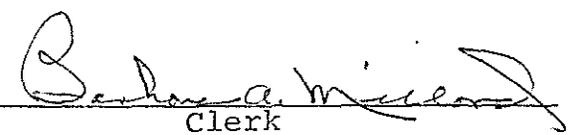
Section 11. This Ordinance shall become effective upon its passage and publication as provided by law.

PASSED by the Council of the City of Payette, Idaho, at a regular meeting thereof held this 6th day of March, 1978.

CITY OF PAYETTE, IDAHO

By  Mayor

ATTEST:

By  Clerk

SCHEDULE A-1

SECURITY CPN	KAT DATE	PAR AMOUNT	PRICE	PRINCIPAL	ACC INT	TOTAL COST	CPN INT	
*TBOND	7.250%	8/15/92	40,000.00	92.625	37,050.00	290.00	37,340.00	42,050.00
BE	7.500%	7/01/92	14,900.00	100.000	14,900.00	0.00	14,900.00	15,959.88
BE	7.500%	4/01/92	14,300.00	100.000	14,300.00	0.00	14,300.00	15,047.41
BE	6.250%	9/01/91	330,800.00	100.000	330,800.00	0.00	330,800.00	277,983.33
BE	7.000%	7/01/91	14,700.00	100.000	14,700.00	0.00	14,700.00	13,666.94
BE	7.000%	4/01/91	14,300.00	100.000	14,300.00	0.00	14,300.00	13,043.25
BE	7.000%	9/01/90	8,700.00	100.000	8,700.00	0.00	8,700.00	7,579.40
*TBOND	8.250%	5/15/90	25,000.00	101.281	25,320.31	721.87	26,042.19	25,781.25
BE	5.500%	4/01/90	14,300.00	100.000	14,300.00	0.00	14,300.00	9,461.77
BE	5.500%	9/01/89	20,000.00	100.000	20,000.00	0.00	20,000.00	12,590.22
BE	5.500%	7/01/89	14,100.00	100.000	14,100.00	0.00	14,100.00	8,749.01
BE	5.500%	4/01/89	14,200.00	100.000	14,200.00	0.00	14,200.00	8,614.60
BE	5.500%	9/01/88	15,000.00	100.000	15,000.00	0.00	15,000.00	8,617.66
BE	5.500%	7/01/88	14,200.00	100.000	14,200.00	0.00	14,200.00	8,030.06
BE	5.500%	4/01/88	14,200.00	100.000	14,200.00	0.00	14,200.00	7,833.60
BE	5.500%	9/01/87	15,200.00	100.000	15,200.00	0.00	15,200.00	7,896.57
BE	5.500%	7/01/87	14,100.00	100.000	14,100.00	0.00	14,100.00	7,198.01
BE	5.500%	4/01/87	14,300.00	100.000	14,300.00	0.00	14,300.00	7,102.27
BE	5.500%	9/01/86	15,200.00	100.000	15,200.00	0.00	15,200.00	7,060.57
BE	5.500%	7/01/86	9,200.00	100.000	9,200.00	0.00	9,200.00	4,190.57
BE	5.500%	4/01/86	14,400.00	100.000	14,400.00	0.00	14,400.00	6,359.93
BE	5.500%	9/01/85	15,200.00	100.000	15,200.00	0.00	15,200.00	6,224.57
BE	5.500%	7/01/85	9,200.00	100.000	9,200.00	0.00	9,200.00	3,684.57
BE	5.500%	4/01/85	9,500.00	100.000	9,500.00	0.00	9,500.00	3,673.29
BE	5.500%	9/01/84	15,300.00	100.000	15,300.00	0.00	15,300.00	5,424.02
BE	5.500%	7/01/84	9,200.00	100.000	9,200.00	0.00	9,200.00	3,178.57
BE	5.500%	4/01/84	9,500.00	100.000	9,500.00	0.00	9,500.00	3,150.79
BE	5.500%	9/01/83	15,400.00	100.000	15,400.00	0.00	15,400.00	4,612.47
BE	5.500%	7/01/83	9,200.00	100.000	9,200.00	0.00	9,200.00	2,672.57
BE	5.500%	4/01/83	9,600.00	100.000	9,600.00	0.00	9,600.00	2,655.96
BE	5.500%	9/01/82	10,400.00	100.000	10,400.00	0.00	10,400.00	2,542.91
BE	5.500%	7/01/82	9,200.00	100.000	9,200.00	0.00	9,200.00	2,166.57
BE	5.500%	4/01/82	9,600.00	100.000	9,600.00	0.00	9,600.00	2,127.96
BE	5.500%	9/01/81	10,500.00	100.000	10,500.00	0.00	10,500.00	1,989.86
BE	5.500%	7/01/81	9,200.00	100.000	9,200.00	0.00	9,200.00	1,660.57
BE	4.250%	9/01/80	20,600.00	100.000	20,600.00	0.00	20,600.00	2,141.17
BE	6.000%	7/01/80	9,100.00	100.000	9,100.00	0.00	9,100.00	1,245.85
BE	6.000%	4/01/80	9,800.00	100.000	9,800.00	0.00	9,800.00	1,193.77
BE	0.000%	9/01/79	11,000.00	100.000	11,000.00	0.00	11,000.00	0.00
BE	0.000%	7/01/79	9,400.00	100.000	9,400.00	0.00	9,400.00	0.00
BE	0.000%	4/01/79	5,500.00	100.000	5,500.00	0.00	5,500.00	0.00
BE	0.000%	10/01/78	1,300.00	100.000	1,300.00	0.00	1,300.00	0.00

