



NOTICE OF PUBLIC MEETING

Monday, November 23, 2020

City Council Chambers

680 Park Avenue

Idaho Falls, ID 83402

3:00 p.m.

The public is invited to observe City Council Work Sessions. However, to observe appropriate social distancing guidelines, as recommended by the Centers for Disease Control and Prevention (CDC), the public is encouraged to view this meeting via livestream on the City's website at <https://www.idahofallsidaho.gov/429/Live-Stream>. The agenda does not include an opportunity for public interaction.

This meeting may be cancelled or recessed to a later time in accordance with law. If you need communication aids or services or other physical accommodations to participate or access this meeting or program of the City of Idaho Falls, you may contact City Clerk Kathy Hampton at 612-8414 or the ADA Coordinator Lisa Farris at 612-8323 as soon as possible and they will accommodate your needs.

CITY COUNCIL WORK SESSION

Times listed in parentheses are only estimates.

Call to Order and Roll Call

Mayor:

- Acceptance and/or Receipt of Minutes
- Action Desired:* To receive recommendations from the Planning and Zoning Commission
- Calendars, Announcements and Reports (10)

Council:

- Liaison Reports and Councilmember Concerns (10)

Mayor:

- Coronavirus (COVID-19) Update and Discussion (20)

Parks and Recreation:

- War Bonnet Round Up Association Memorandum of Understanding (MOU) Review (20)

Police Department:

- Chaplain Services Discussion (15)

Municipal Services:

- Certificate of Participation (COP) Financing Options Discussion (45)

Presentation:

Connecting Us, Sustaining Progress (CUSP)
Steering Committee Chair, Juan Alvarez

- CUSP Interim Report (30)

Executive Session:

- The Executive Session is being called pursuant to the provisions of Idaho Code Section 74-206(1)(c) to acquire an interest in real property which is not owned by a public agency.

Announcements and Adjournment

DATED this 20th day of November, 2020


Kathy Hampton
City Clerk



MEMORANDUM

TO: Honorable Mayor and Council

FROM: Brad Cramer, Community Development Services Director

DATE: November 12, 2020

RE: November 10, 2020, Planning Commission Action

Planning Commission took the following action during the November 10, 2020 meeting.

1. **RZON20-017: REZONE. Rezone from LC, Limited Commercial to HC, Highway Commercial for approximately 5 acres, Part of the SW1/4 Section 24, Township 2 North, Range 37 East.** In the Southeast corner of the intersection of Pancheri Drive and S Skyline Drive, west of Tara Street. On November 10, 2020 the Planning and Zoning Commission recommended to the Mayor and City Council approval of the rezone from LC, Limited Commercial to HC, Highway Commercial.
2. **RZON20-018: REZONE. Amendment of the Comprehensive Zoning Ordinance, Table 11-4-1: Minimum Landscaping and Buffer Requirements, modifying the percentage of total lot area to be consistent with other lot coverage requirements of the code.** On November 11, 2020 the Planning and Zoning Commission recommended to the Mayor and City Council approval to the TN as presented and change Table 11-4-1 and the R2 Zone as 35% and Table 11-3-1 as 65% lot coverage.
3. **PLAT20-040: FINAL PLAT. Carstens Subdivision.** Generally located south of W. 25th St., west of Rollandet, north of W. Sunnyside, east of McNeil. Withdrawn.
4. **PLAT20-041: FINAL PLAT. Alderwood Professional Plaza.** Generally located south of Alan St., west of Ashment Ave., north of E. 17th St., east of Hoopes Ave. On November 10, 2020 the Planning and Zoning Commission recommended approval of the Final Plat for Alderwood Professional Plaza to the Mayor and City Council.

RECOMMENDED COUNCIL ACTION: To receive recommendation(s) from the Planning and Zoning Commission pursuant to the Local Land Use Planning Act (LLUPA).

**Connecting Us, Sustaining Progress
Inclusion and Diversity Subcommittee Meeting Minutes
September 5, 2020**

Meeting was called to order at 9:07 AM by Dr. Hillary Fishler. Seconded by Edmond Walsh. No Abstentions. Meeting was chaired by Toni L. Carter.

Updates on 8/15 Meeting Deliverables

- **Survey Promotional Plan** – Still in development. Send additional thoughts/comments to Ryan Carroll.
- **Qualitative Survey** – Still in development. Send additional thoughts/comments to Dr. Hillary Fishler.

Debrief on Subcommittee Activity

- **Education** – Subcommittee chair not present
- **Housing & Transportation** – Subcommittee chair not present
- **Arts/Platform/Connectivity** – Hosted discussion of next steps and resolved to research small programs adopted by other cities of comparable size.
- **Data Analytics** – No updates
- **Health & Wellness** – No updates

Discussion: Status of CUSP Committees who have been unable to meet or have experienced transitions in leadership

No actions taken.

Discussion: Engaging District 91 and 93 via meetings with Superintendents

Data & Analytics subcommittee will develop a preliminary draft for review in 10/3 meeting.

Discussion: Emailed topics from community member

Resolved not to modify current subcommittee focus on resident inclusion and diversity and the workforce, but would include reference to city's pending ADA plan in subcommittee recommendations.

Motion to approve minutes from August 1 and August 15 meetings made by Edmond Walsh. Seconded by Dr. Hillary Fishler. No Abstentions.

Motion to adjourn at 9:50 AM by Dr. Hillary Fishler. Seconded by Edmond Walsh. No abstentions.

Minutes submitted by Toni Carter on 2020-09-27.

Connecting Us, Sustaining Progress
Inclusion and Diversity Subcommittee Meeting Minutes
October 3, 2020

Meeting was called to order at 9:05 AM by Toni L. Carter.

Meeting was chaired by Toni L. Carter. Quorum not present.

Update on Survey Promotional Plan – Toni L. Carter and Ryan Carroll briefed committee on aspects of approval process with city and aspects of plan which will involve city participation.

Presentation of law enforcement demographics by Idaho Falls Police Chief Bryce Johnson and Idaho Falls Police Captain Jim Galbreath. Presented data included answers to Data & Analytics Subcommittee's requests from June 2020, along with data to be included in Idaho Falls Police Department annual report. Crime/incident data was from July 1 2019 – June 30 2020, while use of force data was from January 2019 – June 30 2020. Q&A involved reporting methodology and classification of certain types of incidents.

Update on Qualitative Survey – Dr. Hillary Fishler presented survey draft with reference to methodology presented in August. Discussion involved language for demographic questions and scaler questions.

Meeting adjourned at 10:14 AM.

Minutes submitted by Toni Carter on 2020-10-06.

Idaho Falls Sister City Youth Approved Meeting-Minutes

This meeting was conducted using the platform Zoom

October 19, 2020

Maggie Boring	Nicholas Cebull	Melinda Cebull	Charlotte Combs
Laura Combs	Jackie Sugai	Kylie Eaton	Katie Eaton
David Eaton	Sam Hawker	Lori Kidwell	Gabe Padron
Jorge Padron	Nathan Peck	Kendra Peck	Whitney St. Michel
Carter Thompson	Jennifer Thompson		

Approval of minutes

A motion by Whitney St. Michel was made to approve the October 7, 2020 meeting minutes. It was seconded by Lori Kidwell. Passed.

Reminder

The next Zoom meeting will be **November 4, 2020 at 7:00**. Please put this on your calendar. A reminder email notice will be sent out before the meeting. Upcoming meetings: November: 4th and 16th and December meetings: 2nd and 14th.

Friendship Garden

The Friendship Garden clean up day is scheduled for the first weekend in November. The date for the clean up is November 7, 2020 at 1:00 pm. Remember to dress for the weather and bring your gloves and if you have a rake please bring that. Masks are required.

Membership Application, Annual Fees, and Code of Conduct Form Due

An application will need to be filled out and sent to Katie Eaton at mskatherinejean@gmail.com. Please include the guardians' cell number and email address as well as the student's cell phone number and email address.

Each student is required to fill out the Code of Conduct. Please email the completed Code of Conduct form and email it with the application form.

Yearly dues: Individual (\$25 – 1 student) Family (\$35 – 2 or more students) Checks payable to Sister Cities of Idaho Falls. Please send a check to Lori Kidwell. Her address is: 1968 Sierra Idaho Falls, Idaho 83402

OR you may send membership dues using Venmo under the name of Lori Hawker.

Soup Kitchen Activity

Volunteering to help out at the soup kitchen was discussed. Several people are willing to participate in volunteering for this activity. Whitney St. Michel stated she will get dates and times and let the group know at the next meeting.

City Councils' Discussion on the Sister Cities Idaho Falls and Tokai-Mura

David Eaton updated the group on the potential reorganization of the Sister City Youth program. The current proposal will be a hybrid approach.

David will continue to report any news he receives from the city at the next meeting.

Students Going to Japan

Students who earned the opportunity to participate in the 2020 exchange to Japan (which was postponed) are the students invited to go to Japan in 2021. David Eaton will email the fifteen students to confirm their interest in going to Japan in 2021.

All students going are required to participate in 50% of the meetings, pay membership dues and send in a completed application and code of conduct forms. Participating in student activities can be counted toward the 50% participation.

In the event that a student chooses not to participate in the exchange, an alternate student may be chosen. Alternates are required to meet the same requirements as listed above.

David reported that the Tokai-Mura student coordinator emailed to ask what activities students are interested in seeing and doing when in Tokai-Mura in 2021. A student asked if there is a list of activities to choose from or to rate activities on most interested in to least interested. David said he will email the suggestion. Kendra Peck suggested that students might want to look at pictures on the IFSCY Facebook page of the activities from the previous trip (2018) to see activities students did from the previous trip.

It was agreed that at the next meeting (November 4th) students will give their input.

Virtual Meetings or In Person Meetings

David Eaton asked the group if people feel comfortable to meet in person. Several people are opposed to meeting in person because covid cases are increasing in our area.

Recruiting Members for IFSCY

If you know of any student who is interested in the Idaho Falls Sister City Youth program please invite them to the Zoom meetings. You may forward the link to the meetings to any student who is interested.

New Officers

Officers for one year term (beginning January 2021 through December 2021) were nominated. Kendra Peck was nominated for the position of president, Laura Combs was nominated for vice president, Katie Eaton was nominated for secretary, Lori Kidwell was nominated for treasurer, Jorge Padron was nominated for historian, and Jennifer Thompson

was nominated for the student activity coordinator. Voting will take place at the November 4, 2020 meeting.

Nominations and elections for student officers will take place on November 4, 2020. Student officers will be for January 2021 through December 2021. The job of the student president is to run the meetings. The job of the vice president is to step in when the president is not able to attend the meeting. Other requirements of the student officers are to give speeches when in Japan.

Students please be prepared to nominate someone for president and vice president positions.

Student Activity

This lesson: Nicholas Cebull did a question and answer session.

Next meeting: Next meeting will be on November 4th.



Motion to Adjourn

Whitney St. Michel motioned to adjourn the meeting. It was seconded by Sam Hawker.

Treasurer's Report

Current Checking Balance as of 10/19/2020---\$16,058.86

September 30, 2020 Statement

Basic Checking	\$15,718.24	previous months balance \$15,718.24
Money Market	\$3290.46	previous months balance \$3289.79 (+\$0.67)
Reg Share Savings	\$25.05	previous months balance \$25.05

No September Deposits

<u>Date</u>	<u>Check#</u>
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No September Deductions

<u>Date</u>	<u>Check#</u>
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October Deposits 10/01/2020 to 10/19/2020

<u>Date</u>	<u>Check#</u>	<u>Amount</u>
10/19/2020	#11040	\$25.00 Kylie Eaton Membership dues
	#11041	\$153.00 Yard Sale Purchases
	#11042	\$162.62 Gourmet Magazine Sales on Ebay

Current Checking Balance as of 09/12/2020---\$16,058.86

Idaho Falls Sister City Youth Approved Meeting-Minutes

This meeting was conducted using the platform Zoom

November 4, 2020

Maggie Boring	Nicholas Cebull	Charlotte Combs	Laura Combs
Jackson Corbridge	Jackie Sugai	Kylie Eaton	Katie Eaton
David Eaton	Izabell Kelley	Laura Kelley	McKenzie McIsaac
Edward McIsaac	Charlie Medema	Max Medema	Heather Medema
Mike Medema	Jorge Padron	Nathan Peck	Kendra Peck
Anna St. Michel	Whitney St. Michel	Rebecca Smith	Stephanie VanAusdeln
Carter Thompson	Jennifer Thompson	Tim Thompson	

Approval of minutes

A motion by Kendra Peck was made to approve the October 19, 2020 meeting minutes. Minutes approved after two corrections were made: adding "officers elected will serve from January 2021 through December 2021. Motion was seconded by Whitney St. Michell. Passed.

Reminder

The next Zoom meeting will be **November 16, 2020 at 7:00**. Please put this on your calendar. A reminder email notice will be sent out before the meeting. Upcoming meetings: November: 16th and December meetings: 2nd and 14th.

Friendship Garden

The Friendship Garden clean up day is scheduled for Saturday, November 7th at 1:00 pm. Remember to dress for the weather and bring your gloves and if you have a rake please bring that. Masks are required.

Membership Application, Annual Fees, and Code of Conduct Form Due

An application will need to be filled out and sent to Katie Eaton at mskatherinejean@gmail.com. Please include the guardians' cell number and email address as well as the student's cell phone number and email address.

Each student is required to sign the Code of Conduct. Please email the completed Code of Conduct form and email it with the application form.

Yearly dues: Individual (\$25 – 1 student) Family (\$35 – 2 or more students)

Checks payable to Sister Cities of Idaho Falls. Please send a check to Lori Kidwell. Her address is: 1968 Sierra Idaho Falls, Idaho 83402

OR you may send membership dues using Venmo under the name of Lori Hawker.

City Councils' Discussion on the Sister Cities Idaho Falls and Tokai-Mura

David Eaton stated there are no updates at this time.

David will continue to report any news he receives from the city at the next meeting.

Students Going to Japan

At the last meeting David reported that the Tokai-Mura student coordinator emailed to ask for student input on which activities students are interested in seeing and doing when in Tokai-Mura in 2021.

Student input: Aquarium, beach, temples, high schools, martial arts, listening to band, go to a traditional village, and the activity of catching food as it comes down the shoot.

David said he will email the suggestion.

Election of New Officers Who Will Serve January 2021 through December 2021

Officers Name	Adult	Student
President	Kendra Peck	Stephanie VanAusdeln
Vice President	Laura Combs	Carter Thompson
Secretary	Katie Eaton	Nathan Peck
Treasurer	Lori Kidwell	
Historian	Jorge Padron	
Student Activity Coordinator	Jenn Thompson	

Video Exchange with Student from Tokai Mura

Please take pictures of pets and people. David Eaton will create a 'Drop Box' for the videos and pictures.

Video Chat with Student from Tokai Mura

Kendra Peck or David Eaton will communicate with Tokai-Mura Student Coordinator and ask if Friday, November 20th at 7:00 pm will work to have a Zoom meeting.

Nicholas Cebull suggested the topic be an overview of Thanksgiving. Topics will include what Thanksgiving is and why we celebrate Thanksgiving, what students do with their families over the Thanksgiving holiday. (like watch football game or the dog show), foods we eat, etc.

Fundraisers

Town and Country Poinsetta fundraiser

After discussion the group agreed that they will not participate in this fundraiser.

Winter Carnival Fundraiser

Whitney St. Michel stated that the public skating rink limits the number to 50 people at the skating arena. Sister City Youth participants would count as part of the 50. The group decided to not participate this year.

Whitney St. Michel or David Eaton will call the manager of the skating rink and ask if IFSCY can use the rink in December 2021 for the Winter Carnival fundraiser.

Recruiting Members for IFSCY

If you know of any student who is interested in the Idaho Falls Sister City Youth program please invite them to the Zoom meetings. You may forward the link to the meetings to any student who is interested.

Student Activity

Izzy Kelley presented "Naki Crying Baby Festival"

Next meeting: Next meeting will be on November 16th.

Motion to Adjourn

Rebecca Smith motioned to adjourn the meeting. It was seconded by Stephanie VanAusdeln.

Current Checking Balance as of 10/19/2020---\$16,058.86

October Deposits 10/01/2020 to 10/19/2020

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No September Deposits

<u>Date</u>	<u>Check#</u>
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No September Deductions

Date

Check#

Previous Month Checking Balance as of 09/12/2020---\$15,718.24

COVID-19 Discussion

Resolution No. 2020-

Title

A RESOLUTION OF THE CITY OF IDAHO FALLS, IDAHO, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO, ...

, AND PROVIDING THAT THIS RESOLUTION BE EFFECTIVE UPON ITS PASSAGE, APPROVAL, AND PUBLICATION ACCORDING TO LAW.

Whereas, the increasing number of COVID-19 cases in the City and the surrounding communities has reached the point of a critical threat to the health and welfare of the City's first responders and their families as well as to the first responders' ability to provide **expected?** level of service; and

Whereas, the increasing number of COVID-19 cases and hospitalizations in the City and the surrounding communities has reached the point that local medical centers and their staffs are facing the stresses associated with near capacity of service; and

WHEREAS, the increasing number of COVID-19 cases in the City and the surrounding communities poses a threat to the health and welfare of the community's health care providers and their families as well as first responders and their families; and

WHEREAS, Eastern Idaho Public Health Department has identified the pressure of the COVID-19 pandemic on mental health in the community as well as physical health in the community; and

WHEREAS, the Council deeply supports any actions that can improve and extend the safe operation of area schools, realizing that health of faculty and staff must always be considered; and

WHEREAS, the Council realizes that the community spread of COVID-19 poses a threat to the viability of many local businesses and their employees and families; and

WHEREAS, the Council understands that the actions of individuals, as identified by Eastern Idaho Public Health and the Office of the Governor of Idaho, can reduce the spread of COVID-19 in the community; and

WHEREAS, the Council understands that the City of Idaho Falls is legally under the jurisdiction of the Eastern Idaho Public Health Department regarding health directives; and

WHEREAS, The Council understands that Idaho Governor Little's "Rebound Idaho" policies apply to the City of Idaho Falls; and

WHEREAS, the Council recognizes its responsibility to balance two purposes of government "...to promote the general welfare and secure the blessing of liberty to ourselves and our posterity..." as stated in the Preamble to the United States Constitution; and

NOW THEREFORE BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF IDAHO FALLS, IDAHO, AS FOLLOWS:

1. That the Idaho Falls City Council and Mayor endorse and will act to support the Eastern Idaho Public Health's Regional Response Plan asking members of the community to limit activities in order to reduce the spread of Coronavirus Disease 2019 (COVID-19); and
2. That the Idaho Falls City Council and Mayor endorse and will act to support Idaho Governor Brad Little's November 14, 2020, proclamation establishing Rebound Idaho Stage 2 restrictions on public activities; and
3. That the Idaho Falls City Council, Mayor, and the City departments **expects/implores/entreats?** all individual members of the community to comply with the Eastern Idaho Health' Regional Response Plan and Idaho Governor Brad Little's Rebound Idaho Proclamation. Compliance requires a temporary sacrifice of personal convenience in order to protect the members of the community as a whole and to keep viable city services and businesses and the lives they serve.

ADOPTED and effective this _____ day of _____, 2020.

ATTEST:



MEMORANDUM

FROM: PJ Holm

DATE: Tuesday, November 17, 2020

RE: Agreement between the City of Idaho Falls and the War Bonnet Round Up Association

Council Action Desired

☐ Ordinance

☐ Resolution

☐ Public Hearing

☒ Other Action (Approval, Authorization, Ratification, etc)

Discussion about the agreement between the City of Idaho Falls and the War Bonnet Round Up Association.

Description, Background Information & Purpose

This agreement, if approved, would allow the *War Bonnet Round Up Association*, a local 501(C3), to work with the City of Idaho Falls to continuously improve, market, and fund the War Bonnet Round Up Rodeo, through various opportunities defined in this agreement. The association shall be responsible for all activities related to the War Bonnet Round Up Royalty Program as defined in this agreement.

Relevant PBB Results & Department Strategic Plan



Supports good governance by assuring regulatory and policy compliance to minimize and mitigate risk and providing responsive and accessible leadership, focused on community priorities.

Interdepartmental Coordination

Mayor, Parks and Recreation, and Legal Departments

Fiscal Impact

The approved agreement would financially benefit the City. The War Bonnet Round Up Association would raise funds and collect sponsorship donations that would reduce the City's financial burden of producing the rodeo.

Legal Review

The Legal Department drafted this agreement.

AGREEMENT BETWEEN THE CITY OF IDAHO FALLS AND THE WAR BONNET ROUND UP ASSOCIATION

THIS AGREEMENT BETWEEN CITY OF IDAHO FALLS, IDAHO, AND THE WAR BONNET ROUND UP ASSOCIATION (hereinafter "Agreement"), is made this _____ day of _____ 2020 ("effective date"), by and between the CITY OF IDAHO FALLS, IDAHO, a municipal corporation of the State of Idaho, whose address is P.O. Box 50220, (hereinafter "CITY") and The War Bonnet Round Up Association, Inc., an Idaho 509(a)(2) nonprofit corporation, whose address is P.O. Box 50222, Idaho Falls, Idaho 83405-0222 (hereinafter "WBRUA").

WITNESSETH:

WHEREAS, the War Bonnet Round Up is Idaho's Oldest Rodeo ("Rodeo"); and

WHEREAS, the Rodeo is located in Idaho Falls, Idaho; and

WHEREAS, the Rodeo is a very important and well known regional event which offers rodeo entertainment at the highest professional level; and

WHEREAS, CITY has a long-standing commitment to develop the Rodeo into the premier rodeo event in Idaho; and

WHEREAS, the Rodeo is sanctioned by the Professional Rodeo Cowboys Association (PRCA); and

WHEREAS, the War Bonnet Round Up Association (WBRUA) was established in order to preserve and enhance the culture, heritage, and traditions of South Eastern Idaho, including the Rodeo, to make contributions to charitable organizations in the Idaho Falls area and the gifting of student scholarships; and

WHEREAS, WBRUA has a mission to support the Rodeo under the direction of CITY by helping to produce the Rodeo.

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

SECTION I: SCOPE OF WORK

A. WBRUA shall do the following pursuant to the terms and conditions of this Agreement or as otherwise mutually agreed to in writing by the Parties:

1. Collect, retain, and manage monies obtained from all WBRUA socials; rifle and general raffle sales; fundraising for capital improvements; and alcohol sales related to the War Bonnet Round Up. WBRUA specifically agrees that these monies shall be used to fund War Bonnet Round Up scholarships; the War Bonnet royalty program;

marketing the War Bonnet Round Up at other rodeos and western-related events; capital improvements to CITY facilities at Sandy Downs; WBRUA-sponsored grants, donations to WBRUA, and to help cover upfront costs of War Bonnet socials organized or sponsored by WBRUA, until all or any of the foregoing is remitted to CITY for capital improvements to CITY facilities at Sandy Downs.

2. Collect sponsorship dollars given to WBRUA to help with the War Bonnet Round Up rodeo, until such sponsorship funds are remitted to CITY, which shall occur within forty-five (45) days immediately following the last date of the most recent War Bonnet Round Up rodeo.

3. Maintain adequate financial records to track and account for all receipts and expenditures of Rodeo monies collected by WBRUA pursuant to this Agreement and in accordance with generally accepted accounting principles and practices and provide an annual report of such receipts and expenditures to CITY.

4. Provide a report of received sponsorship monies to the Director of Parks and Recreation on a monthly basis during October through May and on a weekly basis during the months of June through September during the term of this Agreement.

5. Include Director of Parks and Recreation on the WBRUA governing board as non-voting, ex officio member.

6. If WBRUA intends to sell alcoholic beverages, advertise rifles, conduct raffles, or sell food or other items during the Rodeo, WBRUA will rent booth space from CITY at the "market" rate.

7. WBRUA shall be responsible for all activities related to the War Bonnet Round Up royalty program including organization; fundraising; pageant recruitment, execution, support; publicity; ongoing activities; eligibility for Miss Rodeo Idaho Inc., and Miss Rodeo America, and the like.

B. CITY shall do the following pursuant to the terms and conditions of this Agreement or as otherwise mutually agreed to in writing by the Parties:

1. At the direction of the Mayor and/or Council, plan, produce, control, and manage the annual War Bonnet Round Up Rodeo.

2. Allow WBRUA to apply for grants, raise money, hold Rodeo-related special events, advertise Rodeo activities, promote the Rodeo, and to use Rodeo grounds for such purposes.

3. At CITY's sole discretion, CITY shall lend support to WBRUA grant applications, special events, money raising activities, and similar activities.

4. Grant permission and license to WBRU Rodeo-related trademarks for

WBRUA purposes set out in this Agreement without cost or license fee, with the provision that CITY may, at its sole discretion, deny, revoke, or prohibit permission for items or uses not in CITY's or the Rodeo's best interests.

SECTION II:

A. Independent Contractor.

The contracting parties warrant by their signature that no employer/employee relationship is established between WBRUA and CITY by the terms of this Agreement. It is understood by the parties hereto that WBRUA is an independent contractor for purposes of this Agreement and as such neither it nor its employees, if any, are employees of CITY for purposes of tax, retirement system, or social security (FICA) withholding.

B. Fees and Conditions for WBRUA Services.

There shall be no fees and conditions for professional services that require the exchange of monies between WBRUA and CITY.

SECTION III:

A. Term and Term Renewal.

This Agreement shall be effective from the date of the Agreement, and shall remain in effect until October 1, 2021.

B. Extent of Agreement.

This Agreement may be amended only by written instrument signed by both parties and approved by Council.

C. Insurance

WBRUA shall obtain insurance for WBRUA activities and for WBRUA board members in a sufficient amount to protect WBRUA, its board members, and agents from legal liability.

D. Duty to Defend, Hold Harmless, and Indemnify.

WBRUA specifically agrees that WBRUA shall defend, indemnify, and hold CITY harmless from all claims, liabilities, costs, or expenses arising from (a) WBRUA's negligent acts or omissions or willful misconduct, or that of its employees, agents, or subcontractors in the performance or nonperformance of any of its obligations under this Agreement but only to the extent and in proportion to WBRUA's negligence and (b) WBRUA's non-compliance with CITY, State, or Federal laws and regulations (including resulting fines and penalties) or any of WBRUA's employees, agents, or subcontractors.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date indicated above.

ATTEST:

“CITY”
City of Idaho Falls, Idaho

Kathy Hampton, City Clerk

Rebecca L. Noah Casper, Mayor

ATTEST:

“WBRUA”
War Bonnet Round Up Association

Dennis Marshall, President

Police - Chaplain Services

MEMORANDUM OF UNDERSTANDING



BETWEEN

LAW ENFORCEMENT CHAPLAINCY OF IDAHO

AND

IDAHO FALLS POLICE DEPARTMENT



I. INTRODUCTION

THIS AGREEMENT for Chaplaincy services is entered into between **Law Enforcement Chaplaincy of Idaho** as represented by Tim Rupp, Executive Director (hereinafter referred to as the "LECI"), and **Idaho Falls Police Department** (hereinafter referred to as the "Agency" represented by the head administrator or designee.

WHEREAS, the sole purpose of this Memorandum of Understanding is to encourage cooperation between the LECI, and the Agency and to identify the respective roles and responsibilities of LECI; and

WHEREAS, LECI proposes to provide and coordinate the services for officers, employees, family members and the community as called by the Agency; and

WHEREAS, the **DEFINITIONS**

For the purpose of this Memorandum of Understanding, "supportive services" means services provided to the Agency. LECI will provide emergency crisis counseling in a pastoral role and as a trauma and crisis responder. Chaplains are not intended to be mental health professionals. Long term counseling will be referred to other outside resources.

II. Ethics

It is expected that the ethics, attitude and work of the Chaplains to be exemplary (above reproach, serve as an example, without fault, worthy to be copied of ministry).

III. Expectations of Chaplain

The Chaplains representing LECI will give service where they can without interfering with police procedures or infringing upon the ministry of another member of clergy. He/she must be of service to all humanity.

The Chaplains representing LECI shall be mindful of their responsibility to pay strict heed to the selection of proper means in the discharge of the Chaplaincy. If law and regulations are to be honored by others, they must first be honored by those who represents morality and justice.

It is the duty of Chaplains to be well versed in moral laws and departmental regulations with the responsibility to themselves and law enforcement personnel: Chaplains shall apply themselves to a greater understanding of moral laws (including ethnic differences) departmental regulations, as well as ethics by which they must live and guide others. Chaplains will make certain their responsibilities of these particulars, seeking aid from their religious and civil superiors in matters of their respective fields.

The information that Chaplains receives in personal counseling or observations made during such counseling or service will be considered to be professional privilege and confidential.

Chaplains shall always discharge their duties as a serious responsibility. They shall strive for effective moral leadership and high-spirited morale. The Chaplain shall appreciate the importance and responsibility of their position in assisting all officers in rendering valuable service to the community.

Chaplains shall serve as volunteers, knowing that their participation of activities may be hazardous to property or self. Chaplains serve and agree to a waiver of liability and hold harmless those they serve.

- IV. AGENCY RESPONSIBILITIES** – Agency has overall responsibility for providing and maintaining reasonable care and safety of Chaplains on scene. Agency shall not place Chaplains in unreasonable situations where safety is compromised or of concern. Agency shall provide immediate support and care as requested or required by Chaplains responding to and by Agency request.

Agency may provide a representative to attend the LECI Board of Directors meetings. Agency representative may attend regular board meetings and communicate needs and requirements of service.

V. COMMUNICATION PLAN

LECI and the Agency will communicate during regular board meetings via Agency representative unless an urgent need is deemed – upon urgent need, the Agency and LECI will communicate directly with LECI Executive Director or Senior Chaplain and Agency Command Staff.

VI. FUNDING

The LECI shall be primarily funded by private support. The agency shall not pay directly LECI for services. However, this does not prohibit the agency from

providing equipment, training support, and/or support where it does not violate agency policy, local ordinances, or state law.

VII. TERM

This Agreement will be in effect from **October 1, 2020** through **September 30, 2021**. This Agreement will be automatically renewed with the same terms and conditions annually thereafter except where any party provides written notice of non-renewal sixty (60) days before the annual termination date or by a written amendment as provided in Section XI Amendments.

VIII. CONFIDENTIALITY

LECI, Agency and its representatives acknowledge that by virtue of entering into this Agreement they may, at times, have access to confidential information regarding each other's operations. Both agree that they will not disclose confidential information and/or material without the consent of the other party, and unless such disclosure is authorized by this Agreement or required under law. Agency acknowledges that ONLY LECI Law Enforcement Chaplains are authorized to hear Penitential Communication under the discipline of the law. LECI Community Chaplains ARE NOT authorized to hear Penitential Communication and are clearly identified by a "Community Chaplain" uniform.

IX. NONDISCRIMINATION

There will be no discrimination of any eligible tenant on account of race, color, creed, religion, sex, marital status, sexual orientation, age, handicap, ancestry, or national origin in the availability and delivery of supportive services.

X. SEVERABILITY

In the event any provision of this Agreement is found to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect the validity, legality, and enforceability of the remainder of the Agreement.

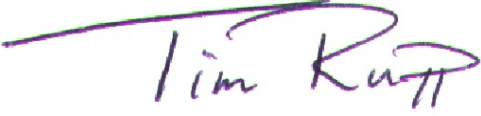
XI. AMENDMENTS

This Agreement may be amended only with the mutual consent of the Management, Lead Agency, and Service/Referring Partner(s).

XII. CERTIFICATION OF AUTHORITY TO SIGN AGREEMENT

The persons signing this Agreement on behalf of LECI, and the Agency hereto certify by said signatures that they are duly authorized to sign this Agreement.

For Law Enforcement Chaplaincy of Idaho:

Signed: 
Tim Rupp, Executive Director, LECI

Date: July 22, 2020

For the Law Enforcement Agency:

Signed: _____
Head administrator or designee

Date: _____

Municipal Services - Certificate of Participation (COP) Financing Options



Idaho Falls Community Law Enforcement Facility
Certificates of Participation Overview
Monday, November 23, 2020

Presentation Topics

- Update on project financing activities
- Ordinance review
- Resolution review
- Next Steps

Certificates of Participation Finance Team

- Municipal Advisor - Zions Public Finance (Boise)
- Bond Counsel - Hawley Troxell (Boise)
- Underwriter – Stifel, Nicolaus & Company (Denver)
 - Underwriter Counsel – Skinner Fawcett (Boise)
- Bond Trustee – Zions Bancorporation, National Association (Boise)
- Bond Rating – Moody's
- City Finance Team - Pam, Mark and Josh
- City Legal – Randy Fife

Ordinance Highlights

- Approval and authorization to issue Certificates of Participation.
 - Appropriation not to exceed \$30M.
 - Tax-exempt obligation.
 - True interest cost placeholder at 3.25%.
 - 22 year term.
- Delegation of authority to Mayor and Director.
 - Sale of certificates.
- Approval and authorization to execute primary lease.

Resolution Highlights

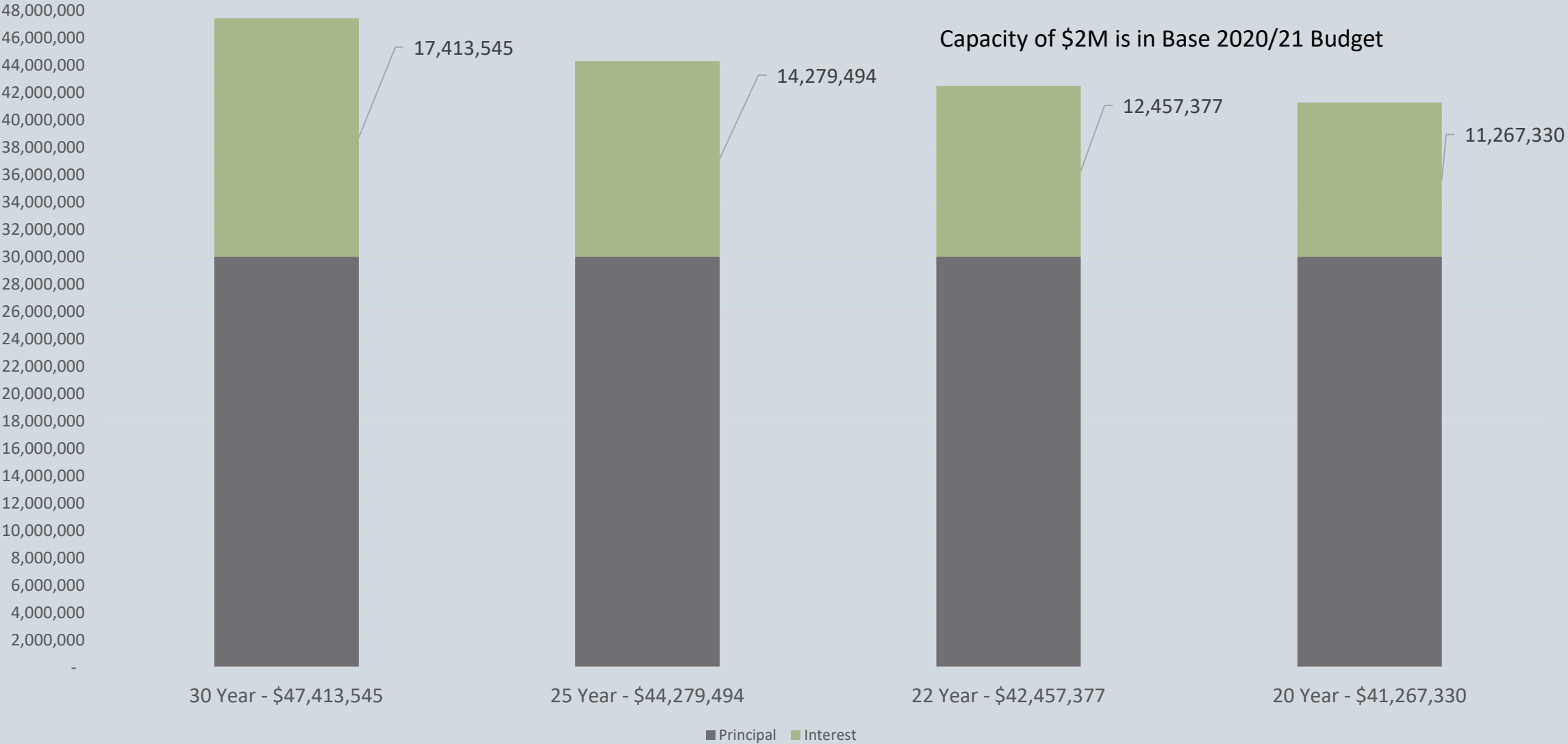
- Notice of intent to reimburse certain project expenditures.
 - Code of Federal regulations.

City Bond Rating & Certificates Issuance Timeline

- Bond rating call occurred on Tuesday, November 10, 2020.
- Bond rating received on Friday, November 20, 2020.
- Bond Rating.
- COP Pricing – December 8, 2020.
- Closing – December 23, 2020.

Idaho Falls Community Law Enforcement Facility

\$30M Certificate of Participation Estimated Total Cost to City
Assuming 3.25% Interest Rate



Next Steps

- Adopt Certificate of Participation Ordinance
 - Tuesday, November 24, 2020
- Adopt Resolution to Reimburse Project Expenses
 - Tuesday, November 24, 2020
- Design and Construction Project Team



Questions

CITY OF IDAHO FALLS, IDAHO

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY OF IDAHO FALLS, IDAHO APPROVING AND AUTHORIZING THE ISSUANCE AND PROVIDING FOR THE NEGOTIATED SALE OF THE PRINCIPAL AMOUNT OF UP TO \$30,000,000 ANNUAL APPROPRIATION CERTIFICATES OF PARTICIPATION, SERIES 2020; DELEGATING AUTHORITY TO CERTAIN OFFICERS FOR THE SALE THEREOF; APPROVING AND AUTHORIZING THE EXECUTION OF A PRIMARY LEASE, AN ANNUAL APPROPRIATION LEASE AGREEMENT AND AN ANNUAL APPROPRIATION TRUST INDENTURE, TOGETHER WITH OTHER RELATED DOCUMENTS; RATIFYING ACTIONS HERETOFORE TAKEN; AND PROVIDING FOR RELATED MATTERS.

*** *** ***

WHEREAS, the City of Idaho Falls, Idaho (the “City”), is a municipal corporation operating and existing under and pursuant to the provisions of the constitution and laws of the State of Idaho (the “State”);

WHEREAS, pursuant to Section 50-301, Idaho Code, the City is authorized to acquire, hold, lease, and convey property, real and personal, and to erect buildings or structures of any kind, needful for the uses or purposes of the City;

WHEREAS, the City Council of the City (the “Council”) has determined it is in the best interest of the City to (i) raze, demolish or remove the existing improvements located on certain real property currently owned by the City (the “Property”), (ii) prepare, construct, furnish, equip and improve certain real and personal property comprising a new City police headquarters building and related facilities on the Property for use by City (the “Improvements” and collectively with (i), the “Project”);

WHEREAS, the City has requested Zions Bancorporation, National Association, as trustee (the “Trustee”) to issue on its behalf certain certificates of participation to provide funds to finance the cost of the Project and to pay the costs of issuing the certificates, which certificates shall be designated the “City of Idaho Falls, Idaho Annual Appropriation Certificates of Participation, Series 2020” (the “Certificates”), and desires to enter into an Annual Appropriation Trust Indenture (the “Trust Indenture”) by and among the City, the Trustee, and Zions Bancorporation, National Association, as lessor under an Annual Appropriation Lease Agreement (hereinafter “Bank”), to provide for the issuance of the Certificates;

WHEREAS, the City desires to sell the Certificates pursuant to negotiated sale to Stifel Nicolaus & Co., Inc. (the “Underwriter”) and to enter into a Certificate Purchase Agreement with the Underwriter setting out the terms of such sale (the “Certificate Purchase Agreement”);

WHEREAS, the City desires to authorize and ratify the actions of certain of its officials to assist in the preparation and completion of the preliminary official statement related to the

offering of the Certificates (the “POS”) and authorize certain officials to deem final the POS in the form presented to the Council or at such time the POS is final, and to authorize the use of the POS in connection with the offering of the Certificates;

WHEREAS, pursuant to Section 57-235, Idaho Code, the Council desires to delegate authority, in accordance with the specific instructions and procedures set forth herein, for determination and approval of certain final terms and provisions of the Certificates on the date of sale thereof;

WHEREAS, the City and Bank have agreed to enter into a Primary Lease (the “Primary Lease”) under the terms of which City will lease to Bank the Property together with the Improvements to be constructed thereon (the Property and the Improvements collectively referred to herein as the “Facilities”);

WHEREAS, the City and Bank have agreed to enter into an Annual Appropriation Lease Agreement (the “Appropriation Lease”) under the terms of which Bank will sublease the Facilities back to the City and, subject to annual appropriation by the Council, the City will pay lease payments in an amount sufficient to pay the principal, premium, if any, and interest on the Certificates as the same become due and payable at maturity or upon earlier redemption, as applicable (the “Lease Payments”);

WHEREAS, pursuant to the Trust Indenture, the Bank, in order to secure the payment of the principal of, premium, if any, and interest on the Certificates, assigns, transfers, pledges and grants to the Trustee a security interest in the Trust Estate, as defined therein, including, among other things, all of its right title and interests in the Primary Lease and Appropriation Lease under and pursuant to the terms thereof, and all payments including the Lease Payments, revenues, rents and receipts received or receivable by the Bank under the Appropriation Lease;

WHEREAS, at any time during the Initial Term or any Renewal Term of the Appropriation Lease (as such terms are defined in the Trust Indenture), the City may purchase Bank’s right, title and interest in the Facilities pursuant to certain terms and conditions as set forth in the Appropriation Lease including, but not limited to, providing notice and tendering the purchase price (as described in Article XI of the Appropriation Lease) and, upon retirement of the Certificates, the City shall have the option to purchase all of the Bank’s right, title and interest in the Facilities for nominal consideration; which option to purchase shall survive an Event of Nonrenewal (as defined in the Trust Indenture);

WHEREAS, execution of the Primary Lease and Appropriation Lease is conditioned upon delivery by the City to the Bank and Trustee of a leasehold owner’s policy of title insurance in the amount and with coverage as required by the Primary Lease and Appropriation Lease showing that the Bank and the Trustee have valid leasehold interests in the Facilities, as their interests may appear of record, subject only to Permitted Encumbrances as described in the Appropriation Lease (the “Title Requirements”);

WHEREAS, the Council desires to approve the terms and provisions of the Trust Indenture, the Primary Lease, the Appropriation Lease and the POS (collectively, hereinafter referred to as the “Certificate Documents”), and to delegate authority to certain officials of the

City to execute and deliver such documents, as applicable, together with such changes as shall be necessitated by the pricing and sale of the Certificates, and any other documents related to the sale of the Certificates; and

WHEREAS, the substantial forms of the Certificate Documents and the other documents referenced hereinafter have been provided to the Council for review prior to this meeting.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF IDAHO FALLS, IDAHO, as follows:

ARTICLE I

DEFINED TERMS

Section 1.1 Certain terms are defined in the preambles hereto. Except as provided in the preambles or in the following Articles, all capitalized terms contained in this Ordinance shall have the same meanings as set forth in the Trust Indenture.

ARTICLE II

AUTHORIZATION OF CERTIFICATES

Section 2.1 In accordance with and subject to the terms, conditions and limitations established by the constitution and laws of the State and as contained in this Ordinance, the City hereby authorizes the Trustee to issue the Certificates pursuant to the Trust Indenture for the purpose of financing the Project, and to pay the costs of issuance of the Certificates.

ARTICLE III

AUTHORIZATION OF ACTIONS PRELIMINARY TO SALE OF CERTIFICATES

Section 3.1 Negotiated Sale and Notice Thereof. The Council desires to sell the Certificates pursuant to negotiated sale to the Underwriter. In accordance with Idaho Code Section 57-215, the Notice of Negotiated Sale of Certificates in the form attached as **Exhibit A** hereto is hereby ratified and approved, and Hawley Troxell Ennis & Hawley LLP, as Bond Counsel, is authorized to complete the notice and effect timely publication thereof prior to the sale of the Certificates.

Section 3.2 Preliminary Official Statement. The POS in substantially the form previously provided to the Council and as presented to the Council at this meeting, with such changes, omissions, insertions and revisions as the Delegated Officers (hereinafter defined), with the advice of counsel to the City, shall approve, is hereby authorized, and the actions of the City, including the certification by the Delegated Officers as to the “deemed finality” of the POS pursuant to Rule 15c2-12 of the Securities Exchange Commission adopted pursuant to the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”) in connection with the offering of the Certificates, are hereby acknowledged, approved and ratified.

Section 3.3 Certificate Purchase Agreement. The Certificate Purchase Agreement in substantially the form previously provided to the Council and as presented at this meeting, with

such changes, omissions, insertions and revisions as the Delegated Officers, with the advice of counsel to the City, shall approve, is hereby ratified and approved. Upon the sale of the Certificates, the Delegated Officers are hereby authorized to execute and deliver the Certificate Purchase Agreement to the Underwriter. The Delegated Officers are authorized to do or perform all such acts as may be necessary or advisable to comply with the Certificate Purchase Agreement and to carry the same into effect.

Section 3.4 Official Statement. Upon the sale of the Certificates, the POS together with such changes, omissions, insertions and revisions to reflect the final terms and provisions of the Certificates (hereafter referred to as the “Official Statement”), shall be approved and signed by the Delegated Officers, or any of them, to authorize delivery thereof to the Underwriter for distribution to prospective purchasers of the Certificates and other interested persons.

Section 3.5 Continuing Disclosure Undertaking. In order to comply with subsection (b)(5) of Rule 15c2-12, the Underwriter has provided in the Certificate Purchase Agreement that it is a condition to delivery of the Certificates that the City and the Trustee, as disclosure agent thereunder, shall have executed and delivered the Information Reporting Agreement in substantially the form provided to the Council and attached to the POS. The Information Reporting Agreement is hereby ratified and approved in all respects, together with such changes thereto as shall be consistent with the foregoing and as the Delegated Officers shall approve, and the Council authorizes the Underwriter to include a copy thereof in the POS and Official Statement. Upon delivery of the Certificates, the Mayor is hereby authorized to execute and deliver the Information Reporting Agreement, which shall constitute the City’s undertaking for compliance with Rule 15c2-12.

ARTICLE IV

DELEGATION AUTHORITY; SALE OF CERTIFICATES

Section 4.1 Delegation Authority. Pursuant to Section 57-235, Idaho Code, as amended, the Council hereby delegates to Mayor Rebecca L. Noah Casper and Pamela Alexander, Municipal Services Director, acting jointly and not severally on behalf of the City (the “Delegated Officers”), the power to make the following determinations on the date of sale of the Certificates, without any requirement that the members of the Council meet to approve such determinations, but subject to the limitations provided:

a. The rates of interest to be borne on the Certificates, provided that the true interest cost of the Certificates, as certified by the City’s municipal advisor and the Underwriter, shall not exceed three and one-quarter percent (3.25%).

b. The aggregate principal amount of the Certificates on the sale date; provided, the principal amount of the Certificates shall not exceed \$30,000,000.

c. The amount of principal of the Certificates maturing, or subject to mandatory sinking fund redemption in any particular year and the rate of interest accruing thereon.

d. The dates, if any, on which, and the prices at which, the Certificates will be subject to optional redemption.

e. The final maturity of the Certificates; provided that the final maturity date of the Certificates shall not exceed twenty-two (22) years from the date of issuance.

f. The price at which the Certificates will be sold (including any underwriter's discount and original issue premium or discount).

Section 4.2 Certificate as to Pricing. Upon the sale of the Certificates, the Delegated Officers shall execute a Certificate as to Pricing of Certificates and Related Matters substantially in the form attached hereto as **Exhibit B** reflecting the final terms and provisions of the Certificates and certifying that the final terms and provisions of the Certificates are consistent with, not in excess of and no less favorable than the terms set forth in subparagraphs a. through f. in Section 4.1 above.

ARTICLE V

APPROVAL OF CERTIFICATE DOCUMENTS AND EXECUTION THEREOF UPON DELIVERY OF CERTIFICATES

Section 5.1 Primary Lease. The terms and provisions of the Primary Lease in substantially the form previously provided to the Council and as presented at this meeting are hereby approved, and the Mayor and the City Clerk are hereby authorized to execute and deliver the Primary Lease on behalf of the City together with such changes thereto as shall be consistent with the foregoing and upon verification of satisfaction of the Title Requirements with respect to the Facilities.

Section 5.2 Appropriation Lease. The terms and provisions of the Appropriation Lease in substantially the form previously provided to the Council and as presented at this meeting are hereby approved, and the Mayor and the City Clerk are hereby authorized to execute and deliver the Appropriation Lease on behalf of the City upon execution of the Primary Lease, and together with such changes thereto as shall be consistent with the foregoing.

Section 5.3 Trust Indenture. The terms and provisions of the Trust Indenture in substantially the form previously provided to the Council and as presented at this meeting are hereby approved, and the Mayor and the City Clerk are hereby authorized to execute and deliver the Trust Indenture on behalf of the City together with such changes thereto as shall be consistent with the foregoing at the time the City is in a position to execute and deliver the Primary Lease and Appropriation Lease.

Section 5.4 Tax Certificate. Pursuant to the Appropriation Lease, the City obligates itself to comply with the requirements of Section 103 of the Internal Revenue Code of 1986 and the regulations proposed or promulgated thereunder throughout the Lease Term in order to preserve the tax exempt status of the Certificates, and to take such actions, if any, to enable it to do so, including adopting ordinances or resolutions or entering into federal tax exemption certificates necessary to comply with any changes in law or regulations. Upon delivery of the

Certificates, the Mayor and the City Treasurer are hereby authorized and directed to execute a federal tax exemption certificate with respect to the Certificates.

ARTICLE VI

GENERAL

Section 6.1 Other Actions With Respect to Certificates. The officers and employees of the City shall take all actions necessary or reasonably required to carry out, give effect to, and consummate the transactions contemplated hereby and shall take all action necessary in conformity with the laws of the State to carry out the sale and issuance of the Certificates, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the issuance, sale and delivery of the Certificates.

Section 6.2 Ratification. All proceedings, ordinances, resolutions, and actions of the Council and officers of the City, and their officers, agents and employees, as applicable, taken in connection with the execution and delivery of the Certificate Documents and all other documents authorized hereunder, and the authorization, sale and issuance of the Certificates, are hereby in all respects ratified.

Section 6.3 Effective Date. This Ordinance shall take effect from and after its passage and publication of the summary substantially in the form attached hereto as **Exhibit C**, in the manner as required by law. Upon personal request, the City Clerk shall promptly provide the full text of this Ordinance to any citizen.

PASSED AND APPROVED this 24th day of November, 2020.

CITY OF IDAHO FALLS, IDAHO

By _____
Rebecca L. Noah Casper, Mayor

ATTEST:

City Clerk

[SEAL]

Exhibit A

FORM OF NOTICE OF NEGOTIATED SALE OF CERTIFICATES

NOTICE OF NEGOTIATED SALE OF CERTIFICATES

Public notice is hereby given by the City of Idaho Falls, Idaho (the “City”), of negotiation for and private sale to Stifel Nicolaus & Co., Inc. (the “Underwriter”) of the City of Idaho Falls, Idaho Annual Appropriation Certificates of Participation, Series 2020 (the “Certificates”) pursuant to a Certificate Purchase Agreement between the City and the Underwriter to be executed on the date of sale of the Certificates, and setting forth the final terms and provisions of the Certificates. The Certificates were authorized to be issued by the City Council of the City pursuant to an Ordinance adopted November 24, 2020 (the “Ordinance”). The sale of the Certificates, upon satisfying certain requirements contained in the Ordinance pursuant to Idaho Code Section 57-235, is expected to occur on or around December 8, 2020. Additional information concerning the terms and provisions of the Certificates, the contents of the City’s Preliminary Official Statement with respect to the issuance and sale of the Certificates, the security for payment of the Certificates, and other pertinent information relating to the Certificates is available for public inspection at the administrative offices of the City: 308 Constitution Way, Idaho Falls, Idaho; 208.612.8100.

