

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ESTABLISHMENT, ORGANIZATION AND OPERATION OF A PUBLIC CORPORATION TO IMPLEMENT TITLE 50, CHAPTER 27, IDAHO CODE, AS AMENDED, APPROVING A CHARTER FOR SUCH CORPORATION, SPECIFYING THE POWERS, AUTHORITY AND LIMITATIONS OF THE PUBLIC CORPORATION, PROVIDING FOR CONTROL AND SUPERVISION OF THE PUBLIC CORPORATION BY THE CITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS the legislature of the State of Idaho has provided for the creation of public corporations by cities of the State of Idaho, pursuant to Title 50, Chapter 27, Idaho Code, as amended (the "Act"), for the purpose of facilitating economic development and employment opportunities in the State of Idaho through financing by such public corporations of the project costs of industrial development facilities; and

WHEREAS, the City of Payette desires to avail itself of the authority contained in the Act by creating a public corporation for the purposes stated in the Act;

NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF PAYETTE, IDAHO:

Section 1. The City of Payette (the "City") does hereby create a public corporation to carry out the purposes of the Act. This ordinance shall not be construed to limit or restrict the purposes of the Act, but shall be liberally construed to effect such purposes.

Section 2. The name of the public corporation shall be the Industrial Development Corporation (the "Corporation").

Section 3. The Corporation shall have all the powers and be subject to all the limitations and provisions contain in the Act.

Section 4. A charter (the "Charter") is hereby issued by the City to the Corporation. The Charter grants to the Corporation all powers authorized by the Act. A copy of the Charter is attached to this Ordinance as Exhibit A and is incorporated herein by reference. The Charter is hereby approved pursuant to Section 50-2703(1) of the Act. The Charter may be amended from time to time by the City Council. The existence of the Corporation commences at the time the enactment of this Ordinance becomes effective.

Section 5. The Board of Directors of the Corporation (the "Board") shall be comprised of five (5) residents of the City appointed by the Mayor with the advise and consent of the City Council, two of said appointments to be council-members. Of the members five appointed, one member shall serve for a term of one (1) year, two for a term of two (2) years, and two for a term of three (3) years. Thereafter, upon expiration of a term of appointment, each member shall be appointed to a three (3) year term. If a vacancy occurs during an unexpired term, the Mayor with the consent of the Council shall appoint a member, who shall also be a resident of the City, to serve the remainder of the unexpired term. A majority of the members of the Board shall constitute a quorum, and the approval of a majority of a quorum shall be necessary for the Board to take any action.

Section 6. The affairs of the Corporation shall be conducted and carried out by the Board. The Board shall elect officers from among its own members. Such officers shall be elected at the initial meeting of the Board in each calendar year, shall serve until their successors have been duly elected, and shall include a president and a secretary and may include a vice president and an assistant secretary. The Board may elect such other officers as it shall from time to time determine to be necessary or desirable. The Board shall adopt bylaws and/or rules and regulations governing the election of officers, the power and duties of such officers, the filling of vacancies in offices, the scheduling, giving notice of, and conduct of meetings, and the conduct of the Corporation. Such bylaws, rules and regulations may be amended from time to time by the Board, providing that any such amendment shall be consistent with the provisions hereof.

Members of the Board shall serve without compensation but with reimbursement of expenses as may be provided in the bylaws, rules and regulations of the Board.

ARTICLE IX

BYLAWS

The Board of Directors shall adopt bylaws and/or rules and regulations to provide such rules for governing the Corporation and its activities as are not inconsistent with the Ordinance, this Charter and the Act. Adoption of bylaws and rules and regulations and any amendments thereto shall require a majority vote of the Board. The Board may provide in the bylaws or rules and regulations for all matters relating to the governance of the Corporation, including but not limited to matters referred to elsewhere in this Charter for inclusion therein, and for the following:

1. The existence of committees and duties of any such committee;
2. regular and special meetings of the Board;
3. retention of staff or personnel and the relationship between the Corporation and the Municipality; and
4. such other matters as may become necessary or important to the proper functioning of the Corporation.

ARTICLE X

AMENDMENTS TO CHARTER

This Charter may be amended by ordinance of the Municipality.

ARTICLE XI

COMMENCEMENT OF THE CORPORATION

The existence of the Corporation shall commence at the time the enactment of the Ordinance becomes effective. A true and complete copy of this Charter, certified by the Clerk of the Municipality as being on file with the Municipality and having been duly issued by the Municipality, together with a certified copy of the Ordinance, shall be filed in the permanent records of the Corporation.