EXHIBIT A
AGREEMENT

THIS AGREEMENT, made and entered into as of the 21st day of March, 1978 by and between the City of Payette, Idaho (the "City"), and Idaho First National Bank, Boise, Idaho (the "Refunding Agent");

W I T N E S S E T H:

Section 1. Recitals. The City has issued and sold the following general obligation bonds:

<u>Date of Issue</u>	<u>Herein Called</u>
July 1, 1972	1972 Bonds
April 1, 1974	1974 Bonds
September 1, 1976	1976 Bonds

Said outstanding general obligation bonds are herein together called "Outstanding Bonds". The City by Ordinance No. 876 adopted on the 6th day of March, 1978 (herein called the "Ordinance"), has determined to refund the Outstanding Bonds in accordance with the terms of said Ordinance.

Section 2. Provisions for Refunding the Outstanding Bonds.

To accomplish the refunding of the Outstanding Bonds the City, simultaneously with the delivery of the Refunding Bonds issued pursuant to the Ordinance, does hereby agree to irrevocably deposit with the Refunding Agent in trust for the security and benefit of the holders and owners of the Outstanding Bonds sufficient obligations or evidence thereof ("Acquired Obligations") as described in Schedule A-1 attached hereto, and any money, if necessary, to provide for the payment of:

- a. the principal of and interest on the 1972 bonds as the same shall become due;
- b. the interest on and principal of the 1974 Bonds which will become due and payable on or before October 1, 1992;

- c. the redemption price (101%) payable on October 1, 1992, for the 1974 Bonds maturing after such date;
- d. the interest on and principal of the 1976 Bonds which will become due and payable on or before September 1, 1991;
- e. the redemption price (102%) payable on September 1, 1991, for the 1976 Bonds maturing after such date.

Such Acquired Obligations shall be paid for out of the proceeds of sale of the Refunding Bonds, and out of other monies now on hand and available for such purpose.

On or before the delivery of the Refunding Bonds to the initial purchasers thereof the City agrees that it will cause to be delivered to the Refunding Agent statements setting forth the maturity schedules of the Outstanding Bonds by number, amount, date of maturity and interest rates, the amount of interest to be paid on each semiannual interest payment date, the amount of principal to be paid on each annual principal payment date and the amount of the principal to be paid on the dates that the remaining Outstanding Bonds are to be redeemed.

The City by the Ordinance has irrevocably called the 1974 Bonds and the 1976 Bonds for redemption and prepayment. Said calls for redemption and prepayment shall be irrevocable upon the delivery of the Refunding Bonds to the initial purchasers thereof. The Refunding Agent, in concert with the Treasurer of the City (the "Treasurer"), shall provide for publication and mailing of the proper notices of such redemption and prepayment in accordance with the provisions of the Ordinance.