By order of the City Council of the City of Idaho Falls, Idaho.

Dated: November __, 2020.

CITY OF IDAHO FALLS, IDAHO

Exhibit B

FORM OF CERTIFICATE AS TO PRICING OF CERTIFICATES AND RELATED MATTERS

CITY OF IDAHO FALLS, IDAHO ANNUAL APPROPRIATION CERTIFICATES OF PARTICIPATION, SERIES 2020

CERTIFICATE AS TO PRICING OF CERTIFICATES AND RELATED MATTERS

The undersigned Delegated Officers of the City of Idaho Falls, Idaho (the “City”) do hereby certify as follows (capitalized terms used herein and not defined have the meanings assigned to such terms in the Ordinance hereinafter referred to and/or the Annual Appropriation Trust Indenture (the “Trust Indenture”) among the City, Zions Bancorporation, National Association, as Trustee (the “Trustee”), and Zions Bancorporation, National Association, as lessor under the Annual Appropriation Lease Agreement:

1. The undersigned are familiar with Ordinance No. ____ adopted by the City Council of the City on November 24, 2020 (the “Ordinance”) to authorize the Trustee to issue the City of Idaho Falls, Idaho Annual Appropriation Certificates of Participation, Series 2020 (the “Certificates”) pursuant to the Trust Indenture and to authorize related documents, which Certificates were sold on this date to Stifel Nicolaus & Co., Inc. (the “Underwriter”).

2. Section 4.1 of the Ordinance delegated to the undersigned, as Delegated Officers, the power to make certain determinations on the date of sale of the Certificates.

3. Pursuant to such delegation, the Delegated Officers hereby determine as follows:

(a) Details of the terms of the Certificates are reflected in the schedules of final sale numbers provided by the Underwriter on this date, which schedules are attached as Exhibit A hereto.

(b) The true interest cost of the Certificates, as certified by the City’s municipal advisor and the Underwriter, is _____ percent (____%), which does not exceed three and one-quarter percent (3.25%).

(c) The aggregate principal amount of the Certificates is \$_____, which does not exceed \$30,000,000.

(d) The final maturity of the Certificates is September 15, 204_, which is not later than twenty-two (22) years from the date of issuance thereof.

(e) The Certificates were sold at the purchase price of \$_____, representing the principal amount thereof, plus [net] premium in the amount of \$_____, less underwriter’s discount of \$_____.

(f) The Certificates are subject to optional [and mandatory sinking fund redemption] as reflected in Exhibit A and as specifically set forth in Exhibit B attached hereto.

4. The undersigned Delegated Officers hereby certify that the final terms and provisions of the Certificates, as described above and in the attached Exhibit A and Exhibit B, are consistent with, not in excess of and no less favorable than the terms set forth in subparagraphs a. through f. in Section 4.1 of the Ordinance.

5. The undersigned Delegated Officers have therefore executed and delivered the Certificate Purchase Agreement to the Underwriter this date.

DATED: December 8, 2020.

CITY OF IDAHO FALLS, IDAHO

By: _____
Mayor

By: _____
Municipal Services Director

EXHIBIT A

FINAL NUMBERS PROVIDED BY UNDERWRITER

EXHIBIT B

REDEMPTION PROVISIONS

1. Optional Redemption:

The Certificates maturing on September 15 in the years 20[21] through 2030, inclusive, are not subject to optional redemption prior to their stated dates of maturity. The Certificates maturing on or after September 15, 2031, are subject to redemption prior to their stated dates of maturity at the election of City at any time on or after September 15, 2030, in whole or in part (maturities to be selected by City and randomly within a maturity in such manner as the Trustee shall determine). Such optional redemption of the Certificates shall be at a price of 100% of the principal amount of the Certificates to be so redeemed, plus accrued interest to the date fixed for redemption

2. Mandatory Sinking Fund Redemption:

The Certificates maturing on September 15, 20__, are subject to mandatory sinking fund redemption prior to their stated maturity, at a price of 100% of the principal amount of the Certificates to be so redeemed, plus accrued interest to the date fixed for redemption, on September 15 of the years, and in the amounts, shown below:

SEPTEMBER 15
OF THE YEAR

MANDATORY
REDEMPTION AMOUNT

\$

*

*stated maturity

Exhibit C

FORM OF SUMMARY OF ORDINANCE

CITY OF IDAHO FALLS, IDAHO

SUMMARY OF ORDINANCE NO. ____

Passed November 24, 2020

AN ORDINANCE OF THE CITY OF IDAHO FALLS, IDAHO APPROVING AND AUTHORIZING THE ISSUANCE AND PROVIDING FOR THE NEGOTIATED SALE OF THE PRINCIPAL AMOUNT OF UP TO \$30,000,000 ANNUAL APPROPRIATION CERTIFICATES OF PARTICIPATION, SERIES 2020; DELEGATING AUTHORITY TO CERTAIN OFFICERS FOR THE SALE THEREOF; APPROVING AND AUTHORIZING THE EXECUTION OF A PRIMARY LEASE, AN ANNUAL APPROPRIATION LEASE AGREEMENT AND AN ANNUAL APPROPRIATION TRUST INDENTURE, TOGETHER WITH OTHER RELATED DOCUMENTS; RATIFYING ACTIONS HERETOFORE TAKEN; AND PROVIDING FOR RELATED MATTERS.

Section 1.1 Sets out that capitalized terms not otherwise defined in Ordinance No. ____ (the “Ordinance”) shall have the same meanings as set forth in the Annual Appropriation Trust Indenture (the “Trust Indenture”) among the City of Idaho Falls, Idaho (the “City”), and Zions Bancorporation, National Association, in its capacities as Trustee thereunder and as lessor under the Annual Appropriation Lease Agreement, wherein the City is the lessee.

Section 2.1 Authorizes the Trustee to issue the City of Idaho Falls, Idaho Annual Appropriation Certificates of Participation, Series 2020 (the “Certificates”), pursuant to the Trust Indenture for the purpose of financing the Project, as defined in the Trust Indenture, and to pay the costs of issuance of the Certificates.

Section 3.1 Ratifies and approves the form of Notice of Negotiated Sale of Certificates attached as Exhibit A to the Ordinance, and authorizes Bond Counsel to complete the notice and effect timely publication thereof prior to the sale of the Certificates.

Section 3.2 Authorizes the Preliminary Official Statement (the “POS”) in the form provided to the Council in connection with the offering of the Certificates, and actions of the City related thereto, including the deemed finality of the POS by Delegated Officers of the City pursuant to Rule 15c2-12 of the Securities Exchange Commission (“Rule 15c2-12”).

Section 3.3 Ratifies and approves the Certificate Purchase Agreement between the City and Stifel Nicolaus & Co., Inc., as underwriter, in the form provided to the Council with such

changes and revisions as the Delegated Officers, with advice of counsel to the City, shall approve.

Section 3.4 Provides that upon the sale of the Certificates, the POS together with such changes, omissions, insertions and revisions to reflect the final terms and provisions of the Certificates (hereafter referred to as the “Official Statement”), shall be approved and signed by the Delegated Officers, or any of them, to authorize delivery thereof to the Underwriter for distribution to prospective purchasers of the Certificates and other interested persons.

Section 3.5 Ratifies and approves the Information Reporting Agreement together with such changes thereto as the Delegated Officers shall approve, and authorizes the Underwriter to include a copy thereof in the POS and Official Statement; authorizes the Mayor to execute and deliver the Information Reporting Agreement constituting the City’s undertaking for compliance with Rule 15c2-12.

Section 4.1 Delegates to the Delegated Officers of the City to make certain determinations on the date of sale of the Certificates, subject to certain limitations.

Section 4.2 Authorizes the Delegated Officers to execute a Certificate as to Pricing of Certificates and Related Matters substantially in the form attached to the Ordinance as Exhibit B reflecting the final terms and provisions of the Certificates and certifying that the final terms and provisions of the Certificates are consistent with, not in excess of and no less favorable than the terms set forth in Section 4.1 of the Ordinance.

Section 5.1 Approves the substantial form of the Primary Lease provided to Council wherein the City, as lessor, leases to Zions Bancorporation, National Association (“Bank”), as lessee, the Facilities, and authorizes the execution and delivery thereof by the Mayor and the City Clerk, on behalf of the City, together with such changes thereto as shall be consistent with the provisions of the Ordinance, and upon verification of satisfaction of the title requirements with respect to the Facilities.

Section 5.2 Approves the substantial form of the Appropriation Lease provided to Council wherein the City, as lessee, leases from Bank, as lessor, the Facilities, subject to annual appropriation by the Council, and authorizes the execution and delivery thereof by the Mayor and the City Clerk, on behalf of the City, upon execution of the Primary Lease, together with such changes thereto as shall be consistent with the provisions of the Ordinance.

Section 5.3 Approves the substantial form of the Trust Indenture provided to Council among the Trustee, the City and Bank, and authorizes the execution and delivery thereof by the Mayor and the City Clerk, on behalf of the City, at the time the City is in a position to execute the Primary Lease and Appropriation Lease, together with such changes thereto as shall be consistent with the provisions of the Ordinance.

Section 5.4 Obligates the City to comply with Section 103 of the Internal Revenue Code of 1986 throughout the Lease Term in order to preserve the tax exempt status of the Certificates, and authorizes and directs the Mayor and the City Treasurer to execute a federal tax exemption certificate with respect to the Certificates upon delivery thereof.

Section 6.1 Authorizes the officers and employees of the City to take all actions necessary or reasonably required to carry out, give effect to, and consummate the transactions contemplated by the Ordinance and to take all action necessary in conformity with the laws of the State of Idaho to carry out the sale and issuance of the Certificates, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the issuance, sale and delivery of the Certificates.

Section 6.2 Ratifies all proceedings, ordinances, resolutions, and actions of the Council and officers of the City, and their officers, agents and employees, as applicable, taken in connection with the execution and delivery of the Certificate Documents and all other documents authorized under the Ordinance, and the authorization, sale and issuance of the Certificates.

Section 6.3 Provides that the Ordinance shall take effect from and after its passage and publication of this Summary as required by law.

Exhibit A: Sets forth the form of the Notice of Negotiated Sale of Certificates.

Exhibit B: Sets forth the form of the Certificate as to Pricing of Certificates and Related Matters.

Exhibit C: Sets forth the substantial form of this Summary for publication.

The full text of Ordinance No. ____ is available at the office of the Clerk of the City and will be provided to any citizen upon personal request during normal business hours.

Approved this 24th day of November, 2020.

CITY OF IDAHO FALLS, IDAHO

Mayor

ATTEST:

Clerk

CERTIFICATION OF COUNSEL

I, the undersigned, the legal advisor to the City of Idaho Falls, Idaho, hereby certify that I have read the attached Summary of Ordinance No. ____ of the City, and that the same is true and complete and provides adequate notice to the public of the contents of said ordinance.

Dated as of this ____ day of November, 2020.

By: _____
Randall Fife

CERTIFICATE

I, the undersigned, City Clerk of the City of Idaho Falls, Idaho (the “City”), hereby certify that the foregoing Ordinance No. ___, including exhibits thereto, is a full, true, and correct copy of an Ordinance duly adopted at a regular meeting of the Council of the City (the “Council”); the meeting was duly and regularly held at the regular meeting place of the Council on November 24, 2020; all members of the Council had due notice thereof; a majority of the members were present; and that at said meeting said Ordinance was passed by the following vote:

Councilmembers voting Yes:

Councilmembers voting No:

Councilmembers abstaining:

Councilmembers absent:

I further certify that I have carefully compared the same with the original Ordinance No. ___ on file and of record in my office; that said Ordinance is a full, true, and correct copy of the original Ordinance passed at said meeting; and that said Ordinance has not been amended, modified, or rescinded since the date of its passage, and is now in full force and effect.

I have set my hand on November 24, 2020.

CITY OF IDAHO FALLS, IDAHO

City Clerk

PRIMARY LEASE

between

**CITY OF IDAHO FALLS, IDAHO
AS LESSOR**

and

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
AS LESSEE**

Relating to

[\$[30,000,000]

City of Idaho Falls, Idaho Annual Appropriation Certificates of Participation, Series 2020

Dated as of December __, 2020

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PRIMARY LEASE

DATED: December __, 2020 (“Effective Date”)

BETWEEN: **CITY OF IDAHO FALLS, IDAHO, as Lessor**
308 Constitution Way
Idaho Falls, ID 83402 (“City”)

AND: **ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Lessee**
800 W Main St, Suite 700
Boise, ID 83702 (“Bank”)

WHEREAS, City is a municipal corporation operating and existing under and pursuant to the provisions of the Constitution and laws of the state of Idaho (the “State”); and

WHEREAS, Bank is a national banking association, and is entering into this instrument for the purpose of assisting City in obtaining financing for costs associated with a project to be undertaken by City as described below; and

WHEREAS, City is authorized to acquire, operate and maintain public facilities and is authorized to enter into lease agreements for land and buildings to be used for lawful purposes; and

WHEREAS, City is the owner of that certain real property located in Bonneville County, Idaho, described in Exhibit A hereto (the “Property”), and all existing improvements thereon and, in furtherance of the Project (as defined below), desires to lease the Property to Bank pursuant to the terms of this Primary Lease; and

WHEREAS, under and pursuant to an Annual Appropriation Trust Indenture dated as of the date hereof (the “Trust Indenture”) by and among City, Bank, and Zions Bancorporation, National Association, as trustee (the “Trustee”), the Trustee has determined, at the request of City and the direction of Bank, to issue certificates of participation to provide funds to finance certain project costs of City, which certificates shall be designated the “City of Idaho Falls, Idaho Annual Appropriation Certificates of Participation, Series 2020” and issued in the aggregate principal amount of \$[30,000,000] (the “Certificates”); and

WHEREAS, the proceeds of the Certificates shall be used to finance the costs of (i) razing, demolishing or removing the existing improvements located on the Property, (ii) preparing, constructing, furnishing, equipping and improving certain real and personal property comprising a new City police headquarters building and related facilities on the Property for use by City (the “Improvements” and collectively with (i), the “Project”), as well as (iii) the Costs of Issuance of the Certificates; and

WHEREAS, City and Bank hereby agree to enter into this Primary Lease (the “Primary Lease”) under the terms of which City leases to Bank and Bank leases from City the Property together with the Improvements to be constructed thereon (the Property and the Improvements collectively referred to herein as the “Facilities”); and

WHEREAS, City and Bank hereby agree to enter into an Annual Appropriation Lease Agreement of even date herewith (the “Appropriation Lease”) under the terms of which Bank, as lessor, will lease the Facilities back to City, as lessee, and City will pay lease payments to Bank in an amount sufficient to pay the principal amount of the Certificates plus interest accrued thereon, and premium, if applicable, as the same become due and payable; and

WHEREAS, the Certificates shall be secured by, among other things, the Trust Estate under and as that term is defined in the Trust Indenture; and

WHEREAS, the issuance and delivery of the Certificates and the execution and delivery of this Primary Lease, the Appropriation Lease and the Trust Indenture have been in all respects duly and validly authorized by an ordinance or other official action duly adopted by the City Council of City; and all things necessary to make the Certificates, when authenticated by the Trustee, valid and binding legal obligations and to make this Primary Lease a valid and binding agreement and the pledge of the Trust Estate and revenues made in the Trust Indenture to the payment of the principal of, premium, if any, and interest on the Certificates, have been done.

NOW, THEREFORE, for valuable consideration, including the mutual promises of City and Bank set forth in this Primary Lease, City and Bank agree as follows:

1. Contemporaneous Trust Indenture and Appropriation Lease. This Primary Lease is made and executed contemporaneously with the Trust Indenture and the Appropriation Lease. City and Bank acknowledge that City will be subleasing the Facilities from Bank on an annual basis subject to appropriation and renewal by City pursuant to the Appropriation Lease and Bank and City intend that there be no merger of City’s leasehold interest under the Appropriation Lease and its ownership interest so as to cause the cancellation of this Primary Lease. City and Bank further acknowledge that all right, title and interest (but not the obligations) of Bank under and pursuant to this Primary Lease will be part of the Trust Estate pledged and assigned to the Trustee pursuant to the Trust Indenture and that this Primary Lease shall be subject to the Trust Indenture to the extent, and in the manner, set forth therein.

2. Definitions. Any capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Trust Indenture.

3. Primary Lease. City has fee simple title to the Property, subject only to the Permitted Encumbrances as described in Exhibit C of the Appropriation Lease (hereinafter referred to as “Permitted Encumbrances”). In addition, fee title to the Improvements to be constructed on the Property pursuant to Section 5 hereof, and all additions, alterations and improvements thereto, shall, once constructed, become a part of the Property and shall be and remain in City during the term of this Primary Lease, subject to the leasehold interest granted to Bank hereunder. Title to all personal property pledged as part of the Trust Estate shall be technically held in the City’s name for convenience purposes only and, upon an Event of Default

or an Event of Nonrenewal, the disposition of such personal property shall, to the extent permitted by law, be governed by the Uniform Commercial Code as adopted in the State.

On the terms and conditions of this Primary Lease, City hereby leases the Facilities to Bank and Bank hereby leases the Facilities from City, subject to any Permitted Encumbrances.

4. Term, Possession and Disposition.

4.1 Term. This Primary Lease has a term commencing on the Effective Date and ending September 30, 20[42], unless sooner terminated in accordance with Section 4.3 hereof, or for such longer period until the Certificates are no longer Outstanding and shall have been fully paid and retired, but not exceeding ninety-nine (99) years (the “Term”).

4.2 Possession. Subject to the Appropriation Lease, Bank shall have quiet and peaceable possession and enjoyment of the Facilities during the Term.

4.3 Disposition. If the Certificates shall have been fully paid and retired or provision for such payment shall have been made as provided in the Trust Indenture, and all other expenses or sums to which Bank is entitled under this Primary Lease, the Appropriation Lease and the Trust Indenture have been paid, this Primary Lease shall automatically expire without action of the parties; however, Bank agrees to execute an instrument evidencing expiration and/or termination of this Primary Lease. If the Appropriation Lease is terminated based on an Event of Default or an Event of Nonrenewal, Bank shall be entitled to exclusive possession and use of the Facilities until the remaining Term of this Primary Lease expires. Upon completion of any Option to Purchase and notice to Bank as provided for in Article XI of the Appropriation Lease, and so long as the Certificates are no longer Outstanding, this Primary Lease shall automatically expire without further action of the parties.

5. Authority to Develop. City shall, in accordance with its appointment pursuant to Section 4.1 of the Appropriation Lease, undertake the design and construction of the Improvements. City may raze, demolish and remove, in whole or in part, any existing improvements on the Property and construct the Improvements thereon, and make such repair, addition, alteration and improvement thereto as City may deem desirable. City shall not permit any lien to stand against the Facilities for work done or materials furnished by or on behalf of Bank, provided that City may contest the validity of such lien, but upon a final determination of the validity thereof, City shall cause the lien to be satisfied and released of record.

6. Leasehold Interest in the Facilities. Until termination or expiration of this Primary Lease, a leasehold interest in the Facilities shall be vested in Bank and as such leasehold interest is assigned by Bank to the Trustee under the Trust Indenture. City shall, at its own expense, furnish to Bank an original leasehold owner’s policy of title insurance (extended coverage) issued of even date herewith in an amount not less than \$[30,000,000] showing that “Zions Bancorporation, National Association, as Lessee, and Zions Bancorporation, National Association, as Trustee under the Trust Indenture,” have valid leasehold interests in the Facilities, as their interests may appear of record, subject only to Permitted Encumbrances.

7. Rent. During the Initial Term and all Renewal Terms of the Appropriation Lease, no rent shall be payable from Bank to City for the use and enjoyment of the Facilities pursuant to

this Primary Lease. Bank and City acknowledge and agree that the mutual promises and covenants contained herein constitute good and valuable consideration for entering into this Primary Lease.

8. Use; Quiet Enjoyment. So long as City's rights of use and enjoyment of the Facilities under the Appropriation Lease are not diminished or adversely affected, Bank may use the Facilities for lawful purposes and, subject to the Permitted Encumbrances and City's interests under the Appropriation Lease, City covenants that Bank shall have the peaceful and quiet enjoyment of the Facilities for the Term of this Primary Lease.

9. Representations by City. City represents and warrants that:

9.1 Authority. City is a municipal corporation organized and operating under the laws of the State and is authorized to enter into the transactions contemplated by this Primary Lease and to carry out its obligations hereunder, and has duly authorized the execution and delivery of this Primary Lease.

9.2 Breach of Terms. Neither the execution and delivery of this Primary Lease, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Primary Lease, conflicts with or results in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which City is now a party or by which it is bound or constitutes a default under any of the foregoing or results in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of City under the terms of any instrument or agreement.

10. Zoning; Building Restrictions. This Primary Lease is subject to all applicable zoning ordinances and restrictions and all limitations of record, and is subject to any and all easements for public utilities which may be of record. City warrants that such ordinances, restrictions, limitations and easements do not prevent the use of the Facilities as provided for in the Appropriation Lease.

11. Waste and Nuisance Prohibited. Bank shall not commit, or suffer to be committed, any nuisance or waste on the Facilities.

12. Amendment; Release of Portions of Facilities.

A. Notwithstanding any other provision of this Primary Lease, and subject to the terms of the Trust Indenture, the parties hereto reserve the right at any time and from time to time to amend this Primary Lease for the purpose of effecting the release of and removal from this Primary Lease and the leasehold estate created hereby (i) any part (or interest in such part) of the Facilities with respect to which City proposes to grant an easement to a railroad, public utility or public body in order that railroad, utility services or roads may be provided for the Facilities, or (ii) any unimproved part of the Facilities which City requests to be released from this Primary Lease and the leasehold estate created hereby; provided that there shall be deposited with the Trustee the following:

1. A copy of the said amendment as executed; and

2. A resolution or other official action of the City Council of City (i) stating that City is not in default under any of the provisions of the Trust Indenture, (ii) giving an adequate legal description of that portion of the Facilities to be released, (iii) stating the purpose for which City desires the release, (iv) requesting such release and approving the amendment of this Primary Lease, and (v) stating that City is not in default under this Primary Lease or the Appropriation Lease; and

3. If applicable, a copy of the instrument granting the easement; and

4. A certificate of the Consulting Architect, dated not more than sixty (60) days prior to the date of the release stating that (i) the portion of the Facilities proposed to be released is necessary or desirable in order to obtain railroad, utility services or roads to benefit the Facilities or is not otherwise needed for the operation of the Facilities for the purposes hereinabove stated and (ii) the release proposed to be made will not impair the usefulness of the Facilities and will not destroy the means of ingress thereto or egress therefrom.

Any consideration received by City in connection with the foregoing shall be retained by City. No conveyance or release effected under the provisions of this section shall entitle City to any abatement, postponement or diminution of the amounts payable under Section 5.3 of the Appropriation Lease.

B. Except as provided by this Section 12, the Appropriation Lease or the Trust Indenture, this Primary Lease may not be amended, changed, modified or altered without the written consent of Bank and City, or terminated prior to the expiration of the Term hereof unless the Lease Payments under the Appropriation Lease have been paid in full or provision has been made for payment thereof in accordance with the provisions of the Trust Indenture.

13. Remedies and Forbearance; Waivers. No delay or omission on the part of City or Bank to exercise any right or power granted herein shall impair any such right or power nor shall such delay or omission be construed as a waiver thereof, and every such right or power may nevertheless be exercised.

14. Costs and Attorney Fees. To the extent allowed by law, in the event a suit, action, arbitration, or other proceeding of any nature whatsoever, including, without limitation, any proceeding under the United States Bankruptcy Code, is instituted, or the services of an attorney are retained, to interpret or enforce any provision of this Primary Lease or with respect to any dispute relating to this Primary Lease, the prevailing party shall be entitled to recover from the losing party its reasonable attorney, paralegal, accountant, and other expert fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith. In the event of suit, action, arbitration, or other proceeding, the amount thereof shall be determined by the judge or arbitrator, shall include fees and expenses incurred on any appeal or review, and shall be in addition to all other amounts provided by law.

15. Applicable Law. This Primary Lease shall be governed by, and construed in accordance with, the laws of the State.

16. Severability. In the event any provision of this Primary Lease shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Primary Lease.

17. Time is of the Essence. The time of the performance of all of the covenants, conditions, and agreements of this Primary Lease is of the essence.

18. Relationship of Parties. Nothing herein shall be construed so as to constitute a joint venture, partnership or loan between City and Bank.

19. Execution in Counterparts. This Primary Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

20. Recording. City shall cause this Primary Lease and every assignment and modification hereof or an appropriate and sufficient memorandum thereof to be recorded in the office of the Recorder of Bonneville County, Idaho.

[The following page is the signature page.]

IN WITNESS WHEREOF, City and Bank have caused this Primary Lease to be executed by their duly authorized officers effective the date first above written.

CITY:

CITY OF IDAHO FALLS, IDAHO, as Lessor

By: _____
Rebecca L. Noah Casper, Mayor

Attest: _____
City Clerk

BANK:

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Lessee

By: _____
Senior Vice President, Zions Bank Division

STATE OF IDAHO)
) ss.
County of Bonneville)

On this ____ day of December, 2020, before me, a Notary Public in and for said State, personally appeared Rebecca L. Noah Casper and Kathy Hampton, known or identified to me to be the Mayor and City Clerk, respectively, of the City of Idaho Falls, Idaho, the entity that executed the within instrument or the persons who executed the instrument on behalf of said entity, and acknowledged to me that such entity executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for Idaho
Residing at _____
My commission expires _____

[illegible]

On this ____ day of December, 2020, before me, a Notary Public in and for said State, personally appeared Twyla Lehto, known or identified to me to be a Senior Vice President, Zions Bank Division, Zions Bancorporation, National Association, the entity that executed the within instrument, or the person who executed the instrument on behalf of said entity, and acknowledged to me that such entity executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for Idaho
Residing at _____
My Commission Expires: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Parcel 1:

a) All that part of Block 5 of Dwights Addition, according to the official plat thereof, filed in Book D of Plats at Page(s) 9, records of Bonneville County, Idaho, described as follows:

Beginning at the Southwest corner of Lot 32 of Block 5; thence East along the South line of said Block 5 a distance of 150 feet to the Southeast corner of Lot 37; thence North along the East line of said Lot 37 and said East line produced a distance of 140 feet to the Southwest corner of Lot 9 of said block; thence East along a straight line parallel to the South line of Block 5 a distance of 150 feet to the Southeast corner of Lot 4; thence North along the East line of said Lot 4 a distance of 44 feet to a point thereon; thence West along a straight line parallel to said South line of Block 5 a distance of 150 feet to a point in the West line of said Lot 9; thence Southwesterly along a straight line a distance of 237.4 feet, more or less, to the point of beginning.

b) All those parts of Block 1 and 4 of Dwights Addition, according to the official plat thereof, filed in Book D of Plats at Page(s) 9, records of Bonneville County, Idaho, and Vacated portions of College and Whittier Streets described as follows:

Beginning at the point of intersection of the center line of vacated College Street with the West line of Emerson Avenue, said point being 30 feet distant South, measured along the West line of said Emerson Avenue, from the Southeast corner of Block 4; thence North along said West line of Emerson Avenue a distance of 462.09 feet to a point thereon; thence Southwesterly along a straight line forming an angle of 65°02' from the South to the Southwest with said West line of Emerson Avenue a distance of 13.12 feet to a point; thence Southwesterly along a straight line forming an angle of 23°15' from the Southwest to the South with the last described line produced, a distance of 108.8 feet to a point; thence Southwesterly along a straight line forming an angle of 13°27' from the Southwest to the South with the last described line produced a distance of 34.95 feet to a point; thence Southeasterly along a straight line forming an angle of 72°21' from the Southwest to the Southeast with the last described line produced a distance of 14.8 feet to a point; thence East along a straight line forming an angle of 46°00' from the Southeast to the East with the last described line produced, a distance of 11.0 feet to point; thence South at right angles a distance of 170.5 feet to a point; thence West at right angles a distance of 11.0 feet to a point; thence South along a straight line forming an angle of 88°38' from East to South with the last described line a distance of 164.0 feet to a point in said center line of vacated College Street; thence East along said center line of vacated College Street a distance of 86.46 feet to the point of beginning.

Parcel 2:

That part of Lot 46 in Block 5 of Dwights Addition according to the official plat thereof, filed in Book D of Plats at Page(s) 9, records of Bonneville County, Idaho; more particularly described as follows: Beginning at the Northeast corner of Lot 46 in Block 5 of Dwights Addition, and running thence West 40.5 feet; thence South 124 feet; thence East 3.2 feet; thence North 36°25' East 59.9 feet; thence North 75.8 feet to the point of beginning; being all of said Lot 46 lying North and West of U.S. Highway No. 191

Parcel 3:

Lots 1, 2, 3, 38, 39, 40, 41, 42, 43, 44 and 45 in Block 5 of Dwights Addition, according to the official plat thereof, filed in Book D of Plats at Page(s) 9, records of Bonneville County, Idaho.

Parcel 4:

The North half of said vacated portion of College Street, from Yellowstone Avenue to the East line of Emerson Avenue in the City of Idaho Falls, Bonneville County, Idaho, otherwise described as: Commencing at the point where the Westerly right of way line of Yellowstone Avenue intersects the South line of Block 5 of Capitol Hill Addition to the City of Idaho Falls, thence West along the South line of said Block 125 feet, more or less to the East right of way line of Emerson Avenue, thence South 30 feet to the Center of College Street, thence East along the Center line of College Street to the Westerly right of way line of Yellowstone Avenue, thence Northerly along the Westerly line of Yellowstone Avenue to the point of beginning.

Parcel 5:

a) All that portion of Whittier Street described as follows: Beginning at the Southwest corner of Block 4 of Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho and running thence East 371.1 feet along the South property line of said Block 4, to the West property line of the Yellowstone Highway, thence South 36°26' West 74.6 feet along the West property line of the Yellowstone Highway to the North property line of Block 5 of Capitol Hill Addition, thence West 326.7 feet along said North property line of said Block 5 to the Northwest corner of said Block 5, thence North 60 feet to the point of beginning.

b) All that portion of the alley in Block 5 Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho described as follows to wit: Beginning at the Southwest corner of Lot 24 of Block 5 of Capitol Hill Addition, and running thence East 235.1 feet along the South property line of the North half of said Block 5 to the West line of the Yellowstone Highway, thence South 36°26' West 19.9 feet along the West line of Highway to the North property line of the South half of said Block 5, thence West 223.3 feet along the North property line of said South half of Block 5 to the Northwest corner of Lot 25 of said Block 5, thence North 16 feet to the point of beginning.

Parcel 6:

a) Lots 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36 and 37 in Block 4 of Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho.

b) Also beginning at the Northwest corner of Lot 38 in Block 4 of Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho, and running thence East 137.8 feet to the Westerly line of the new Yellowstone Highway, thence South 36°25' West, 154.2 feet, thence West 46.1 feet to the Southwest corner of Lot 38, thence North 124 feet to the place of beginning, being all of Lot 38 and part of Lots 39, 40, 41, 42 and 43 lying West of said Yellowstone Highway in Block 4 of Capitol Hill Addition.

c) Lots 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28 and 29 in Block 5 of Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho.

d) Also beginning at the Northwest corner of Lot 15 in Block 5 of Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho, and running thence East 101.7 feet to the Westerly line of the new Yellowstone Highway, thence South 36°25' West 154.3 feet, thence West 10.1 feet to the Southwest corner of said Lot 15, thence North 124 feet to the place of beginning, being that part of Lots 11, 12, 13, 14 and 15 in Block 5 of Capitol Hill Addition lying West of said new Yellowstone Highway.

e) Also beginning at the Northwest corner of Lot 30 in Block 5 of Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho and running thence East 98.3 feet to the Westerly line of the new Yellowstone Highway, thence South 36°25' West 154.2 feet to the South line of said Block 5, thence West 6.6 feet to the Southwest corner of said Lot 30, thence North 124 feet to the place of beginning, being that part of Lots 30, 31, 32 and 33 in Block 5 of Capitol Hill Addition lying West of said new Yellowstone Highway.

Parcel 7:

Lots 15, 16 and 17 in Block 4 of Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho.

Parcel 8:

A Leasehold interest in the Surface Rights only as disclosed by that certain Quit Claim Deed recorded on May 4, 1944 as Instrument No. 160496 In Book 49 of Deeds at page 135, described as follows: All that portion of the West half of Emerson Avenue extending from the North line of College Street to the South line of Elva Street, in the City of Idaho Falls, ID being all that certain parcel of land heretofore conveyed to Oregon Short Line Railroad by the City of Idaho Falls by vacation of Street ordinance No. 561 as supplemented by Quit Claim Deed dated June 18, 1943 recorded in Book 45 of Deeds at page 479 records of Bonneville County, Idaho.

ANNUAL APPROPRIATION LEASE AGREEMENT

Between

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
AS LESSOR**

And

**CITY OF IDAHO FALLS, IDAHO,
AS LESSEE**

Relating to

[\$30,000,000]

City of Idaho Falls, Idaho Annual Appropriation Certificates of Participation, Series 2020

Dated as of December __, 2020

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ANNUAL APPROPRIATION LEASE AGREEMENT

THIS ANNUAL APPROPRIATION LEASE AGREEMENT (this "Lease"), dated as of December __, 2020 (the "Effective Date"), between ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Lessor (hereinafter, "Bank"), and the CITY OF IDAHO FALLS, IDAHO, as Lessee ("City").

WITNESSETH:

WHEREAS, City is a municipal corporation operating and existing under and pursuant to the provisions of the Constitution and laws of the State of Idaho (the "State"); and

WHEREAS, Bank is a national banking association, and is entering into this instrument for the purpose of assisting City in obtaining financing for costs associated with a project to be undertaken by City as described below; and

WHEREAS, City is authorized under the laws of the State to acquire, operate and maintain property and is authorized to enter into lease agreements relating to the land and buildings to be used for its purposes; and

WHEREAS, City is the owner of that certain real property located in Bonneville County, Idaho, described in Exhibit A hereto (the "Property"), and all existing improvements thereon and, in furtherance of the Project (as defined below), has agreed to enter into a Primary Lease dated as of the date hereof (the "Primary Lease") as further described below; and

WHEREAS, under and pursuant to a Trust Indenture dated as of the date hereof (the "Trust Indenture") by and among City, Bank, and Zions Bancorporation, National Association, as trustee (the "Trustee"), the Trustee has determined, at the request of City and the direction of Bank, to issue certificates of participation to provide funds to finance certain project costs of City, which certificates shall be designated the "City of Idaho Falls, Idaho Annual Appropriation Certificates of Participation, Series 2020," and shall be issued in the aggregate principal amount of \$[30,000,000] (the "Certificates"); and

WHEREAS, the proceeds of the Certificates shall be used to finance the costs of (i) razing, demolishing or removing the existing improvements located on the Property, (ii) preparing, constructing, furnishing, equipping and improving certain real and personal property comprising a new City police headquarters building and related facilities on the Property for use by City (the "Improvements" and collectively with (i), the "Project"), as well as (iii) the Costs of Issuance of the Certificates; and

WHEREAS, pursuant to the Primary Lease, City will lease to Bank the Property together with the Improvements to be constructed thereon (the Property and Improvements collectively referred to herein as the "Facilities"); and

WHEREAS, City and Bank hereby agree to enter into this Lease under the terms of which Bank, as lessor, will lease the Facilities back to City and City will pay lease payments in an amount sufficient to pay the principal, premium, if any, and interest on the Certificates as the same become due and payable (the "Lease Payments"); and

WHEREAS, the Certificates shall be secured by, among other things, the Trust Estate, as that term is defined in the Trust Indenture; and

WHEREAS, the execution and delivery of the Certificates and the execution and delivery of this Lease have been in all respects duly and validly authorized by an ordinance or other official action duly adopted by City, and all things necessary to make the Certificates, when executed and authenticated by the Trustee, valid and binding legal obligations of City and to make this Lease a valid and binding agreement and pledge of the revenues made in the Trust Indenture to the payment of the principal of, premium, if any, and interest on the Certificates, have been done.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto formally covenant, agree and bind themselves as follows:

ARTICLE I DEFINITIONS

Section 1.1 Definitions. Capitalized terms herein, unless defined herein, shall have the meanings set forth in the Trust Indenture, except where the context indicates otherwise.

ARTICLE II REPRESENTATIONS

Section 2.1 Representations by City. City represents and warrants that:

(a) City is a municipal corporation operating and existing under and pursuant to the provisions of the Constitution and laws of the State, is authorized to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder.

(b) Neither the execution and delivery of this Lease, the Primary Lease or the Trust Indenture, the consummation of the transactions contemplated in each, nor the fulfillment of or compliance with the terms and conditions of this Lease, the Primary Lease or the Trust Indenture, conflicts with or results in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which City is now a party or by which it is bound or constitutes a default under any of the foregoing or results in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of City under the terms of any instrument or agreement.

(c) City is authorized to enter into the transactions contemplated by this Lease, the Primary Lease and the Trust Indenture, and to carry out its obligations thereunder, and has duly authorized the execution and delivery of this Lease, the Primary Lease and the Trust Indenture.

(d) City will cause to be obtained and will cause to be maintained all necessary governmental approvals for the Facilities, and is and will be in compliance with all planning, zoning, parking, sanitary and building laws, ordinances and regulations applicable to the Facilities.

(e) All utility services necessary for the Facilities, and the operation thereof for the intended purposes, are either available or City will cause all necessary steps to be taken to assure the complete construction and installation thereof as a part of the Improvements.

(f) City has not made and will not make any contract or arrangement of any kind, the performance of which by the other party would give rise to a lien (other than a Permitted Encumbrance) on the Facilities; provided, however, nothing herein shall prevent City from entering into contracts or arrangements relative to the design, acquisition, preparation, construction, and improvement of the Facilities.

(g) City acknowledges and recognizes that this Lease will terminate at the end of the Initial Term or any Renewal Term in the event that sufficient funds are not budgeted by City or available to pay the Lease Payments under this Lease during the next occurring Renewal Term, and that the act of budgeting funds is solely within the discretion of the City Council of City (the "City Council").

(h) The financing of the Improvements is necessary and in furtherance of City's lawful purposes and will allow City to provide adequate police facilities.

(i) City will lawfully operate the Improvements as part of its Facilities, free of unlawful discrimination, and will comply with Title VII of the Civil Rights Act prohibiting discrimination based on race, religion, creed, color, sex, age or national origin.

(j) Subject to City's determination to annually renew this Lease pursuant to Section 5.1 hereof, City will duly and punctually pay the amounts and satisfy its obligations required under this Lease, recognizing that time is of the essence.

(k) There is no fact that materially adversely affects or that will materially adversely affect the properties, activities, prospects or condition (financial or otherwise) of City or the ability of City to make all payments required and otherwise perform its obligations under this Lease.

(l) There are no proceedings pending, or to the knowledge of City threatened, against or affecting City in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially adversely affect the properties, activities, prospects or condition (financial or otherwise) of City or the ability of City to make all payments required and otherwise perform its obligations under this Lease.

(m) The consummation of the transactions provided for in this Lease and compliance by City with the provisions of this Lease are within City's lawful powers and have been duly authorized by all necessary action on the part of City.

(n) No event has occurred and no condition exists that, upon execution of this Lease, would constitute an event of default hereunder. City is not in violation in any material respect, and has not received notice of any claimed violation, of any term of any agreement or other instrument to which it is a party or by which it or its property may be bound.

(o) To the best of its knowledge, City is in compliance with all laws, ordinances, governmental rules and regulations to which it is subject, and has obtained all licenses, permits, franchises or other governmental authorizations necessary to the ownership of its property or to the conduct of its activities.

(p) (i) Neither City nor, to the best knowledge of City, any other person, has stored, disposed or released in, on or about the Facilities any Hazardous Substances the removal or remediation of which is or could be required, or the maintenance of which is prohibited or penalized, by any applicable Environmental Laws, and the Facilities are free from all such Hazardous Substances; (ii) City has not at any time disposed or caused to be disposed on the Facilities any Hazardous Substances generated or existing as a result of City's ownership of the Facilities in a manner which will or could cause City to be or become liable for a fine or penalty or a monetary or performance obligation arising from or related to such disposal; (iii) to the best knowledge of City in connection with its ownership of the Facilities, City has no contingent liability in connection with the release of any Hazardous Substances into the environment, except as has been previously disclosed in writing to Bank; (iv) City has not given any release or waiver of liability that would waive or impair any claim based on Hazardous Substances to

(a) a prior owner or occupant of the Facilities, or (b) any party who may be potentially responsible for the presence of Hazardous Substances on the Facilities; and (v) no in-service underground storage tanks are located on the Facilities.

(q) Nothing in this Lease shall be construed to require City to exercise its Options to Purchase Bank's interest in the Facilities as provided in Article XI hereof.

Section 2.2 Representations and Warranties of Bank. Bank represents and warrants for the benefit of City as follows:

(a) Bank is a national banking association duly organized and existing under the laws of the United States and duly qualified to transact business of the type contemplated by this Lease, the Primary Lease and the Trust Indenture, and has all necessary power to own its properties and assets and to carry on its business as now conducted.

(b) The consummation of the transactions contemplated by this Lease, the Primary Lease, and the Trust Indenture will not violate the provisions of, or constitute a breach or default under, the articles of incorporation, charter or bylaws of Bank or any agreement to which Bank is a party.

ARTICLE III DEMISING CLAUSE

Section 3.1 Demise of the Facilities. Bank will retain a leasehold interest in the Facilities until such time as City may have exercised one of its Options to Purchase pursuant to Article XI hereof or until the expiration of the Primary Lease, whichever shall first occur. Bank demises and leases to City, and City leases from Bank, the Facilities during the Initial Term, subject to annual renewal thereafter in accordance with the provisions of this Lease, and subject to Permitted Encumbrances set forth on Exhibit C to this Lease. Unless the context of the provisions in this Lease clearly indicate otherwise, all provisions herein are in effect during the Lease Term, which includes the Effective Date of this Lease and ending on September 30, 2021, constituting the Initial Term, and any Renewal Terms, none of which shall exceed one Fiscal Year in length. All obligations of City hereunder shall cease upon an Event of Nonrenewal, unless otherwise set forth herein.

ARTICLE IV COMMENCEMENT AND COMPLETION OF THE IMPROVEMENTS; ISSUANCE OF THE CERTIFICATES; TAX COVENANTS

Section 4.1 Agreement to Construct Improvements; Assignments. Bank hereby appoints City as its agent for the construction of the Improvements, for so long as this Lease shall be in effect.

(a) City agrees that:

(1) It will cause the Improvements to be constructed, acquired and installed for use as municipal facilities and improvements thereto; provided, however, City shall have no obligation to pay for the Costs of Acquisition and Construction, including all obligations under the construction contract to be entered into by the City relative to the same, except from Net Certificate Proceeds on deposit in the Construction Fund and any appropriation made by City in that year for said purpose; and

(2) It will construct, acquire and install the Improvements with all reasonable dispatch, subject only to delays caused by acts beyond its reasonable control.

(b) City hereby assigns and transfers to Bank all of City's present and future rights, title and interest in and to any and all construction contracts related to the Improvements to be constructed, including without limitation, all subcontracts, rights and amendments relating thereto and all related substitute or replacement contracts (collectively, the "Assigned Rights"). Neither this assignment nor any action by Bank shall constitute an assumption by Bank of any obligations under the Assigned Rights, and City shall, subject to the terms thereof, continue to be liable for all obligations thereunder; provided, however, nothing herein shall (i) obligate the City for any expenditure or liability in excess of a budget appropriation relative to the same, or (ii) prevent Bank or Trustee from utilizing Certificate proceeds to pay any obligations accruing under the Assigned Rights. This assignment shall survive an Event of Nonrenewal.

(c) City shall in connection with the Improvements, secure from the contractor or any subcontractor, performance and payment bonds satisfactory to the Trustee, executed by a responsible surety company authorized to do business in the State in a penal sum equal to the entire amount to become payable under the contract with such contractor, naming Bank and the Trustee as additional obligees. Each such bond shall be delivered by City to the Trustee promptly upon receipt thereof by City and must be kept in force until the Final Completion Date (as defined under Section 4.3 herein). In the event of default by the Contractor or any subcontractor or supplier under any contract in connection with the Improvements or in the event of breach of warranty with respect to any material, workmanship or performance guarantee, City will promptly proceed to exhaust any remedies against the contractor, subcontractor or supplier in default and against any surety for the performance of such contract or failure to make required payments. City shall advise Bank and the Trustee of the steps it intends to take in connection with any such default. Any net amounts (gross recovery less expenses of litigation) recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing shall be used by City to complete the Improvements if received prior to the Final Completion Date and otherwise shall be used by City to pay its obligations hereunder, unless the Trustee and Bank give approval for some other use of such net amounts.

Section 4.2 Agreement to Issue Certificates. Pursuant to the Trust Indenture in order to provide funds to finance the Costs of Acquisition and Construction of the Improvements and to pay the Costs of Issuance of the Certificates, the Trustee shall cause to be issued and delivered the Certificates to the initial purchasers thereof and will deposit the Net Certificate Proceeds as follows:

(a) In the Costs of Issuance Fund, the sum of \$_____, representing total Costs of Issuance of the Certificates, net of the underwriter's discount of \$_____; and

(b) In the Construction Fund, the amount of \$_____.

Section 4.3 Disbursements; Final Completion Date. City is authorized, pursuant to Section 3.1(c) of the Trust Indenture, to request payment from the Construction Fund to pay Costs of Acquisition and Construction of the Improvements. Such payment shall be made upon receipt by the Trustee of a requisition (in the form set forth in Exhibit D hereto) signed by an Authorized Representative of City. The Trustee shall only make or allow payments for which it has received a signed requisition.

Prior to the last disbursement for payment of Costs of Acquisition and Construction of the Improvements, City shall furnish to the Trustee a certificate of an Authorized Representative(s) that the Improvements have been completed and that the Facilities are free of all mechanics' and materialmen's liens (the date of such certificate shall constitute the "Final Completion Date").

Section 4.4 Tax Covenant. City covenants for the benefit of the Holders of the Certificates and Bank that during the Lease Term it will not take any action or omit to take any action with respect to

the Certificates, the proceeds thereof, any other funds of City or any improvements financed or refinanced with the proceeds of the Certificates if such action or omission (i) would cause the interest on the Certificates to be included in gross income for federal income tax purposes under Section 103 of the Code, (ii) would cause interest on the Certificates to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code, or (iii) would cause interest on the Certificates to lose its exclusion from State taxable income under present State law.

ARTICLE V
EFFECTIVE DATE OF THIS AGREEMENT;
DURATION OF LEASE TERM; RENTAL PROVISIONS

Section 5.1 Effective Date of this Agreement; Duration of Lease Term.

(a) This Lease shall become effective on the Effective Date, and the Initial Term shall then begin, and, subject to the provisions of this Lease (including particularly subsection (c) below), shall expire on September 30, 2021, or as otherwise provided in this Lease, or on such sooner date as the Certificates shall have been fully paid and retired or provision for such payment shall have been made as provided in the Trust Indenture and all other expenses or sums to which Bank and Trustee are entitled, both under this Lease and the Trust Indenture, have been paid.

(b) On or before August 1 of each year, City, in its sole discretion, may deliver to Bank and Trustee its Notice of Intent to Renew, in the form attached as Exhibit E hereto, together with confirmation that the City Council shall consider at an August meeting an appropriation of funds sufficient to pay Lease Payments for the next subsequent Renewal Term. The Notice of Intent to Renew shall be conditional on the City Council's budgeting of funds therefor and shall not constitute a renewal of this Lease nor obligate City to budget funds for the purpose of such renewal. In the event Bank and Trustee shall not have received the Notice of Intent to Renew by August 1 of each year, Bank or Trustee will notify City of such non-receipt, and City shall then have until August 15 to deliver to Bank and Trustee its Notice of Intent to Renew.

Provided the Notice of Intent to Renew has been delivered timely, the City Council may, at its option, renew this Lease by budgeting funds therefor and by thereafter providing to Bank and Trustee a Notice of Renewal, in the form attached hereto as Exhibit F, accompanied by a certified copy of the ordinance or other official action of the City Council adopting its budget which includes the expenditure of funds for the Lease Payment for said Renewal Term or otherwise evidencing the appropriation of the Lease Payment for the next Renewal Term. The Notice of Renewal shall be due to Bank and Trustee promptly following the adoption of City's budget containing the appropriation and in no event later than September 15 preceding the next Renewal Term. The budgeting of funds as aforesaid shall constitute a valid and enforceable obligation of City for the payment of such funds for such Renewal Term and shall not be subject to abatement for any cause.

If City fails to deliver the Notice of Intent to Renew by August 15, after notification of nonreceipt by Bank or Trustee, or the Notice of Renewal by September 15, or if City shall at any time notify Bank and Trustee that City has elected to not renew this Lease for an additional Renewal Term, an Event of Nonrenewal shall be deemed to have occurred and Bank may exercise the remedies provided herein and the Trustee may exercise the remedies provided under the Trust Indenture upon such occurrence.

(c) Subject to the preceding sections, this Lease may be renewed for a total of not more than [twenty-one (21)] consecutive Renewal Terms commencing on October 1, 2021, or on any subsequent October 1, and terminating on the following September 30. Each Renewal Term shall be for no more than

one year in duration. The final Renewal Term shall commence October 1, 20[41] and terminate September 30, 20[42] unless this Lease shall be sooner terminated as set forth herein.

(d) It is the intention of the City that the decision to renew or not to renew this Lease and to budget or not budget funds for Lease Payments shall be made solely by the City Council and not by any other officer of City.

Section 5.2 Delivery and Acceptance of Possession. Bank shall deliver to City sole and exclusive possession of the Facilities (subject to the right of Bank to enter thereon and have access thereto pursuant to Section 8.1 hereof) on the date of commencement of the Initial Term, and City agrees to accept possession of the Facilities upon such date. Bank covenants and agrees that after the date of commencement of the Initial Term it will not take any action, other than pursuant to Article X of this Lease or Article VII of the Trust Indenture, to prevent City from having quiet and peaceable possession and enjoyment of the Facilities during the Lease Term (subject to the right of Bank to enter thereon and have access thereto pursuant to Section 8.1 hereof) and will cooperate with City for that purpose. This Lease constitutes a “triple net” lease, requiring City, as lessee, to pay all expenses, taxes, fees, insurance premiums, rebate payments with respect to the Certificates and costs associated with the Facilities, subject to appropriation by City therefor, and without the right of offset, as provided herein.

Section 5.3 Lease Payments and Other Amounts Payable by City; Source of Payments.

City shall pay Lease Payments during the Lease Term as provided in this Section 5.3:

(a) The obligation of City to make Lease Payments extends only through the Initial Term, and any Renewal Term. Such obligation terminates at the expiration of the Initial Term or any Renewal Term, as applicable. City shall make Lease Payments for the Initial Term, and any Renewal Term then in effect, until the principal of, premium, if any, and interest on the Certificates in the amount of the Lease Payments due hereunder shall have been paid or provision for the payment thereof shall have been made in accordance with the Trust Indenture.

