

RESOLUTION NO. 1 (155)

A RESOLUTION OF CITY OF PAYETTE, IDAHO, PROVIDING FOR THE ISSUANCE AND SALE OF INTERIM WARRANTS PURSUANT TO SECTION 50-1722, IDAHO CODE, IN ANTICIPATION OF THE ISSUANCE OF ITS LOCAL IMPROVEMENT DISTRICT BONDS AND PREPAYMENT OF ASSESSMENTS FOR LOCAL IMPROVEMENT DISTRICT NO. 89-1, FOR THE PURPOSE OF PAYING THE CONTRACTOR AND OTHER COSTS OF SAID IMPROVEMENT DISTRICT; PROVIDING FOR THE MANNER OF ISSUANCE AND THE FORM OF SUCH WARRANTS; PROVIDING FOR THE REGISTRATION AND PAYMENT OF THE PRINCIPAL THEREOF AND THE INTEREST THEREON; PROVIDING COVENANTS; AND PROVIDING FOR OTHER MATTERS RELATING THERETO

WHEREAS, by passage of Ordinance No. 994 on June 5, 1989, the City Council (the "Board") of the City of Payette, Idaho (the "City"), duly created Local Improvement District No. 89-1 ("LID No. 89-1"), ordered the construction of sidewalk improvements pursuant thereto, and authorized the issuance of local improvement district bonds to finance the cost thereof; and

WHEREAS, the City is authorized and empowered by Idaho Code Section 50-1722 to issue interim Warrants for the purpose of meeting costs and expenses of making local improvement district improvements prior to the sale of bonds and prepayment of assessments; and

WHEREAS, the Board has heretofore, by adoption of Ordinance No. 994, authorized the issuance of interim Warrants for LID No. 89-1 in an amount not to exceed \$335,000.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PAYETTE, IDAHO, as follows:

Section 1: For the purpose of paying any contractor for the cost of the improvements under LID No. 89-1, or otherwise defraying any costs of the improvement as the same become due, the Mayor, City Council Member, and City Clerk are hereby authorized and directed to cause to be issued, sold, and delivered, on behalf of the City, Interim Warrants of LID No. 89-1 (the "Warrants"), from time to time, in the manner hereinafter provided.

Section 2: Such Warrants may be issued from time to time in such amounts as may be required, so long as the aggregate principal amount thereof does not exceed \$335,000.; shall be issued to West One Bank, Payette, Idaho; shall bear interest at the rate of seven and ninety-eight hundredths percent (7.98) per annum from the date of issuance to the date of redemption of each such Warrant; and shall be redeemed and paid in full, together with any accrued and unpaid interest thereon, from the proceeds of the sale of bonds for or from prepayment of assessments of LID No. 89-1.

Section 3: Each such Warrant shall be registered in the name of the initial purchaser both as to principal and interest with the City Clerk, and any transfer thereof must likewise be registered.

Section 4: All such Warrants shall be dated as of the date of delivery to the purchaser thereof, and such Warrants shall be subject to call and redemption at any time at the option of the LID No. 89-1, or prepayment of assessments of said local improvement district, become available. In the event of prior call and redemption, the City Clerk shall give notice thereof by mailing a copy of a Notice of Call and Redemption by certified mail at least ten (10) days prior to the call and redemption date to the registered owner of said Warrants at the address shown on the registration bonds of the City. Interest on each Warrant shall cease to accrue after the date fixed for call and redemption.

Section 5: Each Warrant and the interest thereon shall be payable in lawful money of the United States of America to the registered owner thereof at the address of such registered owner as shown on the registration books of the City.

Section 6: Each Warrant shall be executed in the name of the City of Payette, shall be signed by the Mayor, countersigned by the City Council Member, and attested by the City Clerk, and shall be authenticated by the Seal of the City affixed thereto. Each Warrant shall be substantially in the form as set forth in Exhibit "A" attached hereto and by reference made a part hereof.

Section 7: The first proceeds of the prepayment of assessments and the sale of LID No. 89-1 bonds are hereby pledged for the payment and redemption of the principal of and interest on each Warrant issued pursuant hereto.

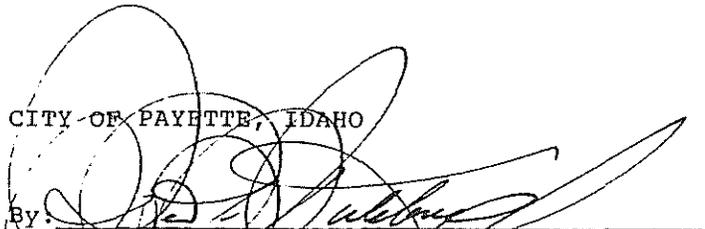
Section 8: The City covenants with the registered owner of the Warrants as follows:

- A. The Warrants are qualified tax-exempt obligations within the meaning and for the purpose of Section 265(b)(3) of the Internal Revenue Code of 1986 (the "Code"), and the City will not designate more than \$10,000,000. including the Warrants, as qualified tax-exempt obligations during the calendar year.
- B. None of the proceeds of the Warrants will be used directly or indirectly (1) to make or finance loans to persons or (2) in any trade or business carried on by any person (other than use as a member of the general public). For purposes of the preceding sentence, the term "person" does not include a government unit other than the United States or any agency or instrumentality thereof, and the term "trade or business" means any activity carried on by a person other than a natural person.

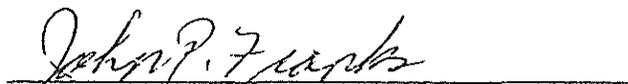
- C. The City has general taxing powers. The Warrants are not "private activity bonds" within the meaning of Section 141 to be used for the local governmental activities of the City. The City has no subordinate bond-issuing entities. The City has not issued, and will not issue, tax-exempt obligations in calendar year 1989 in a face amount which exceeds \$5,000,000. Accordingly, under Section 148 (f)(4)(C) of the code, the City is not required to pay rebates to the United States under Section 148 (f) of the Code.
- D. No portion of the original proceeds of the Warrants will be invested in higher-yielding non-purpose obligations beyond a temporary period determined as the earlier of three (3) years after the date the Warrants are issued or the date the project is substantially completed.
- E. The City will take no action which would cause the Warrants to become arbitrage bonds within the meaning of Section 148 of the Code.
- F. The City will comply with the information reporting requirements of Section 149(e) of the Code.

Section 9: This Resolution shall take effect and be in force from and after its passage and approval.

DATED this 6th day of September, 1989.

CITY OF PAYETTE, IDAHO
By: 
Mayor
By: 
City Council Member

ATTEST:


City Clerk