Section 3. Disbursements by Refunding Agent. The Refunding Agent shall present for payment on the due dates thereof any Acquired Obligations so deposited with it and shall apply the

proceeds derived therefrom and the interest paid thereon in accordance with the provisions of the Ordinance and this agreement. Moneys shall, in a timely manner, be transferred by the Refunding Agent to the Treasurer or, at the direction of the Treasurer, to the paying agent for the Outstanding Bonds, in amounts sufficient for the payments specified in subsection (a) through (e) of Section 2 of this agreement.

Section 4. Custody and Safekeeping of Obligations. For as long as any of the Outstanding Bonds are outstanding, on or before the end of each month in which a payment of principal or interest on the Outstanding Bonds occurs, the Refunding Agent shall render a statement as of the last day of the preceding month to the Treasurer, which statement shall set forth the cash and Acquired Obligations held by the Refunding Agent, any of such Acquired Obligations which have matured and the amounts received by the Refunding Agent by reason of such maturity, the interest earned on any of such Acquired Obligations, a list of any investments or reinvestments made by the Refunding Agent in other obligations and the interest and/or principal derived therefrom, the amounts of cash delivered to the Treasurer and the dates of the use thereof for the payment of the principal of and interest on the Outstanding Bonds as the same shall become due and payable, and any other transactions of the Refunding Agent pertaining to its duties and obligations as set forth herein.

All Acquired Obligations, moneys and investment income deposited with or received by the Refunding Agent pursuant to this agreement shall be subject to the trust created by this agreement and the Ordinance, and the Refunding Agent shall be liable for the preservation and safekeeping thereof; provided, however, it shall not be responsible for any depreciation in value of any of the Acquired Obligations.

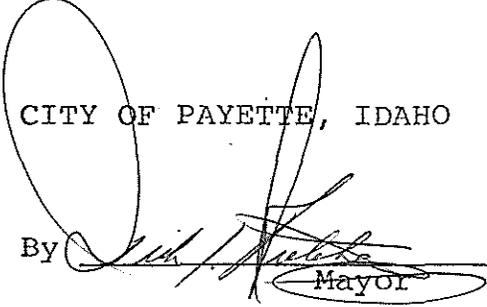
Section 5. Duties and Obligations of the Refunding Agent.

The duties and obligations of the Refunding Agent shall be as prescribed by the provisions of this agreement and the Ordinance and the Refunding Agent shall not be liable except for the performance of its duties and obligations as so specifically set forth and to act in good faith in the performance thereof, and no implied duties or obligations shall be incurred by the Refunding Agent other than those specified herein.

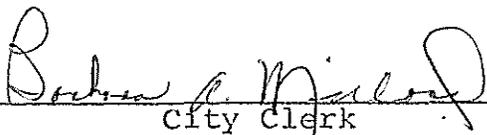
The Refunding Agent may consult with counsel of its choice, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or not taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

Section 6. Compensation of Refunding Agent. The arrangements heretofore made with Foster & Marshall Inc. for the payment of the fees, compensation and expenses of the Refunding Agent for services rendered by it pursuant to the provisions of this agreement are satisfactory to it.

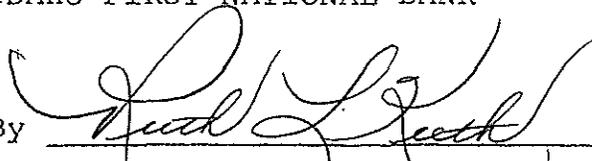
CITY OF PAYETTE, IDAHO

By  _____
Mayor

ATTEST:

By  _____
City Clerk

IDAHO FIRST NATIONAL BANK

By  _____
Asst. Vice Pres.
(Title)