(b) For the Initial Term, City shall pay, on or before March 1, 2021 and September 1, 2021, to the Trustee, for deposit into the Debt Service Fund, the Lease Payment in the amount set forth on Exhibit B hereto, which amount shall be used to pay the interest due on the Certificates on March 15, 2021 and September 15, 2021, respectively. For any Renewal Term, as applicable, the City shall pay to the Trustee for deposit into the Debt Service Fund on or before each March 1 and September 1 Lease Payment Date, the semiannual Lease Payment amount set forth on Exhibit B hereto, which amount shall be used to pay the principal of, premium, if any, and interest on the Certificates in the amount due on the next March 15 and September 15 Certificate payment dates; provided, however, that any amount in the Debt Service Fund on a Lease Payment Date in excess of the aggregate amount then required to be held pursuant to this Section 5.3 shall be credited against the Lease Payments due on such date.

(c) Bank or Trustee shall provide City with written notice at least 15 calendar days prior to each March 1 and September 1 of each Renewal Term specifying (i) the amount of monies in the Debt Service Fund, and (ii) the amount City must deposit in the Debt Service Fund as Lease Payments. On or before the fifth (5th) day next preceding any redemption date, for which a notice of redemption has been given pursuant to Article VI of the Trust Indenture (other than pursuant to Section 6.5 of the Trust Indenture), City shall pay as rent for deposit in the Debt Service Fund an amount of money which, together with other moneys available therefor in the Debt Service Fund, is sufficient to pay the interest, principal of and premium, if any, on the Certificates to be redeemed. If on any Lease Payment Date the amount held in the Debt Service Fund is insufficient to make the required payments of principal,

premium, if any, and interest on the Certificates for the Lease Term, City shall forthwith pay such deficiency as rent hereunder for deposit in the Debt Service Fund.

The schedule set forth in Exhibit B attached hereto describes the Lease Payments to be made by City during each Lease Term, if annually renewed. Exhibit B shall be automatically modified by the Trustee, and the Lease Payments reduced, to reflect reduced amounts of interest and principal that will become due on the Certificates as a result of a partial redemption or defeasance of the Certificates pursuant to the Trust Indenture.

At the option of City, to be exercised by delivery of a written certificate to Bank, in its capacities as Lessor and Trustee, on or before the forty-fifth (45th) day next preceding any Lease Payment Date, City may deliver Certificates owned by City to the Trustee for cancellation. Each Certificate so delivered shall be credited at 100% of the principal amount thereof against the obligation of City to make Lease Payments on such Lease Payment Date.

(d) City may pay the Lease Payments from any lawful source of funds.

(e) City shall pay all taxes and assessments, general or special, concerning the Facilities, or any part thereof, during the Lease Term and any other governmental charges and impositions whatsoever, and all utility and other charges and assessments, in the manner, at the times and under the conditions more specifically provided in Section 6.2 hereof.

(f) City agrees to pay to Bank the reasonable and necessary fees and expenses of Bank hereunder and of the Trustee under the Trust Indenture during the Lease Term from funds appropriated therefor.

(g) City agrees to pay to Trustee during the Lease Term from funds appropriated therefor any amount required to be paid to the United States of America pursuant to Section 148(f) of the Code to the extent amounts on deposit in the Rebate Fund are insufficient for such purpose.

In the event City should fail to make any of the payments required by this Section 5.3, the item or installment in default shall continue as an obligation of City until the amount in default shall have been fully paid, and City agrees to pay the same, and except with respect to payments required by subsections (e), (f) and (g) of this Section 5.3, with interest thereon at Bank's base rate or other index used by Bank when engaging in lending activities (the "Advance Rate").

Section 5.4 Deposit Payments. The Lease Payments provided for in Section 5.3(a) and Section 5.3(b) hereof shall be paid to the Trustee and shall be deposited in the Debt Service Fund. The payments to be made under Section 5.3(f) hereof shall be paid directly to Bank, for use in its applicable capacity. The payments to be made pursuant to Section 5.3(g) hereof shall be paid to the Trustee for deposit in the Rebate Fund.

Section 5.5 Obligations of City Hereunder Unconditional. During the Lease Term, the obligation of City to make the payments required in Section 5.3 hereof and to maintain the Facilities and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional; and City will not discontinue such payments for any cause including, without limiting the generality of the foregoing, delay or failure to acquire and complete the Improvements, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction from the Facilities, destruction of or damage to the Facilities, commercial frustration of purpose, or change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State or any political subdivision of either.

ARTICLE VI MAINTENANCE, TAXES AND INSURANCE

Section 6.1 Maintenance and Modifications of Improvements. During the Lease Term from funds appropriated therefor, City agrees that it will at its own expense (i) keep the Facilities in as reasonably safe condition as its operations permit, (ii) to maintain a level of quality and operation of the Facilities that is at least comparable to the level of quality of character and operation of similar property, and (iii) keep the Facilities in good repair and in good operating condition, making from time to time all necessary repairs thereto (including external and structural repairs) and renewals and replacements thereof. City may also at its own expense make from time to time any additions, modifications or improvements to the Facilities it may deem desirable for its purposes that do not adversely affect the structural integrity of the Facilities or substantially reduce the value or impair the character of the Facilities; provided that all such additions, modifications and improvements to the Facilities shall comply with all applicable building code regulations and ordinances. All such additions, modifications and improvements made by City shall become a part of the Facilities. During the Lease Term, City will not permit any mechanics' lien, security interest or other encumbrance to be established or to remain against the Facilities for labor or materials furnished; provided, that if City first notifies Bank of its intention to do so, City may in good faith contest any mechanics' or other liens filed or established against the Facilities if City furnishes the Trustee with a bond or cash deposit equal to at least the amount so contested or with an Opinion of Counsel stating that by nonpayment of any such items the lien of this Lease or the Trust Indenture will not be materially endangered or the Facilities or any part thereof will not be subject to loss or forfeiture. The proceeds of the bond or the cash deposit may be used by the Trustee to satisfy the lien if action is taken to enforce the lien and such action is not stayed. The bond or cash deposit shall be returned to City if the lien is successfully contested. If City is unable or otherwise fails to obtain such a bond or provide such a cash deposit or such an Opinion of Counsel, City shall cause such liens to be paid promptly subject to appropriation by City.

Section 6.2 Taxes, Other Governmental Charges and Utility Charges. During the Lease Term from funds appropriated therefor, City will pay promptly (i) all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against, or with respect to, the Facilities or any interest therein or any machinery, equipment or other property installed or brought by any person therein or thereon; (ii) all utility, water, sewer, electrical, license fees and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Facilities; and (iii) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Facilities; provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, City shall be obligated to pay only such installments as may have become due during the Lease Term.

City may, at its expense, in good faith, contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges contested to remain unpaid during the period of such contest and any appeal therefrom if City furnishes the Trustee with a bond or cash deposit equal to at least the amount so contested or with an Opinion of Counsel stating that by nonpayment of any such items the lien of this Lease or the Trust Indenture will not be materially endangered or the Facilities or any part thereof will not be subject to loss or forfeiture. The proceeds of the bond or the cash deposit may be used by the Trustee to satisfy the lien if action is taken to enforce the lien and such action is not stayed. The bond or cash deposit shall be returned to City if the lien is successfully contested. If City is unable or otherwise fails to obtain such a bond or provide such a cash deposit or such an Opinion of Counsel, City shall cause such taxes, assessments and other charges to be paid promptly. In the event that City shall fail to pay any of the foregoing items required by this Section 6.2 to be paid by City, Bank may (but shall be under no obligation to) pay the same, and any amounts so advanced therefor by Bank shall become an additional obligation of City during the Lease Term, which

amounts, together with interest thereon at the Advance Rate, City agrees to pay on demand subject to appropriation by City.

Section 6.3 Insurance Required. During the Lease Term from funds appropriated therefor, City agrees to insure the Facilities, as and when acquired, in such amounts and in such manner and against such loss, damage and liability, including liability to third parties, as are customary for property of similar function and scope to the Facilities, taking into account liability limits provided by State law, or as may be reasonably requested by Bank and, to the extent not paid by contractors during construction or acquisition of the Improvements, to pay the premiums with respect thereto, including, but not limited to:

(a) Until the Final Completion Date, builder's risk insurance to the extent of the full insurable value of the Improvements, unless some lesser amount is approved by Bank.

(b) Insurance against loss or damage to the Facilities by fire, lightning, vandalism and malicious mischief, with uniform standard extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at the time in use in the State of Idaho, to such extent as is necessary to provide for not less than full replacement cost of the Facilities. Such coverage must apply exclusively to the Facilities and must be available to repair/rebuild such facilities under all circumstances after the occurrence of an insured peril. Full payment of insurance proceeds up to the required policy dollar limit in connection with damage to the Facilities shall, under no circumstances, be contingent on the degree of damage sustained at other facilities owned or leased by City. The policy must explicitly waive any co-insurance penalty.

(c) Insurance against liability for bodily injury to or death of persons and for damage to or loss of property occurring on or about the Facilities or in any way related to the operation of the Facilities, in the maximum amount of \$500,000 for the death of or bodily injury in connection with each occurrence; and \$500,000 for property damage in connection with each occurrence.

(d) Use and occupancy insurance to such extent as is necessary to cover loss of revenues resulting from any damage to or destruction of the Facilities or any part thereof.

(e) Workmen's compensation insurance, disability benefits insurance and such other forms of insurance as City is required by law to provide with respect to the Facilities.

(f) Vehicular public liability insurance with limits of no more than \$500,000 per occurrence to protect City from claims from bodily injury and/or death, and no more than \$500,000 against claims for damage to property of others which may arise from City's operation of vehicles.

(g) Boiler and machinery coverage with respect to any steam and pressure boilers and similar apparatus located in the Facilities in such amounts as industry standards would dictate.

(h) As required by the Primary Lease, an original leasehold owner's policy of title insurance (extended coverage) in an amount not less than \$[30,000,000] showing that Bank, in its capacity of Lessee thereunder and the Trustee, as assignee of Bank's leasehold interest therein, have valid leasehold interests in the Facilities, as their interests may appear of record, subject only to Permitted Encumbrances.

All policies maintained pursuant to this Section 6.3 (except for workmen's compensation insurance) shall name City and Bank as insureds, and the Trustee as an additional insured, as their respective interests may appear. Such policies or certificates of insurance shall (i) provide that any losses shall be payable notwithstanding any act or negligence of City, Bank, or Trustee, and (ii) provide that no cancellation, reduction in amount or material change in coverage thereof shall be effective until at least 30

days after receipt of written notice thereof by City, Bank and Trustee. Upon recommendations of an Insurance Consultant who is familiar with the Facilities and the provisions of this Lease, City may agree to any reduction, increase or modification, including providing for coverage of additional perils, of the insurance requirements hereunder to such as are adequate and customary for similar institutions and similar projects of like size and operation, and is reasonably obtainable. City shall provide written notice to Bank and Trustee of any such reduction, increase or modification.

City will deliver to Bank and Trustee promptly upon request, but in any case within 60 days after the end of each calendar year, a certificate of an Authorized Representative of City setting forth the particulars as to all insurance policies maintained by City pursuant to this Section 6.3 and certifying that such insurance policies comply with the provisions of this Section 6.3 and that all premiums then due thereon have been paid. Upon request City shall provide Bank and Trustee with a report of an Insurance Consultant who is familiar with the Facilities and the provisions of this Lease that the insurance maintained by City meets industry standards.

Notwithstanding anything to the contrary in this Section 6.3 or elsewhere in this Lease, Bank acknowledges that City is insured through the Idaho Counties Risk Management Program (“ICRMP”) and Bank agrees that: (i) ICRMP coverage is acceptable and in compliance with the requirements of this Lease; and (ii) any insurance requirement or obligation in this Lease which is contrary to insurance offered by ICRMP or unavailable through ICRMP is void and inapplicable as to City, including, without limitation, any disallowance by ICRMP of provisions for additional insureds, indemnity and waiver of subrogation; provided, however, City shall use commercially reasonable efforts to negotiate terms with ICRMP that deviate as little as possible from the insurance requirements set forth in this Lease.

Section 6.4 Application of Net Proceeds of Insurance. The Net Proceeds of the insurance with respect to the Facilities carried pursuant to subparagraphs (b), (d) and (g) of the first paragraph of Section 6.3 hereof shall be applied as provided in Section 7.1 hereof. The Net Proceeds of insurance with respect to the Facilities carried pursuant to subparagraphs (c), (e) and (f) of the first paragraph of Section 6.3 hereof shall be applied toward extinguishment or satisfaction of the liability or loss with respect to which such insurance proceeds have been paid. The Net Proceeds of the title insurance carried pursuant to paragraph (h) of the first paragraph of Section 6.3 shall be applied in the same manner as other Net Proceeds both under this Lease and the Trust Indenture, as applicable.

Section 6.5 Advances by Bank. In the event City shall fail to maintain the full insurance coverage required by this Lease or shall fail to keep the Facilities in as reasonably safe condition as its operating condition will permit, or shall fail to keep the Facilities in good repair and good operating condition, Bank may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or make the required repairs, renewals and replacements; and all amounts advanced therefor by Bank during the Lease Term shall become an additional obligation of City to Bank, which amounts, together with interest thereon at the Advance Rate, City agrees to pay on demand, subject to appropriation by City.

ARTICLE VII DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.1 Damage and Destruction. If the Facilities are destroyed or damaged by fire or other casualty to such extent that the claim for loss under the insurance policies resulting from such destruction or damage is less than \$500,000, the Net Proceeds of insurance shall be paid to City and shall be held or used by City for such purposes as City may deem appropriate. City shall not by reason of the payment with respect to such destruction or damage be entitled to any reimbursement from Bank or the

Holders of the Certificates or any postponement, abatement or diminution of the Lease Payments and other payments required to be made under Section 5.3 hereof.

If the Facilities are destroyed or damaged (in whole or in part) by fire or other casualty to such extent that the claim for loss under the insurance policies resulting from such destruction or damage is \$500,000 or more, City shall promptly give written notice thereof to Bank and the Trustee. Except as provided in the next paragraph, all Net Proceeds of insurance resulting from such claims for losses of \$500,000 or more shall be paid to and held by the Trustee in a separate trust account, whereupon (i) during the Lease Term, City will promptly repair, rebuild or restore the Facilities damaged or destroyed to substantially the same value and condition as it existed prior to such damage or destruction, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by City, and will not impair operating unity, or the value of the Facilities, and (ii) the Trustee, upon receipt of a written requisition of City, will apply so much as may be necessary of the Net Proceeds of such insurance to payment of the costs of such repair, rebuilding or restoration, either on completion thereof or as the work progresses. Any balance of such Net Proceeds remaining after City notifies the Trustee in writing that the payment of all the costs of such repair, rebuilding or restoration have been made shall be transferred by the Trustee to the Debt Service Fund and applied to the payment of the principal of the Certificates on the next payment date or dates thereof. In the event such Net Proceeds are not sufficient to pay in full the costs of such repair, rebuilding or restoration, City will, during the Lease Term and subject to appropriation therefor, nonetheless complete the work thereof and will pay any costs thereof in excess of the amount of said Net Proceeds. City shall not by reason of the payment of such excess costs be entitled to any reimbursement from Bank or the Holders of the Certificates or any postponement, abatement or diminution of the Lease Payments and other payments required to be paid under Section 5.3 hereof.

All Net Proceeds of insurance resulting from claims for losses specified in the first sentence of the preceding paragraph of \$500,000 or more may be used to redeem Certificates; provided (1) all of the Certificates are to be redeemed in accordance with the Trust Indenture upon exercise of the Options to Purchase, or (2) in the event that less than all of the Certificates are to be redeemed, City shall furnish to Bank and the Trustee a Consulting Architect's Certificate stating (i) that the portion of the Facilities damaged or destroyed is not essential to City's use or occupancy of the Facilities, or (ii) that the Facilities have been restored to a condition substantially equivalent to their value and condition prior to the damage or destruction.

Section 7.2 Condemnation. In the event that title to, or the temporary use of, the Facilities or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, City shall be obligated during the Lease Term to continue to make the Lease Payments and other payments specified in Section 5.3 hereof. In the event the Net Proceeds from any award made in such eminent domain proceedings is less than \$500,000, all of such Net Proceeds shall be paid to City and shall be held or used by City for such purposes as City may deem appropriate. In the event the Net Proceeds from any award in such eminent domain proceedings is \$500,000 or more, City will cause the Net Proceeds received by it from such award to be paid to and held by the Trustee in a separate trust account, to be applied in one or more of the following ways as shall be directed in writing by City:

(a) The restoration of the Facilities to substantially the same value and condition as they existed prior to such condemnation.

(b) The financing of other capital costs of City.

(c) The acquisition, by construction or otherwise, of other improvements suitable for operation as public facilities. Such other improvements shall together with the remaining improvements after eminent domain be of substantially the same value as the Facilities prior to the taking.

(d) The redemption of the Certificates; provided that no part of any such condemnation award may be applied for such redemption unless (1) all of the Certificates are to be redeemed in accordance with the Trust Indenture upon exercise of the Options to Purchase, or (2) in the event that less than all of the Certificates are to be redeemed, City shall furnish to Bank and the Trustee a Consulting Architect's Certificate stating (i) that the portion of the Facilities taken by such condemnation proceedings is not essential to City's use or occupancy of the Facilities, or (ii) that the Facilities have been restored to a condition substantially equivalent to their value and condition prior to the taking by such condemnation proceedings, or (iii) that improvements have been acquired which are suitable for City's operations at the Facilities as contemplated by the foregoing subparagraph (c) of this Section 7.2.

In the event City elects any of the options set forth in subparagraph (a), (b) or (c) above, the Trustee, upon receipt of a written requisition of City, will apply so much as may be necessary of the Net Proceeds of such condemnation award to payment of the costs of such restoration, acquisition or construction, either on completion or as the work progresses.

In the event City elects any of the options set forth in subparagraph (a), (b) or (c) above, and Net Proceeds received from such condemnation award are insufficient to restore, acquire or construct improvements of substantially the same value as the Facilities prior to the taking, City shall, subject to appropriation therefor, nonetheless complete the work thereof and will pay any costs thereof in excess of such Net Proceeds. City shall not by reason of the payment of such excess costs be entitled to any reimbursement from Bank or the Holders of the Certificates or any postponement, abatement or diminution of the Lease Payments and other payments required to be made under Section 5.3 hereof.

In the event the Net Proceeds from any award made in any eminent domain proceedings is \$500,000 or more, within 30 days from the date of a final order in any eminent domain proceedings granting condemnation, City shall direct Bank in writing which of the ways specified in this Section 7.2 City elects to have the condemnation award applied. Any balance of the Net Proceeds of the award in such eminent domain proceedings remaining after written notice to Trustee from City that all the costs of such restoration, acquisition, construction or redemption of Certificates have been paid shall be transferred to the Debt Service Fund to be applied by the Trustee to the payment of the principal of the Certificates on the next payment date or dates thereof.

Section 7.3 No Liens. All items acquired in the repair, rebuilding or restoration of the Facilities shall be deemed a part of the Facilities. City shall confirm the interests of Bank in order to put Bank in a position equivalent to its position prior to the damage, destruction or condemnation. City hereby warrants such acquired property shall have no liens or encumbrances other than Permitted Encumbrances.

Section 7.4 Investment of Net Proceeds. Any Net Proceeds of insurance or a condemnation award held by the Trustee pending restoration, repair or rebuilding of the Facilities shall be invested in the same manner as provided in Section 5.2 of the Trust Indenture. The earnings or profits on such investments shall be considered part of the Net Proceeds except to the extent required to be deposited into the Rebate Fund.

ARTICLE VIII SPECIAL COVENANTS AND PROVISIONS

Section 8.1 Right of Access. City agrees that Bank and any of its duly authorized agents shall, subject to City security procedures, have the right at all reasonable times to enter, examine and inspect the Facilities for any reasonable purpose. City further agrees that Bank and its duly authorized agents shall, subject to City security procedures, have such rights of access to the Facilities as may be reasonably necessary for the proper maintenance thereof.

Section 8.2 City to Maintain Existence; Environmental Covenants.

(a) General. City will take no action to cause its existence to be abolished. City shall not sell or otherwise dispose of any part of the Facilities without the prior written consent of Special Counsel and as provided in Section 9.1(e) hereof. The Facilities shall be leased by City from Bank and operated by City and no other person or entity shall be responsible for such management. Any agreement with an independent management firm to operate or provide management services to City shall require the prior written approval of Special Counsel. No disposition of the Facilities or agreement with regard to the Facilities shall be approved by Special Counsel if such disposition or agreement will adversely affect the validity of the Certificates, or the exclusion from gross income of interest on the Certificates for federal income tax purposes.

(b) Environmental Covenants.

(1) City will not cause or permit any Hazardous Substance to be brought upon, kept, used or generated by City, its agents, employees, contractors or invitees, upon the Facilities or in the operation of the Facilities, unless the use or generation of the Hazardous Substance is necessary for the prudent operation of the Facilities and no functional and reasonably economic nonhazardous substance or process which does not generate Hazardous Substances can be used in place of the Hazardous Substance or the process which generates the Hazardous Substances.

(2) City will, with respect to the Facilities, at all times and in all respects comply with all Environmental Laws. City's duty of compliance with Environmental Laws includes, without limitation, the duty to undertake the following specific actions: (i) City will, from funds appropriated therefor, at its own expense, procure, maintain in effect, and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required by all Environmental Laws, including, without limitation, permits required for discharge of (appropriately treated) Hazardous Substances into the ambient air or any sanitary sewers serving the Facilities; and (ii) except as discharged into the ambient air or a sanitary sewer in strict compliance with all applicable Environmental Laws, any and all Hazardous Substances to be treated and/or disposed by City from the Facilities will be removed and transported solely by duly licensed transporters to a duly licensed treatment and/or disposal facility for final treatment and/or disposal (except when applicable Environmental Laws permit on-premises treatment or disposal in a sanitary landfill).

Section 8.3 Further Assurances. City agrees that it will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention of or facilitating the performance of this Lease.

Section 8.4 Authority of Authorized Representative of City. Whenever under the provisions of this Lease the approval of City is required, or Bank is required to take some action at the

request of City, such approval or such request shall be made by the Authorized Representative of City unless otherwise specified in this Lease and City or Bank shall be authorized to act on any such approval or request and City shall have no complaint against Bank as a result of any such action taken.

Section 8.5 Covenant as to Litigation. City and Bank shall keep each other fully informed of any threats, claims or pending litigation relating to this Lease.

Section 8.6 City Covenant as to Encumbrances. City covenants that, during the Lease Term, it will not permit any lien or encumbrance against the Facilities other than Permitted Encumbrances.

Section 8.7 No Third-Party Beneficiaries. This Lease is made for the sole benefit of City and Bank, and no other person or persons shall have rights or remedies hereunder except to the extent specifically provided herein and in the Trust Indenture. City and Bank shall owe no duty under this Lease to any claimant for labor performed or material furnished with respect to the Facilities.

Section 8.8 Continuing Disclosure. City agrees to execute and comply with the terms of the Information Reporting Agreement with respect to the Certificates, dated the date of delivery of the Certificates.

Section 8.9 Indemnification. During the Lease Term, to the extent permitted by law and subject to appropriation therefor, City shall indemnify, save and hold harmless Bank and its agents against any and all claims asserted by or on behalf of any person, firm, corporation, private or public, arising or resulting from, or in any way connected with:

(a) any act, failure to act, misrepresentation or omission by any person, firm, corporation or governmental authority, including Bank or its agents (other than willful misrepresentations knowingly made by Bank or its agents and willful or wanton misconduct on the part of any of them) in connection with the issuance, sale or delivery of the Certificates, including without limitation any material misrepresentation or omission, or alleged material misrepresentation or omission, in any materials used in connection with the offering or sale of the Certificates; provided that the foregoing indemnity and hold harmless agreement shall not apply with respect to any information contained in any such offering materials which describes Bank and was provided or otherwise approved by Bank; and

(b) any act, failure to act or misrepresentation by Bank or its agents (other than willful misrepresentations knowingly made by Bank or its agents and willful or wanton misconduct on the part of Bank or its agents) in connection with, or in the performance of, any obligation under this Lease or the Trust Indenture.

Any indemnification payable hereunder shall include all liabilities, costs and expenses (including reasonable attorneys' fees and reasonable attorneys' fees and expenses on appeal) incurred in any action or proceeding brought by reason of any such claim.

In the event that any action or proceeding is brought against Bank or its agents by reason of any such claim, City, upon notice from Bank or its agents, shall resist and defend such action or proceeding. Bank may, however, retain its own counsel and still be indemnified against the cost of employing counsel and all other reasonable expenses despite an assumption of the defense by City if Bank believes in good faith that there are defenses available to it which are adverse to or in conflict with those available to City or which Bank believes in good faith cannot be effectively asserted by common counsel. Bank always has the right to employ separate legal counsel but, subject to the preceding sentence, the fees and expenses of its separate legal counsel must be paid by Bank unless City and Bank have mutually agreed to

the employment of Bank's counsel. City is not liable for any settlement of a suit, claim, demand, action or proceeding effected without its written consent and City agrees that it will not settle any claim or action without the consent of Bank.

Section 8.10 Environmental Representations, Warranties, Covenants and Indemnifications. City represents, warrants and covenants as follows:

(a) To the best of City's knowledge, after due inquiry and investigation, all Hazardous Substances on or in the Facilities have been used, generated, manufactured, refined, transported, treated, stored, handled and disposed of only in strict compliance with all Environmental Laws. City has no knowledge of any action, citation, directive, letter or other communication from any person or governmental authority concerning any intentional or unintentional action or omission which has resulted in the releasing, spilling, leaking, pumping, pouring, omitting, emptying or dumping of Hazardous Substances on the Facilities, or from the Facilities to other property.

(b) City shall exercise due care in handling Hazardous Substances and shall undertake any and all preventive, investigatory or remedial action (including, without limitation, emergency response, removal, containment and other remedial action):

(1) required by any applicable Environmental Laws or orders by any governmental authority having jurisdiction under Environmental Laws; or

(2) necessary to prevent or minimize property damage (including, without limitation, damage to City's own property), personal injury or damage to the environment or threat of any such damage or injury, by releases of or exposure to Hazardous Substances in connection with the Facilities, or operations thereon. In the event City fails to perform any of its obligations under this Section 8.10, then after written notice to City from Bank and reasonable opportunity to cure, Bank may perform (but shall not be required to perform) such obligations at City's reasonable expense, subject to appropriation by City therefor. In performing any such obligations of City, Bank shall at all times be deemed to be the agent of City and shall not by reason of any such performance be deemed to be assuming any responsibility of City under any Environmental Laws or to any other person.

(c) During the Lease Term, to the extent permitted by law and subject to appropriation therefor, City shall indemnify and hold harmless the following (collectively the "Indemnitees"): Bank and its officers, directors, employees, agents, affiliates and all of their successors and assigns against any and all claims, demands, losses, liabilities, costs and expenses (including, without limitation, reasonable attorney fees at trial, on any appeal or petition for review) in any bankruptcy or arbitration proceeding or otherwise incurred by any of the Indemnitees:

(1) arising out of or relating to any investigatory or remedial action involving the Facilities, or the operations conducted thereon, and required by Environmental Laws or by orders of any governmental authority having jurisdiction under any Environmental Laws; or

(2) on account of injury to any person or damage to any property arising out of or in connection with or in any way relating to:

(i) any applicable laws or regulations, including, without limitation, Environmental Laws; or

(ii) the use, treatment, storage, generation, manufacture, transport, release, spill, disposal or other handling of Hazardous Substances on the Facilities, or in connection with operations conducted thereon; or

(iii) the contamination of the Facilities by Hazardous Substances.

Section 8.11 Additional Covenants. City covenants that during the Lease Term, it will:

(a) promptly and with due diligence acquire and construct the Improvements to be financed with proceeds of the Certificates;

(b) subject to the provisions of the Primary Lease and this Lease, continue to operate the Facilities in good repair and in an efficient and economical manner, making necessary and proper repairs and replacements;

(c) take no action to change its corporate identity and make no attempt to cause its corporate existence to be abolished;

(d) maintain proper accounts in accordance with generally accepted accounting principles of transactions relating to the revenues of City; and

(e) keep or cause to be kept proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of, or in relation to, the business and affairs of City in accordance with generally accepted accounting principles.

ARTICLE IX ASSIGNMENT, SUBLEASING, PLEDGING AND SELLING

Section 9.1 Assignment and Subleasing. City may not assign, transfer, encumber or sublease its rights to the Facilities or this Lease except as provided in this Section 9.1, and subject to each of the following conditions:

(a) No assignment or subleasing shall relieve City from primary liability for any of its obligations hereunder, and in the event of any such assignment or subleasing, and subject to appropriation by City, City shall continue to remain primarily liable for payment of the payments specified in Section 5.3 hereof and for performance and observance of the other covenants and agreements on its part herein provided.

(b) No assignment or subleasing shall impair the status of interest on the Certificates for federal or state income purposes or the validity of the Certificates, as evidenced by delivery to Bank and Trustee of an Opinion of Special Counsel.

(c) The assignee or sublessee shall assume in writing the obligations of City hereunder to the extent of the interest assigned or subleased.

(d) City shall, within 30 days after the delivery thereof, furnish or cause to be furnished to Bank a true and complete copy of each such assumption of obligations and assignment or sublease, as the case may be.

(e) City may not sell or encumber the Facilities without the consent of the Certificate Holders, which consent shall be subject to the requirements of Section 10.3(b) of the Trust Indenture.

Section 9.2 Restrictions on Sale by Bank. Bank agrees that, except as set forth in Article XI hereof or Article VII of the Trust Indenture, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of its interest in the Facilities, so long as there is no event of default that has not been cured or an Event of Nonrenewal has not occurred.

ARTICLE X EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default Defined. The following shall be “events of default” under this Lease and the term “event of default” shall mean, whenever it is used in this Lease, any one or more of the following events:

(a) Failure by City to pay the Lease Payments required to be paid under Section 5.3(a) or Section 5.3(b) hereof when the same shall become due and payable.

(b) Failure by City to make the payments required by Section 5.3(e) or Section 5.3(f) hereof.

(c) Failure by City to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Lease, other than as referred to in subsections (a) or (b) of this Section, for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, given to City by Bank, provided, however, that in the event that such failure cannot reasonably be remedied within such 30-day period, City has commenced such remedy during such 30-day period and diligently and continuously prosecutes the same to completion and City provides Bank with a certification to such effect.

(d) The failure by City promptly to commence proceedings to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry on its operations at the Facilities or to make any payments under this Lease, or the filing by City of a petition seeking a composition of indebtedness under any applicable law or statute of the United States of America or of the State.

(e) City admits insolvency or bankruptcy or its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee or receiver for the Facilities or if bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors, are instituted by or against City (other than bankruptcy proceedings instituted by City against third parties), and if instituted against City are allowed against City or are consented to or are not dismissed, stayed or otherwise nullified within ninety (90) days after such institution.

(f) An event of default caused by actions of City under the Trust Indenture shall have occurred and be continuing.

(g) Failure by City to perform any of its obligations under the Primary Lease.

Section 10.2 Remedies on Default or Event of Nonrenewal. Whenever any event of default referred to in Section 10.1 hereof or an Event of Nonrenewal shall have occurred and is continuing, Bank may take any one or more of the following remedial steps:

(a) Bank may declare the Lease Payments payable hereunder for the remainder of the Initial Term or the Renewal Term then in effect to be immediately due and payable, whereupon the same shall become due and payable.

(b) Bank may terminate this Lease and provide City notice to vacate the Facilities, or any portion thereof.

(c) Bank may reenter, repossess, lease or sell part or all of its leasehold interest in the Facilities to the extent permitted by law and as provided by Section 7.3 of the Trust Indenture, and apply the proceeds thereof to City's obligations hereunder.

(d) Bank may assume the rights of City under the Assigned Rights.

(e) Bank may take whatever action at law or in equity as may appear necessary or desirable to collect the amounts then due and thereafter to become due for the remainder of the Initial Term or the Renewal Term then in effect, or to enforce performance or observance of any obligations, agreements, or covenants of City under this Lease.

In the event that City fails to make any payment required hereby for which it has appropriated funds, the payment so in default shall continue as an obligation of City until the amount in default shall have been fully paid.

Any moneys received by Bank from the exercise of any of the above remedies, after reimbursement of any costs incurred by Bank in connection therewith, shall be applied to satisfy City's obligations hereunder.

Notwithstanding the exercise of any remedy, Bank may make any disbursements after the happening of any one or more events of default without thereby waiving its right to accelerate the Lease Payments pursuant to Section 10.2(a) hereof and without liability to make other or further disbursements. The provisions under this Section shall survive the termination of the Lease Term and this Lease for so long as Certificates remain Outstanding.

Section 10.3 No Duty of Bank to Mitigate Damages. Bank shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to City if an event of default shall occur hereunder.

Section 10.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to Bank is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

Section 10.5 Agreement to Pay Attorneys' Fees and Expenses. In the event City should default under any of the provisions of this Lease and Bank shall employ attorneys or incur other expenses for the collection of payments or the enforcement of performance or observance of any obligation or agreement on the part of City, City agrees that it will on demand therefor pay to Bank the reasonable fees of such attorneys and such other reasonable expenses incurred, subject to appropriation by City.

Section 10.6 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XI OPTIONS TO PURCHASE

Section 11.1 General Option to Purchase Facilities. City shall have and is hereby granted the Option to Purchase Bank's right, title and interest in the Facilities and to terminate the Lease Term at any time prior to, or concurrently with, the expiration of the Lease Term. This Option to Purchase may also survive the termination of the Lease Term, as provided in Section 11.6 below. To exercise such Option to Purchase City shall give written notice to Bank, which shall specify the date of closing such purchase, which date shall be not less than ninety (90) nor more than one hundred eighty (180) days from the date such notice is mailed. City shall make arrangements satisfactory to Bank and Trustee for giving any required notice of redemption relating to the Certificates.

Section 11.2 Purchase Price. The purchase price payable by City in the event of its exercise of the Option to Purchase granted in Section 11.1 shall be the sum of the following:

(a) An amount of money or Government Obligations which will be sufficient to redeem the then Outstanding Certificates under the Trust Indenture on the Maturity Dates thereof or on the date(s) of earlier optional call for redemption of the Certificates, including, without limitation, principal, premium, if any, and interest on the Outstanding Certificates to the Maturity Dates thereof or on the date(s) of earlier optional call for redemption of the Certificates.

(b) An amount equal to fees and expenses due Bank or Trustee under the Trust Indenture accrued and to accrue until the final payment of the Outstanding Certificates.

(c) The sum of \$10 for the Facilities.

Upon the exercise of the Option to Purchase, City shall pay the sums required under this Section 11.2.

Section 11.3 Options to Purchase Facilities in Certain Events. City shall also have and is hereby granted an Option to Purchase Bank's right, title and interest in the Facilities and to terminate the Lease Term at any time prior to, or concurrently with, the expiration of the Lease Term if any of the following shall have occurred:

(a) The Facilities shall have been damaged or destroyed as set forth in Section 7.1 hereof to such extent that, as evidenced by a Consulting Architect's Certificate filed with City, Bank and the Trustee, (i) the Facilities cannot be reasonably restored within a period of twelve (12) consecutive months to the condition thereof immediately preceding such damage or destruction, or (ii) City is thereby prevented from carrying on its normal operations at the Facilities for a period of twelve (12) consecutive months.

(b) Title to, or the temporary use of, all or substantially all the Facilities shall have been taken under the exercise of the power of eminent domain by any governmental authority, or person, firm or corporation acting under governmental authority, including such a taking or takings as results, as evidenced in a Consulting Architect's Certificate filed with City, Bank and the Trustee, in City being thereby prevented from carrying on its normal operations at the Facilities for a period of twelve (12) consecutive months.

To exercise any such Option to Purchase, City shall within six (6) months following the event authorizing the exercise of such Option to Purchase give written notice to Bank and shall specify therein the date of closing such purchase, which date shall be not less than forty-five (45) nor more than ninety

(90) days from the date such notice is mailed. The purchase price payable by City in the event of its exercise of any Options to Purchase granted in this Section 11.3 shall be the sum of the following:

- (1) An amount of money or Government Obligations which, when added to the amount of other moneys which may be used for this purpose, will be sufficient to pay the Outstanding Certificates on the Maturity Dates thereof and all interest to accrue to said Maturity Dates or on the date(s) of earlier optional call for redemption of the Certificates.
- (2) An amount equal to the Trustee's fees and expenses under the Trust Indenture.
- (3) The sum of \$10 for the Facilities.

Section 11.4 Option to Purchase Upon Expiration of the Lease Term. Provided that no Certificates shall be Outstanding, City shall have the Option to Purchase Bank's remaining right, title and interest in the Facilities, if any, upon expiration of the Lease Term. The purchase price payable by City shall be the sum of the following:

- (a) An amount equal to the unpaid Trustee's fees and expenses under the Trust Indenture.
- (b) The sum of \$10 for the Facilities.

Section 11.5 Conveyance on Purchase. At the closing of any purchase pursuant to this Article XI, Bank will, upon receipt of the purchase price, deliver to City documents conveying its right, title and interest in the Facilities being purchased by terminating the Primary Lease and this Lease.

City and Bank shall cooperate in executing such documents as are reasonably necessary to accomplish the purpose of this paragraph.

Section 11.6 Survival of Options to Purchase. The Options to Purchase Bank's right, title and interest in the Facilities shall survive the termination of the Lease Term and this Lease for so long as Certificates remain Outstanding.

ARTICLE XII MISCELLANEOUS

Section 12.1 Notices. Any notice required or permitted to be given under this Lease shall be in writing and (i) personally delivered, (ii) sent by United States registered or certified mail, postage prepaid, return receipt requested, (iii) sent by Federal Express or similar nationally recognized overnight courier service, or (iv) transmitted by electronic mail with a hard copy sent within one (1) Business Day by any of the foregoing means. Such notice shall be deemed to have been given upon the date of actual receipt or delivery (or refusal to accept delivery), as evidenced by the notifying party's receipt of written or electronic confirmation of such delivery or refusal, if received by the party to be notified between the hours of 8:00 A.M. and 5:00 P.M. Mountain time on any Business Day, with delivery made after such hours to be deemed received the following Business Day; provided, however, notices to the Trustee and Bank shall be deemed given only upon receipt by the Trustee or Bank. For purposes of notice, the addresses of the parties shall be as follows:

If to City:	City of Idaho Falls, Idaho 308 Constitution Way Idaho Falls, ID 83402 Attention: Pamela Alexander, Municipal Services Director
-------------	---

Email: PAlexander@idahofallsidaho.gov

With a copy to:

Adam Christenson
Hawley Troxell Ennis & Hawley LLP
877 W. Main Street, Suite 1000
P.O. Box 1617
Boise, ID 83701-1617
Email: achristenson@hawleytroxell.com

If to Bank:

Zions Bancorporation, National Association, as Lessor
Attention: Twyla Lehto, Senior Vice President
800 W Main St, Suite 700
Boise, ID 83702
Email: twyla.lehto@zionsbancorp.com

If to Trustee:

Zions Bancorporation, National Association, As Trustee
Attention: Twyla Lehto, Senior Vice President
800 W Main St, Suite 700
Boise, ID 83702
Email: twyla.lehto@zionsbancorp.com

Section 12.2 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon City and Bank and their respective successors and assigns, subject, however, to the limitations contained herein.

Section 12.3 Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.4 Amendments, Changes and Modifications. Except as otherwise provided in this Lease or in the Trust Indenture, this Lease may not be effectively amended, changed, modified, altered or terminated without the written consent of City and Bank and in no manner that creates a liability of the City beyond the Lease Term.

Section 12.5 Execution in Counterparts. This Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.6 No Offsets. City shall pay all payments required hereunder, without abatement, deduction, offset or setoff other than those herein expressly provided. City waives any and all existing and future claims and offsets against any payments required hereunder.

Section 12.7 Recording. City shall cause this Lease and every assignment and modification hereof or an appropriate and sufficient memorandum thereof to be recorded in the office of the Recorder of Bonneville County, Idaho, and shall provide a copy thereof to Bank.

Section 12.8 Governing Law. This Lease shall be governed and construed in accordance with the laws of the State.

Section 12.9 Surrender and Holding Over. In the event Certificates remain outstanding at the end of, or at the termination of, the Lease Term, unless the Options to Purchase are exercised, City

shall surrender and deliver to Bank the possession of the Facilities, together with all improvements, free and clear of all liens and encumbrances other than Permitted Encumbrances, and in good condition subject to reasonable wear and tear.

Concurrently with the surrender of the Facilities as herein provided, City agrees, if requested by Bank and for the benefit of Bank, to execute, acknowledge and deliver to Bank documentation evidencing Bank's leasehold interest in the Facilities.

To the extent allowed by law, City shall indemnify and hold Bank harmless from any loss or liability resulting from delay by City in surrendering the Facilities, including, without limitation, any claims made by any succeeding tenant founded on such delay only from amounts then appropriated therefor. City shall be only a tenant at sufferance, whether or not Bank accepts any Lease Payments from City while City is holding over without Bank's written consent.

Section 12.10 Limitation of Liability. No covenant or agreement contained in this Lease, the Primary Lease, the Trust Indenture or the Certificates shall be deemed to be a covenant or agreement of any member, director, officer or employee of City in an individual capacity. No recourse shall be had for any claim based on this Lease, the Primary Lease, the Trust Indenture or the Certificates against any member, director, commissioner, officer or employee, past, present or future, of City or of any successor body as such, either directly or through City or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

No covenant or agreement contained in this Lease, the Primary Lease, the Trust Indenture or the Certificates shall be deemed to be a covenant or agreement of City, or otherwise obligate City, to make a future appropriation of funds. Any provision for payment or indemnification by City made subject to appropriation of funds recognizes that the act of budgeting funds is solely within the discretion of the City Council and that no claim may be had against City in excess of the amounts appropriated by City during the then current Lease Term to make payments hereunder.

[The following page is the signature page.]

IN WITNESS WHEREOF, Bank and City have caused this Lease to be executed in their respective corporate names as of the date first above written.

BANK:

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Lessor

By: _____
Senior Vice President, Zions Bank Division

CITY:

CITY OF IDAHO FALLS, IDAHO, as Lessee

By: _____
Rebecca L. Noah Casper, Mayor

Attest: _____
City Clerk

STATE OF IDAHO)
) ss.
County of Ada)

On this _____ day of December, 2020, before me, a Notary Public in and for said State, personally appeared Twyla Lehto, known or identified to me to be a Senior Vice President, Zions Bank Division, Zions Bancorporation, National Association, the entity that executed the within instrument, or the person that executed the within instrument on behalf of said entity, and acknowledged to me that such entity executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for Idaho
Residing at _____
My commission expires _____

STATE OF IDAHO)
) ss.
County of Bonneville)

On this _____ day of December, 2020, before me, a Notary Public in and for said State, personally appeared Rebecca L. Noah Casper and Kathy Hampton, known or identified to me to be the Mayor and City Clerk, respectively, of the City of Idaho Falls, Idaho, the entity that executed the within instrument or the persons who executed the instrument on behalf of said entity, and acknowledged to me that such entity executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for Idaho
Residing at _____
My commission expires _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Parcel 1:

a) All that part of Block 5 of Dwights Addition, according to the official plat thereof, filed in Book D of Plats at Page(s) 9, records of Bonneville County, Idaho, described as follows:

Beginning at the Southwest corner of Lot 32 of Block 5; thence East along the South line of said Block 5 a distance of 150 feet to the Southeast corner of Lot 37; thence North along the East line of said Lot 37 and said East line produced a distance of 140 feet to the Southwest corner of Lot 9 of said block; thence East along a straight line parallel to the South line of Block 5 a distance of 150 feet to the Southeast corner of Lot 4; thence North along the East line of said Lot 4 a distance of 44 feet to a point thereon; thence West along a straight line parallel to said South line of Block 5 a distance of 150 feet to a point in the West line of said Lot 9; thence Southwesterly along a straight line a distance of 237.4 feet, more or less, to the point of beginning.

b) All those parts of Block 1 and 4 of Dwights Addition, according to the official plat thereof, filed in Book D of Plats at Page(s) 9, records of Bonneville County, Idaho, and Vacated portions of College and Whittier Streets described as follows:

Beginning at the point of intersection of the center line of vacated College Street with the West line of Emerson Avenue, said point being 30 feet distant South, measured along the West line of said Emerson Avenue, from the Southeast corner of Block 4; thence North along said West line of Emerson Avenue a distance of 462.09 feet to a point thereon; thence Southwesterly along a straight line forming an angle of 65°02' from the South to the Southwest with said West line of Emerson Avenue a distance of 13.12 feet to a point; thence Southwesterly along a straight line forming an angle of 23°15' from the Southwest to the South with the last described line produced, a distance of 108.8 feet to a point; thence Southwesterly along a straight line forming an angle of 13°27' from the Southwest to the South with the last described line produced a distance of 34.95 feet to a point; thence Southeasterly along a straight line forming an angle of 72°21' from the Southwest to the Southeast with the last described line produced a distance of 14.8 feet to a point; thence East along a straight line forming an angle of 46°00' from the Southeast to the East with the last described line produced, a distance of 11.0 feet to point; thence South at right angles a distance of 170.5 feet to a point; thence West at right angles a distance of 11.0 feet to a point; thence South along a straight line forming an angle of 88°38' from East to South with the last described line a distance of 164.0 feet to a point in said center line of vacated College Street; thence East along said center line of vacated College Street a distance of 86.46 feet to the point of beginning.

Parcel 2:

That part of Lot 46 in Block 5 of Dwights Addition according to the official plat thereof, filed in Book D of Plats at Page(s) 9, records of Bonneville County, Idaho; more particularly described as follows: Beginning at the Northeast corner of Lot 46 in Block 5 of Dwights Addition, and running thence West 40.5 feet; thence South 124 feet; thence East 3.2 feet; thence North 36°25' East 59.9 feet; thence North 75.8 feet to the point of beginning; being all of said Lot 46 lying North and West of U.S. Highway No. 191

Parcel 3:

Lots 1, 2, 3, 38, 39, 40, 41, 42, 43, 44 and 45 in Block 5 of Dwights Addition, according to the official plat thereof, filed in Book D of Plats at Page(s) 9, records of Bonneville County, Idaho.

Parcel 4:

The North half of said vacated portion of College Street, from Yellowstone Avenue to the East line of Emerson Avenue in the City of Idaho Falls, Bonneville County, Idaho, otherwise described as: Commencing at the point where the Westerly right of way line of Yellowstone Avenue intersects the South line of Block 5 of Capitol Hill Addition to the City of Idaho Falls, thence West along the South line of said Block 125 feet, more or less to the East right of way line of Emerson Avenue, thence South 30 feet to the Center of College Street, thence East along the Center line of College Street to the Westerly right of way line of Yellowstone Avenue, thence Northerly along the Westerly line of Yellowstone Avenue to the point of beginning.

Parcel 5:

a) All that portion of Whittier Street described as follows: Beginning at the Southwest corner of Block 4 of Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho and running thence East 371.1 feet along the South property line of said Block 4, to the West property line of the Yellowstone Highway, thence South 36°26' West 74.6 feet along the West property line of the Yellowstone Highway to the North property line of Block 5 of Capitol Hill Addition, thence West 326.7 feet along said North property line of said Block 5 to the Northwest corner of said Block 5, thence North 60 feet to the point of beginning.

b) All that portion of the alley in Block 5 Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho described as follows to wit: Beginning at the Southwest corner of Lot 24 of Block 5 of Capitol Hill Addition, and running thence East 235.1 feet along the South property line of the North half of said Block 5 to the West line of the Yellowstone Highway, thence South 36°26' West 19.9 feet along the West line of Highway to the North property line of the South half of said Block 5, thence West 223.3 feet along the North property line of said South half of Block 5 to the Northwest corner of Lot 25 of said Block 5, thence North 16 feet to the point of beginning.

Parcel 6:

- a) Lots 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36 and 37 in Block 4 of Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho.
- b) Also beginning at the Northwest corner of Lot 38 in Block 4 of Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho, and running thence East 137.8 feet to the Westerly line of the new Yellowstone Highway, thence South 36°25' West, 154.2 feet, thence West 46.1 feet to the Southwest corner of Lot 38, thence North 124 feet to the place of beginning, being all of Lot 38 and part of Lots 39, 40, 41, 42 and 43 lying West of said Yellowstone Highway in Block 4 of Capitol Hill Addition.
- c) Lots 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28 and 29 in Block 5 of Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho.
- d) Also beginning at the Northwest corner of Lot 15 in Block 5 of Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho, and running thence East 101.7 feet to the Westerly line of the new Yellowstone Highway, thence South 36°25' West 154.3 feet, thence West 10.1 feet to the Southwest corner of said Lot 15, thence North 124 feet to the place of beginning, being that part of Lots 11, 12, 13, 14 and 15 in Block 5 of Capitol Hill Addition lying West of said new Yellowstone Highway.
- e) Also beginning at the Northwest corner of Lot 30 in Block 5 of Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho and running thence East 98.3 feet to the Westerly line of the new Yellowstone Highway, thence South 36°25' West 154.2 feet to the South line of said Block 5, thence West 6.6 feet to the Southwest corner of said Lot 30, thence North 124 feet to the place of beginning, being that part of Lots 30, 31, 32 and 33 in Block 5 of Capitol Hill Addition lying West of said new Yellowstone Highway.

Parcel 7:

Lots 15, 16 and 17 in Block 4 of Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho.

Parcel 8:

A Leasehold interest in the Surface Rights only as disclosed by that certain Quit Claim Deed recorded on May 4, 1944 as Instrument No. 160496 In Book 49 of Deeds at page 135, described as follows: All that portion of the West half of Emerson Avenue extending from the North line of College Street to the South line of Elva Street, in the City of Idaho Falls, ID being all that certain parcel of land heretofore conveyed to Oregon Short Line Railroad by the City of Idaho Falls by vacation of Street ordinance No. 561 as supplemented by Quit Claim Deed dated June 18, 1943 recorded in Book 45 of Deeds at page 479 records of Bonneville County, Idaho.

EXHIBIT B

LEASE PAYMENTS⁽¹⁾

LEASE TERM	LEASE PAYMENT DATE	LEASE PAYMENT	TOTAL ANNUAL LEASE PAYMENT
INITIAL TERM			
Effective Date – 9/30/21	3/1/21 9/1/21	\$	\$
RENEWAL TERMS⁽¹⁾			
10/1/21 – 9/30/22	3/1/22 9/1/22	\$	\$
10/1/22 – 9/30/23	3/1/23 9/1/23		
10/1/23 – 9/30/24	3/1/24 9/1/24		
10/1/24 – 9/30/25	3/1/25 9/1/25		
10/1/25 – 9/30/26	3/1/26 9/1/26		
10/1/26 – 9/30/27	3/1/27 9/1/27		
10/1/27 – 9/30/28	3/1/28 9/1/28		
10/1/28 – 9/30/29	3/1/29 9/1/29		
10/1/29 – 9/30/30	3/1/30 9/1/30		
10/1/30 – 9/30/31	3/1/31 9/1/31		
10/1/31 – 9/30/32	3/1/32 9/1/32		
10/1/32 – 9/30/33	3/1/33 9/1/33		
10/1/33 – 9/30/34	3/1/34 9/1/34		
10/1/34 – 9/30/35	3/1/35 9/1/35		
10/1/35 – 9/30/36	3/1/36 9/1/36		

10/1/36 – 9/30/37	3/1/37 9/1/37
10/1/37 – 9/30/38	3/1/38 9/1/38
10/1/38 – 9/30/39	3/1/39 9/1/39
10/1/39 – 9/30/40	3/1/40 9/1/40
10/1/40 – 9/30/41	3/1/41 9/1/41
10/1/41 – 9/30/42 ⁽²⁾	3/1/42 9/1/42
	\$ <u> </u> \$ <u> </u>

(1) Subject to annual renewal and appropriation by City.