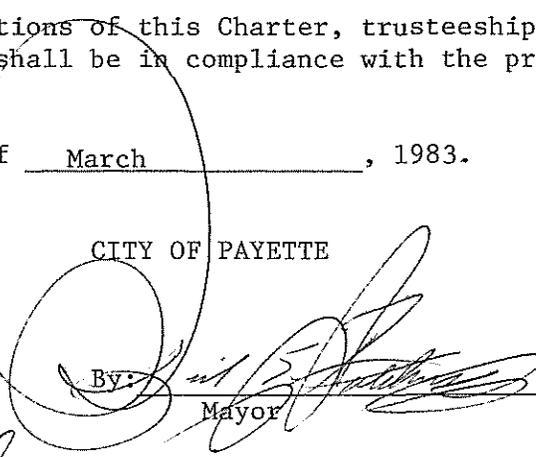
ARTICLE XII

MISCELLANEOUS

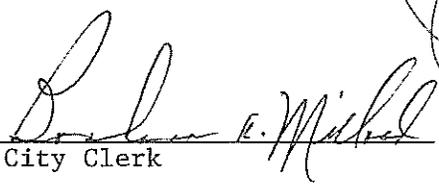
Audits, dissolutions, alterations of this Charter, trusteeships, and other matters affecting the Corporation shall be in compliance with the provisions of the Ordinance and the Act.

DATED THIS 7th day of March, 1983.

CITY OF PAYETTE

By:  Mayor

ATTEST:


City Clerk

CHARTER OF
THE INDUSTRIAL DEVELOPMENT CORPORATION
OF THE CITY OF PAYETTE, IDAHO

ARTICLE I

NAME, SEAL AND DEFINITIONS

The name of this public corporation shall be The Industrial Development Corporation of the City of Payette, Idaho. The corporate seal of this public corporation shall be a circle with the name "The Industrial Development Corporation of the City of Payette, Idaho" inscribed therein. As used in this Charter, unless otherwise required by context:

"Act" means Title 50, Chapter 27, Idaho Code, as amended (The "Act");

"Board" means the Board of Directors of the Corporation.

"Corporation" means the Industrial Development Corporation of the City of Payette, Idaho;

"Governing Body" means the City Council of the Municipality.

"industrial development facilities" means the same as such term means for the purpose of the Act;

"Municipality" means the City of Payette, Idaho; and

"Ordinance" means Ordinance 941 of the Municipality passed on the 7th day of March, 1982, pursuant to which the Corporation is created.

ARTICLE II

CREATION OF THE CORPORATION AND GRANT OF POWER

The Corporation is a public corporation organized pursuant to the Act and the Ordinance. The Corporation is hereby granted all powers authorized by the Act.

ARTICLE III

DURATION OF THE CORPORATION

Unless modified by state law or by an ordinance of the Municipality, the duration of the Corporation shall be perpetual.

ARTICLE IV

PURPOSES OF THE CORPORATION

The purpose of the Corporation is to function as a public corporation pursuant to the provisions of the Act and the Ordinance and to issue tax exempt nonrecourse revenue bonds to finance industrial development facilities located within the corporate boundaries of the Municipality. The financing of industrial development facilities within the corporate boundaries of the Municipality is for the purpose of promoting higher employment, encouraging the development of new jobs, maintaining and supplementing the capital investments of industry that currently exist within the State of Idaho, encouraging future employment by ensuring future capital investment, attracting environmentally sound industry within the corporate boundaries of the Municipality and to the State of Idaho, protecting and enhancing the quality of natural resources and the environment, and promoting the production and conservation of energy. This charter shall not be construed to limit or restrict the purposes of the Act, but shall be liberally construed to effect such purposes.

ARTICLE V

POWERS OF THE CORPORATION

1. The Corporation shall have all the powers granted to public corporations by the Act. Such powers include, without limitation, the following powers:

(a) to locate, construct and maintain one or more industrial development facilities;

(b) to lease to a lessee all or any part of any industrial development facility for such rentals and upon such terms and conditions, including renewal of the lease or options to purchase, as its Board of Directors considers advisable and not in conflict with the Act;

(c) to sell by installment contract or otherwise and convey all or any part of any industrial development facility for such purchase price and upon such terms and conditions as its Board of Directors considers advisable which are not in conflict with the Act;

(d) to make loans for the purpose of providing temporary or permanent financing or refinancing of all or part of the project cost of any industrial development facility, including the refunding of any outstanding obligations, mortgages, or advances issued, made, or given by any person for the project costs; and to charge and collect interest on the loans for the loan payments upon such terms and conditions as its Board of Directors considers advisable which are not in conflict with the Act;