SCHEDULE A-1

SECURITY	CPN	MAT DATE	PAR AMOUNT	\$ PRICE	PRINCIPAL	ACC INT	TOTAL COST	CPN INT
BOND	7.250%	8/15/92	40,000.00	92.625	37,050.00	290.00	37,340.00	42,050.00
SE	7.500%	7/01/92	14,900.00	100.000	14,900.00	0.00	14,900.00	15,959.00
SE	7.500%	4/01/92	14,300.00	100.000	14,300.00	0.00	14,300.00	15,047.41
SE	6.250%	9/01/91	330,800.00	100.000	330,800.00	0.00	330,800.00	277,983.86
SE	7.000%	7/01/91	14,700.00	100.000	14,700.00	0.00	14,700.00	13,666.94
SE	7.000%	4/01/91	14,300.00	100.000	14,300.00	0.00	14,300.00	13,043.25
SE	7.000%	9/01/90	8,700.00	100.000	8,700.00	0.00	8,700.00	7,579.40
BOND	8.250%	5/15/90	25,000.00	101.291	25,320.31	721.87	26,042.19	25,781.25
SE	5.500%	4/01/90	14,300.00	100.000	14,300.00	0.00	14,300.00	9,461.77
SE	5.500%	9/01/89	20,000.00	100.000	20,000.00	0.00	20,000.00	12,590.22
SE	5.500%	7/01/89	14,100.00	100.000	14,100.00	0.00	14,100.00	8,749.01
SE	5.500%	4/01/89	14,200.00	100.000	14,200.00	0.00	14,200.00	8,614.60
SE	5.500%	9/01/88	15,000.00	100.000	15,000.00	0.00	15,000.00	8,617.66
SE	5.500%	7/01/88	14,200.00	100.000	14,200.00	0.00	14,200.00	8,030.06
SE	5.500%	4/01/88	14,200.00	100.000	14,200.00	0.00	14,200.00	7,833.60
SE	5.500%	9/01/87	15,200.00	100.000	15,200.00	0.00	15,200.00	7,896.57
SE	5.500%	7/01/87	14,100.00	100.000	14,100.00	0.00	14,100.00	7,198.01
SE	5.500%	4/01/87	14,300.00	100.000	14,300.00	0.00	14,300.00	7,102.27
SE	5.500%	9/01/86	15,200.00	100.000	15,200.00	0.00	15,200.00	7,060.57
SE	5.500%	7/01/86	9,200.00	100.000	9,200.00	0.00	9,200.00	4,190.57
SE	5.500%	4/01/86	14,400.00	100.000	14,400.00	0.00	14,400.00	6,359.93
SE	5.500%	9/01/85	15,200.00	100.000	15,200.00	0.00	15,200.00	6,224.57
SE	5.500%	7/01/85	9,200.00	100.000	9,200.00	0.00	9,200.00	3,684.57
SE	5.500%	4/01/85	9,500.00	100.000	9,500.00	0.00	9,500.00	3,673.29
SE	5.500%	9/01/84	15,300.00	100.000	15,300.00	0.00	15,300.00	5,424.02
SE	5.500%	7/01/84	9,200.00	100.000	9,200.00	0.00	9,200.00	3,178.57
SE	5.500%	4/01/84	9,500.00	100.000	9,500.00	0.00	9,500.00	3,150.79
SE	5.500%	9/01/83	15,400.00	100.000	15,400.00	0.00	15,400.00	4,612.47
SE	5.500%	7/01/83	9,200.00	100.000	9,200.00	0.00	9,200.00	2,672.57
SE	5.500%	4/01/83	9,600.00	100.000	9,600.00	0.00	9,600.00	2,655.96
SE	5.500%	9/01/82	10,400.00	100.000	10,400.00	0.00	10,400.00	2,542.91
SE	5.500%	7/01/82	9,200.00	100.000	9,200.00	0.00	9,200.00	2,166.57
SE	5.500%	4/01/82	9,600.00	100.000	9,600.00	0.00	9,600.00	2,127.96
SE	5.500%	9/01/81	10,500.00	100.000	10,500.00	0.00	10,500.00	1,989.86
SE	5.500%	7/01/81	9,200.00	100.000	9,200.00	0.00	9,200.00	1,660.57
SE	4.250%	9/01/80	20,600.00	100.000	20,600.00	0.00	20,600.00	2,141.17
SE	6.000%	7/01/80	9,100.00	100.000	9,100.00	0.00	9,100.00	1,245.85
SE	6.000%	4/01/80	9,800.00	100.000	9,800.00	0.00	9,800.00	1,193.77
SE	0.000%	9/01/79	11,000.00	100.000	11,000.00	0.00	11,000.00	0.00
SE	0.000%	7/01/79	9,400.00	100.000	9,400.00	0.00	9,400.00	0.00
SE	0.000%	4/01/79	5,500.00	100.000	5,500.00	0.00	5,500.00	0.00
SE	0.000%	10/01/78	1,300.00	100.000	1,300.00	0.00	1,300.00	0.00