(2) Final Maturity is September 15, 20[42]. The Lease Term will automatically terminate at such time as no Certificates are Outstanding.

EXHIBIT C

PERMITTED ENCUMBRANCES

All taxes and assessments, together with any and all existing easements, rights-of-way, reservations, restrictions and encumbrances of record or visible on the Property.

EXHIBIT D
FORM OF REQUISITION

DISBURSEMENT REQUEST NO. ____
(Construction Fund)

Zions Bancorporation, National Association, as Trustee
Attention: Twyla Lehto, Director of Corporate Trust and Manager
800 W Main St, Suite 700
Boise, ID 83702
Email: twyla.lehto@zionsbancorp.com

Re: *\$(30,000,000) City of Idaho Falls, Idaho Annual Appropriation Certificates of Participation, Series 2020 (the "Certificates")*

Pursuant to the provisions of Section 4.3 of the Annual Appropriation Lease Agreement dated as of December __, 2020 (the "Lease"), by and between City of Idaho Falls, Idaho, as lessee ("City") and Zions Bancorporation, National Association, as lessor ("Bank"), and pursuant to the provisions of Section 3.1 of the Trust Indenture among City, Bank and the above Trustee dated as of December __, 2020 (the "Trust Indenture"), the undersigned, as an Authorized Representative of City, hereby requests the Trustee to make a disbursement from the Construction Fund in the amount of \$_____ ("Requested Amount"), which Requested Amount is due and payable in accordance with the attached Schedule.

The undersigned certifies that the Schedule states: (i) the description for which payment or reimbursement is requested, (ii) that the Requested Amount has been incurred by City and has been paid or is to be paid by City, (iii) that all necessary permits and approvals presently required for the Facilities have been issued and are in full force and effect, and (iv) that such withdrawal is being made to reimburse City or to pay a third party for the payment of the Costs of Acquisition and Construction of the Improvements. The undersigned certify that the purpose for which the Requested Amount was incurred is permitted as Costs of Acquisition and Construction under the terms of the Trust Indenture; that such is a proper charge against the Construction Fund; and that such Requested Amount has not been previously paid from the Construction Fund.

To the best of our knowledge, after due investigation, there is no lien, right to lien or attachment upon, or other claim affecting the right of City or the party or parties listed on the Schedule to receive payment or reimbursement of the Requested Amount, which has not been released or will not be released simultaneously with the payment of the Requested Amount, other than labor liens, materialmen's liens or mechanic's liens accruing by operation of law.

No Event of Default (as defined in the Trust Indenture) or other event which, with the giving of notice or the passage of time or both, would constitute such Event of Default, has occurred.

Dated this ____ day of _____, 20__.

CITY OF IDAHO FALLS, IDAHO, as Lessee

By_____

SCHEDULE TO DISBURSEMENT REQUEST NO. 1
(Construction Fund)

AMOUNT: \$xx.xx

PAYEE:

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

E-mail: _____

Improvements Description/Purpose: Costs of Acquisition and Construction of the Improvements.

Costs have been incurred by City: _____ X

Costs are to be paid by City: _____ X

All necessary permits and approval presently required have been issued and are in full force and effect:

 X

Reimburse City _____; Pay third party X .

EXHIBIT E

FORM OF NOTICE OF INTENT TO RENEW

TO: Zions Bancorporation, National Association, as Lessor ("Bank")
 Zions Bancorporation, National Association, as Trustee ("Trustee")

DATE: _____, 20__

RE: Annual Appropriation Lease Agreement dated December __, 2020 (the "Appropriation Lease"), between City of Idaho Falls, Idaho, as lessee ("City"), and Bank, as lessor, related to the City of Idaho Falls, Idaho Annual Appropriation Certificates of Participation, Series 2020, dated December __, 2020, issued pursuant to the Annual Appropriation Trust Indenture dated December __, 2020 (the "Trust Indenture"), among City, Bank, and Trustee

NOTICE IS HEREBY GIVEN pursuant to Section 5.1 of the Appropriation Lease of City's intent to renew the Appropriation Lease for the one-year period commencing October 1, 20__, through September 30, 20__ (the "Renewal Term"), conditioned upon appropriation by City's Council of funds in the amount of the Lease Payments due under the Appropriation Lease during the Renewal Term. Upon such appropriation, no later than September 15, 20__, City shall deliver its Notice of Renewal to Bank and Trustee, together with a copy of the City Council's official action appropriating sufficient funds to pay the Lease Payments due for the Renewal Period.

In the event funds to renew the Appropriation Lease are not appropriated by City's Council as set forth above, the obligation of City to make Lease Payments extends only through the current Lease Term; such obligation terminates at the expiration of the current Lease Term. In such event, City shall timely notify Bank and Trustee that City has elected to not renew the Appropriation Lease for an additional Renewal Term, and an Event of Nonrenewal shall be deemed to have occurred and Bank may exercise the remedies provided under the Appropriation Lease, and the Trustee, as provided under the Trust Indenture.

By execution of the applicable Acknowledgment and Consent below, City requests Bank and Trustee to acknowledge timely receipt of this Notice of Intent to Renew and consent to the renewal of the Appropriation Lease conditioned upon timely receipt from City of the Notice of Renewal.

Capitalized terms used in this notice and not defined herein shall have the meanings assigned to such terms in the Trust Indenture.

CITY OF IDAHO FALLS, IDAHO

By: _____
Title: _____

BANK'S ACKNOWLEDGMENT AND CONSENT

The undersigned, on behalf of Bank, acknowledges timely receipt of City's Notice of Intent to Renew the Appropriation Lease, and consents to the renewal of the Appropriation Lease conditioned upon receipt from City of its Notice of Renewal no later than September 15, 20__.

Effective the ____ day of ____, 20__.

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Lessor

By: _____
Title: _____

TRUSTEE'S ACKNOWLEDGMENT AND CONSENT

The undersigned, on behalf of the Trustee, acknowledges timely receipt of City's Notice of Intent to Renew the Appropriation Lease, and consents to the renewal of the Appropriation Lease conditioned upon receipt from City of its Notice of Renewal no later than September 15, 20__.

Effective the ____ day of ____, 20__.

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee

By: _____
Title: _____

EXHIBIT F

FORM OF NOTICE OF RENEWAL

TO: Zions Bancorporation, National Association, as Lessor ("Bank")
 Zions Bancorporation, National Association, as Trustee ("Trustee")

DATE: _____, 20__

RE: Annual Appropriation Lease Agreement dated December __, 2020 (the "Appropriation Lease"),
 between City of Idaho Falls, Idaho, as lessee ("City"), and Bank, as lessor, related to the City of
 Idaho Falls, Idaho Annual Appropriation Certificates of Participation, Series 2020, dated
 December __, 2020, issued pursuant to the Annual Appropriation Trust Indenture dated
 December __, 2020 (the "Trust Indenture"), among City, Bank, and Trustee

NOTICE IS HEREBY GIVEN pursuant to Section 5.1 of the Appropriation Lease of City's renewal of the Appropriation Lease for the one-year period commencing October 1, 20__, through September 30, 20__ (the "Renewal Term"). Delivered herewith is a copy of the City Council's official action with evidence of appropriation of funds sufficient to pay the Lease Payments due for the Renewal Term.

The obligation of City to make Lease Payments extends only through the Renewal Term; such obligation terminates at the expiration of the Renewal Term.

By execution of the applicable Acknowledgment and Consent below, City requests Bank and Trustee to acknowledge timely receipt of this Notice of Renewal and consent to the Renewal Term.

Capitalized terms used in this notice and not defined herein shall have the meanings assigned to such terms in the Trust Indenture.

CITY OF IDAHO FALLS, IDAHO

By: _____
Title: _____

BANK'S ACKNOWLEDGMENT AND CONSENT

The undersigned, on behalf of Bank, acknowledges timely receipt of City's Notice of Renewal of the Appropriation Lease, and consents to the renewal of the Appropriation Lease for Renewal Term commencing October 1, 20__, through September 30, 20__.

Effective the ____ day of _____, 20__.

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Lessor

By: _____
Title: _____

TRUSTEE'S ACKNOWLEDGMENT AND CONSENT

The undersigned, on behalf of the Trustee, acknowledges timely receipt of City's Notice of Renewal of the Appropriation Lease, and consents to the renewal of the Appropriation Lease for Renewal Term commencing October 1, 20__, through September 30, 20__.

Effective the ____ day of _____, 20__.

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee

By: _____
Title: _____

ANNUAL APPROPRIATION TRUST INDENTURE

by and among

CITY OF IDAHO FALLS, IDAHO

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, AS LESSOR

and

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION, AS TRUSTEE,
PAYING AGENT AND REGISTRAR**

Securing

[\$30,000,000]

City of Idaho Falls, Idaho Annual Appropriation Certificates of Participation, Series 2020

Dated as of December __, 2020

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ANNUAL APPROPRIATION TRUST INDENTURE

THIS ANNUAL APPROPRIATION TRUST INDENTURE dated as of December __, 2020 (the "Trust Indenture"), is entered into by and among CITY OF IDAHO FALLS, IDAHO, a municipal corporation operating and existing under and pursuant to the provisions of the Constitution and laws of the state of Idaho ("City"), ZIONS BANCORPORATION, NATIONAL ASSOCIATION, a national banking association existing under the laws of the United States of America, having a corporate trust office in Boise, Idaho, as Trustee, Paying Agent and Registrar (collectively referred to herein as the "Trustee"), and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, a national banking association existing under the laws of the United States of America, as lessor under the Lease hereinafter described (the "Bank"), for the benefit of the Owners from time to time of the certificates of participation to be issued hereunder.

RECITALS:

WHEREAS, the Bank has determined, at the request of City, to cause the Trustee to issue certificates of participation under and pursuant to this Trust Indenture to provide funds to City to finance the costs associated with a project to be undertaken by City as described below, which certificates shall be designated "City of Idaho Falls, Idaho Annual Appropriation Certificates of Participation, Series 2020," in the aggregate principal amount of \$[30,000,000] (the "Certificates"); and

WHEREAS, the proceeds of the Certificates shall be used to finance costs of (i) razing, demolishing or removing the existing improvements located on the Property (as defined below), (ii) preparing, constructing, furnishing, equipping and improving certain real and personal property comprising a new City police headquarters building and related facilities on the Property for use by City (the "Improvements" and collectively with (i), the "Project"), as well as (iii) the Costs of Issuance of the Certificates; and

WHEREAS, the real property associated with the Project (the "Property") is specifically described on the attached Exhibit A; and

WHEREAS, City and the Bank have agreed to enter into a Primary Lease dated as of the date hereof (the "Primary Lease"), under the terms of which City, as lessor, will lease the Property together with the Improvements to be constructed thereon (the Property and the Improvements collectively referred to herein as the "Facilities") to the Bank, as lessee; and

WHEREAS, City and the Bank have agreed to enter into an Annual Appropriation Lease Agreement dated as of the date hereof (the "Lease"), under the terms of which the Bank, as lessor, will lease the Facilities back to City, as lessee, and City will pay lease payments to the Bank in the aggregate amount sufficient to pay the principal, premium, if any, and interest on the Certificates as the same become due and payable (collectively, the "Lease Payments"); and

WHEREAS, the Bank wishes to direct the authentication and delivery of the Certificates by the Trustee under this Trust Indenture, each evidencing an ownership interest in the Lease

Payments to be made by City to the Bank or its assigns pursuant to the Lease, the proceeds of which will be deposited with the Trustee under this Trust Indenture and used by City to finance the Project and to pay the Costs of Issuance of the Certificates; and

WHEREAS, the Certificates shall be secured by, among other things, the Trust Estate, as that term is defined in this Trust Indenture; and

WHEREAS, the Certificates are to be substantially in the form attached hereto as Exhibit B; and

WHEREAS, the execution, authentication and delivery of the Certificates and of this Trust Indenture have been duly authorized by the Bank, and authorized by an ordinance duly adopted by City in accordance with its authority, and all things necessary to make the Certificates, when executed and authenticated by the Trustee, valid and binding legal obligations and to make this Trust Indenture a valid and binding agreement and pledge of the Trust Estate to the payment of the principal of, premium, if any, and interest on the Certificates, have been done.

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

That the Bank, in consideration of the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Certificates by the Owners thereof in order to secure the payment of the principal of, premium, if any, and interest on the Certificates according to their tenor and effect and the performance and observance by the Bank of all the covenants expressed or implied herein and in the Certificates, intending to be legally bound, does hereby assign, transfer and pledge, and grant therein a security interest as set forth below unto the Trustee and unto its successors in trust and its assigns forever:

A. The Primary Lease and all right, title and interest (but not the obligations) of the Bank under and pursuant to the terms thereof; and

B. The Lease and all right, title and interest (but not the obligations) of the Bank under and pursuant to the terms thereof, and all payments including Lease Payments, revenues, rents and receipts received or receivable by the Bank under the Lease; and

C. All of the right, title and interest of the Bank in and to all funds (other than the Rebate Fund) and accounts established under this Trust Indenture and all moneys and investments now or hereafter held therein; and

D. All of the right, title and interest of the Bank in and to all furniture, furnishings and equipment acquired with proceeds of the Certificates located and installed in the Facilities or used in the operations of the Facilities, including, without limitation (i) office and conference room furnishings; (ii) audio-visual and information technology equipment; and (iii) all such other furniture, furnishings and equipment used in the operations of the Facilities;

TO HAVE AND TO HOLD, the Primary Lease, Lease, Lease Payments, funds, accounts, furniture, furnishings and equipment, and other right, title and interest hereby assigned and pledged or agreed or intended so to be (collectively the "Trust Estate") to the Trustee and its successors in said trust as herein provided;

IN TRUST NEVERTHELESS, upon the terms herein set forth, for the equal and proportionate benefit, security and protection of all present and future Owners of the Certificates issued under and secured by this Trust Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Certificates over any other of the Certificates except as provided herein;

PROVIDED, HOWEVER, that upon final payment of the principal or redemption price of the Certificates and the interest due or to become due thereon, or in the event payment thereof shall be made, as permitted hereby, by deposit with the Trustee of the entire amount due or to become due on the Certificates, and all sums of money due or to become due the Trustee shall be paid to the Trustee in accordance with the terms and provisions hereof, then, upon such final payments and subject to the provisions of Article VI, this Trust Indenture and the rights hereby granted shall cease, terminate and be void, and the Trustee shall forthwith release, surrender and otherwise cancel any interest it may have in the Trust Estate; otherwise this Trust Indenture shall be and remain in full force and effect;

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Certificates issued and secured hereunder are to be issued, authenticated and delivered and the Trust Estate, including all said payments, revenues, rents and receipts hereby pledged, is to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and City and the Bank have agreed and covenanted, and do hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Certificates, or any part thereof, as follows:

ARTICLE I. DEFINITIONS

Section 1.1 Definitions. In this Trust Indenture, any indenture supplemental hereto (except as otherwise expressly provided for or unless the context otherwise requires), in addition to the terms defined in the recitals hereto, the following terms shall have the meanings specified in this section:

“Annual Appropriation Lease Agreement” means the Annual Appropriation Lease Agreement between City, as lessee, and the Bank, as lessor, dated as of December __, 2020, with respect to the lease of the Facilities by City from the Bank.

“Authorized Denominations” means \$5,000 and any integral multiple thereof.

“Authorized Representative” means, when used with reference to the performance of any act, the discharge of any duty or the execution of any certificate or other document, any officer, employee or other person authorized to perform such act, discharge such duty or execute such certificate or other document on behalf of the Bank or City.

“Bank” means Zions Bancorporation, National Association, a national banking association organized and existing under the laws of the United States of America with a principal corporate office in Boise, Idaho, and its successors and assigns, as lessor under the Lease.

“Beneficial Owner” means the beneficial owner of a Certificate.

“Business Day” means any day other than (i) a Saturday or Sunday, (ii) a day on which banking institutions in Boise, Idaho or in any other city in which the Office of the Trustee is located are required or authorized by law (including executive order) to close or on which the Office of the Trustee is closed for reasons not related to financial condition or (iii) a day on which the New York Stock Exchange is closed.

“Cash” means (i) balances in demand and checking accounts (net of outstanding drafts), and (ii) funds restricted by the Council to the extent that such funds are available for payment of debt service on the Certificates.

“Certificates” means the City of Idaho Falls, Idaho Annual Appropriation Certificates of Participation, Series 2020.

“Certificate Register” shall have the meaning specified in Section 2.6 hereof.

“Certificate Year” means, in the case of the first Certificate Year, the period ending September 30, 2021, and in the case of each successive Certificate Year thereafter, the one-year period beginning each October 1 and ending each September 30.

“City” means the City of Idaho Falls, Idaho, a municipal corporation operating and existing under and pursuant to the provisions of the Constitution and laws of the State of Idaho.

“Code” means the Internal Revenue Code of 1986, as amended, and all regulations thereunder as they may exist from time to time, and all rulings and judicial decisions interpreting or construing it. A reference to any specific section of the Code shall be deemed also to be a reference to the comparable provisions of any enactment which supersedes or replaces the Code.

“Construction Fund” means the fund so designated and established pursuant to Section 3.1 hereof, including subaccounts established thereunder, if any.

“Consultant” shall mean a Person which is not, and no member, stockholder, director, officer or employee of which is, an officer, director or employee of City or the Bank, and which is a nationally recognized professional consultant having the skill and experience necessary to render the particular report required by the provisions hereof in which such requirement appears, and which is acceptable to the Trustee.

“Consulting Architect” shall mean a Person which is not, and no member, stockholder, director, officer or employee of which is, an officer, director or employee of City or the Bank, and which is a nationally recognized architect or engineer selected by City having the skill and experience necessary to render the particular report required by the provisions hereof in which such requirement appears.

“Consulting Architect’s Certificate” means an opinion or report signed by the Consulting Architect.

“Corporate Trust Office” means, with respect to the Trustee, the Office of the Trustee at 800 W Main St, Suite 700, Boise, ID 83702.

“Costs of Acquisition and Construction” with respect to the Project shall include, together with any other proper item of cost not specifically mentioned herein, the cost of acquisition and construction of the Improvements and the financing thereof, the cost of field surveys, testing and advance planning undertaken in connection with the Project, the cost of acquisition by City of real property or any or interest therein required for use in connection with the Project, the cost of preparation of sites thereof and of any land to be used in connection with the Project, the cost of any indemnity and surety bonds and insurance premiums, allocable administrative and general expenses of the Bank and City, allocable portions of inspection expenses, financing charges, legal fees, and fees and expenses of financial advisors and Consultants in connection with the Project, the cost of audits in connection with the Project, the cost of all machinery, apparatus and equipment, the cost of engineering, the cost of utilities, architectural services, design, plans, specifications and surveys in connection with the Project, estimates of cost, and all other expenses not specified herein necessary or incidental to determining the feasibility or practicability of the Project, or necessary or incidental to the acquisition and construction of the Improvements, the financing of the Project, and the placing of the Facilities into use and operation, and, to the extent permissible under the Code, the reimbursement of City for any moneys advanced to pay the foregoing costs.

“Costs of Issuance” shall mean the costs of issuance, sale and delivery of any Certificates, including but not limited to the following:

(a) Expenses incurred by City and the Bank in connection with the issuance, sale and delivery of the Certificates and in connection with the preparation and execution of this Trust Indenture, the Lease, the Primary Lease and all related documents, title insurance, printing, photocopying and engraving expenses, mortgage taxes and recording fees, Trustee and Rating Service fees, and legal, underwriting, consulting and accounting fees and expenses; and

(b) Any sums required to reimburse the Bank and City for advances made by either for any of the above items.

“Costs of Issuance Fund” means the fund so designated and established pursuant to Section 3.2 hereof.

“Council” means the City Council of City.

“Counsel” means an attorney at law or law firm (who may be counsel for the Bank or City) not unsatisfactory to the Trustee.

“Debt Service Fund” means the fund so designated and established pursuant to Section 4.1 hereof.

“DTC” means the Depository Trust Company and Clearing Corporation (a limited purpose trust company), New York, New York.

“Environmental Law” means any federal, state or local environmental statute, regulation, or ordinance presently in effect or that may be promulgated in the future as such statutes, regulations and ordinances may be amended from time to time, including but not limited to the statutes listed below:

- (a) Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq.;
- (b) Comprehensive Environmental Response, Compensation, and Liability Act of 1980;
- (c) 42 U.S.C. § 9601 et seq.;
- (d) Clean Air Act, 42 U.S.C. § 7401 et seq.;
- (e) Federal Water Pollution Control Act (Clean Water Act of 1977), 33 U.S.C. § 1251 et seq.;
- (f) Federal Insecticide, Fungicide, and Rodenticide Act (Federal Pesticide Act of 1978);
- (g) 7 U.S.C. § 136 et seq.;
- (h) Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; and
- (i) Safe Drinking Water Act, 42 U.S.C. § 300f et seq.

“Event of Default” means any of the events specified in Section 7.1 hereof to be an Event of Default.

“Event of Nonrenewal” means the election by City to not renew the Lease for the next Renewal Term as provided in Section 5.1(b) of the Lease, provided that election by City not to enter into a Renewal Term subsequent to the exercise of an Option to Purchase shall not constitute an Event of Nonrenewal. An Event of Nonrenewal shall be effective upon expiration of the current Lease Term of the Lease.

“Favorable Opinion” means an opinion of Special Counsel addressed to the Bank and the Trustee to the effect that (i) the action proposed to be taken is authorized or permitted by the law of the State and this Trust Indenture and (ii) such action will not adversely affect the exclusion from gross income of interest on the Certificates for purposes of federal income taxation.

“Fiscal Year” means that period adopted by City as its annual accounting period, October 1 through September 30.

“Funds” mean the Construction Fund, the Costs of Issuance Fund, the Debt Service Fund, and the Rebate Fund, and any and all subaccounts established thereunder.

“Government Obligations” means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed as to full and timely payment by, the United States of America.

“Hazardous Substances” means any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous, toxic or radioactive substance, or other similar term, by any Environmental Law.

“Holder”, “Certificate Holder” or “Owner” means the registered owner of a Certificate.

“Indemnitees” shall have the meaning set forth in Section 8.10(c) of the Lease.

“Indenture” means this Annual Appropriation Trust Indenture as amended or supplemented at the time in question.

“Information Reporting Agreement” means the written agreement executed by City for the benefit of the Owners of the Certificates and dated the date of delivery of the Certificates pursuant to which City agrees to file the information and notices required by Securities and Exchange Commission Rule 15c2-12 (or any successor provision).

“Initial Term” means the initial term of the Lease commencing on December __, 2020 and terminating on September 30, 2021.

“Insurance Consultant” shall mean a Person which is not, and no member, stockholder, director, officer or employee of which is, an officer, director or employee of City or the Bank, and which is a nationally recognized insurance consultant selected by City having the skill and experience necessary to render the particular report required by the provisions hereof in which such requirement appears.

“Interest Payment Date” means each March 15 and September 15, commencing March 15, 2021.

“Lease” means the Annual Appropriation Lease Agreement.

“Lease Payment Date” means, with respect to the Initial Term, March 1, 2021 and September 1, 2021, and, with respect to any Renewal Term, each March 1 and September 1.

“Lease Payments” means the installment payments received or receivable by the Bank from City with respect to the Certificates pursuant to Section 5.3 of the Lease. Exhibit B attached to the Lease is a schedule of the Lease Payments attributable to the Lease, subject to annual appropriation and renewal of the Lease.

“Lease Term” means the period beginning on the effective date of the Lease and ending on September 30, 2021, constituting the Initial Term, and subject to the provisions of the Lease, any Renewal Terms, none of which shall exceed one Fiscal Year in length.

“Maturity Date” means, with respect to the Certificates, September 15 of the years reflected on Exhibit C hereto, with the final maturity on September 15, 20[42].

“Moody’s” means Moody’s Investors Service, Inc., New York, New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated in writing by City.

“Net Certificate Proceeds” means the gross proceeds of the sale of the Certificates less the amount of underwriter’s discount, plus the amount of any net original issue premium or less the amount of any original issue discount.

“Net Proceeds” means proceeds (net of all expenses, including all attorneys’ fees, incurred in the collection thereof) from insurance, condemnation awards (or other similar amounts) received as a result of any damage to, destruction or taking under the power of eminent domain of the Facilities.

“Notice of Intent to Renew” means a written notice authorized and provided to the Bank and Trustee by the Council on or before August 1 and no later than August 15 of each year stating that City intends to renew the Lease for an additional Renewal Term beginning on the following October 1 conditioned upon appropriation by the Council of the Lease Payments for such Renewal Term.

“Notice of Renewal” means a written notice delivered to the Bank and Trustee by City promptly following the adoption of City’s budget containing the appropriation of the Lease Payments for an additional Renewal Term and in no event later than September 15 preceding the next Renewal Term, accompanied by a certified copy of the resolution or other official action of the Council adopting its budget which includes the expenditure of funds for Lease Payments for said Renewal Term.

“Office” of an entity means its office at the address set forth in Section 12.3, or any other office designated in writing by such entity to City, the Bank and the Trustee as the Office of such entity for purposes of this Trust Indenture; provided that, for the purposes of the definition of “Business Day” herein, the Office of the Trustee shall be its designated office in Boise, Idaho, as set forth in Section 12.3.

“Opinion of Special Counsel” shall mean an opinion in writing signed by Special Counsel.

“Opinion of Counsel” shall mean an opinion in writing signed by an attorney or firm of attorneys who may be counsel for the Bank or City, or other counsel acceptable to the Trustee.

“Options to Purchase” mean the options described in Article XI of the Lease pursuant to which City is granted options to purchase Bank’s right, title and interest in the Facilities.

“Outstanding,” in connection with the Certificates means, as of any particular date, all Certificates issued, sold and delivered under this Trust Indenture, except:

- (a) Certificates (or portions thereof) canceled or required to be canceled under Section 2.12;

(b) Certificates which are deemed paid in accordance with Article XI; and

(c) Certificates in substitution for which other Certificates have been authenticated and delivered pursuant to Article II.

In determining whether the Owners of a requisite aggregate principal amount of Certificates Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions hereof or of the Lease, any Certificates which the Trustee knows to be owned by City shall be disregarded for the purpose of any such determination.

“Owner” or “Holder” means the registered owner of a Certificate.

“Permitted Encumbrances” shall be those liens and encumbrances set forth in Exhibit C to the Lease.

“Permitted Investments” means such investments as shall be legal investments for such funds under Section 67-1210, Idaho Code, or Idaho law as then in effect.

“Person” shall include an individual, association, unincorporated organization, a corporation, partnership, joint venture, business trust or a government or an agency or a political subdivision thereof, or any other entity.

“Primary Lease” means the Primary Lease dated as of December __, 2020, between City, as lessor, and the Bank, as lessee, pursuant to which the Facilities are leased by City to the Bank, and any amendments and supplements thereto.

“Property” means that certain real property owned by City and described in Exhibit A hereto, and all existing improvements thereon.

“Rating Service” means Moody’s and its successors and assigns, or if Moody’s shall be dissolved or no longer assigning credit ratings to long-term debt, then any other nationally recognized entity assigning credit ratings to long-term debt designated in writing by City.

“Rebate Fund” means the fund so designated which is established pursuant to Section 4.3.

“Rebate Requirement” shall have the meaning designated in Section 4.3(a) hereof.

“Record Date” means, as the case may be, the 1st day of the month preceding an Interest Payment Date, or the Special Record Date.

“Renewal Term” means any renewal of the Lease by City commencing on October 1, 2021, or on any subsequent October 1, and terminating on the following September 30. Each Renewal Term shall be for no more than one year in duration. The final Renewal Term shall commence October 1, 20[41] and terminate September 30, 20[42], unless the Lease shall be earlier terminated as provided therein.

“Representation Letter” means the representation letter from City to DTC or any blanket issuer letter of representation executed by City in favor of DTC.

“Responsible Officer” means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person’s knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Trust Indenture.

“Special Counsel” means an attorney or firm of attorneys of nationally recognized standing in matters pertaining to obligations issued by states and their political subdivisions and the exclusion of interest thereon from gross income for federal income tax purposes, appointed by City.

“Special Record Date” means such date as may be fixed for the payment of defaulted interest in accordance with Section 2.8(c).

“State” means the State of Idaho.

“Supplemental Indenture” shall mean an indenture supplemental to, and authorized and executed pursuant to the terms of this Trust Indenture.

“Tax Certificate” means the Tax Certificate dated as of the date of issuance of the Certificates executed by City and delivered to the Trustee.

“Trust Estate” means the property pledged and assigned to the Trustee pursuant to the granting clauses of this Trust Indenture.

“Trustee” means Zions Bancorporation, National Association, a national banking association, acting as a fiduciary under this Trust Indenture, being the registrar, paying agent and trustee under this Trust Indenture for the benefit of the Certificate Holders, and its successor or successors and any corporation or association resulting from or surviving any consolidation or merger to which it or its successor(s) may be a part and any other corporation or association which may at any time be substituted in its place as successor trustee pursuant to Article VIII or otherwise (in each case including collectively each separate trustee and each co-trustee (if any), acting jointly or separately, appointed and acting pursuant to Section 8.17). The “Office of the Trustee” shall mean the designated Corporate Trust Office of the Trustee in Boise, Idaho, at which at any particular time its corporate trust business shall be administered (which office at the time of the execution of this Trust Indenture is located at 800 W Main St, Suite 700, Boise, Idaho); provided, however, that with respect to payments on the Certificates and any exchange, transfer, or other surrender of the Certificates, the Office of the Trustee shall mean the corporate trust operations office of the Trustee in Salt Lake City, Utah, or such other office or location designated by the Trustee by written notice and shall include such office of any successor Trustee.

Section 1.2 Rules of Construction; Time of Day. In this Trust Indenture, unless otherwise indicated, (i) defined terms may be used in the singular or the plural, (ii) the use of any gender includes all genders, (iii) the words “hereof,” “herein,” “hereto,” “hereby” and “hereunder” (except in the forms of Certificates) refer to this entire Trust Indenture, and (iv) all references to particular Articles or Sections are references to the Articles or Sections of this Trust Indenture. References to any time of the day in this Trust Indenture shall refer to Mountain Standard Time or Mountain Daylight Saving Time, as in effect in the City of Idaho Falls, Idaho on such day. Unless the context clearly indicates otherwise, no covenant or provision herein shall extend beyond the Lease Term. All obligations of City hereunder shall cease upon an Event of Nonrenewal, unless otherwise set forth herein.

ARTICLE II. THE CERTIFICATES

Section 2.1 Amount, Form and Issuance of Certificates.

(a) The Certificates shall, except as provided in Section 2.10, be limited in aggregate principal amount to \$[30,000,000], and shall contain substantially the terms recited in the form of the Certificates attached hereto as Exhibit B. All Certificates shall provide that principal (or redemption price) and interest in respect thereof shall be payable only out of the Lease Payments. Pursuant to recommendations promulgated by the Committee on Uniform Security Identification Procedures, “CUSIP” numbers may be printed on the Certificates. The Certificates may bear such endorsement or legend satisfactory to the Trustee as may be required to conform to usage or law with respect thereto.

(b) Upon the execution and delivery hereof, the Bank shall cause the Trustee to execute and authenticate the Certificates in the aggregate principal amount of \$[30,000,000]. At the written direction of the Bank, after authentication, the Trustee shall deliver the Certificates to the purchasers thereof as identified in such written direction.

Section 2.2 Designation, Denominations, Maturity, Dates, and Interest Rates.

(a) The Certificates shall be designated as the “City of Idaho Falls, Idaho Annual Appropriation Certificates of Participation, Series 2020”.

(b) The Certificates shall be issuable only in Authorized Denominations.

(c) The Certificates shall mature as provided in Exhibit C, subject to prior redemption as provided in Article VI, and shall be in the form attached to this Trust Indenture as Exhibit B. Certificates may be issued at a premium above, or at a discount below, the original purchase price thereof.

(d) The Certificates shall bear interest at the rates per annum set forth on Exhibit C from and including the date of issuance thereof until payment of the principal or redemption price thereof shall have been made or provided for in accordance with the provisions hereof, whether at maturity, upon redemption or otherwise. Payment of interest on each Certificate shall be made on each Interest Payment Date for such

Certificate for unpaid interest accrued during the interest accrual period to the Owner of record of such Certificate on the applicable Record Date.

(e) The Trustee will promptly pay or cause to be paid the principal of, redemption price, if any, and interest on all Certificates issued hereunder according to the terms hereof. The principal, redemption price, if any and interest payments are payable solely from the Trust Estate, which is hereby specifically pledged to the payment thereof in the manner and to the extent herein specified. Nothing in the Certificates or in this Indenture shall be considered or construed as pledging any funds or assets of the Trustee other than those pledged hereby or creating any liability of the Trustee's directors, employees or other agents.

Section 2.3 Execution. The Certificates shall be executed and authenticated by the manual or facsimile signature of an authorized officer of the Trustee. Certificates executed as above provided may be issued and shall, upon the written request of the Bank, be authenticated by the Trustee, notwithstanding that any officer signing such Certificates or whose facsimile signature appears thereon shall have ceased to hold office at the time of issuance or authentication.

Section 2.4 Delivery of Certificates. Upon the execution and delivery of this Trust Indenture, the Bank shall request the Trustee to execute and authenticate the Certificates and deliver them to the initial purchaser thereof as directed by the Bank.

Prior to the delivery by the Trustee of any of the Certificates, there shall have been filed with or delivered to the Trustee the following:

1. Ordinance of City duly adopted by its Council and certified by the City Clerk, authorizing the execution of the Primary Lease, the Lease, and this Trust Indenture, and approving the issuance of the Certificates;
2. A duly executed copy of this Trust Indenture;
3. A duly executed copy of the Primary Lease;
4. A duly executed copy of the Lease; and
5. A written request and authorization to the Trustee by the Bank to authenticate and deliver the Certificates to the initial purchaser(s) thereof upon payment to the Trustee for the account of the Bank of a sum specified in such written request and authorization plus accrued interest, if any, to the date of delivery of the Certificates.

Section 2.5 Authentication. No Certificate shall be valid for any purpose until authenticated and duly executed and dated by the Trustee as provided in this Trust Indenture, and such authentication shall be conclusive proof that such Certificate has been duly authenticated and delivered under this Trust Indenture and that the Owner thereof is entitled to the benefit of the trust hereby created.

Section 2.6 Registration, Transfer and Exchange.

(a) All Certificates shall be issued in fully registered form. The Certificates shall be registered upon original issuance and upon subsequent transfer or exchange as provided in this Trust Indenture. The Trustee shall act as registrar and transfer agent for the Certificates. The Trustee shall keep at its Office a register (herein sometimes referred to as the "Certificate Register") in which, subject to such reasonable regulations as it or the Bank may prescribe, the Bank shall provide for the registration of the Certificates and for the registration of transfers of the Certificates. The Trustee shall, at any time as reasonably requested by the Bank, certify and furnish to the Bank the names, addresses and holdings of Certificate Holders and any other relevant information reflected in the Certificate Register, and the Bank shall for all purposes be fully entitled to rely upon the information so furnished to it and shall have no liability or responsibility in connection with the preparation thereof.

(b) Certificates may be transferred only on the Certificate Register. Upon surrender for transfer of any Certificate at the Office of the Trustee, the Trustee shall issue and authenticate and deliver in the name of the transferee or transferees, one or more new fully registered Certificates of like series and maturity of Authorized Denominations for the aggregate principal amount which the Owner is entitled to receive.

(c) At the option of an Owner, Certificates may be exchanged for other Certificates of any other Authorized Denomination, of like series and of a like aggregate principal amount, upon surrender of the Certificates to be exchanged at the Office of the Trustee. Whenever any Certificates are so surrendered for exchange, the Bank shall cause to be issued and the Trustee shall authenticate and deliver the Certificates which the Owner making the exchange is entitled to receive.

(d) All Certificates presented for transfer or exchange, redemption or payment (if so required by the Bank or the Trustee), shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signatures satisfactory to the Trustee, duly executed by the Owner or by his attorney duly authorized in writing.

(e) No service charge shall be made for any transfer or exchange of Certificates, but the Bank may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

(f) The Bank shall not be required to transfer or exchange any Certificates selected, called or being called for redemption in whole or in part until the applicable redemption date.

(g) New Certificates delivered upon any transfer or exchange shall be valid obligations of City, evidencing the same debt as the Certificates surrendered, shall be secured by this Trust Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Certificates surrendered.

Section 2.7 Persons Deemed Owners. The Bank and the Trustee may deem and treat the person in whose name ownership of any Certificate is registered as the absolute Owner thereof (whether or not such Certificate shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Trustee) for the purpose of receiving payment of or on account of the principal of (and premium, if any, on), and (subject to Section 2.8) interest on, such Certificate, and for all other purposes, and neither the Bank nor the Trustee shall be affected by any notice to the contrary. All such payments so made to any such Owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Certificate.

Section 2.8 Payment of Principal and Interest; Record Dates.

(a) The principal and redemption price of any Certificate shall be payable upon presentation and surrender of such Certificate at the Office of the Trustee. Interest on any Certificate on each Interest Payment Date in respect thereof shall be payable by check mailed on the applicable Interest Payment Date to the address of the person entitled thereto as such address shall appear in the Certificate Register; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of Certificates received by the Trustee at least one Business Day before the corresponding Record Date, interest accrued on the Certificates will be payable by wire transfer within the continental United States in immediately available funds to the bank account number of such Owner specified in such request and entered by the Trustee on the Certificate Register. The principal or redemption price becoming due with respect to Certificates shall, at the written request of the Owner of at least \$1,000,000 aggregate principal amount of such Certificates, be paid by wire transfer within the continental United States in immediately available funds to the bank account number of such Owner appearing on the Certificate Register, but only upon presentation and surrender of such Certificates. The principal, redemption price of and interest on the Certificates shall be paid in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

(b) Interest on any Certificate which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the person in whose name the Certificate is registered at the close of business on the Record Date for such interest.

(c) Any interest on any Certificate which is payable on any Interest Payment Date but is not paid or provided for on such date or within three Business Days thereafter (herein called "Defaulted Interest") shall forthwith cease to be payable to the Owner on the relevant Record Date by virtue of having been such Owner, and such Defaulted Interest shall be paid, pursuant to Section 7.4, to the Owner in whose name the Certificate is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than five (5) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Certificate Holders, at his address as it appears in the Certificate Register, not less than ten (10) days prior to such Special Record Date.

(d) Subject to the foregoing provisions of this Section, each Certificate delivered under this Trust Indenture upon transfer of or exchange for or in lieu of any other Certificate shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Certificate.

Section 2.9 Book-Entry Certificates.

(a) Except as provided in subparagraph (c) of this Section 2.9, the registered Owner of all of the Certificates shall be DTC and the Certificates shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest on any Certificate registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer of immediately available funds to the account of Cede & Co. on the Interest Payment Date for the Certificates at the address indicated on the Record Date or Special Record Date for Cede & Co. in the Certificate Register kept by the Trustee.

(b) The Certificates shall be initially issued in the form of separate single fully registered Certificates, authenticated by the Trustee in the amount of each separately stated maturity of each series of the Certificates. Upon initial issuance, the ownership of such Certificates shall be registered in the registry books of the Bank kept by the Trustee in the name of Cede & Co., as nominee of DTC. The Trustee and the Bank shall treat DTC (or its nominee) as the sole and exclusive owner of the Certificates registered in its name for the purposes of payment of the principal or redemption price of or interest on the Certificates, selecting the Certificates or portions thereof to be redeemed, giving any notice permitted or required to be given to Certificate Holders under this Trust Indenture, registering the transfer of Certificates, obtaining any consent or other action to be taken by Certificate Holders and for all other purposes whatsoever, and neither the Trustee nor the Bank shall be affected by any notice to the contrary. Neither the Trustee nor the Bank shall have any responsibility or obligation to any DTC participant, any person claiming a beneficial ownership interest in the Certificates under or through DTC or any DTC participant, or any other person which is not shown on the registration books of the Trustee as being a Certificate Holder, with respect to: (i) the accuracy of any records maintained by DTC or any DTC participant; (ii) the payment of DTC or any DTC participant of any amount in respect of the principal or redemption price of or interest on the Certificates; (iii) any notice which is permitted or required to be given to Certificate Holders under this Trust Indenture; (iv) the selection by DTC or any DTC participant of any person to receive payment in the event of a partial redemption of the Certificates; or (v) any consent given or other action taken by DTC as Certificate Holders. The Trustee shall pay all principal or premium, if any, and interest on the Certificates only to or “upon the order of” (as that term is used in the Uniform Commercial Code as adopted in the State) DTC and all such payments shall be valid and effective to fully satisfy and discharge the Bank’s obligations with respect to the principal of and premium, if any, and interest on the Certificates to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Certificate for each separately stated maturity of the respective series evidencing the obligation of the Bank to make payments of principal of and premium, if any, and interest pursuant to this Trust Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to

Record Dates, the word “Cede & Co.” in this Trust Indenture shall be deemed to be changed to reflect such new nominee of DTC.

(c) In the event the Trustee (at the direction of the Bank) determines that it is in the best interest of the Beneficial Owners of the Certificates that they be able to obtain Certificates, the Bank may notify in writing DTC and the Trustee, whereupon DTC will notify the DTC participants of the availability through DTC of Certificates. In such event, the Trustee, at the expense of the Bank, shall deliver, transfer and exchange Certificates as directed in writing by DTC as the Certificate Holders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Certificates at any time by giving written notice to the Bank and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Bank and the Trustee, at the expense of the Bank, shall be obligated to deliver Certificates in the form of fully registered Certificates without coupons in Authorized Denominations of \$5,000, or any integral multiple thereof. The Trustee shall treat any Certificate of a denomination greater than \$5,000 as representing that number of separate Certificates each of the denomination of \$5,000 as can be obtained by dividing the actual principal amount of such Certificate by \$5,000. In the event Certificates are issued, the provisions of this Trust Indenture shall apply to, among other things, the transfer and exchange of such Certificates and the method of payment of principal of and interest on such Certificates. Whenever DTC requests the Bank and the Trustee to do so, the Trustee and the Bank will cooperate with DTC in taking appropriate action after reasonable written notice (i) to make available one or more separate Certificates evidencing the Certificates to any DTC participant having Certificates credited to its DTC account, or (ii) to arrange for another securities depository to maintain custody of Certificates evidencing the Certificates.

(d) Notwithstanding any other provision of this Trust Indenture to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Certificate Holders pursuant to this Trust Indenture by the Bank or the Trustee with respect to any consent or other action to be taken by Certificate Holders, the Bank or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC as sole Certificates Holder notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Notice to DTC shall be given only when DTC is the sole Certificates Holder.

Section 2.10 Mutilated, Destroyed, Lost or Stolen Certificates.

(a) If any Certificate shall become mutilated, lost, stolen or destroyed, the affected Certificate Holders shall be entitled to the issuance of a substitute Certificate only as follows:

(i) in the case of a lost, stolen or destroyed Certificate, the Certificate Holders shall (i) provide notice of the loss, theft or destruction to the Trustee within a reasonable time after the Certificate Holders receives notice of the loss, theft or destruction, (ii) request the issuance of a substitute Certificate, and (iii) provide evidence satisfactory to the Trustee of the ownership and the loss, theft or destruction of the affected Certificate;

(ii) in the case of a mutilated Certificate, the Certificate Holders shall surrender the Certificate to the Trustee for cancellation; and

(iii) in all cases, the Certificate Holders shall provide indemnity against any and all claims arising out of or otherwise related to the issuance of substitute Certificates pursuant to this Section 2.10 satisfactory to the Trustee and the Bank.

Upon compliance with the foregoing, a new Certificate of like tenor and denomination, including the same series, issued by the Trustee, shall be authenticated by the Trustee and delivered to the Certificate Holders, all at the expense of the Certificate Holders to whom the substitute Certificate is delivered. Notwithstanding the foregoing, the Trustee shall not be required to authenticate and deliver any substitute Certificate for a Certificate which has been called for redemption or which has matured or is about to mature and, in any such case, the principal or redemption price and interest then due or becoming due shall be paid by the Trustee with funds available under this Trust Indenture for such purpose in accordance with the terms of the mutilated, lost, stolen or destroyed Certificate without substitution therefor.

(b) Every substituted Certificate issued pursuant to this Section 2.10 shall be entitled to all the benefits of this Trust Indenture equally and proportionately with any and all other Certificates duly issued hereunder unless the Certificate alleged to have been destroyed, lost or stolen shall be at any time enforceable by a bona fide purchaser for value without notice. In the event the Certificate alleged to have been destroyed, lost or stolen shall be enforceable by anyone, the Bank may recover the substitute Certificate from the Certificate Holders to whom it was issued or from anyone taking under the Certificate Holders except a bona fide purchaser for value without notice.

(c) All Certificates shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Certificates, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or investment or other securities without their surrender.

Section 2.11 Temporary Certificates. Pending preparation of definitive Certificates, or by agreement with the purchasers of all the Certificates, upon request of the Bank, the Trustee may issue and authenticate, in lieu of definitive Certificates, one or more temporary printed or typewritten Certificates in Authorized Denominations of substantially the tenor recited above. Upon request of the Bank, the Trustee shall authenticate definitive Certificates of the same series and maturity in exchange for and upon surrender of an equal principal amount of temporary

Certificates. Until so exchanged, temporary Certificates shall have the same rights, remedies and security hereunder as definitive Certificates.

Section 2.12 Cancellation and Destruction of Surrendered Certificates. Certificates surrendered for payment, redemption, transfer or exchange and Certificates surrendered to the Trustee by the Bank for cancellation shall be canceled and destroyed by the Trustee in accordance with applicable law. Upon request, the Trustee shall deliver to the Bank certificates of destruction in respect of all Certificates so destroyed.

Section 2.13 Disposition of Proceeds of Certificates. Upon the issuance and sale of the Certificates, the Bank shall cause the proceeds thereof to be delivered to the Trustee, and the Trustee shall forthwith deposit such proceeds as provided in Section 4.2 of the Lease.

ARTICLE III. CONSTRUCTION FUND AND COSTS OF ISSUANCE FUND

Section 3.1 Construction Fund.

(a) There is hereby established with the Trustee, as described in this Article III, a fund designated as the “Construction Fund.”

(b) Except as otherwise provided herein, moneys on deposit in the Construction Fund shall be used to pay Costs of Acquisition and Construction of the Project.

(c) Upon delivery to the Trustee of a written request of City, in the form provided under the Lease, moneys on deposit in or allocated to the Construction Fund shall be disbursed to pay Costs of Acquisition and Construction of the Project. The Trustee shall be fully protected in making such requested disbursements and has no duty or obligation to confirm that such requested disbursements constitute Costs of Acquisition and Construction of the Project.

(d) Amounts on deposit in the Construction Fund may be invested by the Trustee, if applicable, pursuant to a written certificate of City in Permitted Investments that mature not later than such times as shall be necessary to provide moneys when needed to pay such Costs of Acquisition and Construction. The interest, as well as the gain, if any, on such investments shall be deposited into the Construction Fund.

(e) After the payment of the Costs of Acquisition and Construction of the Project, as certified by City, any monies remaining in the Construction Fund shall be transferred (1) first, to the Rebate Fund in an amount required to comply with this Trust Indenture, and (2) second, to the extent of any remaining balance, to the Debt Service Fund, and the Construction Fund shall thereafter be closed and terminated.

Section 3.2 Costs of Issuance Fund.

(a) There is hereby established with the Trustee, as described in this Section 3.2, a fund designated as the “Costs of Issuance Fund” into which shall be deposited so

much of the Net Certificate Proceeds as shall be required to pay the Costs of Issuance of the Certificates, which amount is stated in Section 4.2 of the Lease, and from which the Costs of Issuance (except the underwriter's compensation) shall be paid by the Trustee pursuant to a written certificate and request of City. Such amounts shall be paid by the Trustee upon receipt of such written certificate and request of City and the Trustee has no duty or obligation to confirm that such requested amounts constitute Costs of Issuance.

(b) Moneys in the Costs of Issuance Fund shall be invested by the Trustee in Permitted Investments pursuant to a written certificate by City. The interest, as well as the gain, if any, on such investments shall be deposited into the Costs of Issuance Fund.

(c) Any balance remaining in the Costs of Issuance Fund after payment of the Costs of Issuance, or ninety (90) days after the initial delivery of the Certificates, whichever shall first occur, shall be transferred to the Construction Fund, and the Costs of Issuance Fund shall thereupon be closed.

(d) Upon an occurrence of an Event of Default hereunder and the exercise by the Trustee of the remedy specified in Section 7.1 hereof, any moneys in the Costs of Issuance Fund, after any transfer to the Rebate Fund, shall be transferred by the Trustee to the Debt Service Fund and applied in accordance with Section 7.4 hereof.

ARTICLE IV. DEBT SERVICE FUND AND REBATE FUND

Section 4.1 Debt Service Fund.

(a) Establishment of Debt Service Fund. There is hereby established with the Trustee, as described in this Section 4.1, a fund designated as the "Debt Service Fund," for the payment of principal of, premium, if any, and interest on the Certificates.

(b) Deposits into the Debt Service Fund. Upon receipt of Lease Payments to be used to pay principal of, premium, if any, and interest on the Certificates pursuant to the Lease, the Bank shall cause the Trustee to deposit such amounts into the Debt Service Fund.

(c) Application of Debt Service Fund. Except as otherwise provided in Section 7.4 herein, moneys in the Debt Service Fund shall be applied to the following in the order of priority indicated:

(1) the payment when due of principal of, premium, if any, and interest on the Certificates, other than Certificates then owned by City;

(2) the payment when due of principal of, premium, if any, and interest on Certificates owned by City.

(d) Credits. If at any time the Trustee has funds, which under the provisions of this Trust Indenture are to be applied to pay the principal or redemption price of or interest on the Certificates, the Bank, to the extent that such funds are to be so applied,

shall reduce the payments due from City under the Lease, equal to the amount of such funds.

Section 4.2 Moneys To Be Held for All Certificate Holders; Certain Exceptions.

Moneys and investments thereon in the Debt Service Fund shall, until applied as provided in this Trust Indenture, be held by the Trustee for the benefit of the Owners of all Outstanding Certificates as provided herein, except that any portion of the moneys on deposit therein representing principal or redemption price of, and interest on, any Certificates previously matured or called for redemption in accordance with Article VI shall be held for the benefit of the Owners of such Certificates only.

Section 4.3 Rebate Fund.

(a) There is hereby established with the Trustee a fund designated as the “Rebate Fund” which shall be held separate and apart from all other Funds established under this Trust Indenture. During the Lease Term and promptly after the end of each fifth Certificate Year (and not later than 30 days after the redemption, payment at maturity or other retirement of the last Certificate), City, using such Consultants as it deems necessary, shall calculate the amount, if any, required to be rebated as of such date to the United States Treasury with respect to the Certificates (the “Rebate Requirement”), and shall instruct the Trustee in writing to transfer such amounts from the Debt Service Fund to the Rebate Fund or shall otherwise pay such amounts to the Trustee for deposit into the Rebate Fund from funds appropriated therefor. All amounts in the Rebate Fund, including income earned from investment of the Rebate Fund, shall be held by the Trustee free and clear of the lien of this Trust Indenture, and the Trustee shall pay said amounts over to the United States from time to time as the Trustee shall be instructed in writing by City, in accordance with the Tax Certificate.

(b) The Trustee shall retain records of the determinations of the amount required to be deposited in the Rebate Fund that it receives from City or City’s Consultants, of the proceeds of any investments of moneys in the Rebate Fund, and of the amounts paid to the United States until the date six years after the discharge of the last of the Certificates.

(c) Notwithstanding anything in this Section 4.3 or this Trust Indenture to the contrary, the Trustee shall not have any obligation to calculate the Rebate Requirement, review or ascertain the accuracy of the information contained in any instruction or calculation provided to the Trustee by City or its Consultants in connection with the Rebate Requirement determination and the deposits into or disbursements from the Rebate Fund, but shall be entitled to rely on such statements and the information contained therein in all respects for all purposes.