(e) to issue revenue bonds for the purpose of financing all or part of the project cost of any industrial development facility and to secure the payment of the revenue bonds as provided in the Act; provided that issuance of revenue bonds for facilities pursuant to the Act shall not preclude the issuance of additional revenue bonds in connection with the same facility, and provided that any subsequent bond issue shall recognize and protect any prior pledge made for any prior issue of revenue bonds;

(f) as security for the payment of the principal of and interest on any revenue bonds issued and any agreements made in connection therewith, to mortgage, pledge, or otherwise encumber any or all of its industrial development facilities or any part of parts thereof, whether then owned or thereafter acquired, and to assign any mortgage and repledge any security conveyed to the Corporation, to secure any loan made by the Corporation and to pledge the revenues and receipts therefrom;

(g) to sue and be sued, complain, and defend in its corporate name;

(h) to make contracts and to execute all instruments necessary or convenient for the carrying out of its business;

(i) to have a corporate seal and to use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced;

(j) subject to the limitations of section 50-2706 of the Act, to borrow money, accept grants from, or contract with any local, state, or federal governmental agency or with any financial, public, or private corporation;

(k) to make and alter bylaws not inconsistent with this Charter of the Act for the administration and regulation of the affairs of the Corporation;

(l) to collect fees or charges from users or prospective users of industrial development facilities to recover actual or anticipated administrative costs;

(m) to execute financing documents incidental to the powers enumerated in this subsection;

(n) to have any and all other powers granted to public corporations under the Act; and

(o) to adopt resolutions authorizing any of the action provided for herein.

2. Revenue bonds issued pursuant to the Act shall bear the seal of the Corporation, which may either be physically impressed thereon or printed as a facsimile thereof, and the signature of the President of the Board, or in his absence and in his stead, the Vice-President, and the signature of the Secretary of the Board, or in his absence and in his stead, the Assistant Secretary. The signatures may be either manual or facsimile, or a combination thereof.

ARTICLE VI

LIMITATIONS ON THE CORPORATION

1. No part of the net earnings of the Corporation beyond those necessary to retire indebtedness incurred by it shall inure to the benefit of, or be distributable to, anyone other than the Municipality. Upon dissolution of the Corporation, title to all property owned by the Corporation shall vest in the Municipality.
2. The Municipality may not give or lend any money or property in aid of the Corporation except as expressly authorized by the Act. This provision shall not preclude the Municipality from dealing with the Corporation on an arms length basis.
3. The Corporation may not issue revenue obligations except upon the approval of the Municipality and upon the approval of the county or city within whose planning jurisdiction the proposed industrial development facility lies.
4. No revenue bonds may be issued by the Corporation unless the Board makes a finding that in its opinion the interest paid on the bonds will be exempt from income taxation by the federal government.
5. Revenue bonds issued by the Corporation shall not be considered to constitute a debt of the State of Idaho, of the Municipality, or of any other municipal corporation, quasi-municipal corporation, subdivision or agency of the State of Idaho or to pledge any or all of the faith and credit of any of those entities.
6. Revenue bonds issued by the Corporation shall be payable solely from the revenues derived as a result of the industrial development facilities funded by the revenue bonds, including, without limitation, amounts received under the terms of any financing document or by reason of any additional security furnished by the user of the industrial development facility in connection with the financing thereof, any money and other property received from private sources.
7. Each revenue bond issued by the Corporation shall contain on its face statements to the effect that:
 - (a) Neither the State of Idaho nor the Municipality or any other municipal corporation, quasi-municipal corporation, subdivision or agency of the State is obligated to pay the principal or the interest thereon;
 - (b) No tax funds or governmental revenue may be used to pay the principal or interest thereon; and
 - (c) Neither any or all of the faith and credit nor the taxing power of the State of Idaho, the Municipality or any other municipal corporation, quasi-municipal corporation, subdivision, or agency thereof is pledged to the payment of the principal of or the interest on the revenue bond.
8. The Corporation may incur only those financial obligations which will be paid from revenue received pursuant to financing documents, from fees or charges paid by users or prospective users of the industrial development facilities funded by the revenue bonds, or from the proceeds of revenue bonds.
9. The Corporation has no power of eminent domain nor any power to levy taxes or special assessments.
10. The Corporation has no authority to incur or create any liability that permits recourse by any contracting party or member of the public to any assets, services, resources or credit of the Municipality.

11. The Municipality shall have access to the books and records of the Corporation at all times.

12. The Corporation may not operate any industrial development facility as a business other than as lessor, seller or lender. The purchase and holding of mortgages, deeds of trust and other security interests, and contracting for any servicing thereof, is not considered the operation of an industrial development facility.