EXHIBIT B
\$ 875,000
CITY OF PAYETTE, IDAHO
GENERAL OBLIGATION BONDS, 1978

PURCHASE CONTRACT

Seattle, Washington
February 21, 1978

Honorable Mayor and Members of the City Council
City Hall
Payette, ID

Honorable Mayor and City Council:

The undersigned ("Purchaser") offers to purchase from the City of Payette, Idaho ("Seller") all the aforementioned bonds ("Bonds"), with delivery and payment at our offices in Seattle, Washington, based upon the covenants, representations and warranties set forth below. Appendix A, which is incorporated into this Purchase Contract by reference, contains a brief description of the Bonds, the manner of their issuance, the purchase price to be paid, the refunding plan and the date of delivery and payment (the "Closing").

1. Prior to the Closing, Seller will approve an Official Statement, with such changes from the Preliminary Official Statement as Purchaser and Seller shall approve, and a Bond Resolution or Ordinance (the "Bond Resolution") satisfactory in form and substance to Purchaser. Purchaser is authorized by Seller to use these documents and the information contained in them in connection with the public offering and sale of the Bonds.

2. You represent to the Purchaser that (a) you have and will have at the Closing the power and authority to enter into and perform this Purchase Contract, to adopt the Bond Resolution and to deliver and sell the Bonds to the Purchaser, (b) this Purchase Contract and the Bonds do not and will not conflict with or create a breach or default under any existing law, regulation, order or agreement to which Seller is subject, (c) no governmental approval or authorization other than the Bond Resolution is required in connection with the sale of the Bonds to Purchaser, (d) this Purchase Contract and the Bonds (when paid for by the Purchaser) are and shall be at the time of Closing legal, valid, and binding obligations of Seller enforceable in accordance with their terms, subject only to applicable bankruptcy, insolvency, or other similar laws generally affecting creditors' rights, and (e) both the Preliminary Official Statement, except as corrected in the Final Official Statement, and the Final Official Statement are or shall be accurate and complete in all material respects as of the date issued and as of the Closing with respect to information obtained from or utilized by officers and employees of the Seller in the normal course of their duties, and with respect to information not so obtained or utilized, such Statements are or shall be accurate and complete in all material respects as of such dates to the knowledge and belief of such officers and employees, after due review.

3. As conditions to Purchaser's obligations hereunder:

(a) From the time of Seller's acceptance of this Purchase Contract to the date of Closing, there shall not have been any (i) material adverse change in the financial condition or general affairs of Seller; (ii) event, court decision, proposed law or rule which may have the effect of changing the federal income tax incidents of the Bonds or the contemplated transactions;

or (iii) international or national crisis, suspension of stock exchange trading or banking moratorium materially affecting, in Purchaser's opinion, the market price of the Bonds.

(b) At the Closing Seller will deliver or make available to Purchaser:

(i) The Bonds, in definitive form, duly executed and bearing proper CUSIP numbers;

(ii) A certificate from authorized officers of Seller, in form and substance acceptable to Purchaser, to the effect that execution of the certificate shall serve as execution of the Official Statement by Seller, that the Official Statement attached thereto, to the knowledge and belief of such officers, after due review, is accurate and complete in all material respects, that the certified copy of the Bond Resolution attached thereto has not been modified or repealed, and that the representations of the Seller contained in this Purchase Contract are true and correct when made and as of the Closing;