**ARTICLE V.
INVESTMENT OR DEPOSIT OF FUNDS**

Section 5.1 Deposits and Security Therefor. All moneys received by the Trustee under this Trust Indenture shall be considered trust funds, shall not be subject to lien or

attachment and shall, except as hereinafter provided, be deposited with the Trustee until or unless invested or deposited as provided in Section 5.2. The Rebate Fund is held solely for the benefit of the United States Government and not for the benefit of the Certificate Holders or the Trustee. All deposits with the Trustee (whether original deposits under this Section or deposits or redeposits in time accounts under Section 5.2) shall be secured as required by applicable law for such trust deposits.

Section 5.2 Investment or Deposit of Funds.

(a) Pending their use under this Trust Indenture, moneys in all funds held by the Trustee shall be invested by the Trustee at the written direction of City in Permitted Investments maturing or redeemable at the option of the holder at or before the time when such moneys are expected to be needed. Moneys in all funds other than the Rebate Fund held by the Trustee shall be held in trust solely for Owners of the Certificates who shall have a first lien thereon. Any investments pursuant to this subsection shall be held by the Trustee as a part of the applicable fund and shall be sold or redeemed to the extent necessary to make payments or transfers or anticipated payments or transfers from such fund.

(b) Except as set forth below, any interest realized on investments in any fund and any profit realized upon the sale or other disposition thereof shall be credited to the fund with respect to which they were earned and any loss shall be charged thereto. Earnings (which for such purposes include net profit and are after deduction of net loss) on moneys deposited in the Debt Service Fund shall be deposited or retained, as appropriate, in the Debt Service Fund.

(c) The Trustee may hold undivided interests in Permitted Investments for more than one fund (for which they are eligible) and may make interfund transfers in kind.

(d) Investments in all funds other than the Rebate Fund shall be valued by the Trustee as of the end of each Fiscal Year in accordance with pricing services and sources relied upon by the Trustee. Investments in the Rebate Fund shall be valued at amortized cost or market value, whichever is less. Valuations of all funds shall be made at such other times as shall be reasonably requested by City and at the expense of City. City acknowledges and agrees that the Trustee shall (i) only be required to report the value of any assets on statements, books, and records according to the price provided by pricing services and sources relied upon by the Trustee, and (ii) not have any duty to independently value any asset or an obligation to report a value other than the price provided by pricing services and sources relied upon by Trustee.

(e) If at any time City fails to direct the investment of amounts held by the Trustee, the Trustee shall hold such amounts uninvested in Cash, with no liability for interest. The Trustee may conclusively rely upon City's written investment instructions as to both the suitability and legality of the directed investments and such written direction shall be deemed to be a certification that such directed investments constitute Permitted Investments. The Trustee shall be permitted to charge to City its standard fees and all

expenses in connection with any services performed in accordance with this Section 5.2. The Trustee shall not make any representation as to the accuracy of any quotation of market price of any security or investment (or the accrued interest thereon) in any Fund, and City, during the Lease Term and from funds appropriated therefor, hereby agrees to indemnify and hold harmless the Trustee, its officers, employees, agents and attorneys from and against any and all liabilities, claims and charges, etc. in connection with or resulting from the Trustee's valuation of the investments in any Funds or accounts as provided in this Trust Indenture.

(f) City acknowledges that to the extent regulations of the Comptroller of the Currency or any other regulatory entity grant City the right to receive brokerage confirmations of the security transactions as they occur, City specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish City periodic cash transaction statements that include the detail for all investment transactions made by the Trustee hereunder.

(g) The Trustee shall be entitled to assume that any investment that, at the time of purchase, is a Permitted Investment remains a Permitted Investment thereafter, including at the time of reinvestment of earnings thereof in the same type of investment.

(h) The Trustee may elect, but shall not be obligated, to credit the funds and accounts held by it with moneys representing income or principal payments due on, or sales proceeds due in respect of, Permitted Investments in such funds and accounts, or to credit to Permitted Investments intended to be purchased with such moneys, in each case before actually receiving the requisite moneys from the payment source, or to otherwise advance funds for account transactions. City acknowledges that the legal obligation to pay the purchase price of any Permitted Investments arises immediately at the time of the purchase. Notwithstanding anything else in this Trust Indenture, (i) any such crediting of funds or assets shall be provisional in nature, and the Trustee shall be authorized to reverse any such transactions or advances of funds in the event that it does not receive good funds with respect thereto, and (ii) nothing in this Trust Indenture shall constitute a waiver of any of the Trustee's rights as a securities intermediary under Uniform Commercial Code §9-206.

ARTICLE VI. REDEMPTION OF CERTIFICATES

Section 6.1 Certificates Subject to Redemption; Selection of Certificates to be Called for Redemption. The Certificates are subject to redemption prior to maturity as provided below and in the form of Certificates attached hereto as Exhibit B. Except as otherwise provided herein or in the Certificates, if less than all the Certificates are to be redeemed, the particular Certificates to be called for redemption shall be selected by lot or by such other method as the Trustee deems fair and appropriate. The Trustee shall treat any Certificate of a denomination greater than \$5,000 as representing that number of separate Certificates each of the denomination of \$5,000 as can be obtained by dividing the actual principal amount of such Certificate by \$5,000.

Section 6.2 Notice of Redemption. Notice of redemption shall be given by the Trustee by mail (first class, postage prepaid), not less than thirty (30) or more than sixty (60) days prior to the redemption date, to the Owners, as of the Record Date, of each Certificate which is subject to redemption, at the address of such Owner as it appears in the registration books of the Bank kept by the Trustee, or at such other address as is furnished to the Trustee in writing by such Owner on or prior to the Record Date. Each notice of redemption shall state the name and series of the Certificates, the Record Date, the redemption date, the place of redemption, the principal amount if less than all, the distinctive numbers of the Certificates or portions of Certificates to be redeemed, and also shall state that the interest on the Certificates in such notice designated for redemption shall cease to accrue from and after such redemption date and that, on said date, there will become due and payable on each of said Certificates the principal thereof, interest accrued thereon to the redemption date, and premium, if any. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner or other recipient receives such notice. Failure to mail such notice or any defect therein shall not affect the validity of the proceedings for redemption of the Certificates.

In addition to the foregoing notice, further notice shall be given by the Trustee as set out below, but no defect in said further notice or any failure to give all or any portion of such further notice shall affect in any manner the validity of a call for redemption if notice thereof is given as above prescribed.

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Certificates being redeemed; (ii) the date of issue of the Certificates as originally issued; (iii) the rate of interest borne by each Certificates being redeemed; (iv) the Maturity Date of each Certificates being redeemed; and (v) the series and any other descriptive information needed to identify accurately the Certificates being redeemed.

(b) Each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date by telecopy, mail (first class, postage prepaid) or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Certificates designated to the Trustee by City and to any nationally recognized information services designated by City to the Trustee.

(c) Upon the payment of the redemption price of Certificates being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number or numbers identifying, by issue and maturity, the Certificates being redeemed with the proceeds of such check or other transfer.

Section 6.3 Payment of Redemption Price. If (a) unconditional notice of redemption has been duly given or duly waived by the Owners of all Certificates of a series called for redemption or (b) conditional notice of redemption has been so given or waived and the moneys have been duly deposited with the Trustee sufficient to make such redemption, then in either such case the Certificates called for redemption shall be payable on the redemption date at the applicable redemption price. Payment of the redemption price together with accrued interest

shall be made by the Trustee, out of revenues or other funds deposited for such purpose, to or upon the order of the Owners of the Certificates called for redemption upon surrender of such Certificates to the Office of the Trustee. Upon the payment of the redemption price of Certificates being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number, if any, identifying by issue and maturity, the Certificates being redeemed with the proceeds of such check or other transfer.

If conditional notice of redemption has been given and sufficient funds to pay the redemption price, including accrued interest on the Certificates to be redeemed, shall not have been deposited with the Trustee, such notice of redemption shall be of no force and effect and the Trustee shall not be required to redeem the Certificates on the redemption date.

Section 6.4 Certificates Redeemed in Part. Any Certificate which is to be redeemed only in part shall be surrendered at a place stated for the surrender of Certificates called for redemption in the notice provided for in Section 6.2 (with due endorsement by, or a written instrument of transfer in form satisfactory to the Trustee duly executed by, the Owner thereof or his attorney duly authorized in writing and with guaranty of signatures satisfactory to the Trustee) and the Bank shall cause the Trustee to authenticate and deliver to the Owner of such Certificate without service charge, a new Certificate or Certificates, of the same series in any authorized denomination as requested by such Owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Certificate so surrendered.

Section 6.5 Redemption of Certificates. The Certificates are subject to optional and mandatory sinking fund redemption as follows:

(a) The Certificates maturing on September 15 in the years 20[21] through 2030, inclusive, are not subject to optional redemption prior to their stated dates of maturity. The Certificates maturing on or after September 15, 2031, are subject to redemption prior to their stated dates of maturity at the election of City at any time on or after September 15, 2030, in whole or in part (maturities to be selected by City and randomly within a maturity in such manner as the Trustee shall determine). Such optional redemption of the Certificates shall be at a price of 100% of the principal amount of the Certificates to be so redeemed, plus accrued interest to the date fixed for redemption.

(b) The Certificates maturing on September 15, 20__, are subject to mandatory sinking fund redemption prior to their stated maturity, at a price of 100% of the principal amount of the Certificates to be so redeemed, plus accrued interest to the date fixed for redemption, on September 15 of the years, and in the amounts, shown below:

SEPTEMBER 15
OF THE YEAR

MANDATORY
REDEMPTION AMOUNT

\$

*

*stated maturity

(c) The Certificates maturing on September 15, 20__, are subject to mandatory sinking fund redemption prior to their stated maturity, at a price of 100% of the principal amount of the Certificates to be so redeemed, plus accrued interest to the date fixed for redemption, on September 15 of the years, and in the amounts, shown below:

SEPTEMBER 15
OF THE YEAR

MANDATORY
REDEMPTION AMOUNT

\$

*

*stated maturity

Section 6.6 Redemption of Certificates upon Occurrence of Certain Events. The Certificates are also redeemable at the option of City in whole at any time at a redemption price equal to 100% of the principal amount of each Certificate redeemed plus accrued interest to but not including the redemption date upon the occurrence of any of the following events:

(a) The Facilities shall have been damaged or destroyed to such extent that, as expressed in a Consulting Architect's Certificate filed with City, the Bank and the Trustee, (i) the Facilities cannot be reasonably restored within a period of twelve (12) consecutive months to the condition thereof immediately preceding such damage or destruction, or (ii) City is thereby prevented from carrying on its normal operations with respect to the Facilities for a period of twelve (12) consecutive months.

(b) Title to, or the temporary use of, all or substantially all the Facilities shall have been taken under the exercise of the power of eminent domain by any governmental authority, or person, firm or corporation acting under governmental authority, including such a taking or takings as results, as evidenced in a Consulting Architect's Certificate filed with City, the Bank and the Trustee, in City being thereby prevented from carrying on its normal operations at the Facilities for a period of twelve (12) consecutive months.

(c) A defect in title shall have occurred that results in a complete loss of the City's title to the Facilities.

The Certificates are also redeemable by City in part at any time at a redemption price equal to 100% of the principal amount of each Certificate redeemed plus accrued interest to but not including the redemption date in the manner and upon compliance with the provisions of Sections 6.4, 7.1 and 7.2 of the Lease, as applicable. Only Net Proceeds of insurance or a condemnation award shall be used for a partial redemption of Certificates pursuant to this paragraph. Any redemption pursuant to this paragraph shall be a pro rata redemption of the Certificates then outstanding, based upon the original principal amounts thereof.

ARTICLE VII.
EVENTS OF DEFAULT AND EVENT OF NONRENEWAL

Section 7.1 Events of Default. In the Event of Nonrenewal or if any one or more of the following Events of Default shall occur:

- (a) if default shall be made in the due and punctual payment of the principal or redemption price of the Certificates when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise.
- (b) if default shall be made in the due and punctual payment of any installment of interest on the Certificates, when and as such interest installment shall become due and payable;
- (c) if default shall be made in the performance or observance of any other of the covenants, agreements, or conditions on the part of the Bank or City under this Trust Indenture or in the Certificates contained, and such default shall continue for a period of thirty (30) days after written notice thereof to City and the Bank by the Trustee;
- (d) if an order or decree shall be entered, with the consent or acquiescence of City and/or the Bank, appointing a receiver or receivers of the Facilities, or any part thereof, or if such order or decree, having been entered without the consent and acquiescence of City and/or the Bank, shall not be vacated or discharged or stayed within sixty (60) days after the entry thereof; or
- (e) if an "event of default" as defined in Section 10.1 of the Lease shall have occurred under the Lease and is not remedied within the time provided for remedy of default under the Lease;

then, upon such Event of Nonrenewal or so long as such Event of Default shall not have been remedied, unless the Outstanding Certificates shall have already become due and payable, the Trustee (by thirty (30) days' written notice to the Bank and City), or the Beneficial Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Certificates then Outstanding (by notice in writing to the Bank, City and the Trustee) may declare the amount Outstanding under the Certificates, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in this Trust Indenture or in the Certificates contained to the contrary notwithstanding; provided however, City's liability shall not extend beyond the amounts owed under the Lease for the Lease Term. The right of the Trustee or the Beneficial Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Certificates then Outstanding to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Certificates shall have matured by their terms, all overdue installments of principal and interest on the Certificates, together with interest on such overdue installments of principal and interest, to the extent permitted by law and reasonable and proper charges, if any, and all other sums then payable by the Bank under this Trust Indenture shall either be paid by or for the account of the Bank or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Certificates or under this

Trust Indenture (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Beneficial Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Certificates then Outstanding, by written notice to City, the Bank and the Trustee, may rescind such declaration and annul such default in its entirety or, if the Trustee shall have acted itself without direction of the Beneficial Owners of the Certificates it may rescind such declaration and annul such default in its entirety, or if the Trustee shall have acted upon the direction of the Beneficial Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Certificates then Outstanding, unless there shall have been delivered to the Trustee written direction to the contrary by the Beneficial Owners of a majority in aggregate principal amount of the Certificates then Outstanding, the Trustee may rescind such declaration and annul such default in its entirety. No such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

Section 7.2 Examination of Records After Default or Nonrenewal. The Bank covenants that, if an Event of Default shall have happened and shall not have been remedied or if an Event of Nonrenewal shall occur, the books of record and account of the Bank and all other records relating to the Facilities shall at all reasonable times be subject to the inspection and use of the Trustee and of its agents and attorneys.

Section 7.3 Disposition; Other Remedies.

(a) If an Event of Default shall have happened and shall not have been remedied or if an Event of Nonrenewal shall occur, the Trustee may, in addition to any other remedies provided in this Trust Indenture, terminate the Lease, cause City to vacate or be evicted from the Facilities, or any portion thereof, take possession of the Facilities, or any portion thereof, and may lease or sell the leasehold interest in the Facilities, as applicable; provided that the Trustee may not sell the Bank's leasehold interest in the Facilities without first obtaining a waiver by City of its reversionary interest under the Primary Lease. Any such lease, sale and assignment shall be conditioned, however, on an agreement by the lessee or assignee to use the Facilities in a manner permitted under applicable zoning restrictions and in such a manner as does not unreasonably interfere with maintenance of City's fee interest in the Facilities and, in the event of lease or assignment, result in deterioration in the condition of the Facilities, reasonable wear and tear excepted. Notwithstanding the foregoing, title to all personal property pledged as part of the Trust Estate is technically held in the City's name for convenience purposes only and, upon an Event of Default or an Event of Nonrenewal, the disposition of such personal property shall, to the extent permitted by law, be governed by the Uniform Commercial Code as adopted in the State. The Trustee shall also have the discretion and authority to retain Consultants or managers, including the Bank or City.

(b) If any Event of Default shall have happened and shall not be remedied or if an Event of Nonrenewal shall occur, the Trustee may take whatever action at law or in equity as may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance or observance of any obligations, agreements, or covenants of the Bank and City under the Lease and Primary Lease or this

Trust Indenture; provided however, City's liability shall not extend beyond the amounts owed under the Lease for the Lease Term.

Section 7.4 Application of Funds and Moneys after Default.

(a) Application of Funds. During the continuance of an Event of Default or upon the occurrence of an Event of Nonrenewal, the Trustee shall apply all moneys held by the Trustee pursuant to any right given or action taken under the provisions of this Section 7.4 as follows and in the following order:

(1) To the payment of the reasonable and proper charges, expenses and liabilities of the Trustee and the creation of a reasonable reserve for anticipated fees, costs and expenses;

(2) To the payment of rent due pursuant to the Primary Lease;

(3) To the payment of the amounts required for reasonable and necessary costs of operating and maintaining the Facilities as necessary, in the judgment of the Trustee, to prevent deterioration of the Facilities or loss of moneys therefrom. For this purpose, the Bank shall review and make available the books of record and account relating to the Facilities;

(4) To the payment of the interest and principal or redemption price then due on the Certificates as follows:

(i) unless the principal of all of the Certificates shall have become or have been declared due and payable,

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Certificates theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal or redemption price of the Certificates which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and if the amount available shall not be sufficient to pay in full all the Certificates due on any date, then to the payment thereof ratably, according to the amounts of principal or redemption price due on such date, to the persons entitled thereto, without any discrimination or preference;

(ii) if the principal of all of the Certificates shall have become or have been declared due and payable, to the payment of the principal and

interest then due and unpaid upon the Certificates without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Certificate over any other Certificate, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Certificates;

(b) Terms of Application of Moneys. Whenever moneys are to be applied pursuant to the provisions of this Section 7.4, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of the Special Record Date and the date for payment, and shall not be required to make payment to the Registered Owner of any Certificate until such Certificate shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

(c) Effect of Cure. If and whenever all overdue installments of interest on the Certificates, together with the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums payable by the Bank under this Trust Indenture, including the principal and redemption price of and accrued unpaid interest on the Certificates which shall then be payable by declaration or otherwise, shall either be paid by the Trustee for the account of the Bank, or provision satisfactory to the Trustee shall be made for such payment, and all Events of Default under this Trust Indenture shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Bank and the Trustee shall be restored, respectively, to their former positions and rights under this Trust Indenture. No such restoration of the Bank and the Trustee to their former positions and rights shall extend to or affect any subsequent Events of Default under this Trust Indenture or impair any right consequent thereon.

Section 7.5 Proceedings Brought by Trustee.

(a) Institution of Proceedings. If an Event of Default shall happen and shall not have been remedied or if an Event of Nonrenewal shall occur, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Beneficial Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Certificates then Outstanding shall proceed to protect and enforce its rights and the rights of the Beneficial Owners of the Certificates under this Trust Indenture forthwith by a suit or suits in equity or at law, whether for the specified performance of any covenant herein contained, or in aid of the execution of any power herein granted, or in the enforcement of any other legal or equitable right as the Trustee, being advised by

counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Trust Indenture.

(b) No Possession of Certificates. All rights of action under this Trust Indenture may be enforced by the Trustee without the possession of any of the Certificates or the production thereof at the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

(c) Majority May Control. The Beneficial Owners of not less than a majority in aggregate principal amount of the Certificates at the time Outstanding may direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by its counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Beneficial Owners of the Certificates not parties to such direction.

(d) Trustee Powers. Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under this Trust Indenture the Trustee shall be entitled to exercise any and all rights and powers conferred in this Trust Indenture and provided to be exercised by the Trustee upon the occurrence of any Event of Default or an Event of Nonrenewal.

(e) Protection of Security. Regardless of the happening of an Event of Default or an Event of Nonrenewal, the Trustee shall have power to, but unless requested in writing by the Beneficial Owners of a majority in aggregate principal amount of the Certificates then Outstanding, and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Trust Indenture by any acts which may be unlawful or in violation of this Trust Indenture, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interest and the interests of the Beneficial Owners.

Section 7.6 Restrictions on Action of Owners. Except as otherwise provided herein, no Beneficial Owner of any Certificate shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Trust Indenture or the execution of any trust under this Trust Indenture or for any remedy under this Trust Indenture, unless such Beneficial Owner shall have previously given to the Trustee written notice of the happening of an Event of Default or an Event of Nonrenewal, as provided in this Trust Indenture, and the Beneficial Owners of at least twenty-five percent (25%) in aggregate principal amount of the Certificates then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, either to exercise the powers granted in this Trust Indenture or by the laws of the State or to institute such action, suit, or proceeding in its own name, and unless such Beneficial Owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the

Trustee shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Beneficial Owners of Certificates shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by this Trust Indenture, or to enforce any right under this Trust Indenture, except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Trust Indenture shall be instituted, had, and maintained in the manner provided in this Trust Indenture and for the equal benefit of all Beneficial Owners of the Certificates Outstanding.

Section 7.7 Remedies Not Exclusive. No remedy by the terms of this Trust Indenture conferred upon or reserved to the Trustee or the Beneficial Owners of the Certificates is intended to be exclusive of any other remedy, but each and every such remedy given under this Trust Indenture or existing at law or in equity or by statute on or after the date of adoption of this Trust Indenture shall be available to the Trustee and the Beneficial Owners.

Section 7.8 Effect of Waiver and Other Circumstances.

(a) Delay or Omission No Waiver. No delay or omission of the Trustee or any Beneficial Owner to exercise any right or power arising upon the happening of an Event of Default or an Event of Nonrenewal shall impair any right or power or shall be construed to be a waiver of any such Event of Default or an Event of Nonrenewal or be an acquiescence therein; and every power and remedy given by this Article VII to the Trustee or to the Beneficial Owners may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Beneficial Owners.

(b) Waiver. Prior to the declaration of maturity of the Certificates as provided in this Trust Indenture, the Beneficial Owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Certificates at the time Outstanding, or their attorney-in-fact duly authorized, may on behalf of the Beneficial Owners of all of the Certificates waive any past default under this Trust Indenture and its consequences, except a default in the payment of interest on, principal of, or premium (if any) on any of the Certificates. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 7.9 Notice of Default and Nonrenewal. The Trustee shall promptly mail to City, the Bank and the Owners of the Certificates then Outstanding written notice of the occurrence of any Event of Default of which a Responsible Officer of the Trustee has notice of, as provided in Section 8.5. The Trustee shall promptly mail to the Owners of the Certificates then Outstanding written notice of the occurrence of any Event of Nonrenewal of which a Responsible Officer of the Trustee has notice of.

**ARTICLE VIII.
THE TRUSTEE**

Section 8.1 Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article VIII, to all of which the parties hereto and the Certificate Holders agree. The Trustee is hereby appointed the paying

agent with respect to the Certificates. Prior to the occurrence of an event of default and after the curing of all events of default that may have occurred, the Trustee undertakes to perform such duties and only such duties of the Trustee and the paying agent specifically provided for herein and no imputed duties, covenants or obligations shall be read into this Trust Indenture against the Trustee.

Section 8.2 No Responsibility for Recitals, Etc. The recitals, statements and representations in this Trust Indenture or in the Certificates have been made by the Bank and not by the Trustee; and the Trustee shall be under no responsibility for the correctness thereof. The Trustee shall not be responsible for the validity, priority, recording or filing of this Trust Indenture, the Lease, the Primary Lease or any financing statements, amendments or modifications thereto or continuation statements, or for insuring, or monitoring the insuring of, the Facilities of City or collecting any insurance moneys, or for the validity of the execution by the Bank of this Trust Indenture or of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Certificates issued hereunder or intended to be secured hereby, or for the value or title of the Facilities of City or as to the maintenance of the security hereof. The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Certificates. The Trustee shall not be bound to ascertain or inquire as to the performance of the obligations of the Bank under the Lease or this Trust Indenture.

Section 8.3 Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Gross Negligence. The Trustee may exercise any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of Counsel concerning all questions hereunder. The Trustee shall not be responsible for any loss or damage resulting from any action or inaction taken in good faith in reliance upon an Opinion of Counsel. Except as otherwise provided herein, the Trustee shall not be answerable for the exercise of any discretion or power under this Trust Indenture nor for anything whatever in connection with the trust hereunder, except only its own willful misconduct or gross negligence.

Section 8.4 Compensation and Indemnity. Pursuant to Sections 5.3(f) and 8.9 of the Lease, City shall, during the Lease Term from funds appropriated therefor, (i) pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses, including attorneys' fees and expenses and disbursements, including reasonable compensation for all attorneys and agents engaged by it, and, to the extent permitted by law and subject appropriation therefor, (ii) indemnify the Trustee, including its officers, directors, employees and agents, against liabilities which it may incur in the exercise and performance of its powers and duties hereunder or under the Lease, except with respect to its willful misconduct or gross negligence, provided, however, that the Trustee shall not have waived or released, or be deemed to have waived or released its right to indemnification from City by its actions taken in accordance with Section 7.1.

Section 8.5 Notice of Default; Right to Investigate. The Trustee shall, within 20 days after the occurrence thereof, give written notice by first-class mail to the Owners of the Certificates of all Events of Default known to a Responsible Officer of the Trustee, unless such Events of Default have been remedied; provided that, in the case of an Event of Default under

Section 7.1(c), the Trustee may withhold such notice so long as it determines that such withholding does not adversely affect the interests of the Certificate Holders. The Trustee shall not be deemed to have notice of any Event of Default under Section 7.1(c) unless notified in writing of such Event of Default by City, the Bank or Owners of at least a majority in principal amount of all Certificates then Outstanding. The Trustee may, however, at any time require of the Bank full information as to the performance of any covenant hereunder and, if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the Bank, an investigation into the affairs of the Bank related to this Trust Indenture. Nothing in this Section 8.5 shall limit the Trustee's obligation under Section 7.1 to declare the principal of all Certificates, together with interest accrued thereon, immediately due and payable when required by the terms of such Section 7.1; provided however, City's liability shall not extend beyond amounts owed under the Lease for the Lease Term.

Section 8.6 Obligation to Act on Defaults. The Trustee shall not be deemed to have knowledge of an Event of Default unless it has actual knowledge or received written notice thereof pursuant to Section 8.5. If any Event of Default shall have occurred and be continuing, the Trustee shall exercise such of the rights and remedies vested in it by this Trust Indenture and shall use the same degree of care in its exercise as a prudent person would exercise or use in the circumstances in the conduct of his own affairs; provided that if in the opinion of the Trustee such action may tend to involve expense or liability, it shall not be obligated to take such action unless it is furnished with indemnity satisfactory to it. Nothing in this Section shall limit the Trustee's obligations to accelerate payment of the Certificates when required by the terms of Section 7.1.

Section 8.7 Reliance. The Trustee may rely, shall be free of all liability for so relying, act on any requisition, resolution, ordinance, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, Opinion of Counsel or other paper or document which it in good faith believes to be genuine and to have been passed or signed by the proper persons or to have been prepared and furnished pursuant to any of the provisions of this Trust Indenture; and the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement. The permissive rights of the Trustee to do things enumerated in this Trust Indenture shall not be construed as a duty. Any request or direction of the Bank mentioned herein shall be sufficiently evidenced by an officer's certificate. Whenever in the administration of this Trust Indenture, the Trustee deems it desirable that a matter be proved or established before it takes, suffers or omits any action, the Trustee may rely upon a certificate from an officer of the Bank as applicable. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Indenture at the request or direction of any Owner pursuant to this Trust Indenture, unless such Owner shall offer the Trustee indemnity acceptable to the Trustee against the costs, expenses and liabilities which might be incurred in complying with such request or direction. Except as otherwise expressly provided hereunder the Trustee shall not be required to give or furnish any notice, demand, report, reply, statement advice or opinion to any Owner, the Bank or any other person or entity, and the Trustee shall not incur any liability for its failure or refusal to give or furnish the same unless obligated or required to do so by express provisions hereof. The Trustee shall not be liable with respect to any action taken or omitted to be taken at the direction of the Owners of a majority in aggregate principal amount of the Certificates Outstanding permitted to be given by them under this Trust Indenture subject to

the provisions of Section 7.1. The Trustee shall have no responsibility with respect to any information in any offering memorandum or other disclosure material distributed with respect to the Certificates or for compliance with securities laws in connection with the issuance and sale of the Certificates. The Trustee shall not be required to give a bond or surety to act under this Trust Indenture. No provision of this Trust Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties. The Trustee shall not be accountable for the application by the Bank of the proceeds of the Certificates authenticated and delivered hereunder.

Section 8.8 Trustee May Deal in Certificates. The Trustee may in good faith buy, sell, own, hold and deal in any of the Certificates and may join in any action which any Certificate Holders may be entitled to take with like effect as if the Trustee were not a party to this Trust Indenture. The Trustee may also engage in or be interested in any financial or other transaction with City or any related party; provided that if the Trustee determines that any such relation is in conflict with its duties under this Trust Indenture, it shall eliminate the conflict or resign as Trustee.

Section 8.9 Construction of Ambiguity or Inconsistency. The Trustee may construe any ambiguous or inconsistent provisions of this Trust Indenture, and any construction of such provisions by the Trustee shall be binding upon the Certificate Holders.

Section 8.10 Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by this Trust Indenture by written resignation filed with City and the Bank not less than 60 days before the date when it is to take effect. Such resignation shall take effect only upon the appointment of a successor Trustee. If a successor Trustee is not named within 45 days, the Trustee may, at the Bank's expense, petition the court to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a Successor Trustee or grant such other legal or equitable release as such court may deem appropriate.

Section 8.11 Removal of Trustee. Any Trustee hereunder may be removed at any time upon 30 days' prior notice by an instrument appointing a successor to the Trustee so removed, executed by (a) City and (b) Owners of a majority in principal amount of the Certificates then Outstanding. Such removal shall take effect only upon the appointment of a successor trustee.

Section 8.12 Appointment of Successor Trustee. If the Trustee or any successor Trustee is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee and City shall appoint a successor and shall cause notice of such appointment to be mailed promptly to the Owners of the Certificates and to the Rating Service. If City fails to make such appointment promptly, the Owners of a majority in principal amount of the Certificates then Outstanding may do so.

Section 8.13 Qualification of Successor Trustee. Any successor Trustee shall be a national banking association with trust powers or a bank and trust company or a trust company having capital and surplus of at least \$50,000,000 if there be such an institution willing, able and

legally qualified to perform the duties of the Trustee hereunder upon reasonable or customary terms.

Section 8.14 Instruments of Succession. Any successor trustee shall execute, acknowledge and deliver to City and the Bank an instrument accepting such appointment hereunder; and thereupon such successor trustee, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in the trust hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder shall pay over to the successor trustee all moneys held by it hereunder; and, upon request of the successor trustee, the Trustee ceasing to act and City and the Bank shall execute and deliver an instrument transferring to the successor trustee all the estates, properties, rights, powers and trusts hereunder of the Trustee ceasing to act.

Section 8.15 Merger of Trustee. Any corporation or association into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which any Trustee hereunder shall be a party, or any corporation or association to which the Trustee shall sell or otherwise transfer all or substantially all of its municipal corporate trust business, shall be the successor trustee under this Trust Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding, provided that the Trustee shall give written notice of the proposed merger or consolidation or other transaction to City and the Bank.

Section 8.16 Intervention by Trustee. The Trustee may intervene, and upon the written request of Owners of at least a majority in aggregate principal amount of Certificates then Outstanding and receipt of indemnity satisfactory to the Trustee shall intervene, on behalf of Certificate Holders in any judicial proceeding to which City and/or the Bank is a party and which in the opinion of the Trustee and its attorneys has a substantial bearing on the interests of holders of the Certificates. The rights and obligations of the Trustee under this Section 8.16 are subject to the approval of a court of competent jurisdiction.

Section 8.17 Appointment of Co-Trustee and Paying Agent.

(a) It is the purpose of this Trust Indenture that there shall be no violation of the law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Trust Indenture, and in particular in case of the enforcement thereof on any default or Event of Default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee or as a separate paying agent. The following provisions of this Section 8.17 are adopted to these ends:

(b) In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee or a separate paying agent, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Trust Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee or paying agent but only to the extent necessary to enable such separate or co-trustee or paying agent to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee or paying agent shall run to and be enforceable by either of them; provided that notwithstanding any contrary provision hereof, the written consent of City and the Bank shall be required for the appointment of any co-trustee or separate paying agent hereunder.

(c) Should any instrument in writing from City be required by the separate or co-trustee or separate paying agent so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by City. In case any separate or co-trustee, or a separate paying agent, or a successor to the separate or co-trustee or paying agent shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or co-trustee or paying agent, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new paying agent or trustee or successor to such separate or co-trustee.

Section 8.18 Limitation on Trustee's Responsibilities Respecting Arbitrage. Notwithstanding any provision of this Trust Indenture to the contrary, the Trustee shall not be liable or responsible for any calculation or determination which may be required in connection with or for the purpose of complying with Section 148 of the Code including, without limitation, the calculation of amounts required to be paid to the United States under the provisions of such Section 148 of the Code, the maximum amount which may be invested in "nonpurpose obligations" as defined in the Code and the fair market value of any investments made hereunder; and the sole obligation of the Trustee with respect to investments of funds hereunder shall be to invest the moneys received by the Trustee as provided herein pursuant to the written instructions of City and to provide reports with respect to such investments.

Section 8.19 Enforcement of Lease; Notice of Default. The Trustee shall require the Bank to perform its obligations under the Lease. The Trustee shall take no action and shall not omit to take any action which action or omission might release the Bank or City from its liabilities or obligations under the Lease or result in the surrender, termination, amendment or modification of, or impair the validity of, the Lease, except as specifically provided therein.

ARTICLE IX.

ACTS OF CERTIFICATE HOLDERS, EVIDENCE OF OWNERSHIP OF CERTIFICATES

Section 9.1 Acts of Certificate Holders, Evidence of Ownership of Certificates. Any action to be taken by Certificate Holders may be evidenced by one or more concurrent written instruments of similar tenor signed or executed by such Certificate Holders in person or

by agent appointed in writing. The fact and date of the execution by any person of any such instrument may be proved by acknowledgment before a notary public or other officer empowered to take acknowledgments or by an affidavit of a witness to such execution. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the person executing the same, may also be proved in any other manner which the Trustee deems sufficient. The ownership of Certificates shall be proved by the Certificate Register. Any action by the Owner of any Certificate shall bind all future owners of the same Certificate in respect of anything done or suffered by the Bank or the Trustee in pursuance thereof.

ARTICLE X. AMENDMENTS AND SUPPLEMENTS

Section 10.1 Amendments and Supplements Without Certificate Holders' Consent.

(a) Without the consent of Certificate Holders, this Indenture may be amended or supplemented at any time and from time to time by a Supplemental Indenture authorized by the Bank and authorized by a resolution or ordinance of City filed with the Trustee for one or more of the following purposes:

- (1) to cure any ambiguity or formal defect or omission in this Trust Indenture;
- (2) to grant to or confer upon the Trustee for the benefit of the Certificate Holders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Certificate Holders and the Trustee, or either of them;
- (3) to assign and pledge under or subject to this Trust Indenture additional revenues, properties or collateral;
- (4) to evidence the appointment of a separate Trustee or the succession of a new Trustee hereunder;
- (5) to permit the qualification of this Trust Indenture under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Certificates for sale under the securities laws of any state of the United States;
- (6) to effect changes to obtain or maintain a rating on any Certificates;
- (7) to permit continued compliance with the Tax Certificate;
- (8) to provide for uncertificated Certificates and a book-entry only system of registration for any series of Certificates;

(9) to provide for refunding of any Certificates, including the right to establish and administer an escrow fund and to take related action in connection therewith;

(10) to amend Section 4.3 as stipulated in a Favorable Opinion delivered by the Bank to the Trustee;

(11) to provide for delivery of a form of credit enhancement for the Certificates; and

(12) to make any change that does not materially adversely affect the rights of any Certificate Holders or the Trustee.

(b) Before City, the Bank and the Trustee shall enter into any Supplemental Indenture pursuant to this Section 10.1, there shall have been delivered to City, the Bank and the Trustee an Opinion of Special Counsel stating that such Supplemental Indenture is authorized or permitted by this Trust Indenture and the laws of the State, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon City, the Bank and the Trustee in accordance with its terms and will not adversely affect the exemption from federal income taxation of interest on the Certificates.

Section 10.2 Amendments and Supplements With Certificate Holders' Consent.

This Indenture may be amended or supplemented from time to time, except with respect to (1) the principal, redemption price or interest payable upon any Certificates, (2) the Interest Payment Dates, the dates of maturity or the redemption provisions of any Certificates, and (3) this Article X, by a Supplemental Indenture consented to by City and the Bank and approved by Owners of a majority in aggregate principal amount of the Certificates then Outstanding. This Indenture may be amended with respect to the matters enumerated in clauses (1) to (3) of the preceding sentence only with the unanimous consent of all affected Certificate Holders. Before City, the Bank and the Trustee may enter into such Supplemental Indenture, there shall have first been delivered to the Trustee (i) the required consents, in writing, of Certificate Holders and (ii) a Favorable Opinion with respect to such Supplemental Indenture, including an Opinion of Counsel that, upon the execution and delivery thereof, such Supplemental Indenture will be valid and binding upon City, the Bank and the Trustee in accordance with its terms.

Section 10.3 Amendment of Lease.

(a) The Bank and City may, without the consent of or notice to the Owners of the Certificates, consent to any amendment, change or modification of the Lease as may be required:

(1) by the provisions of this Trust Indenture or the Lease;

(2) for the purpose of curing any ambiguity or formal defect or omission;

(3) for the purpose of permitting continued compliance with the Tax Certificate;

(4) to effect changes to obtain or maintain a rating on any Certificates;
or

(5) to make any change that does not materially adversely affect the rights of any Certificate Holders, the Bank or the Trustee;

provided, however, that nothing in this Section 10.3 shall permit, or be construed as permitting, any amendment, change or modification of the Lease that may result in anything described in clauses (i) through (iii) below, without the consent of each Certificate Holders affected.

(b) If the Bank proposes to make amendments to any or all of the Lease other than amendments described in clauses (1) through (5) above, the Trustee shall notify Certificate Holders of the proposed amendment and may consent thereto with the consent of Owners of a majority in aggregate principal amount of the Certificates then Outstanding; provided that no amendment shall be consented to by the Trustee without the unanimous consent of all Certificate Holders which would (i) decrease the amounts payable under the subject Lease(s), (ii) change the date of payment or prepayment provisions under the Lease(s), or (iii) change any provisions with respect to amendment. Before City and the Bank shall enter into, any modification, alteration, amendment or supplement to the Lease(s), pursuant to this Section 10.3, there shall have been delivered to City, the Bank and the Trustee a Favorable Opinion with respect thereto and any required consents of Certificate Holders.

Section 10.4 Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel. The Trustee is authorized to join with City and the Bank in the execution and delivery of any Supplemental Indenture or amendment permitted by this Article X and in so doing shall be fully protected by an Opinion of Counsel that such Supplemental Indenture or amendment is so permitted and has been duly authorized by City, if required, and that all things necessary to make it a valid and binding agreement have been done.

ARTICLE XI. DEFEASANCE

Section 11.1 Defeasance. When the principal or redemption price (as the case may be) of, and interest on, all Certificates issued hereunder have been paid, or provision has been made for payment of the same, together with the compensation and expenses of the Trustee and all other sums payable hereunder by the Bank, the right, title and interest of the Trustee in and to the Trust Estate shall thereupon cease and the Trustee, on demand of the Bank, shall release this Trust Indenture and shall execute such documents to evidence such release as may be reasonably required by the Bank and shall turn over to the City or to such person, body or authority as may be entitled to receive the same all balances then held by it hereunder not required for the payment of the Certificates and such other sums. If payment or provision therefor is made with respect to less than all of the Certificates, the particular Certificates (or portions thereof) for which provision for payment shall have been made shall be selected by lot or by such other method as the Trustee deems fair and appropriate, and thereupon the Trustee shall take similar action for the release of this Trust Indenture with respect to such Certificates.

Section 11.2 Provision for Payment.

(a) Provision for the payment of Certificates shall be deemed to have been made when the Trustee holds in the Debt Service Fund (1) Cash in an amount sufficient to make all payments (including principal, premium, if any, and interest payments) specified above with respect to such Certificates, or (2) noncallable Government Obligations maturing on or before the date or dates when the payments specified above shall become due, the principal amount of which and the interest thereon, when due, is or will be, in the aggregate, sufficient without reinvestment to make all such payments, or (3) any combination of Cash and obligations described in clause (2) above the amounts of which and interest thereon, when due, are or will be, in the aggregate, sufficient without reinvestment to make all such payments; provided that the Trustee shall have received an Opinion of Special Counsel to the effect that a deposit of obligations described in clause (2) or (3) above will not affect the exclusion from gross income for federal income tax purposes of the interest on any of the Certificates or cause any of the Certificates to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code. City shall cause a report to be prepared by a firm nationally recognized for providing verification services regarding the sufficiency of funds for such payment and satisfaction, upon which report the Trustee and Special Counsel may rely.

(b) Neither the Cash nor the obligations deposited with the Trustee pursuant to this Article shall be withdrawn or used for any purpose other than, and such obligations and Cash shall be segregated and held in trust for, the payment of the principal or redemption price of, premium, if any, on and interest on, the Certificates (or portions thereof), which Certificates shall cease to be entitled to any lien, benefit or security under this Trust Indenture; provided that such Cash, if not then needed for such purpose, shall, to the extent practicable, be invested and reinvested at the written direction of City in Government Obligations maturing on or prior to the Interest Payment Date next succeeding the date of investment or reinvestment.

(c) Whenever Cash or obligations shall be deposited with the Trustee for the payment or redemption of Certificates more than 60 days prior to the date that such Certificates are to mature or be redeemed, the Trustee shall mail a notice to the Owners of Certificates for the payment of which such Cash or obligations are being held at their registered addresses stating that such Cash or obligations have been deposited. Such notice shall also be sent by the Trustee to the Rating Service. Notwithstanding the foregoing, no provision for payment under this Section shall be deemed to have been made with respect to any Certificates which are to be redeemed prior to their stated maturity until such Certificates shall have been irrevocably called or designated for redemption on a date thereafter on which such Certificates may be redeemed in accordance with the provisions of this Trust Indenture and proper notice of such redemption shall have been given in accordance with Article VI or the Bank shall have given the Trustee in form satisfactory to the Trustee, irrevocable instructions to give, in the manner and at the times prescribed by Article VI, notice of such redemption.

Section 11.3 Deposit of Funds for Payment of Certificates. If the principal or redemption price of any Certificates becoming due, either at maturity, by call for redemption,

upon acceleration or otherwise, together with all interest accruing thereon to the due date has been paid or provision therefor made in accordance with Section 11.2, all interest on such Certificates shall cease to accrue on the due date and all liability of City with respect to such Certificates shall likewise cease, except as hereinafter provided. Thereafter, the Owners of such Certificates shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Certificates, and the Trustee shall hold such funds in trust for such Owners uninvested and without liability for interest thereon. Cash so deposited with the Trustee which remains unclaimed five years after the date payment thereof becomes due shall from time to time be treated by the Trustee pursuant to and in accordance with applicable unclaimed property laws, rules or regulations. Any such delivery shall be in accordance with the customary practices and procedures of the Trustee and the escheat authority. All Cash held by the Trustee and subject to this Section 11.3 shall be held uninvested and without liability for interest thereon.

ARTICLE XII. MISCELLANEOUS PROVISIONS

Section 12.1 No Rights Conferred on Others. Nothing herein contained shall confer any right upon any person other than the parties hereto and the Owners of the Certificates.

Section 12.2 Severability. In case any provision in this Trust Indenture or the Certificates shall for any reason be held invalid, illegal or unenforceable in any respect, this Trust Indenture shall be construed as if such provision had never been contained herein.

Section 12.3 Notices. Any notice required or permitted to be given under this Lease shall be in writing and (i) personally delivered, (ii) sent by United States registered or certified mail, postage prepaid, return receipt requested, (iii) sent by Federal Express or similar nationally recognized overnight courier service, or (iv) transmitted by electronic mail with a hard copy sent within one (1) Business Day by any of the foregoing means. Such notice shall be deemed to have been given upon the date of actual receipt or delivery (or refusal to accept delivery), as evidenced by the notifying party's receipt of written or electronic confirmation of such delivery or refusal, if received by the party to be notified between the hours of 8:00 A.M. and 5:00 P.M. Mountain time on any Business Day, with delivery made after such hours to be deemed received the following Business Day; provided, however, notices to the Trustee shall be deemed given only upon receipt by the Trustee. For purposes of notice, the addresses of the parties shall be as follows:

If to City:	City of Idaho Falls, Idaho 308 Constitution Way Idaho Falls, ID 83402 Attention: Pamela Alexander, Municipal Services Director Email: PAlexander@idahofallsidaho.gov
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With a copy to:	Adam Christenson Hawley Troxell Ennis & Hawley LLP 877 W. Main Street, Suite 1000 P.O. Box 1617 Boise, ID 83701-1617
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Email: achristenson@hawleytroxell.com

If to Bank: Zions Bancorporation, National Association, as Lessor
Attention: Twyla Lehto, Senior Vice President
800 W Main St, Suite 700
Boise, ID 83702
Email: twyla.lehto@zionsbancorp.com

If to Trustee: Zions Bancorporation, National Association, As Trustee
Attention: Twyla Lehto, Senior Vice President
800 W Main St, Suite 700
Boise, ID 83702
Email: twyla.lehto@zionsbancorp.com

Section 12.4 Successors and Assigns. All the covenants, promises and agreements in this Trust Indenture contained by or on behalf of the Bank, or by or on behalf of the Trustee, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 12.5 Headings for Convenience Only. The descriptive headings in this Trust Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 12.6 Counterparts. This Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

Section 12.7 Financing Statements. City shall cause a financing statement under the Uniform Commercial Code of the State of Idaho to be filed, in such manner and at such places as may be required by law to protect the security of the Owners of the Certificates and the right, title and interest of the Trustee in and to the Trust Estate. The following information is stated in order to facilitate filings under the Uniform Commercial Code:

The secured party is Zions Bancorporation, National Association, Trustee. Its address from which information concerning the security interest may be obtained is set forth in Section 12.3. The debtor is Zions Bancorporation, National Association, as Lessor. Its mailing address is set forth in Section 12.3.

The Trustee shall not be responsible for filing or for the sufficiency or accuracy of any financing statements initially filed to perfect security interests granted under this Trust Indenture. The Trustee shall file continuation statements with respect to each UCC financing statement relating to the trust estate filed by City at the time of the issuance of the Certificates; provided that a copy of the filed initial financing statement is timely delivered to the Trustee. In addition, unless the Trustee shall have been notified in writing by City or the Bank that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in (a) relying on such initial filing and descriptions in filing any financing or

continuation statements or modifications thereto pursuant to this section, and (b) filing any continuation statements in the same filing offices as the initial filings were made. City shall be responsible, during the Lease Term, for the customary fees charged by the Trustee for the preparation and filing of continuation statements and for the reasonable costs incurred by the Trustee in the preparation and filing of all continuation statements hereunder, including attorneys' fees and expenses, subject to appropriation by City. These fees shall be considered "extraordinary services" fees.

Section 12.8 Applicable Law. This Trust Indenture shall be governed by and construed in accordance with the laws of the State.

Section 12.9 Limitation of City Liability. No covenant or agreement contained in this Trust Indenture, the Primary Lease, the Lease or the Certificates shall be deemed to be a covenant or agreement of City, or otherwise obligate City, to make a future appropriation of funds. Any provision for payment or indemnification by City made subject to appropriation of funds recognizes that the act of budgeting funds is solely within the discretion of the Board and that no claim may be had against City in excess of the amounts appropriated by City during the then current Lease Term to make payments hereunder.

Section 12.10 Notice to Rating Service. The Trustee shall, at least fifteen (15) Business Days prior to the execution or happening thereof, notify the Rating Service of (a) any amendment or supplement to this Trust Indenture, the Lease, or the Primary Lease, in each case of which it has received notice; (b) any change in the Trustee; and (c) upon the defeasance or payment in full of all the Certificates. The Trustee's agreement to provide such information is made as a matter of courtesy and accommodation only and the Trustee shall have no liability to any person for any failure to comply therewith. In addition, for purposes of this Section 12.10 and other Sections of this Trust Indenture which require the Trustee to notify or provide the Rating Service with notice, the Trustee shall only be required to do so if it is provided written notice from City as to the appropriate Rating Service.

[The following page is the signature page.]

IN WITNESS WHEREOF, City has caused this Trust Indenture to be executed by City's authorized officers, and the Bank and the Trustee have caused this Trust Indenture to be executed by one of their authorized officers all as of the day and year first above written.

CITY:

CITY OF IDAHO FALLS, IDAHO

By: _____
Rebecca L. Noah Casper, Mayor

Attest:

City Clerk

BANK:

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Lessor

By: _____
Senior Vice President, Zions Bank Division

TRUSTEE:

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee

By: _____
Senior Vice President, Zions Bank Division

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Parcel 1:

a) All that part of Block 5 of Dwights Addition, according to the official plat thereof, filed in Book D of Plats at Page(s) 9, records of Bonneville County, Idaho, described as follows:

Beginning at the Southwest corner of Lot 32 of Block 5; thence East along the South line of said Block 5 a distance of 150 feet to the Southeast corner of Lot 37; thence North along the East line of said Lot 37 and said East line produced a distance of 140 feet to the Southwest corner of Lot 9 of said block; thence East along a straight line parallel to the South line of Block 5 a distance of 150 feet to the Southeast corner of Lot 4; thence North along the East line of said Lot 4 a distance of 44 feet to a point thereon; thence West along a straight line parallel to said South line of Block 5 a distance of 150 feet to a point in the West line of said Lot 9; thence Southwesterly along a straight line a distance of 237.4 feet, more or less, to the point of beginning.

b) All those parts of Block 1 and 4 of Dwights Addition, according to the official plat thereof, filed in Book D of Plats at Page(s) 9, records of Bonneville County, Idaho, and Vacated portions of College and Whittier Streets described as follows:

Beginning at the point of intersection of the center line of vacated College Street with the West line of Emerson Avenue, said point being 30 feet distant South, measured along the West line of said Emerson Avenue, from the Southeast corner of Block 4; thence North along said West line of Emerson Avenue a distance of 462.09 feet to a point thereon; thence Southwesterly along a straight line forming an angle of 65°02' from the South to the Southwest with said West line of Emerson Avenue a distance of 13.12 feet to a point; thence Southwesterly along a straight line forming an angle of 23°15' from the Southwest to the South with the last described line produced, a distance of 108.8 feet to a point; thence Southwesterly along a straight line forming an angle of 13°27' from the Southwest to the South with the last described line produced a distance of 34.95 feet to a point; thence Southeasterly along a straight line forming an angle of 72°21' from the Southwest to the Southeast with the last described line produced a distance of 14.8 feet to a point; thence East along a straight line forming an angle of 46°00' from the Southeast to the East with the last described line produced, a distance of 11.0 feet to point; thence South at right angles a distance of 170.5 feet to a point; thence West at right angles a distance of 11.0 feet to a point; thence South along a straight line forming an angle of 88°38' from East to South with the last described line a distance of 164.0 feet to a point in said center line of vacated College Street; thence East along said center line of vacated College Street a distance of 86.46 feet to the point of beginning.

Parcel 2:

That part of Lot 46 in Block 5 of Dwights Addition according to the official plat thereof, filed in Book D of Plats at Page(s) 9, records of Bonneville County, Idaho; more particularly described as follows: Beginning at the Northeast corner of Lot 46 in Block 5 of Dwights Addition, and running thence West 40.5 feet; thence South 124 feet; thence East 3.2 feet; thence North 36°25' East 59.9 feet; thence North 75.8 feet to the point of beginning; being all of said Lot 46 lying North and West of U.S. Highway No. 191

Parcel 3:

Lots 1, 2, 3, 38, 39, 40, 41, 42, 43, 44 and 45 in Block 5 of Dwights Addition, according to the official plat thereof, filed in Book D of Plats at Page(s) 9, records of Bonneville County, Idaho.