13. The Corporation may not exercise any of the powers authorized in Article V or issue any revenue bonds with respect to any industrial development facility unless the industrial development facility is located wholly within the boundaries of the Municipality, except that energy facilities and solid waste disposal facilities may be located partially or wholly outside the boundaries of the Municipality upon approval of the Municipality and planning and zoning approval by each county or city within whose planning jurisdiction the proposed industrial development facility lies.

14. The Corporation shall be subject to all other limitations set forth in Section 50-2706 of the Act, which limitations are hereby incorporated herein by reference.

ARTICLE VII

ORGANIZATION OF THE CORPORATION

1. Management of the affairs of the Corporation shall reside in the Board. The Board shall be comprised of the members as provided, and subject to the exceptions set forth, in the Ordinance.

2. The members of the Board shall elect officers as provided in the Ordinance. The Board shall oversee the activities of the Corporation, establish or implement policy, participate in corporate activity as necessary and have stewardship for management in determination of all corporate affairs.

ARTICLE VIII

RIGHTS AND LIABILITIES OF DIRECTORS

1. No director, officer, agent, employee or official of the Corporation may have a direct or indirect financial interest in any property to be included in or any contract for property, services or materials to be furnished or used in connection with any industrial development facility financed through the Corporation.

2. Every person who was or is a party to, or is threatened to be made a party to, or is involved in, any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or a person of whom he is the legal representative is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as its representative in any other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the laws of the State of Idaho from time to time against all expense, liability and loss (including attorneys' fees, judgments fines and amounts paid or to be paid in settlement), reasonably incurred or suffered by him in connection therewith. Such rights of indemnification shall be a contract right which may be enforced in any manner desired by such person. Such right of indemnification shall not be exclusive of any other right which such directors, officers, or representatives may have or hereafter acquire, and without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any bylaw, agreement, provision of law, or otherwise, as well as their rights under this article. The Board may adopt bylaws and/or rules and regulations from time to time with respect to indemnification to provide at all times the fullest indemnification permitted by the law of the State of Idaho, and may cause the Corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as its representative in any partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurrer in any such capacity or arising out of such status, whether or not the Corporation would have the power to indemnify such person.

Section 7. No director, officer, agent, employee or official of the Corporation shall have a direct or indirect financial interest in any property to be included in or any contract for property, service or materials to be furnished or used in connection with any industrial development facility financed through the Corporation.

Section 8. The Corporation shall have all the powers granted by the Act. Such powers shall include, without limitation, all powers set forth in the Charter.

Section 9. The City may not give or lend any money or property in aid of the Corporation except as expressly authorized by the Act. This provision shall not preclude the City from dealing with the Corporation on an arms length basis.

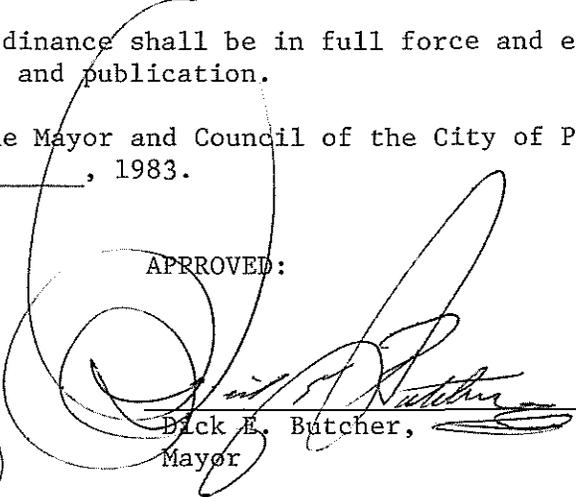
Section 10. Any net earnings of the Corporation beyond those necessary for retirement of indebtedness incurred by it shall inure to the City and not for the benefit of any other person. Alteration of the Charter or dissolution of or audits of the Corporation shall be as provided by the Act and by subsequent ordinances of the City. Upon dissolution of the Corporation title to all property owned by the Corporation shall vest in the City.

Section 11. All ordinances and resolutions or parts thereof in conflict herewith are to the extent of such conflict hereby repealed.

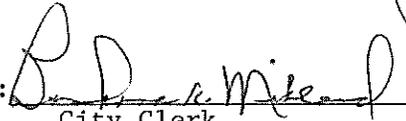
Section 12. That this Ordinance shall be in full force and effect from and after its passage, approval and publication.

PASSED AND APPROVED by the Mayor and Council of the City of Payette, Idaho,
This 7th day of March, 1983.

APPROVED:


Dick E. Butcher,
Mayor

ATTEST:


City Clerk