(iii) The unqualified approving opinion of Bond Counsel satisfactory to Purchaser ("Bond Counsel"), dated the Closing Date, relating to the legality and tax-exempt status of the Bonds and an opinion of Bond Counsel confirming the enforceability of this Purchase Contract, the conformity of the Bonds to the summary in the Official Statement, the correctness and completeness of the statements under certain headings in the Official Statement, and the absence of anything that has come to their attention (without any independent examination) that would lead them to believe that the Official Statement (other than financial data, as to which they need express no opinion) contains any untrue statement of a material fact, or omits any material fact, such opinions in form and substance satisfactory to Purchaser; and

(iv) Such additional certificates, instruments and other documents (including, without limitation, those set forth on Appendix A) as the Purchaser may deem necessary to evidence the accuracy and completeness of Seller's representations at the time of Closing and the due performance and satisfaction by Seller of all obligations and conditions under this Purchase Contract and the Bond Resolution, all in form and substance satisfactory to Purchaser.

(c) The Bonds shall have, at the Closing, a rating from Moody's or Standard & Poor's no less than that set forth on Appendix A.

4. In accordance with the refunding plan, the Seller will pay the cost of preparing, printing, and executing the Bonds and the fees and disbursements of the Refunding Trustee, Bond Counsel, Seller's counsel, accountants and miscellaneous Seller expenses, including the purchase price of any Acquired Obligations, and Purchaser will pay the cost of printing the Preliminary and Final Official Statement, the fees and disbursements of Purchaser's Counsel, and all other costs incurred by Purchaser in connection with the offering and distribution of the Bonds.

5. This Purchase Contract is intended to benefit only the parties hereto, and Seller's representations and warranties shall survive any investigation made by or for Purchaser, delivery and payment for the Bonds, and the termination of this Purchase Contract.

Should the Purchaser fail (other than for circumstances beyond its control or for reasons permitted in this Purchase Contract) to pay for the Bonds at Closing, the amount set forth in Appendix A shall be paid by Purchaser as liquidated damages in full, and shall be a full release and discharge, except that any expenses incurred shall be borne in accordance with Section 4. Should the Seller fail to satisfy any of the foregoing conditions or covenants, or if Purchaser's obligations are terminated for any reason permitted under the Purchase Contract, then neither Purchaser nor Seller shall have any further obligations under this Purchase Contract, except that any expenses incurred shall be borne in accordance with Section 4.

6. This offer expires on the date set forth on Appendix A.

Very truly yours,

FOSTER & MARSHALL INC.

By Jack D. McLaughlin
Jack D. McLaughlin
Vice President
Municipal Consulting Department

ACCEPTED BY:

This 21 day of February, 1978.

By _____

By _____

APPENDIX A

DESCRIPTION OF BONDS

- A. Purchase Price: \$875,000, plus accrued interest from 3/1, 1978, to date of Closing.
- B. Denomination: \$5,000.
- C. Form: Bearer, with interest coupons attached.
- D. Interest Payable: September 1 and March 1, commencing September 1, 1978.
- E. Maturity Schedule: Bonds shall mature on September of each year, as follows:

<u>Year</u>	<u>Amount</u>	<u>Coupon</u>	<u>Year</u>	<u>Amount</u>	<u>Coupon</u>
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"See Attached Exhibit 1"

- F. Redemption: Callable in inverse numerical order in whole or in part or any interest payment date on or after 9/1/88, as follows:

<u>Dates Redeemed</u>	<u>Redemption Price</u>
9/1/88 & thereafter	100 (par)

- G. Brief Description of Refunding Plan:

1. Foster & Marshall Inc. shall purchase (as principal) unrestricted yield securities consisting of U.S. Treasury Bonds at an estimated purchase price of \$63,382.19.
2. The unrestricted yield securities and the state and local government series government obligations, to be purchased for the Seller by The Idaho First National Bank (together, the "Acquired Obligations"), are to be held in trust to secure payment of the (bonds to be refunded) and the (Bonds) are to be secured by a pledge of the full faith and credit of the City of Payette, payable from taxes to be levied without limitation as to rate or amount or from other legal sources.
3. All expenses are provided for in the refunding plan. In the event the financing is not consummated, the City shall incur no liability for expenses incurred.

- H. Closing Date: 3/21, 1978.