Parcel 4:

The North half of said vacated portion of College Street, from Yellowstone Avenue to the East line of Emerson Avenue in the City of Idaho Falls, Bonneville County, Idaho, otherwise described as: Commencing at the point where the Westerly right of way line of Yellowstone Avenue intersects the South line of Block 5 of Capitol Hill Addition to the City of Idaho Falls, thence West along the South line of said Block 125 feet, more or less to the East right of way line of Emerson Avenue, thence South 30 feet to the Center of College Street, thence East along the Center line of College Street to the Westerly right of way line of Yellowstone Avenue, thence Northerly along the Westerly line of Yellowstone Avenue to the point of beginning.

Parcel 5:

a) All that portion of Whittier Street described as follows: Beginning at the Southwest corner of Block 4 of Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho and running thence East 371.1 feet along the South property line of said Block 4, to the West property line of the Yellowstone Highway, thence South 36°26' West 74.6 feet along the West property line of the Yellowstone Highway to the North property line of Block 5 of Capitol Hill Addition, thence West 326.7 feet along said North property line of said Block 5 to the Northwest corner of said Block 5, thence North 60 feet to the point of beginning.

b) All that portion of the alley in Block 5 Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho described as follows to wit: Beginning at the Southwest corner of Lot 24 of Block 5 of Capitol Hill Addition, and running thence East 235.1 feet along the South property line of the North half of said Block 5 to the West line of the Yellowstone Highway, thence South 36°26' West 19.9 feet along the West line of Highway to the North property line of the South half of said Block 5, thence West 223.3 feet along the North property line of said South half of Block 5 to the Northwest corner of Lot 25 of said Block 5, thence North 16 feet to the point of beginning.

Parcel 6:

a) Lots 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36 and 37 in Block 4 of Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho.

b) Also beginning at the Northwest corner of Lot 38 in Block 4 of Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho, and running thence East 137.8 feet to the Westerly line of the new Yellowstone Highway, thence South 36°25' West, 154.2 feet, thence West 46.1 feet to the Southwest corner of Lot 38, thence North 124 feet to the place of beginning, being all of Lot 38 and part of Lots 39, 40, 41, 42 and 43 lying West of said Yellowstone Highway in Block 4 of Capitol Hill Addition.

c) Lots 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28 and 29 in Block 5 of Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho.

d) Also beginning at the Northwest corner of Lot 15 in Block 5 of Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho, and running thence East 101.7 feet to the Westerly line of the new Yellowstone Highway, thence South 36°25' West 154.3 feet, thence West 10.1 feet to the Southwest corner of said Lot 15, thence North 124 feet to the place of beginning, being that part of Lots 11, 12, 13, 14 and 15 in Block 5 of Capitol Hill Addition lying West of said new Yellowstone Highway.

e) Also beginning at the Northwest corner of Lot 30 in Block 5 of Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho and running thence East 98.3 feet to the Westerly line of the new Yellowstone Highway, thence South 36°25' West 154.2 feet to the South line of said Block 5, thence West 6.6 feet to the Southwest corner of said Lot 30, thence North 124 feet to the place of beginning, being that part of Lots 30, 31, 32 and 33 in Block 5 of Capitol Hill Addition lying West of said new Yellowstone Highway.

Parcel 7:

Lots 15, 16 and 17 in Block 4 of Capitol Hill Addition, according to the official plat thereof, filed in Book C of Plats at Page(s) 35, records of Bonneville County, Idaho.

Parcel 8:

A Leasehold interest in the Surface Rights only as disclosed by that certain Quit Claim Deed recorded on May 4, 1944 as Instrument No. 160496 In Book 49 of Deeds at page 135, described as follows: All that portion of the West half of Emerson Avenue extending from the North line of College Street to the South line of Elva Street, in the City of Idaho Falls, ID being all that certain parcel of land heretofore conveyed to Oregon Short Line Railroad by the City of Idaho Falls by vacation of Street ordinance No. 561 as supplemented by Quit Claim Deed dated June 18, 1943 recorded in Book 45 of Deeds at page 479 records of Bonneville County, Idaho.

EXHIBIT B
FORM OF CERTIFICATES

R-1

\$_____

UNITED STATES OF AMERICA
STATE OF IDAHO

CITY OF IDAHO FALLS, IDAHO

ANNUAL APPROPRIATION CERTIFICATE OF PARTICIPATION, SERIES 2020

**Evidencing an Undivided Proportionate Ownership Interest in the Lease
Payments due under that certain Annual Appropriation Lease Agreement
between City of Idaho Falls, Idaho, as Lessee, and Zions Bancorporation,
National Association, as Lessor**

DATED DATE:	INTEREST RATE:	MATURITY DATE:	CUSIP:
December __, 2020	____%	September 15, __	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS

THIS CERTIFICATE EVIDENCES that the Registered Owner shown above, or registered assigns (the "Registered Owner") is the Registered Owner of an undivided, proportionate ownership interest in certain lease payments aggregating the Principal Amount hereof (the "Lease Payments") paid or to be paid under the Annual Appropriation Lease Agreement dated December __, 2020 (the "Lease Agreement"), between the City of Idaho Falls, Idaho, as lessee ("City"), and Zions Bancorporation, National Association, as lessor (the "Bank"), and is issued pursuant to and in accordance with the terms of an Annual Appropriation Trust Indenture dated December __, 2020 (the "Trust Indenture"), by and among City, the Bank and Zions Bancorporation, National Association, as Trustee, paying agent and bond registrar (the "Trustee").

The Registered Owner of this Certificate is entitled to receive, subject to the terms of the Lease Agreement and the Trust Indenture, on the Maturity Date shown above, the Principal Amount shown above, representing a portion of the Lease Payments designated as principal, together with a proportionate share of the interest component of the Lease Payments which is allocable to the Principal Amount shown above, from the Dated Date hereof, or the most recent date to which interest has been paid or duly provided for, at the rate per annum specified above, payable on March 15, 2021, and semiannually on each March 15 and September 15 thereafter (the "Interest Payment Date(s)") until the date of maturity or prior redemption of this Certificate. Interest on this Certificate shall be calculated on the basis of a 360-day year and twelve 30-day months.

Both principal of and interest on this Certificate are payable in lawful money of the United States of America to the Registered Owner hereof whose name and address shall appear on the registration books maintained by the Corporate Trust Department of the Trustee (the "Certificates Register") in Boise, Idaho. Interest shall be paid to the Registered Owner whose name appears on the Certificates Register on the fifteenth day of the calendar month next preceding the Interest Payment Date, at the address appearing on the Certificates Register. Principal and interest payments shall be received by the Registered Owner, as nominee of The Depository Trust Company, New York, New York ("DTC"), or its registered assigns, on each payment date as provided in the Trust Indenture.

THE LEASE PAYMENTS EVIDENCED BY THIS CERTIFICATE ARE NOT GENERAL OBLIGATIONS OF THE BANK, THE TRUSTEE, THE COUNTY OF BONNEVILLE, THE STATE OF IDAHO, OR ANY OTHER MUNICIPALITY OR POLITICAL SUBDIVISION (OTHER THAN CITY). THE OBLIGATION OF CITY TO MAKE LEASE PAYMENTS EVIDENCED BY THIS CERTIFICATE IS SUBJECT TO ANNUAL BUDGETING AND APPROPRIATION THEREOF BY THE CITY COUNCIL OF CITY AND ANNUAL RENEWAL OF THE LEASE AGREEMENT AT THE OPTION OF CITY.

This Certificate is secured by, among other things, the Trust Estate pledged under the Trust Indenture, including all right, title and interest (but not the obligations) of the Bank under and pursuant to the terms of the Primary Lease (as defined in the Trust Indenture), the Lease Agreement, all payments, including Lease Payments, revenues, rents and receipts received or receivable by the Bank under the Lease Agreement; all of the right, title and interest of the Bank in and to all funds (other than the rebate fund) and accounts established under the Trust Indenture and all moneys and investments now or hereafter held therein. This Certificate is authorized under the Trust Indenture for the purpose of financing the Project (as defined in the Trust Indenture).

This Certificate is secured by the lien of the Trust Indenture equally and ratably with all other annual appropriation certificates of participation issued or to be issued thereunder, and is payable as to principal and interest solely from the Debt Service Fund and subaccounts thereunder created by the Trust Indenture. For a more particular description of said Debt Service

Fund, subaccounts thereunder, the revenues to be deposited therein, and the nature and extent of the security afforded thereby, reference is made to the provisions of the Trust Indenture pursuant to which this Certificate is issued.

This Certificate is issued with one maturity representing certificates of participation authorized under the Trust Indenture designated as the “City of Idaho Falls, Idaho Annual Appropriation Certificates of Participation, Series 2020” (hereinafter sometimes referred to as the “Certificate” or the “Certificates”), and is fully registered in the name of Cede & Co., as nominee of DTC.

The Certificates are initially issued as a book-entry-only security issue with no certificates provided to the Registered Owners. Records of certificate ownership will be maintained by the Trustee and DTC and its participants. Should the book-entry-only security system be discontinued, the Certificates shall be issued in the form of fully registered Certificates without coupons in denominations of \$5,000, or any integral multiple thereof (the “Authorized Denominations”). The Trustee shall treat any Certificate of a denomination greater than \$5,000 as representing that number of separate Certificates each of the denomination of \$5,000 as can be obtained by dividing the actual principal amount of such Certificate by \$5,000.

The Certificates maturing on September 15 in the years 20[21] through 2030, inclusive, are not subject to optional redemption prior to their stated dates of maturity. The Certificates maturing on or after September 15, 2031, are subject to redemption prior to their stated dates of maturity at the election of City at any time on or after September 15, 2030, in whole or in part (maturities to be selected by City and randomly within a maturity in such manner as the Trustee shall determine). Such optional redemption of the Certificates shall be at a price of 100% of the principal amount of the Certificates to be so redeemed, plus accrued interest to the date fixed for redemption.

The Certificates maturing on September 15, 20__, are subject to mandatory sinking fund redemption prior to their stated maturity at a price of 100% of the principal amount of the Certificates to be so redeemed, plus accrued interest to the date fixed for redemption, on September 15 of the years, and in the amounts, shown below:

SEPTEMBER 15
OF THE YEAR

MANDATORY
REDEMPTION AMOUNT

\$

*

*stated maturity

The Certificates maturing on September 15, 20__, are subject to mandatory sinking fund redemption prior to their stated maturity at a price of 100% of the principal amount

of the Certificates to be so redeemed, plus accrued interest to the date fixed for redemption, on September 15 of the years, and in the amounts, shown below:

SEPTEMBER 15
OF THE YEAR

MANDATORY
REDEMPTION AMOUNT

\$

*

*stated maturity

Notice of any call for redemption shall be given as required by the Trust Indenture and DTC. Interest on any Certificate so called for redemption shall cease to accrue on the redemption date designated in the notice. The Trustee will notify DTC promptly of any Certificate called for redemption.

Any transfer of the Certificates must be registered, as provided in the Trust Indenture, upon the Certificates Register kept for that purpose at the principal corporate trust office of the Trustee. Upon registration, a new registered Certificate or Certificates, of the same series and maturity and in the same aggregate Principal Amount, shall be issued to the transferee as provided in the Trust Indenture. The Trustee may treat the persons in whose name the Certificates are registered on the Certificates Register as the absolute owners thereof for all purposes, as provided in the Trust Indenture.

The Registered Owner may exchange or transfer the Certificates only by surrendering the Certificates, together with a written instrument of exchange or transfer which is satisfactory to the Trustee and which is duly executed by the Registered Owner or its duly authorized attorney, at the principal corporate trust office of the Trustee in the manner and subject to the conditions set forth in the Trust Indenture. The Certificates shall not be transferable or exchangeable except as set forth in the Trust Indenture.

Unless this Certificate is presented by an authorized representative of DTC to the Trustee or its agent for registration of transfer, exchange or payment, and any Certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

Notwithstanding any other provision of the Trust Indenture to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, to DTC as provided in City's Blanket Issuer Representations Letter on file with DTC.

Reference is hereby made to the Lease Agreement and the Trust Indenture for the covenants, declarations, and other terms and conditions under which this Certificate has been issued. The covenants, contained herein and in the Trust Indenture may be discharged by making provision at any time for the payment of the principal of and interest on this Certificate in the manner provided in the Trust Indenture.

THE TRUSTEE HAS NO OBLIGATION OR LIABILITY TO THE REGISTERED OWNER OF THIS CERTIFICATE FOR THE PAYMENT OF THE PRINCIPAL AMOUNT HEREOF OR INTEREST HEREON; THE TRUSTEE'S ONLY OBLIGATIONS ARE TO ADMINISTER, FOR THE BENEFIT OF THE REGISTERED OWNERS OF THE CERTIFICATES, THE LEASE PAYMENTS AND VARIOUS FUNDS AND ACCOUNTS ESTABLISHED UNDER THE TRUST INDENTURE.

THIS CERTIFICATE SHALL NOT BE VALID OR BECOME OBLIGATORY FOR ANY PURPOSE OR BE ENTITLED TO ANY SECURITY OR BENEFIT UNDER THE TRUST INDENTURE UNTIL PROPERLY EXECUTED BY THE TRUSTEE IN THE SPACE INDICATED BELOW.

IN WITNESS WHEREOF, this Certificate has been duly executed, authenticated, and issued by Zions Bancorporation, National Association, in Boise, Idaho, as Trustee.

Date of Authentication:

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee**

By _____
Authorized Signature

* * * * *

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Transferee's Name and Address)

(Tax Identification or Social Security Number)

this Certificate and all rights thereunder, and does hereby irrevocably constitute and appoint

(name and address)

as attorney to transfer this Certificate on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of this Certificate in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED:

NOTICE: Signature(s) must be guaranteed by an "eligible guarantor institution" that is a member of or a participant in a "signature guarantee program" (e.g., the Securities Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program).

EXHIBIT C
DEBT SERVICE SCHEDULE

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service⁽¹⁾
3/15/2021					
9/15/2021					
3/15/2022					
9/15/2022					
3/15/2023					
9/15/2023					
3/15/2024					
9/15/2024					
3/15/2025					
9/15/2025					
3/15/2026					
9/15/2026					
3/15/2027					
9/15/2027					
3/15/2028					
9/15/2028					
3/15/2029					
9/15/2029					
3/15/2030					
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9/15/2032					
3/15/2033					
9/15/2033					
3/15/2034					
9/15/2034					
3/15/2035					
9/15/2035					
3/15/2036					
9/15/2036					
3/15/2037					
9/15/2037					
3/15/2038					
9/15/2038					
3/15/2039					
9/15/2039					

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service⁽¹⁾
3/15/2040					
9/15/2040					
3/15/2041					
9/15/2041					
3/15/2042					
9/15/2042					
Total	<u>\$[30,000,000].00</u>				

(1) Subject to annual renewal and appropriation by City.

NEW ISSUE—BOOK ENTRY ONLY

MOODY'S RATING: __

See "RATINGS" herein

In the opinion of Hawley Troxell Ennis & Hawley LLP, Bond Counsel, assuming continuous compliance with certain covenants described herein: (i) interest on the Certificates is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Certificates (the "Tax Code"); (ii) interest on the Certificates is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code; and (iii) interest on the Certificates is excluded from gross income for purposes of income taxation by the State of Idaho. See "TAX MATTERS" herein.



\$[30,000,000]⁽¹⁾

City of Idaho Falls, Idaho

Annual Appropriation Certificates of Participation, Series 2020

DATED: Date of Delivery

DUE: September 15, as shown on the inside cover

CERTIFICATES: The Annual Appropriation Certificates of Participation, Series 2020 (the "Certificates") offered hereby evidence undivided ownership interests in payments (the "Lease Payments") to be made by the City of Idaho Falls, Idaho, a municipal corporation operating and existing under and pursuant to the provisions of the Constitution and laws of the state of Idaho (the "City"), under that certain Annual Appropriation Lease Agreement dated December __, 2020 (the "Appropriation Lease"), with Zions Bancorporation, National Association, as lessor (the "Bank"). The Lease Payments are due semiannually on or before each March 1 and September 1, commencing March 1, 2021 and continuing, subject to appropriation annually by the County, through September 1, 20[42]. The Certificates will be issued pursuant to an Annual Appropriation Trust Indenture dated December __, 2020 (the "Trust Indenture") among the City, the Bank, and Zions Bancorporation, National Association, as trustee (the "Trustee").

BOOK-ENTRY ONLY SYSTEM: The Certificates will be issued in fully registered form under a book-entry only system and will be registered in the name of Cede & Co., as bond owner and nominee for The Depository Trust Company ("DTC"). DTC will act as initial securities depository for the Certificates. Individual purchases of the Certificates will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Certificates purchased.

PRINCIPAL AND INTEREST PAYMENTS: Interest on the Certificates will be paid on March 15, 2021 and semiannually thereafter on March 15 and September 15 of each year to the maturity or earlier redemption of the Certificates. Principal of and interest on the Certificates will be payable to the persons in whose names such Certificates are registered (the "Beneficial Owners"), at the address appearing upon the registration books on the 1st day of the month preceding a payment date. The principal of and interest on the Certificates will be payable by the City's bond registrar, the Trustee, to DTC which, in turn, will remit such principal and interest to the DTC participants for subsequent disbursement to the Beneficial Owners of the Certificates.

MATURITY SCHEDULE: See inside cover.

PURPOSE: The Certificates are being issued to finance the costs of (i) razing, demolishing or removing existing improvements located on certain real property currently owned by the City (the "Property"), (ii) preparing, constructing, furnishing, equipping and improving certain real and personal property comprising a new City police headquarters building and related facilities on the Property, as well as (iii) the Costs of Issuance of the Certificates. See "PURPOSE AND USE OF PROCEEDS" and "THE PROJECT" herein.

REDEMPTION: Certain of the Certificates are subject to optional and mandatory redemption as described herein. See "DESCRIPTION OF THE CERTIFICATES—Redemption."

SECURITY: The Lease Payments secure the Certificates and are general obligations of the City payable from any of its Lawful Funds (as defined herein). **The obligation of the City to make Lease Payments is subject to annual budgeting thereof by the City Council of the City and annual renewal of the Appropriation Lease at the option of the City.** See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES—Lease Payments Subject to Appropriation" and "RISK FACTORS" herein.

THE CERTIFICATES AND THE INTEREST PAYABLE THEREON DO NOT CONSTITUTE A DEBT OR LIABILITY OR A PLEDGE OR LENDING OF THE FAITH AND CREDIT OF THE STATE, ITS LEGISLATURE OR ANY POLITICAL SUBDIVISIONS OR AGENCIES THEREOF, OTHER THAN THE CITY TO THE EXTENT HEREIN DESCRIBED. THE ISSUANCE OF THE CERTIFICATES DOES NOT DIRECTLY, INDIRECTLY, OR CONTINGENTLY OBLIGATE THE CITY (EXCEPT AS STATED IN THE PRIOR SENTENCE), THE STATE, ITS LEGISLATURE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR COLLECT ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT THEREOF. NOTHING HEREIN SHALL BE CONSTRUED TO PLEDGE REVENUES FROM, OR GIVE A SECURITY INTEREST IN, ANY REVENUES, PROPERTIES OR FACILITIES OF THE CITY EXCEPT AS SPECIFICALLY SET FORTH IN THE TRUST INDENTURE. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES" herein.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF ALL FACTORS RELATING TO AN INVESTMENT IN THE CERTIFICATES. INVESTORS ARE ADVISED TO READ THIS OFFICIAL STATEMENT (INCLUDING THE APPENDICES) IN ITS ENTIRETY BEFORE MAKING AN INVESTMENT DECISION.

LEGAL MATTERS: The Certificates are offered when, as and if issued and received by the Underwriter (hereinafter defined), subject to the approval of legality by Hawley Troxell Ennis & Hawley LLP, bond counsel, and certain other conditions. Certain matters will be passed on for the Underwriter by its legal counsel, Skinner Fawcett LLP, and by Hawley Troxell Ennis & Hawley LLP, in its capacity as disclosure counsel to the City. It is expected that the Certificates will be available for delivery through the facilities of DTC on or about December __, 2020 (the "Date of Delivery").

STIFEL

(1) Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

\$[30,000,000]⁽¹⁾
City of Idaho Falls, Idaho
Annual Appropriation Certificates of Participation, Series 2020

DATED: **Date of Delivery**

DUE: **September 15, 20[42]**

MATURITY SCHEDULE –

<u>Due Date</u> <u>September 15</u>	<u>Amount⁽¹⁾</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP⁽²⁾</u>
[2021]	\$			
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
20[42]	<hr/>			
	\$[30,000,000]			

(1) Preliminary, subject to change.

(2) The CUSIP data herein is provided by the CUSIP Global Services, managed on behalf of the American Bankers Association by Standard and Poor's. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for the CUSIP service. CUSIP numbers have been assigned by an independent company not affiliated with the City and are provided solely for convenience and reference. The CUSIP numbers for a specific maturity are subject to change after the issuance of the Certificates. Neither the City nor the Underwriter takes responsibility for the accuracy of the CUSIP numbers.

REGARDING USE OF THIS PRELIMINARY OFFICIAL STATEMENT

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY OR BY THE UNDERWRITER TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN AS CONTAINED IN THIS PRELIMINARY OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CITY OR THE UNDERWRITER. THIS PRELIMINARY OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE CERTIFICATES, NOR SHALL THERE BE ANY SALE OF THE CERTIFICATES BY ANY PERSON, IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSONS TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE CITY, DTC, AND CERTAIN OTHER SOURCES THAT ARE BELIEVED TO BE RELIABLE BUT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS. THE INFORMATION AND EXPRESSIONS OF OPINION CONTAINED HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE. ANY STATEMENTS MADE IN THIS PRELIMINARY OFFICIAL STATEMENT INVOLVING MATTERS OF OPINION OR ESTIMATES, WHETHER OR NOT SO EXPRESSLY STATED, ARE SET FORTH AS SUCH AND NOT AS REPRESENTATIONS OF FACT OR REPRESENTATIONS THAT THE ESTIMATES WILL BE REALIZED.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE CERTIFICATES AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

NEITHER THE DELIVERY OF THIS PRELIMINARY OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE DATE HEREOF.

THIS PRELIMINARY OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT WITH THE PURCHASERS OF THE CERTIFICATES. STATEMENTS IN THIS PRELIMINARY OFFICIAL STATEMENT THAT ARE NOT HISTORICAL INFORMATION ARE FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF THE FEDERAL SECURITIES LAWS. IN THIS RESPECT, THE WORDS “ESTIMATE,” “PROJECT,” “ANTICIPATE,” “EXPECT,” “INTEND,” “BELIEVE,” “FORECAST” AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. ALTHOUGH THE CITY BELIEVES THAT ITS EXPECTATIONS REGARDING FUTURE EVENTS ARE BASED ON REASONABLE ASSUMPTIONS WITHIN THE SCOPE OF ITS KNOWLEDGE, THE CITY CAN GIVE NO ASSURANCE THAT ITS GOALS WILL BE ACHIEVED OR THAT ITS EXPECTATIONS REGARDING FUTURE DEVELOPMENTS WILL BE REALIZED. THE FORWARD-LOOKING STATEMENTS IN THIS PRELIMINARY OFFICIAL STATEMENT ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE THE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED BY THESE STATEMENTS.

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS PRELIMINARY OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE CERTIFICATES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON A SPECIFIC EXEMPTION CONTAINED IN SUCH ACT, NOR HAVE THEY BEEN REGISTERED UNDER THE SECURITIES LAWS OF ANY STATE.

THIS PRELIMINARY OFFICIAL STATEMENT HAS BEEN “DEEMED FINAL” BY THE CITY, PURSUANT TO RULE 15C2-12 PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR INFORMATION WHICH IS PERMITTED TO BE EXCLUDED FROM THIS PRELIMINARY OFFICIAL STATEMENT UNDER SAID RULE 15C2-12.

* * *

CITY OF IDAHO FALLS, IDAHO
308 Constitution Way
Idaho Falls, ID 83402
(208) 612-8100

MAYOR AND CITY COUNCIL

Rebecca L. Noah Casper	Mayor
Michelle Ziel-Dingman	Council President
Shelly Smede	Council Member
James Francis	Council Member
John Radford	Council Member
James Freeman	Council Member
Thomas Hally	Council Member

KEY APPOINTED OFFICIALS

Josh Roos	City Treasurer
Kathy Hampton	City Clerk
Pam Alexander	Municipal Services Director
Chris Fredericksen	Public Works Director
Bryce Johnson	Police Chief
Randall Fife	City Attorney

UNDERWRITER

Stifel, Nicolaus & Company, Inc.
1401 Lawrence Street, Suite 900
Denver, CO 80202

UNDERWRITER'S COUNSEL

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250 W. Bobwhite Ct., Suite 240
Boise, ID 83706
(Mailing Address: P.O. Box 700, Boise, ID 83701)

TRUSTEE, PAYING AGENT AND REGISTRAR

Zions Bancorporation, National Association
800 W Main St, Suite 700
Boise, ID 83702

BOND AND DISCLOSURE COUNSEL

Hawley Troxell Ennis & Hawley LLP
877 Main Street, Suite 1000
Boise, Idaho 83702
(Mailing Address: P.O. Box 1617, Boise, ID 83701)

MUNICIPAL ADVISOR

Zions Public Finance, Inc.
800 W. Main Street, Suite 700
Boise, ID 83702
(208) 501-7533

BANK

Zions Bancorporation, National Association
800 W Main St, Suite 700
Boise, ID 83702

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RENDERING OF THE PROJECT⁽¹⁾



(1) Preliminary, subject to change.

Source: the City.

PRELIMINARY OFFICIAL STATEMENT
[\$[30,000,000]⁽¹⁾
City of Idaho Falls, Idaho
Annual Appropriation Certificates of Participation, Series 2020

INTRODUCTION

The City of Idaho Falls, Idaho (the “City”) in Bonneville County, Idaho (the “County”), a municipal corporation operating and existing under and pursuant to the provisions of the Constitution and laws of the state of Idaho (the “State”), furnishes this Preliminary Official Statement in connection with the offering of \$[30,000,000]⁽¹⁾ Annual Appropriation Certificates of Participation, Series 2020 (the “Certificates”), dated the Date of Delivery. This Preliminary Official Statement, which includes the cover page, inside cover page and appendices, provides information concerning the City and the Certificates.

The Certificates offered hereby evidence undivided ownership interests in payments (the “Lease Payments”) to be made by the City, as lessee under that certain Annual Appropriation Lease Agreement dated December __, 2020 (the “Appropriation Lease”) with Zions Bancorporation, National Association, as lessor (the “Bank”). The Lease Payments are due semiannually on or before each March 1 and September 1, commencing March 1, 2021 and continuing, subject to appropriation annually by the County, through September 1, 20[42]. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES” herein. The Certificates will be issued pursuant to the Annual Appropriation Trust Indenture dated December __, 2020 (the “Trust Indenture”), among the City, the Bank, and Zions Bancorporation, National Association, as trustee (the “Trustee”).

The information set forth herein has been obtained from the City and other sources that are believed to be reliable. The Underwriter has relied on the City with respect to the accuracy and sufficiency of such information and such information is not to be construed as a representation, warranty or guarantee by the Underwriter. So far as any statement herein includes matters of opinion, or estimates of future expenses and income, whether or not expressly so stated, they are intended merely as such and not as representations of fact. This Preliminary Official Statement speaks only as of its date, and the information contained herein is subject to change. Capitalized words and phrases used in this Preliminary Official Statement have the meanings as defined in the forms of Primary Lease (hereinafter defined), Appropriation Lease and Trust Indenture, which documents are attached to this Preliminary Official Statement as Appendices E, F, and G, all of such appendices being herein referred to as the “Documents.” Brief descriptions and summaries of, and information relating to the Certificates, the City, and the Documents are hereinafter included in this Preliminary Official Statement. Such descriptions, summaries and information do not purport to be exhaustive, comprehensive, or definitive. All references herein to the Certificates and the Documents, or the terms or provisions of any of the foregoing, are qualified by reference to such documents in their entirety.

The City

The City is a municipal corporation operating and existing under and pursuant to the provisions of the constitution and laws of the State. Incorporated in 1889, the City is located in southeastern Idaho and occupies a land area of approximately 24 square miles. The City is the County seat and the largest city in the County, with an estimated population of 62,888. The City serves as a regional center for retail, wholesale, medical, educational and governmental services.

The City provides the following services: general administrative services, planning and building, public safety (police, fire, ambulance and animal control), parks and recreation, streets, library, public works, airport, water, sanitation, electric, wastewater utility. For additional information see “THE CITY” herein.

Purpose of the Certificates

The Certificates are being issued to finance the costs of (i) razing, demolishing or removing the existing improvements located on certain real property currently owned by the City (the “Property”), (ii) preparing, constructing, furnishing, equipping and improving certain real and personal property comprising a new City police headquarters building and related facilities on the Property for use by City (the “Improvements” as further described in “THE PROJECT—The Improvements” herein, and collectively with (i), the “Project”), as well as (iii) the Costs of Issuance of the Certificates. See “PURPOSE AND USE OF PROCEEDS” herein.

Authorization

Pursuant to Section 50-301, Idaho Code, the City is authorized to acquire, hold, lease, and convey property, real and personal, and to erect buildings or structures of any kind, needful for the uses or purposes of the City. The City Council of the City (the “City Council”) adopted an Ordinance at a regular meeting on November __, 2020 (the “Ordinance”) approving the terms and provisions of the Primary Lease (as defined below), the Appropriation Lease, and the Trust Indenture and delegating authority to officials of the City to approve the pricing and sale of the Certificates and to enter into a purchase contract with the Underwriter, and to execute and deliver the documents with such changes necessitated by the pricing and sale of the Certificates.

The Certificates and Financing Structure

Pursuant to its statutory authority and the Ordinance, the City is authorizing the issuance of the Certificates pursuant to the Trust Indenture. Concurrently with the issuance of the Certificates, (a) the City and the Bank will enter into a Primary Lease dated as of December __, 2020 (the “Primary Lease”), pursuant to which the City will lease the Property together with the Improvements to be constructed thereon (the Property and Improvements collectively referred to as the “Facilities”) to the Bank for a term ending September 30, 20[42] or such earlier date as the Certificates shall have been fully paid or payment provided therefor, or such longer period until the Certificates are no longer Outstanding and shall have been fully paid and retired, but not exceeding ninety-nine (99) years, and (b) the City and the Bank will enter into a separate Appropriation Lease pursuant to which the Bank will lease the Facilities back to the City on an annual basis subject to appropriation and renewal by the City. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES.”

Security for the Certificates

The Lease Payments secure the Certificates and are general obligations of the City payable from any of its Lawful Funds (as defined herein). **The Lease Payments are subject to annual appropriation by the City in each year as part of its budgeting and appropriation process.** See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES—Lease Payments Subject to Appropriation,” herein.

THE CERTIFICATES AND THE INTEREST PAYABLE THEREON DO NOT CONSTITUTE A DEBT OR LIABILITY OR A PLEDGE OR LENDING OF THE FAITH AND CREDIT OF THE STATE, ITS LEGISLATURE OR ANY POLITICAL SUBDIVISIONS OR AGENCIES THEREOF, OTHER THAN THE CITY TO THE EXTENT HEREIN DESCRIBED. THE ISSUANCE OF THE CERTIFICATES DOES NOT DIRECTLY, INDIRECTLY, OR CONTINGENTLY OBLIGATE THE CITY (EXCEPT AS STATED IN THE PRIOR SENTENCE), THE STATE, ITS LEGISLATURE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR COLLECT ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT THEREOF. NOTHING HEREIN SHALL BE CONSTRUED TO PLEDGE REVENUES FROM, OR GIVE A SECURITY INTEREST IN, ANY REVENUES, PROPERTIES OR FACILITIES OF THE CITY EXCEPT AS SPECIFICALLY SET FORTH IN THE TRUST INDENTURE. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES” herein.

Delivery of the Certificates

The City expects to deliver the Certificates on or about December __, 2020.

Tax Status of the Certificates

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Certificates is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Certificates (the “Tax Code”), and interest on the Certificates is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, and interest on the Certificates is excluded from gross income for purposes of income taxation by the State. See “TAX MATTERS.”

This Introduction is not a summary of this Preliminary Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Preliminary Official Statement, including the cover page and appendices hereto and the documents summarized or described herein. A full review should

be made of the entire Preliminary Official Statement. The offering of the Certificates to potential investors is made only by means of the entire Preliminary Official Statement.

DESCRIPTION OF THE CERTIFICATES

Principal Amount, Date, Interest Rate and Maturity

The Certificates will be issued in the aggregate principal amount of \$[30,000,000]⁽¹⁾, are dated the Date of Delivery, and will mature on September 15 in the years shown on the inside cover hereof. The Certificates shall bear interest as set forth on the inside cover hereof payable on March 15, 2021 and semiannually thereafter on March 15 and September 15 of each year until maturity or earlier redemption thereof. Interest on the Certificates will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Redemptions

Optional Redemption. The Certificates maturing on September 15 in the years 20[21] through 2030, inclusive, are not subject to optional redemption prior to their stated dates of maturity. The City has reserved the right to call and redeem the Certificates maturing on or after September 15, 2031, prior to their stated dates of maturity, in whole or in part (maturities to be selected by the City and randomly within a maturity in such manner as the Trustee shall determine) at any time, on and after September 15, 2030, at the price of par plus accrued interest, if any, to the date fixed for redemption.

Mandatory Redemption. [Unless previously called under the provisions for optional redemption, the Certificates maturing on September 15 ____ are Term Certificates and are subject to mandatory redemption and retirement prior to maturity, in part, by lot in such manner as the Trustee shall determine, at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon, if any, to the date fixed for redemption, as set forth in the following table:

SEPTEMBER 15 OF THE YEAR	MANDATORY REDEMPTION AMOUNT
20__	\$ _____
20__*	_____

*term Certificate, stated maturity]

Redemption of Certificates in Whole upon Occurrence of Certain Events. The Certificates are also redeemable at the option of the City in whole at any time at a redemption price equal to 100% of the principal amount of each Certificate redeemed plus accrued interest to but not including the redemption date upon the occurrence of any of the following events:

(a) The Facilities shall have been damaged or destroyed to such extent that, as expressed in a Consulting Architect's Certificate filed with the City, the Bank and the Trustee, (i) the Facilities cannot be reasonably restored within a period of twelve (12) consecutive months to the condition thereof immediately preceding such damage or destruction, or (ii) the City is thereby prevented from carrying on its normal operations with respect to the Facilities for a period of twelve (12) consecutive months.

(b) Title to, or the temporary use of, all or substantially all the Facilities shall have been taken under the exercise of the power of eminent domain by any governmental authority, or person, firm or corporation acting under governmental authority, including such a taking or takings as results, as evidenced in a Consulting Architect's Certificate filed with the City, the Bank and the Trustee, in City being thereby prevented from carrying on its normal operations at the Facilities for a period of twelve (12) consecutive months.

(c) A defect in title shall have occurred that results in a complete loss of the City's title to the Facilities.

Redemption of Certificates in Part upon Occurrence of Certain Events. The Certificates are also redeemable by the City in part at any time at a redemption price equal to 100% of the principal amount of each Certificate redeemed plus accrued interest to but not including the redemption date payable only with Net Proceeds of insurance or a condemnation award upon the occurrence of any of the following events:

(a) The Facilities are destroyed or damaged (in whole or in part) by fire or other casualty to such extent that the claim for loss under the insurance policies required to be carried pursuant to the Appropriation Lease resulting from such destruction or damage is \$500,000 or more, provided that the City furnishes to the Bank and the Trustee a Consulting Architect's Certificate stating (i) that the portion of the Facilities damaged or destroyed is not essential to City's use or occupancy of the Facilities, or (ii) that the Facilities have been restored to a condition substantially equivalent to their value and condition prior to the damage or destruction or (iii) that the Facilities have been restored to a condition substantially equivalent to their value and condition prior to the damage or destruction.

(b) Title to, or the temporary use of, the Facilities or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority and the Net Proceeds from any award made in such eminent domain proceedings is \$500,000 or more, provided that the City furnishes to the Bank and the Trustee a Consulting Architect's Certificate stating (i) that the portion of the Facilities taken by such condemnation proceedings is not essential to City's use or occupancy of the Facilities, or (ii) that the Facilities have been restored to a condition substantially equivalent to their value and condition prior to the taking by such condemnation proceedings, or (iii) that improvements have been acquired which are suitable for the City's operations at the Facilities and such other improvements will, together with the remaining improvements after eminent domain be of substantially the same value as the Facilities prior to the taking.

(c) A defect in title shall have occurred that results in a partial compensable loss of \$500,000 or more under the leasehold owner's policy of title insurance (extended coverage) required by the Primary Lease and the Appropriation Lease.

Certificates Redeemed in Part

Any Certificate which is to be redeemed only in part shall be surrendered at a place stated for the surrender of Certificates called for redemption in the notice pursuant to the Trust Indenture with due endorsement by, or a written instrument of transfer in form satisfactory to the Trustee duly executed by, the Owner thereof or his attorney duly authorized in writing and with guaranty of signatures satisfactory to the Trustee) and the Bank shall cause the Trustee to authenticate and deliver to the Owner of such Certificate without service charge a new certificate or certificates of the same series in any authorized denomination as requested by such Owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Certificate so surrendered.

Notice of Redemption

Notice of redemption shall be given by the Trustee by mail (first class, postage prepaid), not less than thirty (30) or more than sixty (60) days prior to the redemption date, to the Owners, as of the Record Date, of each Certificate which is subject to redemption, at the address of such Owner as it appears in the registration books kept by the Trustee, or at such other address as is furnished to the Trustee in writing by such Owner on or prior to the Record Date. Each notice of redemption shall state the name and series of the Certificates, the Record Date, the redemption date, the place of redemption, the principal amount if less than all, the distinctive numbers of the Certificates or portions of Certificates to be redeemed, and also shall state that the interest on the Certificates in such notice designated for redemption shall cease to accrue from and after such redemption date and that, on said date, there will become due and payable on each of said Certificates the principal thereof, interest accrued thereon to the redemption date, and premium, if any. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the Owner or other recipient receives such notice. Failure to mail such notice or any defect therein shall not affect the validity of the proceedings for redemption of the Certificates.

In addition to the foregoing notice, further notice shall be given by the Trustee as set out below, but no defect in said further notice or any failure to give all or any portion of such further notice shall affect in any manner the validity of a call for redemption if notice thereof is given as above described:

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Certificates being redeemed; (ii) the date of issue of the Certificates as originally issued; (iii) the rate of interest borne by each Certificate being redeemed; and (iv) the maturity date of each Certificate being redeemed; and (v) the series and any other descriptive information needed to identify accurately the Certificates being redeemed.

(b) Each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date by telecopy, mail (first class, postage prepaid) or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Certificates designated by the Trustee by the City and to any nationally recognized information services designated by the City to the Trustee.

(c) Upon the payment of the redemption price of Certificates being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number or numbers identifying, by issue and maturity, the Certificates being redeemed with the proceeds of such check or other transfer.

If conditional notice of redemption has been given and sufficient funds to pay the redemption price, including accrued interest on the Certificates to be redeemed, shall not have been deposited with the Trustee, such notice of redemption shall be of no force and effect and the Trustee shall not be required to redeem the Certificates on the redemption date.

Funds under the Trust Indenture

The following funds are created under the Trust Indenture:

Debt Service Fund. The Debt Service Fund shall be held by the Trustee for the payment of principal and interest on the Certificates.

Construction Fund. The Construction Fund shall be funded with proceeds from the sale of Certificates, as necessary to pay Costs of Acquisition and Construction of the Project. Amounts on deposit in the Construction Fund shall be invested by the Trustee pursuant to written certificates of the City in Permitted Investments that mature not later than such times as shall be necessary to provide moneys when needed to pay such Costs of Acquisition and Construction. The interest, as well as the gain, if any, on such investments shall be deposited into the Construction Fund.

The Trustee shall make disbursements to pay Costs of Acquisition and Construction from the Construction Fund account in the amounts, at the times, in the manner, and on the other terms and conditions set forth in the Trust Indenture and Appropriation Lease. After completion of the payment of all Costs of Acquisition and Construction of the Project, as certified by the City, any balance within the Construction Fund shall be transferred (1) first, to the Rebate Fund in an amount required to comply with the Trust Indenture and (2) second, to the extent of any remaining balance, to the Debt Service Fund, and the Construction Fund shall thereafter be closed and terminated.

Costs of Issuance Fund. The Costs of Issuance Fund for the Certificates shall be held by the Trustee and shall be funded with so much of the Net Certificate Proceeds as shall be required to pay the Costs of Issuance of the Certificates, and from which the Costs of Issuance (except the underwriter's compensation and bond insurance premium, if any) shall be paid by the Trustee pursuant to a written certificate and request of the City. Moneys in the Costs of Issuance Fund shall be invested by the Trustee in Permitted Investments pursuant to written certificates by the City. The interest, as well as the gain, if any, on such investments shall be deposited into the Costs of Issuance Fund. Any balance remaining in the Costs of Issuance Fund after payment of the Costs of Issuance or 90 days after the initial delivery of the Certificates, which ever shall first occur, shall be transferred to the Construction Fund, and the Costs of Issuance Fund shall thereupon be closed.

Rebate Fund. The Rebate Fund shall be held by the Trustee separate and apart from all other funds established under the Trust Indenture. At the time and in the manner required by the Tax Code, the City, using such consultants as it deems necessary, shall calculate the amount, if any, required to be rebated as of such date to the United States Treasury with respect to the Certificates, and shall instruct the Trustee in writing to transfer such amounts from the Debt Service Fund to the Rebate Fund or shall otherwise pay such amounts to the Trustee for deposit into the Rebate Fund. All amounts in the Rebate Fund, including income earned from investment of the Rebate Fund, shall be held by the Trustee free and clear of the lien of the Trust Indenture, and the Trustee shall pay said amounts over to the United States from time to time as the Trustee shall be instructed in writing by the City, in accordance with the Tax Certificate.

Tax Covenant

In the Appropriation Lease, the City covenants for the benefit of the Beneficial Owners (defined below) and the Bank that during the Lease Term it will not take any action or omit to take any action with respect to the Certificates, the proceeds

thereof, any other funds of the City or any facilities financed with the proceeds of the Certificates if such action or omission (i) would cause the interest on the Certificates to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (ii) would cause interest on the Certificates to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, or (iii) would cause interest on the Certificates to lose its exclusion from State income taxation under present State law.

The Trustee

The City has appointed Zions Bancorporation, National Association, a national banking association organized under the laws of the United States, to serve as Trustee for the Certificates under the Trust Indenture. The Trustee is to carry out those duties assignable to it under the Trust Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Preliminary Official Statement and does not assume any responsibility for the nature, completeness, contents or accuracy of the Preliminary Official Statement.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the City of any of the Certificates authenticated or delivered pursuant to the Trust Indenture or for the use or application of the proceeds of such Certificates by the City. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Certificates and makes no representation, and has reached no conclusions, regarding the value or condition of any assets pledged or assigned as security for the Certificates, the technical or financial feasibility of the Facilities, or the investment quality of the Certificates, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

The principal of and interest on the Certificates will be payable by the Trustee to DTC, which, in turn, is obligated to remit such principal and interest to its participants ("DTC Participants") for subsequent disbursement to the persons in whose names such Certificates are registered (the "Beneficial Owners"), as further described in APPENDIX C attached hereto. Interest on the Certificates shall be credited to the Beneficial Owners by the DTC Participants.

Additional information about the Trustee and its services may be found at Zions Bank's website at <https://www.zionsbank.com/business-banking/other-banking-services/corporate-trust/>. The Zions Bank website is not incorporated into this Preliminary Official Statement by such reference and is not a part hereof.

Book-Entry System

The Certificates will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co. as the Beneficial Owner and as nominee for DTC. DTC will act as securities depository for the Certificates. Individual purchases and sales of the Certificates may be made in book-entry form only in minimum denominations of \$5,000 within a single maturity and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Certificates. See APPENDIX C attached hereto for additional information.

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SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES

Structure of Primary Lease and Appropriation Lease

Concurrently with the issuance of the Certificates, (a) the City and the Bank will enter into a Primary Lease, pursuant to which the City will lease the Property together with the Improvements to be constructed thereon (the Property and Improvements collectively referred to as the “Facilities” as previously defined) to the Bank for a term ending September 30, 20[42] or such earlier date as the Certificates shall have been fully paid or payment provided therefor, or such longer period until the Certificates are no longer Outstanding and shall have been fully paid and retired, but not exceeding ninety-nine (99) years, and (b) the City and the Bank will enter into a separate Appropriation Lease pursuant to which the Bank will lease the Facilities back to the City on an annual basis subject to appropriation and renewal by the City.

During the Term of the Primary Lease (as defined therein), the parties have agreed that the mutual promises and covenants contained therein constitute good and valuable consideration for entering into the Primary Lease and no rent shall be payable from the Bank to the City for the use and enjoyment of the Facilities.

Pledge under Trust Indenture

Under the Trust Indenture, the Bank has assigned, transferred, pledged, and granted a security interest to the Trustee, and its successors in trust and assigns, for the benefit and security of the owners of the Certificates, all of its right, title and interest in (i) the Primary Lease, (ii) the Appropriation Lease including Lease Payments, revenues and rents received or receivable by the Bank thereunder, (iii) all of the right, title and interest of the Bank in and to all funds (other than the Rebate Fund) established under the Trust Indenture, and (iv) all of the right, title and interest of the Bank in and to all furniture, furnishings and equipment acquired with proceeds of the Certificates located and installed in the Facilities or used in the operations of the Facilities, including, without limitation (a) office and conference room furnishings, (b) audio-visual and information technology equipment, and (c) all such other furniture, furnishings and equipment used in the operations of the Facilities (collectively, the “Trust Estate”). The Primary Lease and Appropriation Lease, or summaries thereof, and a memorandum of assignment of the Primary Lease and Appropriation Lease by the Bank to the Trustee shall be recorded in the real property records of Bonneville County, Idaho. A financing statement covering the Trust Estate assigned to the Trustee under the Indenture shall be filed with the Idaho Secretary of State.

Sources of Payment

Lease Payments under the Appropriation Lease are payable, subject to appropriation annually by the City, from any lawful funds of the City. For this purpose, “Lawful Funds” include:

- (i) all operating and nonoperating governmental revenues of the City—See “REVENUE SOURCES OF THE CITY” herein—excluding all revenues that the City is obligated to spend in accordance with restrictions imposed by law or external third parties; and
- (ii) unrestricted General Fund reserves of the City.

Lease Payments are due semiannually on or before each March 1 and September 1, commencing March 1, 2021 and continuing, subject to appropriation annually by the City, through September 1, 20[42]. For the Initial Term and any Renewal Term, as applicable, the City shall pay to the Trustee for deposit into the Debt Service Fund on or before each March 1 and September 1 Lease Payment Date, the semiannual Lease Payment amount, which amount shall be used to pay the principal of, premium, if any, and interest on the Certificates in the amount due on the next March 15 and September 15 Payment Date.

The historical Lawful Funds of the City have been estimated on the following page.

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TABLE 1
HISTORICAL LAWFUL FUNDS OF THE CITY

	Fiscal Year Ending September 30				
	2019	2018	2017	2016	2015
Property Taxes; Total Governmental Funds.....	\$35,643,253	\$32,103,079	\$31,003,853	\$29,950,485	\$28,789,716
Other Revenues; General Fund.....	18,401,283	14,112,577	13,223,490	11,510,533	9,903,076
Other; Total Governmental Funds ¹	628,111	321,933	297,858	489,034	323,276
Lawful Funds from Revenues.....	\$54,672,647	\$46,537,589	\$44,525,201	\$41,950,052	\$39,016,068
Assigned and Unassigned Fund Balances; General Fund.....	10,273,581	13,488,374	17,323,033	21,054,116	16,841,914
Assigned and Unassigned Fund Balances; Capital Projects Funds.....	201,754	0	2,713,393	910,193	988,317
Lawful Funds from Reserves (Prior Year End).....	\$10,475,335	\$13,488,374	\$20,036,426	\$21,964,309	\$17,830,231

¹ Includes Charges for Services and Interest from Capital Projects funds.

Source: Information extracted from the City's audited financial statements for the stated Fiscal Years. This summary has not been audited.

Lease Payments Subject to Appropriation

The obligation of the City to make Lease Payments is subject to annual budgeting thereof by the City Council and renewal of the Appropriation Lease at the option of the City. The initial term of the Appropriation Lease extends through September 30, 2021 (the “Initial Term”) and is subject to annual renewal by the City for a total of not more than [twenty-one (21)] consecutive renewal terms commencing on October 1, 2021, or on any subsequent October 1, and terminating on the following September 30 (each a “Renewal Term”). Each Renewal Term shall be for no more than one year in duration. The final Renewal Term shall commence October 1, 20[41] and terminate September 30, 20[42] unless the Appropriation Lease shall be sooner terminated as set forth therein. The City has included an appropriation for the Lease Payment relating to the Initial Term in its Fiscal Year 2020-21 Budget adopted August 27, 2020.

On or before August 1 of each year, the City may, in its sole discretion, give notice to the Bank and Trustee of its intent to renew the Appropriation Lease for the next subsequent Renewal Term (the “Notice of Intent to Renew”). Such Notice of Intent to Renew shall include the City’s confirmation that it will consider at an August meeting a tentative appropriation of funds sufficient to pay Lease Payments for the next subsequent Renewal Term. See “THE CITY—Budgetary Process” herein. The Notice of Intent to Renew is conditional on the City Council’s budgeting of funds therefor and does not constitute a renewal of the Appropriation Lease nor obligate the City to budget funds for the purpose of such renewal. In the event the Bank and Trustee shall not have received the Notice of Intent to Renew by August 1 of each year, the Bank or Trustee will notify the City of such non-receipt, and the City shall then have until August 15 to deliver to the Bank and Trustee its Notice of Intent to Renew.

Provided the Notice of Intent to Renew has been delivered timely, the City may, at its option, renew the Appropriation Lease by budgeting funds therefor and by thereafter providing to the Bank and Trustee a notice of renewal accompanied by a certified copy of the ordinance or other official action of the City Council adopting its budget which includes the expenditure of funds for Lease Payments for said Renewal Term or otherwise evidencing the appropriation of the Lease Payment for the next Renewal Term (collectively, the “Notice of Renewal”). The City typically adopts its budget on or before August 31 of each year. The Notice of Renewal shall be due to the Bank and Trustee promptly following the adoption of the City’s budget containing the appropriation and in no event later than September 15 preceding the next Renewal Term. The budgeting of funds as aforesaid shall constitute a valid and enforceable obligation of the City for the payment of such funds for such Renewal Term and shall not be subject to abatement for any cause.

If the City fails to deliver the Notice of Intent to Renew by August 15, after notification of nonreceipt by Bank or Trustee, or the Notice of Renewal by September 15, or if the City shall at any time notify the Bank and Trustee that the City has elected to not renew the Appropriation Lease, an “Event of Nonrenewal” of the Appropriation Lease shall be deemed to

have occurred and the Bank may exercise the remedies provided in the Appropriation Lease and the Trust Indenture upon such occurrence. **Upon an Event of Nonrenewal, the City has no further obligation or exposure to penalty or recourse except that it surrenders possession of the Facilities.** See “Remedies on Default or Nonrenewal” below.