Section 3(b)(iv). A certificate indicating that there is no litigation with respect to the Bonds and no material litigation with respect to the Seller and an arbitrage certificate, each executed by authorized officials of the Seller; a certified copy of the Bond Resolution; a litigation certificate indicating that there is no litigation with respect to the Bonds and no material litigation with respect to the Seller and an opinion, each from counsel to the Seller, whose name is Stephen LATT, such opinion being with respect to the authorization, enforceability and compliance of the Purchase Contract and to the completeness of the Official Statement; an opinion from Jones, Grey & Bayley, as counsel to the Purchaser; an opinion from Bond Counsel with respect to arbitrage; a certificate from the refunding trustee concerning sufficiency of funds to pay the bonds to be refunded; and a certificate from a nationally recognized firm of certified public accountants concerning the arbitrage calculations and the sufficiency of funds to pay the bonds to be refunded.

Section 3(c). Required Rating of Bonds: Moody's "A".

Section 5. Liquidated Damages: \$ 2,000.

Section 6. Offer Expires: 3/22/78, 12:01 A.M.



PRINCIPAL AND INTEREST FOR CITY OF PAYETTE, IDAHO 1978 REFUNDING BONDS

INTEREST COMPUTED FOR 6 MONTHS

EXHIBIT 1

ACCRUED INTEREST ON 3/ 1/1978 ISSUE 2677.78
 SETTLEMENT DATE 3/21/1978

YR ENDING 12/31	PAYMENT DATES	PRINCIPAL	INTEREST RATES	INTEREST COST	SEMI-ANNUAL DEBT SERVICE	TOTAL DEBT SERVICE
1978	9/ 1/1978	15000	5.750	24100.00	39100.00	39100.00
1979	3/ 1/1979			23668.75	23668.75	
	9/ 1/1979	20000	5.750	23668.75	43668.75	67337.50
1980	3/ 1/1980			23093.75	23093.75	
	9/ 1/1980	20000	5.750	23093.75	43093.75	66187.50
1981	3/ 1/1981			22518.75	22518.75	
	9/ 1/1981	25000	5.750	22518.75	47518.75	70037.50
1982	3/ 1/1982			21800.00	21800.00	
	9/ 1/1982	25000	5.750	21800.00	46800.00	68600.00
1983	3/ 1/1983			21081.25	21081.25	
	9/ 1/1983	30000	5.750	21081.25	51081.25	72162.50
1984	3/ 1/1984			20218.75	20218.75	
	9/ 1/1984	30000	5.750	20218.75	50218.75	70437.50
1985	3/ 1/1985			19356.25	19356.25	
	9/ 1/1985	35000	5.750	19356.25	54356.25	73712.50
1986	3/ 1/1986			18350.00	18350.00	
	9/ 1/1986	70000	5.750	18350.00	88350.00	106700.00
1987	3/ 1/1987			16337.50	16337.50	
	9/ 1/1987	80000	5.750	16337.50	96337.50	112675.00
1988	3/ 1/1988			14037.50	14037.50	
	9/ 1/1988	85000	5.100	14037.50	99037.50	113075.00
1989	3/ 1/1989			11870.00	11870.00	
	9/ 1/1989	85000	5.200	11870.00	96870.00	108740.00
1990	3/ 1/1990			9660.00	9660.00	
	9/ 1/1990	90000	5.300	9660.00	99660.00	109320.00
1991	3/ 1/1991			7275.00	7275.00	
	9/ 1/1991	95000	5.400	7275.00	102275.00	109550.00
1992	3/ 1/1992			4710.00	4710.00	
	9/ 1/1992	100000	5.500	4710.00	104710.00	109420.00
1993	3/ 1/1993			1960.00	1960.00	
	9/ 1/1993	70000	5.600	1960.00	71960.00	73920.00
TOTALS		875000		495975.00	1370975.00	1370975.00



I, BARBARA A. MILLARD, Clerk of the City of Payette, Idaho,
DO HEREBY CERTIFY that the foregoing is a true and complete copy
of Ordinance No. 876 of said City duly adopted at a regular
meeting thereof held the 6th day of March, 1978.

Barbara A. Millard.
Clerk