At any time during the Initial Term or any Renewal Term, the City may purchase the Bank’s right, title and interest in the Facilities pursuant to certain terms and conditions as set forth in the Appropriation Lease including, but not limited to, providing notice and tendering the purchase price (as described in Article XI of the Appropriation Lease). Upon retirement of the Certificates, the City shall have the option to purchase all of the Bank’s remaining right, title and interest in the Facilities, if any, for nominal consideration (\$10). The City’s option to purchase the Bank’s right, title and interest in the Facilities survives an Event of Nonrenewal.

Events of Default under the Appropriation Lease

The following are “events of default” under the Appropriation Lease and the term “event of default” shall mean any one or more of the following events:

1. Failure by the City to pay the Lease Payments required to be paid under the Appropriation Lease when the same shall become due and payable.
2. Failure by the City to pay under the Appropriation Lease when the same shall become due and payable: (i) all taxes and assessments, general or special, concerning the Facilities, or any part thereof, during the Lease Term and any other governmental charges and impositions whatsoever, and all utility and other charges and assessments, or (ii) the reasonable and necessary fees and expenses of Bank thereunder or of the Trustee under the Trust Indenture.
3. Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Appropriation Lease, other than as referred to in subsection 1 or 2 above, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, given to the City by the Bank, provided, however, that in the event that such failure cannot reasonably be remedied within such 30-day period, the City has commenced such remedy during such 30-day period and diligently and continuously prosecutes the same to completion and the City provides the Bank with a certification to such effect.
4. The failure by the City promptly to commence proceedings to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry on its operations at the Facilities or to make any payments under the Appropriation Lease, or the filing by the City of a petition seeking a composition of indebtedness under any applicable law or statute of the United States of America or of the State.
5. The City admits insolvency or bankruptcy or its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee or receiver for the Facilities or if bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors, are instituted by or against the City (other than bankruptcy proceedings instituted by the City against third parties), and if instituted against the City are allowed against the City or are consented to or are not dismissed, stayed or otherwise nullified within ninety days after such institution.
6. An event of default caused by actions of the City under the Trust Indenture shall have occurred and be continuing.
7. Failure by the City to perform any of its obligations under the Primary Lease.

Remedies on Default or Nonrenewal

In addition to other remedies specified in the Trust Indenture—See APPENDIX G—the Trustee has the following remedies:

If an Event of Default shall have happened and shall not have been remedied or if an Event of Nonrenewal shall occur, the Trustee may, in addition to any other remedies provided in the Trust Indenture, terminate the Appropriation Lease, cause the City to vacate, or be evicted from, the Facilities, or any portion thereof, take possession of the Facilities, or any portion thereof, and may lease the Facilities or any portion thereof, subject to the Primary Lease, for the benefit of the Beneficial

Owners. Any such lease and sublease shall be conditioned, however, on an agreement by the lessee/sublessee or assignee to use the Facilities in a manner permitted under applicable zoning restrictions and in such a manner as does not unreasonably interfere with maintenance of City's fee interest in the Facilities and, in the event of lease or assignment, result in deterioration in the condition of the Facilities, reasonable wear and tear excepted. Notwithstanding the foregoing, title to all personal property pledged as part of the Trust Estate is technically held in the City's name for convenience purposes only and, upon an Event of Default or an Event of Nonrenewal, the disposition of such personal property shall, to the extent permitted by law, be governed by the Uniform Commercial Code as adopted in the State. The Trustee shall also have the discretion and authority to retain consultants or managers, including the City.

Additionally, if any Event of Default shall have happened and shall not be remedied or if an Event of Nonrenewal shall occur, the Trustee may take whatever action at law or in equity as may appear necessary or desirable to collect the amounts then due and thereafter to become due for the remainder of the Initial Term or the Renewal Term then in effect, or to enforce performance or observance of any obligations, agreements, or covenants of the City under the Appropriation Lease, the Primary Lease or the Trust Indenture; provided that the Trustee may not sell the Bank's leasehold interest in the Facilities without first obtaining a waiver by the City of its reversionary interest under the Primary Lease and provided further that the liability of the City does not extend beyond amounts owed under the Appropriation Lease for the Lease Term and no covenant or agreement contained in the Appropriation Lease, the Primary Lease, the Trust Indenture or the Certificates shall be deemed to be a covenant or agreement of the City, or otherwise obligate the City, to make a future appropriation of funds. Upon retirement of the Certificates, the City shall have the option to purchase all of the Bank's remaining right, title and interest in the Facilities, if any, for nominal consideration (\$10). The City's option to purchase the Bank's right, title and interest in the Facilities survives an Event of Nonrenewal.

Covenants under the Appropriation Lease

The City covenants in the Appropriation Lease as follows:

Maintenance of and Modifications to the Facilities. During the Lease Term from funds appropriated therefor, the City agrees that it will at its own expense (i) keep the Facilities in as reasonably safe condition as its operations permit, (ii) to maintain a level of quality and operation of the Facilities that is at least comparable to the level of quality of character and operation of similar property, and (iii) keep the Facilities in good repair and in good operating condition, making from time to time all necessary repairs thereto (including external and structural repairs) and renewals and replacements thereof. The City may also at its own expense make from time to time any additions, modifications or improvements to the Facilities it may deem desirable for its purposes that do not adversely affect the structural integrity of the Facilities or substantially reduce the value or impair the character of the Facilities; provided that all such additions, modifications and improvements to the Facilities shall comply with all applicable building code regulations and ordinances. All such additions, modifications and improvements made by the City shall become a part of the Facilities. During the Lease Term, the City will not permit any mechanics' lien, security interest or other encumbrance to be established or to remain against the Facilities for labor or materials furnished; provided, that if the City first notifies Bank of its intention to do so, the City may in good faith contest any mechanics' or other liens filed or established against the Facilities.

Taxes, Other Governmental Charges and Utility Charges. During the Lease Term from funds appropriated therefor, the City covenants to pay promptly (i) all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against, or with respect to, the Facilities, as and when acquired, or any interest therein or any machinery, equipment or other property installed or brought by any person therein or thereon; (ii) all utility, water, sewer, electrical, license fees and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Facilities; and (iii) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Facilities; provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as may have become due during the Lease Term.

Insurance. During the Lease Term from funds appropriated therefor, City agrees to insure the Facilities, as and when acquired, in such amounts and in such manner and against such loss, damage and liability, including liability to third parties, as are customary for property of similar function and scope to the Facilities, taking into account liability limits provided by State law, or as may be reasonably requested by Bank and, to the extent not paid by contractors during construction or acquisition of the Improvements, to pay the premiums with respect thereto. Property and casualty insurance must be obtained for the full replacement cost of the Facilities. Such coverage must apply exclusively to the Facilities and

must be available to repair/rebuild such facilities under all circumstances after the occurrence of an insured peril. Full payment of insurance proceeds up to the required policy dollar limit in connection with damage to the Facilities shall, under no circumstances, be contingent on the degree of damage sustained at other facilities owned or leased by the City. The policy must explicitly waive any co-insurance penalty. All policies maintained pursuant to the Appropriation Lease (except for workmen's compensation insurance) shall name the City and the Bank as insureds, and the Trustee as an additional insured, as their respective interests may appear.

In the event the City shall fail to maintain the full insurance coverage required by the Appropriation Lease or shall fail to keep the Facilities in good repair and good operating condition, the Bank may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or make the required repairs, renewals and replacements; and all amounts advanced therefor by the Bank during the Lease Term shall become an additional obligation of the City to the Bank, which amounts the City agrees to pay on demand, together with interest thereon, subject to appropriation by the City.

The City is insured through the Idaho Counties Risk Management Program ("ICRMP") and the Bank acknowledges and agrees in the Appropriation Lease that: (i) ICRMP coverage is acceptable and in compliance with the requirements of the Appropriation Lease; and (ii) any insurance requirement or obligation in the Appropriation Lease which is contrary to insurance offered by ICRMP or unavailable through ICRMP is void and inapplicable as to the City, including, without limitation, any disallowance by ICRMP of provisions for additional insureds, indemnity and waiver of subrogation; provided, however, the City shall use commercially reasonable efforts to negotiate terms with ICRMP that deviate as little as possible from the insurance requirements set forth in the Appropriation Lease.

Additional Covenants. The City and the Bank, as applicable, make additional covenants under the Appropriation Lease. See APPENDIX F—FORM OF ANNUAL APPROPRIATION LEASE AGREEMENT, Article 8.

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PURPOSE AND USE OF PROCEEDS

Purpose of the Certificates

The Certificates are being issued to finance the costs of (i) razing, demolishing or removing the existing improvements located on the Property, and (ii) preparing, constructing, furnishing, equipping and improving the Improvements (collectively with (i), the "Project"), as well as (iii) the Costs of Issuance of the Certificates. See the "THE PROJECT" herein.

Sources and Uses of Funds

The proceeds of the Certificates are estimated to be applied as follows:

TABLE 2
ESTIMATED SOURCES AND USES OF FUNDS

Sources of Funds ⁽¹⁾	
Par Amount of Annual Appropriation Certificates	\$ _____
Plus: Net Original Issue Premium	\$ _____
Total Sources of Funds	\$ _____
Uses of Funds ⁽¹⁾	
Deposit to Construction Fund ⁽²⁾	\$ _____
Costs of Issuance ⁽³⁾	\$ _____
Underwriter's Discount	_____
Total Uses of Funds	\$ _____

(1) Amounts will be provided in the final Official Statement.

(2) Includes rounding amount of \$_____.

(3) Includes rating agency fees, municipal advisory fees, legal fees, printing costs, and other costs of issuing the Certificates.

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THE PROJECT

Background

The Idaho Falls Police Department (the “IFPD” or the “Department”) is working to provide further community-based policing efforts whereby the Department works to develop a positive relationship with the community and demonstrate that it cares about the quality of life in the City. One area of weakness that restrains the IFPD from being able to advance its vision is the lack of an appropriate facility that is welcoming to the community and supports the efforts and technology of a modern policing era. The IFPD has never had a dedicated, standalone police station. Over the years, the Department has occupied spaces in various locations from the basement of the City Hall to several concurrent buildings throughout the City as the need for more space arose and additional space could be acquired. All spaces have been borrowed from other departments, leased long or short term, or ‘lent’ for short periods of time by private citizens. This has resulted in time and cost in moving personnel and equipment from place to place as well as communication and interpersonal collaboration inefficiencies in department operations.

The space the IFPD currently occupies is not owned by the City. Since 1970, the Department has had a Landlord/Tenant agreement with the County and has housed its main offices in the County Law Enforcement Building in the City adjacent to the County courthouse in space that also houses the County Sheriff’s Office and the Emergency Operations Center. Any changes to the space have to be submitted to and approved by the County, which owns the building. Due to operational growth over the past 50 years, seven other facilities (eight in total) have been added across the City to house equipment, operations, and personnel. All of these buildings currently in use were not designed for law enforcement operations. As such, they are not constructed to the higher, hardened security standard so that operations may continue even after a natural disaster or terrorist event. The current combined facilities of the IFPD are inadequate to serve the needs of the Department and lack the form to fit the function for today’s policing needs.

In November of 2018, at the request of the Mayor, a citizen’s committee was formed and was tasked with re-evaluating the need for an independent police facility. The committee consisted of 10 individuals who are members of the Idaho Falls Community with various professional and personal backgrounds—representing a cross-section of the community from business owners to employed professionals, retirees and those in non-profit entities. The committee identified a number of shortcomings with the current IFPD facilities and ultimately came to a unanimous conclusion to support building a new IFPD headquarters building.

As identified by the committee, the current IFPD facilities simply lack sufficient space to accommodate the current and future needs of the Department. The IFPD staffing and sworn officer numbers have not changed notably over the last dozen years, while the City’s overall population has seen considerable growth. During this same period, the City has seen a rise in drug related crime and mental health issues within the community. To achieve an appropriate ratio of officers to citizens, the City needs to increase staffing. However, in order to accommodate further new hires, additional office and operations space needs to be acquired. Not having appropriate space restricts the IFPD from making potentially critical mission and vision related changes in staffing and organizational direction in both the near and long term as it lacks the physical space to shift toward evolving policing disciplines, should the need arise. Beyond the need for additional space for detectives, patrol and other office space, some of the key concerns highlighted by the committee were the need for a more open and friendly building accessibility for the public as well as the need for improved interview rooms, evidence space, meeting space and a general lack of office space as discussed in further detail below.

As an initial matter, because the County Law Enforcement Building entrance now also includes courthouse access, in order to enter the building each person must pass through a metal detector and is subject to search. For someone visiting the IFPD to report a crime or make a witness statement, this is not a warm or non-threatening greeting. The Department wants to encourage the public to visit and feel welcome, to participate in outreach programs and to help the officers feel an integral member of the community. In addition, the two interview rooms at the current IFPD facility have not changed since the 1970s. They are adjacent to one another and are not soundproof. This causes potential conflict if two suspects are being interviewed at once, or if a victim and suspect are being interviewed simultaneously. As a result, only one can be utilized at any given time. Further, there is not a “soft” interview space onsite at all that is appropriate to interview victims, particularly underage victims or victims of sex crimes. These interviews require additional procedures and need to be handled with particular care.

The current evidence room lacks sufficient space to operate at the highest standards. It is at capacity, and often in order to take in new evidence, older evidence must first be disposed of. It has insufficient ventilation and often smells of marijuana,

which is not desirable for the officer that has a presence in the room. Additionally, there is not even space dedicated to review evidence on hand. Should, for example, an attorney visit to view evidence in a case, the desk of the evidence officer is the only flat space in the room to spread out the evidence for visual review. An improved evidence space is critical as technology is playing an increasingly important role on the collection and processing of evidence and clearing crimes and delivering closure to victims. Moreover, the current facility contains one conference room that is multipurpose and can functionally accommodate seating for about 10, but by necessity regularly hosts meetings for 15-20. It also functions as a 'cut through' from one portion of the space to the offices in the South end of the building. The facility lacks a meeting space large enough to gather and have the Department together for meetings and team building events. More office space is needed by the Department. At the main facility, there is not enough space for any additional detectives. All the current offices are fully or over utilized and some officers and staff are in spaces not appropriate for their roles (e.g., the sex crimes investigator is in an office in the basement isolated from the other departments). Additional office space has been obtained in other locations on a short-term basis to fill the gaps but this separation hinders the investigation process and collaboration between internal divisions when working to solve crimes.

In addition, the current IFPD facilities also have the following deficiencies: (i) no cooled kennel space for K9 officers while their human partners are in office in briefings or filing reports; currently officers are keeping their K9s in the car with the car running in the parking lot; (ii) no kitchen/break room; (iii) insufficient space for forensic technology analysis equipment—a problem that will compound over time as more computers/phones/electronic devices are used and need to be analyzed to solve crimes; (iv) no bicycle storage area—in the summer, bicycles often are leaning against walls in the hallways, and have to be stored off site in the winter; (v) no secured sally port allowing for safe transportation and securing suspects into the holding cells; (vi) no secure parking for Department vehicles; (vii) no secure indoor location to conduct car searches; and (viii) deficient laboratory facilities—the current space has insufficient ventilation and due to the building age and configuration adequate ventilation cannot be retrofitted, requiring additional expensive filters on equipment. This lack of space is limited requiring some evidence to be shipped off-site for processing, lengthening the time to solving or clearing a case and extending the cost of processing the evidence. Overall security is also an issue with multiple buildings and entry points, some satellite facilities not being manned 24/7 leaving computers and equipment potentially more vulnerable.

As mentioned, the IFPD is making strong efforts to follow a community-based policing model which places significant emphasis on police and community relationships and partnerships to reduce and solve crime and create a better community. Opportunities for community involvement are not able to be pursued due to space constraints. A modern police facility would enhance the ability of the IFPD to have collaborative partnerships with community agencies and others to develop solutions to problems in the community. In addition, a new modern IFPD facility would provide a more safe and healthy work environment for the Department as well as community visitors and help attract and keep the best law enforcement personnel at the IFPD.

To address these various issues, the County is undertaking the Project.

The Property

On November 8, 2019, the City purchased an approximately 7.5 acre parcel of real property located at 701 Northgate Mile in the City to serve as the future home of the Improvements (the "Property" as previously defined). The Property was purchased from the Idaho Livestock Commission Company and, prior to the City's purchase, had been used as a stockyard and livestock auction yard for more than 80 years. As such, current improvements located on the Property include: (1) a main office and auction arena building and adjoining livestock pen building, (2) animal pens (northern portion of Property), and (3) gravel-covered area used for hay storage (southern portion of Property). These preexisting improvements will be razed, demolished and removed to allow for the construction of the Improvements.

The Improvements

At completion, the Improvements will consist of new two-story, approximately 46,319 square foot City police headquarters building (the "Headquarters Building"), together with other related facilities, comprising a new police complex to be located on the Property. More specifically, the Improvements will contain three structures: (i) the Headquarters Building, (ii) a vehicle storage building, and (iii) a central utility plant (CUP).

The Headquarters Building will, among other things, bring patrol, administration, investigations, special operations, and training all under one roof and will allow the IFPD to vacate 6 of the 8 buildings it currently uses. It will be designed as a hardened structure that will allow for continued operations of the complex in the case of a natural disaster or terrorist

event. As conceptualized, the public will enter the Headquarters Building through a lobby on the upper level. In addition to the public lobby, the upper level will house administration, records, training, building support and detectives' offices. The lower level will contain a forensic investigations lab, wellness room, break area, building support, staff support, evidence storage, patrol officer offices, and a secured sally port. Staff will enter the Headquarters Building through the lower level.

The vehicle storage building will be approximately 11,107 square feet and will house equipment such as the SWAT command center, SWAT humvee, spare fleet cars, radar trailers, and the bomb squad trailer. These assets will no longer be spread around the City, but secured and out of the elements in this storage building. Lastly, an approximately 1,426 square foot central utility plant will be located in the middle of the complex. It, like the Headquarters Building, will be designed as a hardened structure. The Improvements will also contain adequate parking for visitors, employees, and IFPD vehicles.

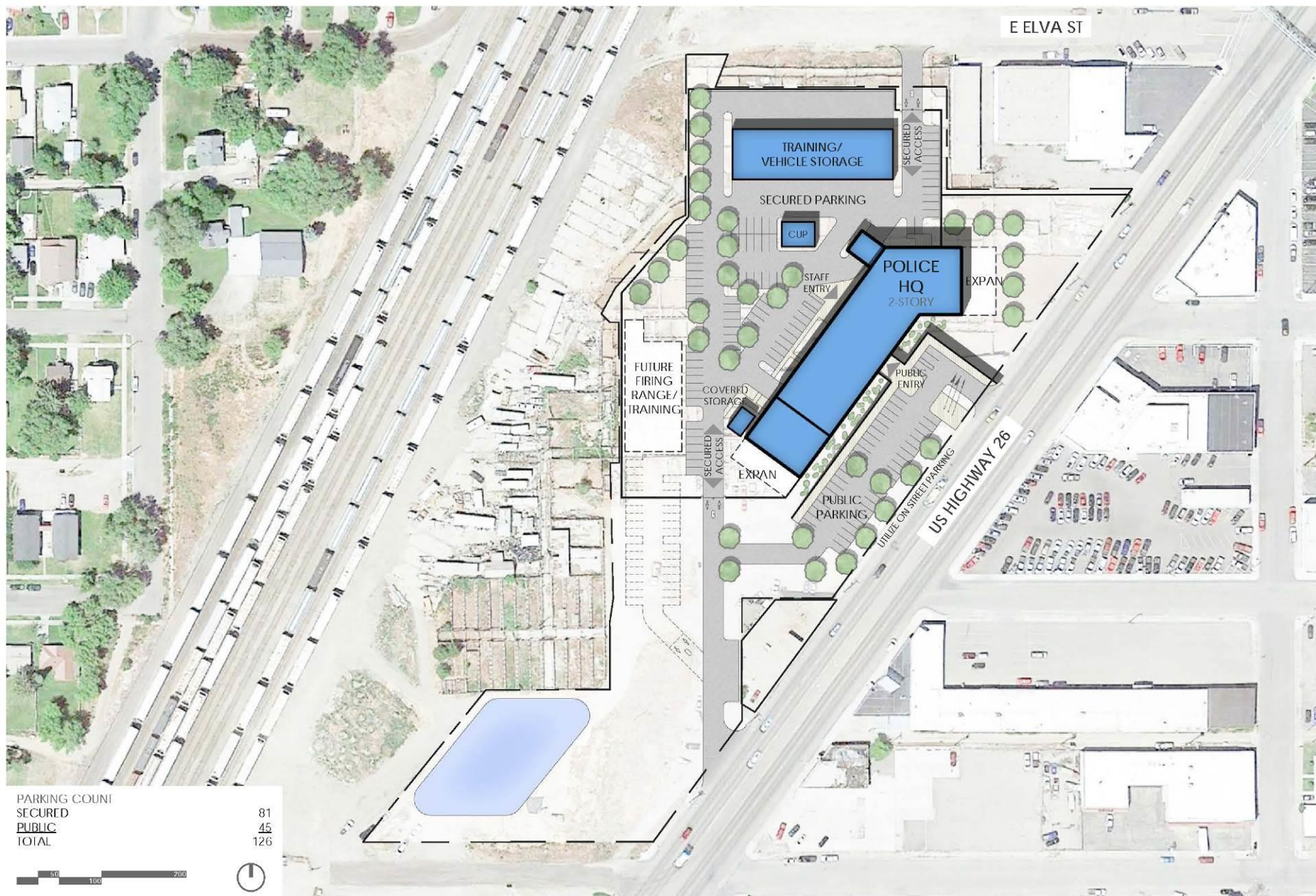
Space exists on the Property for future expansion of the Headquarters Building as well as the future development of a firing range/training area. Such future improvements are not part of the Improvements and will not be paid for from Certificate proceeds.

The Improvements will be located along Northgate Mile, between May and Elva Streets, a centralized location within the City. The Headquarters Building will be marked and plainly visible from Northgate, which also serves as the business routes for U.S. Highways 26 and 20. Employees will be able to easily deploy to all areas of the City without fighting through the downtown traffic grid.

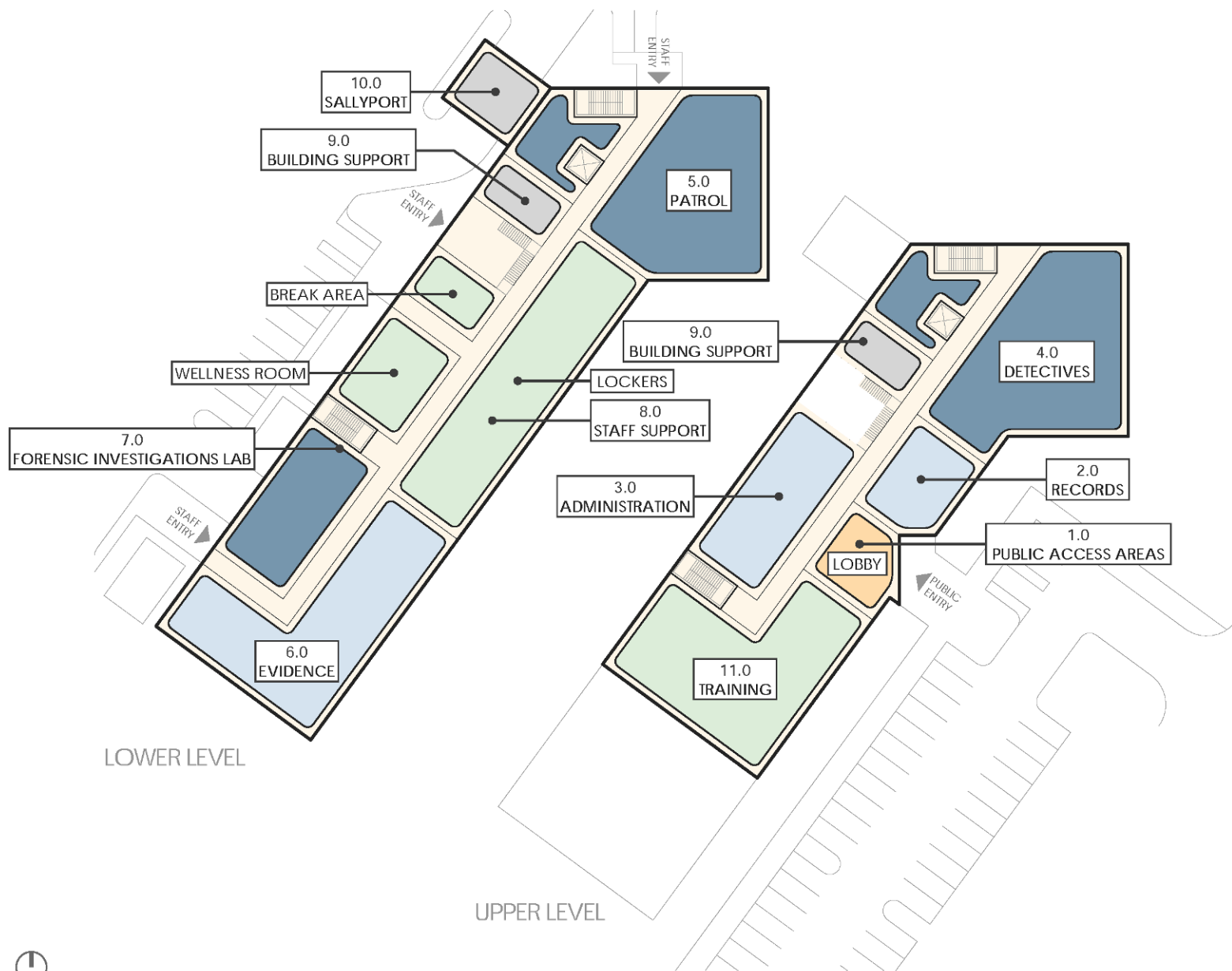
Once completed, the Improvements will serve as the operational and administrative headquarters of the IFPD and the Project will result in a new City police complex specifically tailored to the needs of the City now and in the future—offering room for the IFPD's current operation, employees, and equipment, as well as future Department growth over the next 50 years.

The conceptual site plan for the Improvements and the Headquarters Building layout plan are provided on the following pages.

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Source: the City.



Source: the City.

Renderings

Preliminary renderings of the completed Project are provided below.



Southern Approach



Eastern Approach

Renderings are preliminary and subject to change.

Source: the City.

Environmental

A Phase I Environmental Site Assessment (the “Phase I ESA”) was performed on the Property by Stantec Consulting Services, Inc (“Stantec”). The Phase I ESA is dated August 19, 2019 and identified three (3) recognized environmental conditions (RECs) in connection with the Property. Based on the findings of the Phase I ESA, Stantec recommended additional assessment which may include soil, groundwater and/or soil gas sampling on the Property. In keeping with this recommendation, a Phase II Environmental Site Assessment (the “Phase II ESA”) was performed on the Property by Rocky Mountain Environmental Associates, Inc. (“RMEA”). The Phase II ESA is dated October 31, 2019 and was performed by RMEA in general accordance with Stantec’s Site-Specific Sampling and Analysis Plan (SAP), Revision 1, dated September 17, 2019. The SAP was approved by the United States Environmental Protection Agency (EPA) on September 20, 2019. As part of the Phase II ESA, RMEA conducted soil sampling and soil vapor testing on the Property. Based on the results of the Phase II ESA, RMEA recommended no further environmental investigation at the Property.

Construction of the Improvements

The Improvements will be constructed by the City pursuant to the terms of the Lease Agreement. Design of the Improvements began in November 2020 and is expected to take approximately twelve (12) months with projected completion on or before November 2021. Once design is complete, permitting and construction contract bidding for the Improvements is expected to take three to four months, with an anticipated award in early April 2022. Construction of the Improvements is anticipated to begin in May 2022 and to take approximately fourteen (14) months with projected completion in early July 2023, at which time the City will commence operations at the Facilities. The City anticipates architecture costs, construction costs and associated fees and expenses for the Improvements to be approximately \$29,862,234. See “Construction Contract and Project Cost” below.

Architect

On April 23, 2020 the City entered into an Agreement for Professional Services with Architects Design Group, Inc. of Winter Park, Florida (“ADG”) related to the phase 1 development of the Project (the “Phase 1 Design Agreement”). The professional services to be performed by ADG under the Phase 1 Design Agreement are now complete and included a detailed spatial needs assessment update, site analysis, master planning, conceptual building design, preliminary cost estimate, low voltage preliminary technology report and preliminary acoustical and rail vibration analysis. The City has paid ADG fees of \$86,060 for the services under the Phase 1 Design Agreement.

The City anticipates entering into a second contract with ADG to serve as architect for the Improvements (the “Phase 2 Design Agreement”). The professional services to be performed by ADG under the Phase 2 Design Agreement are projected to include design for construction, duties during bidding and negotiation; duties, obligations, and responsibilities during construction; and other associated duties. The Phase 2 Design Agreement is expected to be approved and executed in December 2020. The City will assign its rights under the Phase 2 Design Agreement to the Trustee as additional security for the payment of the Certificates.

Construction Contract and Project Cost

The City has not yet entered into a contract for construction of the Improvements (the “Construction Contract”). Upon completion of construction design plans by ADG, the City anticipates procuring public works construction services through a competitive bidding process commencing in January 2022, and entering into the Construction Contract with the selected contractor in or around early April 2022. The Construction Contract, once executed, is expected to be a fixed price contract bonded for performance and payment. The City expects construction of the Improvements to commence in May 2022.

After consultation with ADG, the City anticipates construction costs and associated fees and expenses for the Improvements to be approximately \$25,795,606; which amount consists of the following projected amounts: (i) \$24,646,231 for the construction of the Improvements, including related street improvements (the “Construction Cost”), and \$1,149,375 for furniture, furnishings and equipment (the “FF&E Cost”). The Construction Cost estimate accounts for anticipated cost escalation of 2.5% per year for 2 years (5% total), in the total amount of \$1,174,385 (the “Escalation Amount”). In addition, the City is estimating soft costs (professional fees, specialty consultants, civil engineering, permits, testing, inspections, etc.) for the Improvements to be \$2,834,317 (the “Soft Costs”). Finally, the City planned for a five percent (5%) contingency amount of approximately \$1,232,312 (the “Contingency Amount”). The Contingency Amount is intended to further mitigate against potential fluctuation in the cost of fees, materials and subcontractor pricing prior to

execution of the Construction Contract. The total of the Construction Cost, the FF&E Cost, the Soft Costs, and the Contingency Amount is \$29,862,234.

In the event of construction cost increases prior to execution of the Construction Contract, the City will first look to the Escalation Amount. If the Escalation Amount is insufficient, the City will then utilize the Contingency Amount. The City believes it unlikely that construction cost increases will exceed both the Escalation Amount and the Contingency Amount. Nevertheless, in the event that the final fixed price amount exceeds the Certificate proceeds available, the City will either scale back the Improvements or the City will contribute additional funds towards completion of the same. The City will assign its rights under the Construction Contract, once executed, to the Trustee as additional security for the payment of the Certificates.

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DEBT SERVICE REQUIREMENTS

The following table shows the annual debt service on the Certificates to be paid by the City, subject to appropriation and renewal:

TABLE 3
ANNUAL DEBT SERVICE REQUIREMENTS⁽¹⁾

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
3/15/2021	\$	\$	\$	\$
9/15/2021				
3/15/2022				
9/15/2022				
3/15/2023				
9/15/2023				
3/15/2024				
9/15/2024				
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9/15/2038				
3/15/2039				
9/15/2039				
3/15/2040				
9/15/2040				
3/15/2041				
9/15/2041				
3/15/2042				
9/15/2042				
Total				

(1) Subject to annual renewal and appropriation by the City.

THE CITY

General

The City is a municipal corporation operating and existing under and pursuant to the provisions of the constitution and laws of the State. Incorporated in 1889, the City is located in southeastern Idaho on the upper Snake River. Originally the territory of the Shoshone-Bannock and Northern Paiute Indians, the City began as the Eagle Rock settlement at Taylor's Ferry (1863), later Taylor's Bridge. The town was renamed "Idaho Falls" in 1890 for the low but wide (1,500 feet) cataract in the river (now a source of hydropower), and it developed first as a railroad division point and later as a center of irrigated farming.

The City ranks fourth among Idaho cities with an estimated population of 62,888 and is the largest Idaho city outside of the Boise metropolitan area. The City is the County seat and occupies a land area of approximately 24 square miles. The City serves as the commercial, cultural, and healthcare hub for eastern Idaho, as well as parts of western Wyoming and southern Montana. It is home to the College of Eastern Idaho, Museum of Idaho, and the Idaho Falls Chukars minor league baseball team. See also "ECONOMIC AND DEMOGRAPHIC DATA" herein. The City features an extensive river walk trail featuring running and biking trails, art installations, and points of interest along several miles of the Snake River.



The Idaho Falls Regional Airport serves the City and the southeast Idaho region and is serviced by Delta Airlines, United Express and Allegiant Air. Allegiant offers year-round nonstop flights to Las Vegas (LAS) and Phoenix/Mesa (AZA), and seasonal service to Los Angeles (LAX) and Oakland/San Francisco (OAK). Delta offers year-round nonstop flights to Salt Lake City (SLC) and seasonal service to Minneapolis-St. Paul (MSP). United offers year-round nonstop flights to Denver (DEN).

Two school districts serve the City—Idaho Falls School District #91 and Bonneville Joint School District #93. District #91 covers the majority of urban Idaho Falls and a small portion of Bonneville County west of the city. District #93 covers minimal parts of eastern Idaho Falls, and the remainder of Bonneville County with the exception of some remote areas that have independent elementary districts. All middle and high school students are transported into District #93 secondary schools. The City is home to eight public high schools, four public middle schools, and 26 public elementary schools. It is also served by four public charter schools and three private schools.

The City provides the following services: general administrative services, planning and building, public safety (police, fire, ambulance and animal control), parks and recreation, streets, library, public works, airport, water, sanitation, electric, wastewater utility.

Mayor and City Council

The City operates under the Mayor-Council form of government. Policy-making and legislative authority are vested in the City Council consisting of the Mayor and six other members, all elected on a non-partisan basis. The City Council is responsible, among other things, for passing ordinances, adopting the budget, confirming committee members and working with various department heads as assigned by the Mayor. The Mayor is responsible for carrying out the policies and ordinances of the Council, overseeing the day-to-day operations of the City, and appointing the heads of the various departments. The Mayor and City Council members are elected at large for four-year terms, with three of the City Council members standing for election every two years. The City Council holds regular meetings twice a month and special meetings as needed. All meetings are open to the public as provided by law and agenda items are posted in advance. A list of current City Council members, their occupations and their terms of office follows.

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Name	Position	Occupation	Service Began (January)	Expires (January)
Rebecca L. Noah Casper	Mayor	Political Consulting/Adjunct Professor	2014	2022
Michelle Ziel-Dingman	Council President	Marketing Executive	2016	2024
Shelly Smede	Council Member	Education Administrator	2018	2022
James Francis	Council Member	Retired Educator	2018	2022
John Radford	Council Member	Store Manager, Barnes & Noble	2016	2024
James Freeman	Council Member	Retired, Firefighter/Paramedic	2018	2022
Thomas Hally	Council Member	Retired Business Owner/Public Service	2004	2024

Source: The City.

Rebecca L. Noah Casper, Mayor. Rebecca L. Noah Casper was re-elected to a second term as Mayor of the City in a Citywide election in November 2017. Prior to her election, Mayor Casper taught university level courses in American government and state and local governance. She earned her BA and MA degrees from BYU in Provo, Utah, and a Ph.D. in political Science from UC-Berkeley. Before that, she worked as a research associate at the Brookings Institution in Washington D.C. At the State level, Mayor Casper serves as a Director for the Association of Idaho Cities and is a member of Idaho's LINE Commission charged with promoting nuclear energy opportunities for Idaho. She also serves on the Regence Blue Shield of Idaho Board. In 2016 and in 2020, she received the Idaho Business Review's Women of the Year Award. Nationally, Mayor Casper serves as a Board Director and Officer for the Energy Communities Alliance (ECA) advocating for Eastern Idaho's energy and environmental clean-up interests. In 2016, Mayor Casper was selected as a participant in Governing Magazine's Women in Government Leadership Program. In the community and Eastern Idaho region, Mayor Casper serves on numerous boards and commissions.

Michelle Ziel-Dingman, Council President. Ms. Ziel-Dingman has served on the Idaho Falls City Council since 2016 and is the Council President. Her professional background is in marketing and she specializes in strategic marketing planning/events. Ms. Ziel-Dingman is a first generation college graduate, earning a Bachelor's degree in Advertising with an emphasis in Marketing from the University of Idaho. Her career has included management positions with companies including Ball Ventures, General Growth Properties, and Fin Fun (an Inc. 500 company). Passionate about higher education, Ms. Ziel-Dingman was the Executive Director of the College of Eastern Idaho Foundation (formerly Eastern Idaho Technical College Foundation) and taught classes in the college's Workforce Training program. She and her husband started a graphic design firm in Idaho Falls that merged with Proforma franchise Blue Phoenix Branding in 2019. She is currently the Vice President of Marketing & Operations for Blue Phoenix Branding. Ms. Ziel-Dingman serves as the president-elect of Civitan Club of Idaho Falls and as a board member of Community Youth in Action. She is also the former President/Chair of the Greater Idaho Falls Chamber of Commerce Ambassadors and a Greater Idaho Falls Chamber of Commerce Board Director.

Shelly Smede, Council Member. Ms. Smede has served on the City Council since 2018. In addition, for the past three decades, she has served in various roles for Idaho Falls School District 91. After almost a decade teaching middle school English, she spent another nine years at the district level working on curriculum and professional development. She managed a federal budget as Professional Development Coordinator and served on the district negotiating team for two years. From 2008-2013, she served as Vice Principal at Eagle Rock Middle School. She is currently the Dean of Students at Compass Academy, a magnet school serving grades 9-12. She earned her Bachelor's degree from the University of Idaho in 1991 and a Master's in Administration from Idaho State University in 2003.

James Francis, Council Member. Mr. Francis has served on the City Council since 2018. Now retired, he taught history in the public schools for forty-one years. Since his retirement as a full-time educator, Mr. Francis has taught part time for Idaho State University's History Department. He is a recipient of the City Club John Hansen Award for Civility and Public Service (2017), Humanities Council Award for Outstanding Teaching of the Humanities (2011) and Idaho Teacher of the Year (1997). He holds a B.A. in history from Arizona State University, 1970, and an M.A. in history from the University of British Columbia, 1978.

John Radford, Council Member. Now in his second term, Mr. Radford has served on the City Council since 2016. Born and raised in Idaho Falls, he has worked as a General Manager for Barnes and Noble Booksellers for twenty years. Mr.

Radford holds an undergraduate degree from Idaho State University and a Masters of Business Administration (MBA) earned after attending Idaho State University and Washington State University.

James Freeman, Council Member. Mr. Freeman has served on the City Council since 2018. Born and raised in Idaho Falls, he spent twenty-six years as a firefighter, paramedic and Captain with the Idaho Falls Fire Department. He attended the National Fire Academy and served on the Executive Board of Firefighters Local 1565. Since retirement in 2012, Jim has been involved in civic service and volunteering in his free time. He previously served on the Mayor's Citizen Review Committee for Parks and Recreation and has also served on the Golf Advisory Board. His public service includes volunteering for Blazing a Trail for Literacy, Relay for Life, Idaho Falls Men's Golf Association and as a coach for Idaho Falls Youth Hockey, Little League Baseball and AYSO soccer.

Thomas Hally, Council Member. Now in his fifth term, Mr. Hally has served on the City Council since 2004. He has managed the Division of Vocational Rehabilitation for the State Board of Education since 1978 in Region Six. Mr. Hally attended Gonzaga University and Idaho State University and received his Master of Arts in Education from Idaho State University in 1971. He is a graduate of The Academy for Executive Leadership from the University of Oklahoma in 1993. He has served on the Governor's Commission for Substance Abuse as well as the Bonneville Metropolitan Planning Organization.

Key Administrative Officials

For purposes of the Project, key administrative officials of the City include the City Treasurer, City Controller, City Clerk, Public Works Director, Municipal Services Director, Police Chief, and City Attorney. City department directors, the City Clerk and the City Treasurer are all recommended for appointment by the Mayor and approved and confirmed by the City Council. The City Controller is not an appointed position. The current key administrative officials are described below.

Josh Roos, City Treasurer. Mr. Roos has worked for the City for over 9 years and is currently the City Treasurer. As City Treasurer, he oversees the City's investment portfolio, banking relationships, revenues, utility billings and assists with the City budget and audit. Before he became the Treasurer for the City he worked in the engineering department for Idaho Falls Power and was also a manager for Sam's Club. He currently serves as the First Director for the District 6 Idaho City Clerks, Treasurers and Finance Officers and also the Treasurer for the Idaho Consumer Owned Utilities Association Youth Rally. Mr. Roos graduated from Idaho State University with a BBA in Finance.

Mark Hagedorn, City Controller. Since 2012 Mr. Hagedorn worked as the Lead Accountant/Risk Manager for the City and now as the Controller for the City. He has been licensed as a certified public accountant since 2010; first in Arizona from 2010 to 2015 and currently in Idaho since 2013. His experience in public practice has been predominately in the field of governmental accounting and auditing. Before working for the City, Mr. Hagedorn specialized in auditing and consulting with governmental and nonprofit entities in Arizona. He graduated from BYU-Idaho with a Bachelor of Science in Accounting and a minor in Business Administration.

Kathy Hampton, City Clerk. Ms. Hampton was appointed as City Clerk for the City in April 2015. Prior to this appointment she served as Deputy City Clerk for 8 years. She performs a variety of duties including recording and documenting City records, attending City Council meetings, and working closely with Department Directors. She has been a member of the Idaho City Clerks, Treasurers, and Finance Officers Association (ICCTFOA) since 2007 and has served as the First Director and Second Director for District 6. She received her Certified Municipal Clerk (CMC) in October, 2018. She is also a current member of the Association of Idaho Cities (AIC). She is currently serving as a board member for the Idaho chapter of PRIMA (Public Risk Management Association).

Chris Fredericksen, Public Works Director. Mr. Fredericksen has been the Public Works Director of the City since 2013. He is a professional engineer registered in both Idaho and Utah and holds a Bachelor of Science in Civil Engineering from Idaho State University. Following graduation from Idaho State University, he was employed by the Idaho Transportation Department for 5 years. He joined the City in 2002 as the City Engineer and served in that capacity for 9 years. He was promoted to Assistant Public Works Director in 2011 and continued in that position for 18 months, until becoming Public Works Director in 2013. Over the past 23 years he has provided project management for various infrastructure improvement projects for both the State and the City. Mr. Fredericksen is the current President of the Idaho Association of Public Works Professionals and the current Chairman of the Local Highway Technical Assistance Council T2 Advisory Board.

Pam Alexander, Municipal Services Director. Ms. Alexander was appointed as the Municipal Services director of the City in November 2015. She has over 25 years of public sector experience, and as Municipal Services Director, administers a department consisting of 75 employees with an annual department operating budget of approximately \$12.3 million as well as a total annual City budget of approximately \$282.5 million. She also oversees the administrative support services for the City including finance and treasury, purchasing, information technology, building and fleet maintenance and the City Clerk. Prior to joining the City, Ms. Alexander worked for the City of Mesa for 15 years serving in various professional positions focusing on budget, financial analysis and capital improvement program financing and planning. She holds a Master's degree in Business, Bachelor of Science degree in Public Administration and a certified public manager (CPM) certificate. Ms. Alexander is a member of the Government Finance Officers Association (GFOA), International City/County Management Association (ICMA) and Civitan Club of Idaho Falls.

Bryce Johnson, Police Chief. Chief Johnson was appointed and sworn in as City police chief in August 2017. Prior to his appointment in Idaho Falls, Chief Johnson spent 4 years as the Chief of the Juneau Police Department in Alaska. He grew up in Salt Lake City and spent 21 years moving through the ranks with the Salt Lake City Police Department. Some of his assignments included Watch Commander, Tactical Commander, and Assistant Bureau Commander. Chief Johnson holds a Bachelor of Science degree from the University of Utah and a Master of Public Administration degree from Brigham Young University. He served as the Chair of the Alaska Police Standards Council and as a member of the Board of Directors of several organizations, including the Alaska Chiefs of Police Association, Aiding Women in Abuse and Rape Emergencies (AWARE), and Juneau Housing First. Chief Johnson has been an active volunteer with Family Promise and the Boy Scouts of America, where he has served as scout master, varsity coach and charter representative. He also served in the U.S. military for eight years; much of that time as an Intelligence Analyst in the United States Naval Reserve.

Randall Fife, City Attorney. Mr. Fife has served as the Idaho Falls City Attorney since 2013. Previously, Mr. Fife served as the city attorney for the City of Moscow from 1996 to 2013, and as an assistant city attorney for Dallas, Texas, from 1986 to 1991. He graduated from Utah State University with two undergraduate degrees in philosophy and psychology. Mr. Fife then received his Juris Doctor degree from Southern Methodist University's Dedman School of Law. Mr. Fife is a recognized expert in municipal and local government law and also has expertise and experience with immigration, electrical power, public utilities, and regulatory compliance. He is A.V. rated by Martindale-Hubbell.

City Employees

As of August 30, 2020, the City has 668 full-time employees and 207 temporary employees.

City Organization

City operations are divided into 11 departments as follows:

Idaho Falls Regional Airport. The Idaho Falls Regional Airport ("IDA") is the second busiest airport in the State with a growing number of enplanements. Even during the COVID-19 pandemic, IDA is the fifth busiest regional airport in the country with flight numbers nearing capacity.

Community Development Services. Community Development Services provides comprehensive long and short term planning, zoning, building inspection, urban renewal and redevelopment services. It also provides code enforcement, administration of Community Development Block Grant (CDBG) funding and permitting services.

Fire Department. The Idaho Falls Fire Department ("IFFD") provides fire permit inspection services for the City and urban and wildland firefighting services for more than 1,900 square miles of Bonneville County Fire Protection District 1. Ambulance services cover approximately 3,500 square miles serving the City, as well as the County and surrounding counties. IFFD also supports whitewater rescue for the region.

Human Resources. Human Resources provides personnel services, staff and leadership training and development, and manages compensation, employee relations and City benefits.

Legal Services. Legal Services provides legal counsel for the Mayor, City Council and all City departments. It also handles prosecution of all City misdemeanors and infractions.

Library. The Idaho Falls Library serves all patrons of the greater Idaho Falls metropolitan area. Library employees and facilities are owned by the city.

Municipal Services. Municipal Services provides overall administration of all City financial operations, general licensing, utility billing, information systems, purchasing, property management and maintenance of City buildings, operations of the City garage and fleet management and maintenance. It also oversees and operates The Civic Center for the Performing Arts, handles City public records and manages public meetings.

Parks and Recreation. Parks and Recreation manages and maintains nearly 25,000 acres of parks, open spaces and public areas, 26 miles of bike paths and trails, three golf courses, the Idaho Falls Zoo at Tautphaus Park, the Idaho Falls Raceway, Sandy Downs, Archery Park, the Wes Deist Aquatic Center, the Wayne Marmo/Joe Lehto Ice Arena, two skate parks, and all City cemeteries. Parks and Recreation also provides recreation management and programs, Citywide activities and events and manage 52 sports fields, 34 sports courts, and two fishing parks/ponds. It also owns and operates the War Bonnet Round Up, Idaho's oldest rodeo.

Police. The Idaho Falls Police Department ("IFPD" as previously defined) manages an Administrative Division, Uniform Division and Detective Divisions providing industry best practices and proactive community policing. They oversee animal services, Dispatch/911 services, professional standards, training, K9, SWAT, traffic, crime scene investigations, the regions' bomb squad, and local school resource officers.

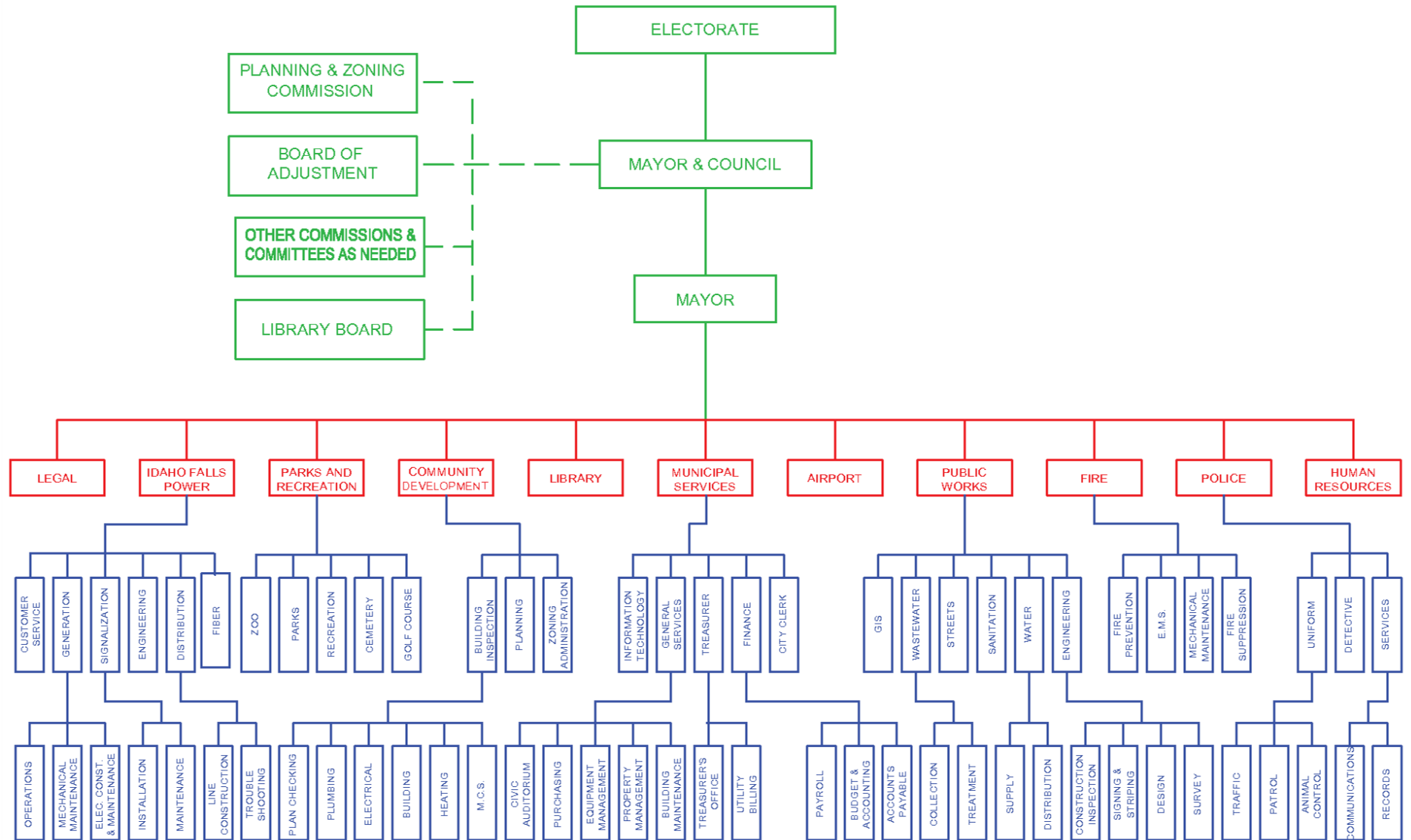
Idaho Falls Power. Idaho Falls Power ("IFP") is the largest publically-owned electric utility in the State. Operating continuously since 1900, it is also one of the most experienced and enduring public power entities in the Northwest. IFP boasts a 100% carbon-free power portfolio, with ownership in hydro and wind generation. It owns and operates four hydro-power generation stations along the Snake River. In 2019 IFP launched Idaho Falls Fiber to enhance power delivery capabilities and to bring high speed internet connectivity to the City. The aggressive, broadband build-out will make fiber optic services available to all city residents within approximately five years. IFP also has an aggressive Electric Vehicle (EV) program serving to bring carbon free driving to the area.

Public Works. Public Works provides GIS, engineering, project management, and right-of-way management. The Public Works streets division manages and maintains all city sidewalks, curbs, gutters, streets and storm water. The department also provides all water, sanitation and recycling, and wastewater services for city residents and has sufficient growth capacity to contract wastewater services out to a neighboring jurisdiction.

The City's organization chart is set forth on the following page.

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CITY OF IDAHO FALLS ORGANIZATION



Source: the City

Budgetary Process

The City's fiscal year begins October 1 and ends September 30 of the following year. On or before June 9 of each year, all divisions of the City submit appropriation requests to the City Controller's office so that a budget may be prepared. The budget is prepared for the entire City by fund, function and activity, and includes information on the past year, current year estimates and requested appropriation for the next fiscal year. Prior to the fourth Thursday of August, the Mayor submits to the City Council a proposed budget for the fiscal year commencing October 1. The budget summary includes proposed expenditures and the means of financing them. The City Council reviews and amends the proposed budget, and then publishes the budget for public comments. A public hearing is conducted to obtain citizen comments. The City Council adopts the budget after considering public input. Prior to October 1, the budget is legally enacted through passage of an appropriation ordinance.

The budget includes the general, special revenue, capital project, and enterprise funds. The level of control (level at which expenditures, including encumbrances, should not exceed budget) is the fund. The legal level of control is the appropriation ordinance. Any budget transfer within an individual fund by management does not require formal City Council approval. Transfer between funds requires the approval of the City Council in a budget amendment, which follows a public notice, public hearing and amended ordinance adoption process similar to the adoption of the original budget. During the 2019 fiscal year, the City did not amend its original budget ordinance. However, during the year certain adjustments to the budget were made to reallocate authority as priorities change. Budgets are integrated in the City's accounting system to facilitate management control during the year. Budgetary control is enhanced for governmental funds using an encumbrance system. As purchase orders are issued, corresponding appropriations are reserved by the use of encumbrances for later payment so that appropriations may not be overspent. Once the budget is approved by the City Council, the funding is available to spend on October 1, the start of the City's Fiscal Year.

REVENUE SOURCES OF THE CITY

Overview

The City's receives the following revenues:

- (i) Revenues from governmental activities consisting principally of property taxes, other taxes, capital grants and contributions and charges for services; and
- (ii) Revenues from business-type activities consisting principally of charges for services.

The City's revenues can be broken down further into "program revenues" and "general revenues." Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. For additional detail relative to the revenues of the City, see also "FINANCIAL FACTORS—Summary Financial Statements" herein and APPENDIX B—CITY OF IDAHO FALLS, IDAHO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2019.

Revenues from Governmental Activities

The largest component (approximately 46 percent for Fiscal Year ended September 30, 2019) of the City's governmental activities' revenue is received from property taxes. Property tax collections are available to the City in January and July of each year. The City's 2021 Budget projects that property taxes will comprise 58.6% of total General Fund revenue. See "FINANCIAL FACTORS—Fiscal Year 2020 & 2021 Budgets" herein. All of the City's governmental activities require tax support to continue at their current level of service. The primary expenses paid from governmental activities revenues include general government, public safety, streets and culture and recreation. A summary of City governmental activities revenues by source for Fiscal Years 2015 through 2019 is set forth in Table 4 below.

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TABLE 4
SUMMARY OF CITY GOVERNMENTAL ACTIVITIES REVENUES BY SOURCE

	<u>Fiscal Year Ending September 30</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
PROGRAM REVENUES					
Charges for services	\$10,469,848	\$ 8,839,322	\$ 6,887,389	\$ 8,227,512	\$ 6,714,876
Operating grants and contributions	4,519,323	3,816,270	3,495,848	4,300,998	3,534,293
Capital grants and contributions ⁽¹⁾	9,867,548	10,564,494	4,613,213	5,213,790	4,618,811
Total Program Revenues	<u>\$24,856,719</u>	<u>\$23,220,086</u>	<u>\$14,996,450</u>	<u>\$17,742,300</u>	<u>\$14,867,980</u>
GENERAL REVENUES					
Property Taxes	\$35,006,391	\$31,344,802	\$30,315,652	\$29,025,873	\$28,176,877
Unrestricted sales tax and revenue sharing	9,633,348	8,638,240	8,248,072	8,028,934	7,154,832
Franchise taxes	570,782	593,903	692,702	932,521	690,472
Alcoholic beverage taxes	834,793	620,520	708,200	706,856	662,618
Unrestricted investment earnings	3,863,332	471,443	381,915	322,791	10,749
Other	1,614,811	2,781,737	1,232,487	2,563,161	2,626,779
Total General Revenues	<u>\$51,523,457</u>	<u>\$44,450,645</u>	<u>\$41,579,028</u>	<u>\$41,580,136</u>	<u>\$39,322,327</u>
TOTAL REVENUES	<u><u>\$76,380,176</u></u>	<u><u>\$67,670,731</u></u>	<u><u>\$56,575,478</u></u>	<u><u>\$59,322,436</u></u>	<u><u>\$54,190,307</u></u>

(1) Governmental capital grants and contributions can be categorized into three parts: (1) cash grants and contributions, (2) Developer street contributions, and (3) property contributions. Cash grants and contributions consist of money coming into the City for either reimbursements of items the City has purchased or money fronted for those purchases. The amount fluctuates from year to year. From 2016 to 2019, the cash grants and contributions ranged from a low of \$300,000 to a high of approximately \$2,000,000 in 2018. The bulk of the \$2,000,000 in 2018 was from large donations from private entities. In 2019, the City received approximately \$1,900,000 in grants from the State. Developer street contributions are portions of subdivisions and other land developments that are donated once the development is complete. In recent years, with the busy housing market and increased developer projects, these contributions have been higher. In 2018, the City had \$8,500,000 in contributed streets and accompanying land. Property contributions are less common. In 2016, the City received a land donation for City golf courses. In 2019, the City received the donation for the parking lot located at Memorial and Broadway valued at \$4,200,000. Both 2018 and 2019 were outliers due to 2018's large street donations and 2019's donation of the parking lot.

Source: Information extracted from the County's audited financial statements for the stated Fiscal Years. This summary has not been audited.

Property Taxes

Tax Levy Procedure. The County has the responsibility of assessing and collecting all property taxes. The City's tax levy is certified to the board of county commissioners in September and taxes are due and payable one-half on December 20th and one-half on June 20th of the following calendar year. Ad valorem taxes, including delinquent taxes and penalties, are collected by the Treasurer of the County and are remitted to the City during the month following collection.

Ad Valorem Tax Limitation. Idaho Code Section 63-802 provides that no taxing district may certify a budget request for an amount of ad valorem tax revenues to finance an annual budget that exceeds the greater of (i) the dollar amount of ad valorem taxes certified for its annual budget for any one of the preceding three years, increased by a growth factor of not to exceed 3 percent plus the amount of revenue that would have been generated by applying the levy rate of the previous year to any increase in market value subject to taxation resulting from new construction; or (ii) the dollar amount of ad valorem taxes certified for its annual budget during the last year in which a levy was made; or (iii) the dollar amount of the actual budget request, if the taxing district is newly created; or (iv) in the case of school districts, the restriction imposed in Section 33-802, Idaho Code. The statute further provides that a board of county commissioners may set a levy that exceeds the limitation above if it has been approved by a majority of the taxing district's electors voting on the question at an election called for that purpose. The State Tax Commission must receive the resolution that has been adopted formally by the taxing district requesting the estimated ad valorem tax increase resulting from the budget request as certified in dollars to the board of county commissioners or in the case of county budgets, to the State Tax Commission, in accordance with specific procedures. The limitation on the amount of property tax revenues to finance an annual budget does not include revenue from levies that are voter approved for bonds, override levies or supplemental levies. For Fiscal Year 2021, the City availed itself of the Idaho Governor's Public Safety Grant Initiative—a State program funded by federal CARES Act dollars—which will cover the cost for public safety expenses incurred by the City from March 1 through December 30, 2020 in exchange for forgoing the three percent (3%) budgetary growth factor increase permitted by statute. The City estimates that it will receive \$7,032,257 from the Public Safety Grant Initiative. The City did take the revenue derived from new construction as described in (i) above.

Forgone Taxes. Idaho Code Section 63–802(1)(e) provides that, when less than the maximum allowable increase in the dollar amount of property taxes is certified for annual budget purposes in any one (1) year, the City may, in any following year, recover the forgone increase by certifying, in addition to any increase otherwise allowed, an amount not to exceed one hundred percent (100%) of the increase originally forgone. Provided however, that prior to budgeting any forgone increase, the City must provide notice of its intent to do so, hold a public hearing, which may be in conjunction with its annual budget hearing, and certify by resolution the amount of forgone increase to be budgeted and the specific purpose for which the forgone increase is being budgeted. Upon adoption of the resolution, the clerk of the City shall file a copy of the resolution with the County clerk and the state tax commission. Said additional amount shall be included in future calculations for increases as allowed. Subject to the foregoing requirements, the balance of the City’s forgone taxes as of October 1, 2020 is \$6,511,404.

Direct and Overlapping Tax Rates of the City. For typical City taxpayers, the City contains five (5) overlapping taxing districts with the statutory power to levy regular property taxes. Each of these taxing district’s tax rates together with the County’s direct rate for each of the past ten (10) tax years are provided below.

TABLE 5
DIRECT AND OVERLAPPING TAX RATES
(per \$1,000 of assessed value)

<u>Direct Rates</u>		<u>Overlapping Rates⁽¹⁾</u>					
Year	City of Idaho Falls	Bonneville County Rate	School District 91 Rate	Flood Control Rate	Ambulance Service Rate	College of Eastern Idaho	Combined Levy Rates
2010	8.71	4.04	3.62	0.01	0.28	0.00	16.65
2011	8.88	4.04	3.62	0.01	0.28	0.00	16.81
2012	8.88	4.04	3.62	0.01	0.28	0.00	16.81
2013	9.01	4.09	4.33	0.01	0.35	0.00	17.78
2014	9.02	4.09	4.25	0.01	0.36	0.00	17.72
2015	9.26	4.09	4.25	0.01	0.36	0.00	17.97
2016	9.56	4.09	4.24	0.01	0.40	0.00	18.31
2017	8.45	4.09	4.24	0.01	0.40	0.00	17.19
2018	8.40	4.09	4.24	0.01	0.40	0.00	17.14
2019	8.68	4.09	4.24	0.01	0.39	0.15	17.56

(1) Overlapping rates are those of local and county governments that apply to property owners within the City. The above table is intended to reflect the typical City taxpayer and doesn’t reflect every potential overlapping taxing district that could apply to a particular taxpayer.

Source: the City; See also APPENDIX B—City of Idaho Falls, Idaho Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2019.

Property Values. The County assessor annually assigns a “valuation of market value for assessment purposes” to all taxable real and personal property within the County. The following table shows the history of total property values for the City during the last six years.

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TABLE 6
PROPERTY VALUES

Tax Year	Full Market Value ⁽¹⁾	Percent +/-	Homeowner's Exemption ⁽²⁾	Net Taxable Assessed Value ⁽³⁾	Percent +/-
2020	\$6,066,550,459	12.4%	\$1,300,114,119	\$4,766,436,340	13.4%
2019	5,396,689,578	17.1	1,193,447,125	4,203,242,453	18.7
2018	4,608,558,909	7.1	1,067,587,173	3,540,971,736	7.0
2017	4,301,796,924	6.5	992,550,263	3,309,246,661	5.9
2016	4,040,243,682	4.5	915,821,739	3,124,421,943	3.9
2015	3,867,626,700	1.4	859,164,872	3,008,461,828	1.0

(1) Each year all taxable property must be assessed at 100 percent of the current market value (the "Full Market Value").
(2) See "Property Tax Exemptions—Homeowner's Property Tax Exemption" below.
(3) Taxable Assessed Value is the Full Market Value less statutory exemptions. Statutory exemptions include a homeowner's exemption and property tax reductions, known as the Circuit Breaker Property Tax Relief Program. The Taxable Assessed Value is the value against which tax levies are applied.

Source: Idaho State Tax Commission

Property Tax Collections.

TABLE 7
PROPERTY TAX COLLECTION [TO BE UPDATED]

Tax Year	Total Taxes Levied	Taxes Collected ⁽¹⁾	Percent Collected
2019	\$	\$	%
2018			
2017			
2016			
2015			

(1) Includes penalties, back taxes and interest on delinquent taxes collected.

Source: Bonneville County Treasurer, as of _____, 2020.

Property taxes are levied in November and payable on December 20 and June 20 following the levy date. The taxes are delinquent the day following the due dates. A first-priority, statutory lien automatically attaches to all property to secure the payment of taxes. The County will institute tax deed proceedings on all properties that are delinquent by three (3) years.

Property Tax Exemptions.

Homeowner's Property Tax Exemption: The homeowner's property tax exemption provides a permanent exemption from ad valorem taxation for 50% of the market value for assessment purposes of a homeowner's primary residence including up to one acre of the land value, up to a maximum of \$100,000 (the "Homeowner's Exemption").

Business Investment Property Tax Exemption: Under Idaho Code Section 63-602NN local county commissioners can declare that all or a portion of the market value of the improvements of a defined project with investments that meet certain tax incentive criteria can be exempt from property tax for a specified period. The exemption can be up to 100% per year for up to five years for each project. The investment must be in new plant or building facilities that are used for nonretail purposes that are either commercial or industrial valued at a minimum of \$500,000 and land is not eligible for the exemption. Any existing buildings are not eligible for the exemption and approval of the exemption is at the discretion of the local county commissioners.

Use of the business investment property tax exemption ("Business Exemption") only exempts the collection of property taxes on new business investment. Following the expiration of the Business Exemption the value of the business investment property will be included in the City's Taxable Assessed Value for future tax levy certifications.

Personal Property Tax Exemption: Taxable property includes real property and personal property. Idaho currently maintains a \$3,000 exemption on a de minimis item of taxable property and a \$100,000 exemption on business property. Idaho statute contains a provision for appropriations from the State sales tax receipts to taxing districts to replace revenues lost through these exemptions. Because of the replacement provision, the City does not expect the partial exemption of personal property to influence the City's finances. However, there is no assurance the State Legislature will appropriate sufficient moneys in future years to replace the lost revenues.

Largest Taxpayers of the City

The following table shows the principal taxpayers of the City for Tax Year 2019.

TABLE 8
PRINCIPAL TAXPAYERS
TAX YEAR 2019 [TO BE UPDATED]

Taxpayer	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Busch Ag. Resources Inc. ⁽¹⁾	\$	1	
MPT Hospital LLC ⁽²⁾		2	
Eastern Idaho Health Serv Inc. ⁽³⁾		3	
InteGrow Malt		4	
Grand Teton Mall, LLC		5	
Eastern Idaho Regional Medical Center		6	
REL Facilities LLC		7	
Falls LLC		8	
CHP IF ID OWNER LLC		9	
InteGrow Malt		10	
Total Top Ten			%
TOTAL CITY			100.00%

(1)

(2)

(3)

Source: Bonneville County comptroller and Idaho State Tax Commission.

Revenues from Business-Type Activities

The vast majority—84.1% for Fiscal Year Ended September 30, 2019—of the City's business-type activity revenue is received from charges for services. Currently, the City's business-type activities do not use property taxes for any type of funding. All of the City's business-type programs are self supporting. The City's revenues from business-type activities are not included within Lawful Funds.

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CITY INDEBTEDNESS

General

The following is a description of statutory limitations on various types of debt authorized for municipalities in the State:

- (a) Local Improvement District Bonds. There are no statutory limitations to the par amount of local improvement district bonds that may be issued other than that the amount assessed against any property within the district may not be more than the taxable value of the property. Local improvement district bonds are nonrecourse to the City. No local improvement district bonds are currently outstanding.
- (b) Revenue Bonds. There are no statutory limitations to the par amount of revenue bonds that can be issued by a municipality provided that the par amount cannot exceed the costs of the project to be financed with proceeds of the bonds. The project must be self-supporting and the par amount of the bonds cannot exceed the amount approved by voters.
- (c) General Obligation Debt. Section 50-1019 of the Idaho Code limits voter-approved general obligation debt for cities located in the State to an amount not to exceed 2 percent of the market value for assessment purposes (which includes the tax increment market value of any urban renewal district within the City), less the aggregate outstanding voter-approved general obligation bond indebtedness. The City currently has no general obligation debt. The general obligation debt limit of the City as of September 30, 2020 is \$97,510,092.
- (d) Certificates of Participation. Certificates of participation represent undivided ownership interests in lease payments under financing leases entered into by a municipality. The payments evidenced by the lease are special obligations of the municipality subject to annual appropriation of the lease payments, and not a general obligation of the municipality. These obligations are subject to a municipality's willingness and ability to budget and annually appropriate funding to make the payments. Municipalities are authorized to lease real property pursuant to chapter 14, Title 50, Idaho Code. Not including the Certificates, the City has no certificate of participation indebtedness.

Long-term Obligations

The City has only one outstanding long-term obligation. The City entered into a loan agreement on May 11, 2011, with the State of Idaho as authorized by Title 39, Chapter 36, Idaho Code from the Wastewater Treatment Facility Loan Account (the "IDEQ Loan"). The IDEQ Loan is to assist the City in the design and construction of improvements of the wastewater treatment facility. The authorized amount is \$18,150,000 with an interest rate of 1.75% (interest of 0.75% and loan fee of 1.00%) to be repaid in biannual installments over 20 years. Annual debt service on the IDEQ Loan is \$1,079,623. The balance of the IDEQ Loan is \$13,672,723 as of September 30, 2019 and the IDEQ Loan matures on May 11, 2036. See also APPENDIX B—CITY OF IDAHO FALLS, IDAHO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2019—Note IV.F.1: Long-term Obligations. The IDEQ Loan is paid from the City's wastewater enterprise fund and not from Lawful Funds.

The Idaho Falls Redevelopment Agency, a legally separate blended component unit of the County—see "FINANCIAL FACTORS—Component Unit" herein—has a number of long-term notes outstanding. See APPENDIX B—CITY OF IDAHO FALLS, IDAHO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2019—Note V.D.5: Idaho Falls Redevelopment Agency: Long-term Liabilities. The Idaho Falls Redevelopment Agency notes are not obligations of the City and the City has no liability therefor.

Other Long-Term Liabilities

The City recognizes a long-term liability related to compensated absences—vacation leave, sick leave, and compensatory time—for City employees. See APPENDIX B—CITY OF IDAHO FALLS, IDAHO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2019—Note I.F.6: Compensated Absences.

The City reports compensated absences for the governmental funds in accordance with the provision of GASB Interpretation No. 6 "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements". The City uses the current financial resources measurement focus and the modified accrual basis of

accounting, therefore, a liability for these amounts is reported in the governmental funds only if they have matured, for example, resulting from employee resignations or retirements.

The City reports compensated absences for the enterprise funds in accordance with the provisions of GASB No. 16, “Accounting for Compensated Absences”. Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits in the future. The amount is based on eligible accumulated sick leave and employee wage rates at retirement.

Long-term liabilities are also recognized for net pension liability and other post-employment benefit obligations. For additional detail, see APPENDIX B—CITY OF IDAHO FALLS, IDAHO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2019.

Short-Term Borrowing

The City does not have any short-term notes outstanding, nor does it have plans to issue any short-term notes at this time.

Debt Payment Record

The City has promptly met all debt service payments on outstanding obligations. Additionally, no refunding bonds have been issued for the purpose of preventing an impending default.

Future Financing

Other than the Certificates, the City does not have any plans to issue indebtedness secured by the Lawful Funds of the City in the next three years.

FINANCIAL FACTORS

Accounting Policies

The City’s financial statements are prepared in conformity with generally accepted accounting principles in the United States (“GAAP”) as prescribed by the Governmental Accounting Standards Board (“GASB”). The City has implemented the financial reporting model required by GASB Statement No. 34, Basic Financial Statements — and Management’s Discussion and Analysis — for State and Local Governments. The City follows the “business-type activities” reporting requirements of GASB-34 that provides a comprehensive one-column look at the City’s financial activities. The City’s financial statements are prepared using the accrual basis of accounting, which reports the current year’s revenues and expenses regardless of when cash changes hands.

Financial Reporting

The City’s basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements.

Government-wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. There are two basic government-wide financial statements presented: (1) the Statement of Net Position, and (2) the Statement of Activities. These statements present a broad overview of the City’s finances, in a manner similar to a private-sector business.

- (1) Statement of Net Position. This statement presents information on all of the City’s assets and liabilities, and deferred outflows/inflows or resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City’s is improving or deteriorating.
- (2) Statement of Activities. This statement presents information showing how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event is incurred,

regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, streets, parks and recreation, and public works. The business-type activities of the City include public utilities (water, wastewater, electric and sanitation) the airport and emergency medical services (ambulance) operations.

Fund Financial Statements. The City accounts for financial activities using a fund accounting model. A “fund” is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: (1) governmental funds, and (2) proprietary funds.

- (1) Governmental Funds. The City utilizes governmental funds to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s financial health and near-term financing requirements.

The City maintains eighteen (18) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Streets Fund, which are the City’s only major governmental funds. Data from the other sixteen (16) funds are combined into a single, aggregated presentation.

The City adopts an annual appropriated budget for its General Fund, its major funds, and its non-major funds.

- (2) Proprietary Funds. The City also utilizes Proprietary Funds which are used to account for the City’s on-going organizations and activities that are similar to those often found in the private sector. The City maintains two different types of proprietary funds: (i) enterprise funds and (ii) internal service funds.
 - i. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its public utilities (water, wastewater electric and sanitation) and the airport and emergency medical services (ambulance) operations.
 - ii. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City’s various functions. The City uses an internal service fund to account for workers’ compensation claims as a self-insurance mechanism. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statement.

The proprietary fund financial statements provide separate information for the airport, water and wastewater, sanitation, ambulance and electric operations, all of which the City considers to be major funds.

The City adopts an annual appropriated budget for its Proprietary Funds.

Additional information on the City’s financial reporting is available in the City’s audited financial statements—See APPENDIX B—CITY OF IDAHO FALLS, IDAHO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2019.

Component Unit

As defined by GAAP established under GASB, the financial reporting entity consists of the primary government, as well as any component units. The City reports one component unit; the Idaho Falls Redevelopment Agency. See APPENDIX B—CITY OF IDAHO FALLS, IDAHO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2019.

The Idaho Falls Redevelopment Agency (the “Agency”) was originally created in 1966 and re-established in 1988 by the City Council for the purpose of redeveloping and rehabilitating certain deteriorating areas within the City. The Agency is governed by seven members who are appointed by the Mayor and subsequently approved by the Council. The Agency is authorized under the provisions of the Idaho Urban Renewal Law of 1965 (Chapter 20, Title 50, Idaho Code). The Agency is a component unit, as defined by generally accepted accounting principles, of the City because of its operational or financial relationship with the City.

Separately issued financial reports are available for the Idaho Falls Redevelopment Agency. These reports may be obtained by contacting the City Clerk’s office.

Independent Audit Requirement

Each State municipal corporation must obtain an audit and examination of its funds and account groups at least once each year pursuant to Idaho Code 67-450B. Municipalities having annual expenditures of less than \$50,000, with the exception of those entities receiving federal assistance, are exempt from this requirement. The required audit may be performed by independent public accountants certified by the State as capable of auditing municipal corporations.

The City audits have been performed by Moss Adams LLP, Portland, Oregon (“Moss Adams”) since Fiscal Year 2016 and Moss Adams will perform the City’s Fiscal Year 2020 audit. Moss Adams has separately performed the audits for IFP since Fiscal Year 2006. The audit report for the year ended September 30, 2019, indicates that the City’s financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the budgetary comparison statement for the General Fund, and the aggregate remaining fund information of the City, as of September 30, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. Moss Adams was not requested to review this Official Statement and has not completed any additional auditing procedures subsequent to the issuance of their report on Fiscal Year 2019.

The Comprehensive Annual Financial Report containing audited financial statements of the City as of September 30, 2019 is attached to this Official Statement as APPENDIX B. Financial statements for years prior to Fiscal Year Ended September 30, 2019 may be ordered by contacting the City.

Timing for Release of Audited Financial Statements

The City expects its Comprehensive Annual Financial Report for Year Ended September 30, 2020 to be available between March 30 and April 30, 2021, which is consistent with the City’s past practice.

Summary Financial Statements

Set forth below is certain summary financial information for the City for Fiscal Years 2015 through 2019; more specifically, the City’s Statement of Revenues, Expenses and Changes in Fund Balances—General Fund and Balance Sheet—General Fund follow. The information set forth in the summary financial statements has been extracted from the City’s audited financial statements for the stated fiscal years. The summaries have not been audited. The full audited financial statements of the City as of September 30, 2019 are attached to this Preliminary Official Statement as APPENDIX B.

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TABLE 9
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
GENERAL FUND

	<u>Fiscal Year Ending September 30</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
REVENUES					
Taxes	\$27,981,467	\$24,231,604	\$23,084,308	\$26,845,909	\$25,805,643
Licenses and permits	1,347,791	1,514,486	832,334	895,756	803,450
Intergovernmental	10,685,339	9,096,995	8,751,723	7,598,430	6,862,720
Charges for services	1,980,206	1,925,053	1,571,193	1,543,415	1,055,396
Fines	313,821	261,928	325,833	298,276	285,232
Interest	3,264,906	213,531	225,220	281,300	-
Miscellaneous	809,220	1,100,584	1,517,187	893,356	896,278
Total Revenues	<u>46,382,750</u>	<u>38,344,181</u>	<u>36,307,798</u>	<u>38,356,442</u>	<u>35,708,719</u>
EXPENDITURES					
Current:					
General government	8,561,979	8,857,354	8,411,215	8,927,995	8,644,976
Public safety	27,265,725	27,117,754	24,670,054	24,544,025	21,974,440
Culture and recreation	9,241,108	10,085,290	8,226,995	8,102,869	6,292,913
Public works	1,289,175	981,037	2,359,159	1,556,626	1,622,157
Total Expenditures	<u>46,357,987</u>	<u>47,041,435</u>	<u>43,667,423</u>	<u>43,131,515</u>	<u>38,534,486</u>
Excess (deficiency) of revenues over expenditures	<u>24,763</u>	<u>(8,697,254)</u>	<u>(7,359,625)</u>	<u>(4,775,073)</u>	<u>(2,825,767)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	5,441,865	4,740,833	5,559,550	5,214,313	3,969,847
Transfers out	<u>(750,000)</u>	<u>-</u>	<u>(4,599,264)</u>	<u>(1,000,000)</u>	<u>(2,000,000)</u>
Total other financing sources (uses)	<u>4,691,865</u>	<u>4,740,833</u>	<u>960,286</u>	<u>4,214,313</u>	<u>1,969,847</u>
NET CHANGE IN FUND BALANCES	4,716,628	(3,956,421)	(6,399,339)	(560,760)	(855,920)
FUND BALANCES, BEGINNING	<u>12,043,195</u>	<u>15,999,616</u>	<u>22,393,690</u>	<u>22,954,450</u>	<u>23,832,891</u>
FUND BALANCES, END	<u>\$16,759,823</u>	<u>\$12,043,195</u>	<u>\$15,994,351</u>	<u>\$22,393,690</u>	<u>22,976,971</u>

Source: Information extracted from the County's audited financial statements for the stated Fiscal Years. This summary has not been audited.

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TABLE 10
BALANCE SHEET
GENERAL FUND

Fiscal Year Ending September 30

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
ASSETS					
Cash and cash equivalents	\$ 1,730,249	\$ 1,610,957	\$ 2,033,685	\$ 1,295,587	\$ 8,814,840
Investments	12,447,847	8,894,275	13,549,166	22,237,388	14,516,309
Tax receivable	1,742,203	789,550	-	-	-
Receivables	370,523	307,961	1,114,811	1,344,008	1,274,100
Due from other governments	1,487,177	3,300,991	1,505,680	995,283	1,238,736
Due from other Funds	1,580,059	-	-	-	4,005
Inventory	603,588	661,898	743,935	730,390	628,914
Prepaid items	553,377	392,122	475	6,239	-
Total Assets	<u>\$20,515,023</u>	<u>\$15,957,754</u>	<u>\$18,947,752</u>	<u>\$26,608,895</u>	<u>\$26,476,904</u>
LIABILITIES					
Accounts payable	\$ 1,533,700	\$ 1,678,466	\$ 684,151	\$ 1,809,733	\$ 896,148
Accrued wages	1,594,206	1,560,337	1,449,382	1,264,327	1,162,899
Security deposits	4,346	8,096	8,096	2,000	301,741
Total Liabilities	<u>3,132,252</u>	<u>3,246,899</u>	<u>2,141,629</u>	<u>3,076,060</u>	<u>2,360,788</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues-property taxes	<u>622,948</u>	<u>667,660</u>	<u>811,772</u>	<u>1,139,145</u>	<u>1,139,145</u>
FUND BALANCES⁽¹⁾					
Nonspendable	1,156,965	1,054,020	743,935	730,390	628,914
Restricted	-	-	-	-	-
Committed	319,917	715,594	1,762,042	4,340,267	1,293,941
Assigned	8,487,797	6,670,673	10,719,212	7,556,314	8,338,948
Unassigned	6,795,144	3,602,908	2,769,162	9,766,719	12,715,168
Total fund balances	<u>16,759,823</u>	<u>12,043,195</u>	<u>15,994,351</u>	<u>22,393,690</u>	<u>22,976,971</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$20,515,023</u>	<u>\$15,957,754</u>	<u>\$18,947,752</u>	<u>\$26,608,895</u>	<u>\$26,476,904</u>

(1) Fund balance is classified depending on the relative strength of the spending constraints placed on the purposes for which resources can be used as follows:

Nonspendable fund balance – amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted fund balance – amounts constrained to specific purposes externally imposed by creditors (such as through debt covenants), grantor and contributors, by laws or regulations of other governments, through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts that can only be used for specific purposes, pursuant to constraints imposed by formal action of the City Council in the form of a resolution.

Assigned fund balance – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Council has delegated and assigned the authority to the Municipal Services director to assign amounts and adjustments.

Unassigned fund balance – amounts that represent fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

Source: Information extracted from the County's audited financial statements for the stated Fiscal Years. This summary has not been audited.

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Fiscal Year 2020 and 2021 Budgets

On August __, 2019, the City Council adopted the Fiscal Year 2019-20 Budget for the City (the “2020 Budget”). On August 27, 2020, the City Council adopted the Fiscal Year 2020-21 Budget for the City (the “2021 Budget”). The 2020 Budget projected total general fund revenues of \$49,509,700, with the largest source of said revenue coming from property taxes (56.7%) as further set forth on the table below. The 2021 Budget projected total general fund revenues of \$50,322,082, with the largest source of said revenue again coming from property taxes (58.6%) as further set forth on the table below. The 2021 Budget projects zero available revenue, net of expenses. See also “SECURITY AND SOURCES OF PAYMENT—Sources of Payment.”

TABLE 11
CITY OF IDAHO FALLS, IDAHO
FISCAL YEAR 2020 & 2021 BUDGETS
GENERAL FUND ONLY

	2020	Percentage of Budget	2021	Percentage of Budget
REVENUES				
Property Taxes.....	\$ 28,077,630	56.7%	\$ 29,499,471	58.6%
State Shared Revenues.....	7,011,630	14.2%	6,786,040	13.5%
Local Shared Revenues.....	2,247,072	4.5%	2,257,791	4.5%
Payment in Lieu of Tax.....	4,701,819	9.5%	4,456,357	8.9%
Charges for Services.....	1,808,950	3.7%	1,920,150	3.8%
Other/Miscellaneous.....	5,125,610	10.4%	4,367,988	8.7%
Carryover for Snow Removal.....	<u>536,989</u>	<u>1.1%</u>	<u>1,034,285</u>	<u>2.1%</u>
Total Revenues.....	<u>\$ 49,509,700</u>	<u>100.0%</u>	<u>\$ 50,322,082</u>	<u>100.0%</u>
EXPENDITURES				
General government.....	9,684,888	19.6%	9,843,183	19.6%
Public Safety.....	28,144,443	56.8%	29,580,760	58.8%
Culture & Recreation.....	9,337,700	18.9%	8,596,039	17.1%
Public Works	<u>2,342,669</u>	<u>4.7%</u>	<u>2,302,100</u>	<u>4.6%</u>
Total Expenses.....	<u>\$ 49,509,700</u>	<u>100.0%</u>	<u>\$ 50,322,082</u>	<u>100.0%</u>

Source: Information extracted from the City's 2020 Budget and 2021 Budget.

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Investment Policy

The City has a formal investment policy, adopted February 14, 2019. As recognized therein, the City's investment policy is governed by, among other statutes, Idaho Code 50-1013 which provides authorization for the investment of funds as well as specific direction as to what constitutes an allowable investment. City procedures are consistent with the State law, Idaho law, and the City's investment policy, limits investments to the following general types: (a) certain revenue bonds, general obligation bonds, local improvement district bonds and registered warrants of state and local governmental entities; (b) time deposits accounts, tax anticipation and interest-bearing notes; (c) bonds, treasury bills, debentures or other similar obligations of the United States government and the Farm Credit System and (d) repurchase agreements. Under the City's investment policy no more than 25 percent of the City's portfolio may be invested beyond 24 months, overall maturities will not exceed five years (with specific approval of the City Council) and the weighted average maturity of the portfolio shall never exceed 3 years. No more than 5 percent of the overall portfolio may be invested in the securities of a single issuer, except for securities of the U.S. Treasury and U.S. Agencies, and at least 5 percent of the overall portfolio shall be invested in overnight instruments or in marketable securities which can be converted to cash within one day. Authorized investments must have an "A" long-term rating or better or an "A-1" short-term rating or better as provided by Moody's, Fitch or Standard and Poor's.

As of September 30, 2019, the County had \$106,195,150 in total investments. For additional detail regarding the City's investments, see APPENDIX B—CITY OF IDAHO FALLS, IDAHO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2019—Notes I.F, IV.A.

Pension System

The City's employees are covered under the Public Employee Retirement System of Idaho ("PERSI"), the administrator of a multiple-employer cost-sharing defined benefit public employee retirement system. A retirement board (the "PERSI Board"), appointed by the governor and confirmed by the State Senate, manages the system which includes selecting investment managers to direct the investment, exchange and liquidation of assets in the managed accounts and to establish policy for asset allocation and other investment guidelines. The PERSI Board is charged with the fiduciary responsibility of administering the plan.

PERSI is the administrator of seven fiduciary funds, including three defined benefit retirement plans, the Public Employee Retirement Fund Base Plan ("PERSI Base Plan") and the Firefighters' Retirement Fund ("FRF") and the Judge's Retirement Fund; two defined contribution plans, the Public Employee Retirement Fund Choice Plans 414(k) and 401(k); and two Sick Leave Insurance Reserve Trust Funds, one for State employers and one for school district employers.

PERSI membership is mandatory for eligible employees of participating employers. Employees must be: (i) working 20 hours per week or more; (ii) teachers working a half-time contract or greater; or (iii) persons who are elected or appointed officials. Membership is mandatory for State agency and local school district employees, and membership by contract is permitted for participating political subdivisions such as cities and counties. As of June 30, 2019, PERSI had 72,502 active members, 39,867 inactive members (of whom 13,536 are entitled to vested benefits), and 48,120 retired members or annuitants. In addition, as of June 30, 2019, there were 808 participating employers in the PERSI Base Plan and total membership in PERSI was 160,489.

The net position for all pension and other funds administered by PERSI increased \$1.1 billion during Fiscal Year 2019 and increased \$1.2 billion during Fiscal Year 2018. The change in the defined benefit plans reflects the total of contributions received and an investment return less benefits paid and administrative expenses. All of the plans experienced investment gains in Fiscal Year 2019 as a result of positive market performance. Net investment income for all of the funds administered by PERSI for the Fiscal Year 2019 and Fiscal Year 2018 was \$1.5 billion and \$1.4 billion respectively.

Based on the July 1, 2019 actuarial valuation, PERSI's actuarial gain is \$188.9 million, resulting in a change in funding status from a funding ratio of 91.2% on July 1, 2018, to 91.5% on June 30, 2019. The funding ratio is the ratio of the actuarial value of the assets over the value of the actuarial accrued liability. The table below details the analysis of actuarial gains and losses:

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Analysis of Actuarial Gains or Losses
(All dollar amounts in millions)

	Gain(Loss) for Period		
	2016-2017	2017-2018	2018-2019
Investment Income			
Investment income was greater (less) than expected.	\$ 772.1	\$ 237.2	\$ 185.6
Pay Increases			
Pay increases were less (greater) than expected.	(198)	113.5	16.8
Membership Growth & Return to Employment			
(Additional) liability for new members.	(29.1)	(33.2)	(34.9)
Death After Retirement			
Retirees died younger (lived longer) than expected.	17.6	37.6	48.5
Cost of Living Adjustment (COLA)			
Different Automatic COLA than expected.	NA	NA	NA
Other			
Miscellaneous gains (and losses) resulting from other causes. ⁽²⁾	(68.3)	(73.3)	(73.3)
Total Gain (Loss) During the Period From Actuarial Experience	\$ 494.3	\$ 281.8	\$ 178.9
Contribution Income			
Actual contributions were greater (less) than the normal cost and interest on the Unfunded Actuarial Accrued Liability.	(42.5)	(10.1)	10.0
Non-Recurring Items			
Changes in actuarial assumptions caused a gain (loss)	None	None	None
Changes in actuarial methods caused a gain (loss)	None	None	None
Changes in plan provisions caused a gain (loss) ⁽¹⁾	(9.0)	(85.6)	None
Changes to Contribution Rate Increase Schedule	(3.3)	0.4	None
Composite Gain (Loss) During the Period	\$ 439.5	\$ 186.5	\$ 188.9

Note: Effects related to losses are shown in parentheses. Numerical results are expressed as a decrease (increase) in the actuarial accrued liability.

(1) For 2016-17 this reflects the 0.10% discretionary COLA, effective March 1, 2017. For 2017-18 this reflects the 0.90% retroactive COLA, effective March 1, 2018.

(2) For 2016-17, this reflects changes made to the demographic assumptions adopted to the 2016 Experience Study.

Source: Public Employee Retirement System of Idaho, 2019 Comprehensive Annual Financial Report, Milliman Actuarial Section, Exhibit 6.

Annual actuarial valuations for PERSI are provided by the private actuarial firm of Milliman, which has provided the actuarial valuations for PERSI since PERSI's inception. As a result of the statutory requirement that the amortization period for the unfunded actuarial liability be 25 years or less, the PERSI Board, at its October 18, 2016 meeting, approved a total contribution rate increase of 1% scheduled to take effect July 1, 2018. During its October 2017 meeting, the PERSI Board voted to delay implementation of the 1.0% contribution rate increase for one year, making the new effective date July 1, 2019. During its October 2018 meeting, the PERSI Board voted to implement the 1.0% contribution rate increase effective July 1, 2019. The prior contribution rates and the current contribution rate effective as of July 1, 2019 are as follows:

Contribution Rates

	Prior Rates (as of 7/1/18)	Current Rates (effective 7/1/19)
Fire and Police Members		
Employer Rate	11.66%	12.28%
Member Rate	<u>8.36%</u>	<u>8.81%</u>
Total Rate	20.02%	21.09%
General and Teacher Members		
Employer Rate	11.32%	11.94%
Member Rate	<u>6.79%</u>	<u>7.16%</u>
Total Rate	18.11%	19.10%

Source: Public Employee Retirement System of Idaho.

The most recent major experience study, completed in June 2018, covered the period July 1, 2011 through June 30, 2017. The next major PERSI experience study to be completed in 2022, will cover the period of July 1, 2017 through June 30, 2021.

Beginning with Fiscal Year 2015, the City is required to record a liability and expense equal to its proportionate share of the collective net pension liability and expense of PERSI due to the implementation of GASB 68. The City recorded a net pension liability as of September 30, 2019 of \$15,835,925 representing its proportional share of liability under PERSI. See APPENDIX B—CITY OF IDAHO FALLS, IDAHO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2019 herein.

PERSI issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at, www.persi.idaho.gov (which website is provided purely for convenience and is not incorporated or made a part of this Official Statement by this reference).

Other Post-Employment Benefits

Upon retirement, employees of IFP receive a contribution of \$100 per month into an established health reimbursement account (HRA) until the employee reaches the age of 65 or for a 10 year period after retirement, whichever shall first occur. The City does not participate in other post-employment benefits (OPEB).

Insurance Coverage

The City is a member of Idaho Counties Risk Management Program (“ICRMP”). ICRMP is a member-owned local government risk pool which is now the primary source of property and casualty loss protection for Idaho governments including counties, cities, and special purpose districts. All property and liability insurance coverage for the City is obtained from ICRMP. The City’s power generation property is insured by Star Tech. The City is self-insured for workers’ compensation with secondary insurance coverage.

ECONOMIC AND DEMOGRAPHIC DATA

Introduction

The City is located in the southeast corner of the State. The City and the County are part of the Idaho Falls Metropolitan Statistical Area (the “Idaho Falls MSA”). The Idaho Falls MSA has an estimated population of 151,530, and the combined statistical area, which includes Blackfoot and Rexburg, has an estimated population of 251,347. A portion of the demographic information given below is gathered on the MSA as a whole rather than on a specific area within the MSA.

The City serves as regional center for retail, wholesale, medical, educational and governmental services. Underlying the City economy is a very strong base of agriculture production and processing in barley, potatoes, wheat and cattle. Coupled with the agriculture base is the scientific and hi-tech research and supporting businesses for the Idaho National Laboratory.

See “Idaho National Laboratory” below. This scientific sector provides a highly educated work force and high incomes in the local economy. This diversified and regional market economy provides economic stability in jobs, incomes and tax base. The regional market area extends from the City of Blackfoot to the south of the City, into Montana and Wyoming on the north and east, and on into central Idaho. The regional medical center, including hospitals, medical specialties and services, is concentrated in the City.

The City is the regional market center on the western side of Yellowstone Park and Jackson Hole. To the west of the City is a National Monument—The Craters of the Moon. The outdoor activities of fly-fishing, hunting, skiing, snowmobiling, hiking and sightseeing support many businesses and manufacturers. The tourism and entertainment industry within the City is growing and supporting more jobs and businesses. In addition, the State’s largest museum is in Idaho Falls, which anchors a growing cultural tourism sector.

The State and federal offices in the City also serve all of eastern Idaho. The three state universities—Boise State University, University of Idaho and Idaho State University—have a large classroom and research presence in the City and are associated with the Idaho National Laboratory. The City is also home to a community college—the College of Eastern Idaho—which serves the area. There are two school districts and several private school systems. See also “THE CITY—General” herein.

The City boasts three hospitals, two emergency rooms and provides the region’s only trauma facility and burn center. The City has a vibrant arts and culture sector, including a full and active symphony, an opera company, and an active arts council which includes multiple youth arts organizations and opportunities.

Because of its location in a region with a varied economic base, unemployment in the City has been relatively stable. Currently the City is experiencing slow but steady economic growth. The economy is expected to continue to diversify and grow in the manufacturing and technology industries. For a list of the County’s major employers see “Employment” below.

Idaho National Laboratory

Idaho National Laboratory (INL) consists of an 890-square-mile area in southeastern Idaho typically referred to as the “INL Site,” as well as laboratories and administrative buildings located at the INL Campus approximately 35 miles to the east of the INL Site in the City. Day-to-day operations are conducted at three primary facility areas—each hosting the complementary resources necessary to support national priority research. One area focuses on nuclear materials and processing, another on reactor technologies and the third on science, technology and education integration. INL is part of the United States Department of Energy’s (“DOE”) complex of national laboratories. INL performs work in each of the strategic goal areas of DOE: energy, national security, science and environment and is the nation’s lead laboratory for nuclear energy research, development, demonstration and deployment. INL is managed by Battelle Energy Alliance, LLC for the DOE’s Office of Nuclear Energy.

INL is one of the top ten largest employers in Idaho with approximately 4,000 employees and more than 350 interns. In 2015, INL had a total business volume of approximately \$917.1 million and spent \$130 million with Idaho’s small businesses.

Population

The City ranks fourth in population among cities in Idaho. The following table provides historical population information for the City.

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TABLE 12
POPULATION

	City of Idaho Falls	% Over Prior Period
2019 Estimate ⁽¹⁾	62,888	10.69%
2010 Census	56,813	11.99%
2000 Census	50,730	15.48%
1990 Census	43,929	10.54%
1980 Census	39,739	11.08%
1970 Census ⁽²⁾	35,776	7.89%

(1) 2019 estimate percent change as compared to the 2010 Census.
(2) 1970 percent change as compared to 1960 Census.

Source: U.S. Department of Commerce, Bureau of the Census.

Employment

Historical employment within the County and the Idaho Falls MSA is described in the following tables.

Labor Market and Employment by Industry

TABLE 13
BONNEVILLE COUNTY
ANNUAL AVERAGE LABOR FORCE DATA

Bonneville County	Annual Average					
	2020*	2019	2018	2017	2016	2015
Civilian Labor Force	59,208	57,042	55,200	53,538	52,476	51,022
Unemployed	2,464	1,364	1,358	1,449	1,668	1,741
Percent of Labor Force Unemployed	4.2%	2.4%	2.5%	2.7%	3.2%	3.4%
Total Employment	56,743	55,678	53,842	52,089	50,808	49,281

	Annual Average					
<i>By Place of Work</i>	2020**	2019	2018	2017	2016	2015
Total Covered Employment	53,468	53,598	51,867	50,093	48,953	47,562
Agriculture, Forestry, Fishing & Hunting	584	649	650	706	761	731
Mining	n/a	n/a	n/a	n/a	n/a	n/a
Construction	3,156	3,383	3,144	2,892	2,703	2,565
Manufacturing	3,361	3,373	3,228	2,913	2,818	3,092
Trade, Utilities & Transportation	12,306	12,431	12,551	12,347	12,316	12,747
Information	534	760	793	828	832	843
Financial Activities	2,122	2,102	1,974	1,882	1,817	1,748
Professionals & Business Services	6,134	6,140	5,848	5,880	5,788	4,714
Education & Health Services	10,926	10,251	9,564	9,143	8,706	8,348
Leisure & Hospitality	6,182	6,354	6,145	5,793	5,608	5,326
Other Services	1,306	1,352	1,334	1,270	1,309	1,245
Government	6,848	6,782	6,618	6,421	6,280	6,185

Source: Idaho Department of Labor, Communications & Research Division
n/a: Information is not available.
* Average from Jan-Jul 2020
** Based on 1st Quarter 2020

Employers. Major employers in the Idaho Falls MSA include the following:

TABLE 14
IDAHO FALLS MSA
MAJOR EMPLOYERS

Rank	Employer	Industry	Range of Employees	Percentage of Total MSA Employment
1	Battelle Energy Alliance	Professional Services (INL)	4,700-4,799	6.94%
2	Bonneville Joint School District No. 93	Public Education	1,700-1,799	2.56%
3	Idaho Falls School District No. 91	Public Education	1,500-1,599	2.17%
4	Melaleuca Inc.	Wellness	1,300-1,399	2.01%
5	Easter Idaho Health Services Inc.	Healthcare	1,300-1,399	1.98%
6	Wal-Mart	Retail Grocery	1,000-1,099	1.52%
7	City of Idaho Falls	Government	850-899	1.23%
8	Jefferson County School District No. 251	Public Education	800-849	1.19%
9	Idahoan Foods	Food Production	600-649	0.93%
10	Bonneville County	Government	550-599	0.85%

Source: Idaho Department of Labor information as of 1Q 2020.

Note: Only employers that have given the Department permission to release employment range data are listed.

Income

Historic per capita income, personal income, and median income for the County and the State are shown below:

TABLE 15
BONNEVILLE COUNTY AND STATE OF IDAHO
PER CAPITA, TOTAL PERSONAL INCOME AND MEDIAN INCOME

	2018	2017	2016	2015	2014
Per Capita Income⁽¹⁾					
Bonneville County	\$48,287	\$46,236	\$44,272	\$42,384	\$38,914
% change from prior year	4.4%	4.4%	4.5%	8.9%	3.7%
State of Idaho	\$43,901	\$42,094	\$40,670	\$39,857	\$37,896
% change from prior year	4.3%	3.5%	2.0%	5.2%	4.7%
Total Personal Income⁽¹⁾					
Bonneville County (\$ in thousands)	\$5,642,538	\$5,302,884	\$4,969,529	\$4,659,057	\$4,213,030
% change from prior year	6.4%	6.7%	6.7%	10.6%	4.6%
State of Idaho (\$ in millions)	\$77,012,304	\$72,355,149	\$68,444,540	\$65,825,237	\$61,827,050
% change from prior year	6.4%	5.7%	4.0%	6.5%	6.0%
Median Income⁽²⁾					
Bonneville County	\$60,444	\$55,744	\$59,293	\$54,008	\$51,440
% change from prior year	8.4%	-6.0%	9.8%	5.0%	1.7%
State of Idaho	\$55,524	\$52,280	\$51,647	\$48,311	\$47,572
% change from prior year	6.2%	1.2%	6.9%	1.6%	2.0%

(1) Source: Bureau of Economic Analysis, U.S. Department of Commerce.

(2) Source: U.S. Census Bureau.

RISK FACTORS

In addition to investment considerations and risk factors discussed elsewhere throughout this Preliminary Official Statement, the following section provides a non-exhaustive discussion of risk factors affecting any potential investment in the Certificates, including those affecting the payment of and security for the Certificates, and the rights of the Beneficial Owners of the Certificates. The occurrence of one or more of the events discussed herein could adversely affect the value of the Facilities and the value and creditworthiness of the Certificates. The following discussion does not attempt to list these risks in order of magnitude or importance.

Non Appropriation Clause of the Appropriation Lease

In the Appropriation Lease, the City is obligated to pay Lease Payments only to the extent that funds for Lease Payments are budgeted each year by the City Council and the Appropriation Lease is affirmatively renewed by the City. The City may terminate the Appropriation Lease in any year without penalty if the City Council determines to not budget for Lease Payments and not to affirmatively renew the Appropriation Lease for the next Fiscal Year.

Possible Inadequacy of Remedies Upon an Event of Default or Event of Nonrenewal

Upon occurrence of an Event of Default or an Event of Nonrenewal, the Trustee can re-enter and take possession of the Facilities. However, the Facilities are to some degree special purpose facilities, and, thus, could be converted to other uses only with significant additional expense. Accordingly, upon the occurrence of an Event of Default or Event of Nonrenewal, there can be no assurance that the Trustee will be able to realize from the re-leasing of the Facilities an amount sufficient to pay principal of and interest on the Certificates. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES—Remedies on Default or Nonrenewal.” In addition, the practical realization of the benefits of such lien and such assignments upon any default will depend on judicial actions, which are often subject to discretion and delay. Furthermore, remedies may be limited by bankruptcy or other similar laws affecting creditors’ rights and contractual obligations generally.

Uncertainty of Revenues

As noted elsewhere, except to the extent that the Beneficial Owners of the Certificates are secured, under certain circumstances, by the proceeds of insurance or condemnation awards, the Certificates will be payable solely from the Lease Payments to be made by the City under the Appropriation Lease. The ability of the City to make payments under the Appropriation Lease is dependent, in part, upon the generation by the City of revenues in the amounts necessary for the City to pay said Lease Payments, as well as other operating and capital expenses. The realization of future revenues and expenses are subject to, among other things, the capabilities of management, government regulation and future economic and other conditions that are unpredictable and that may affect City revenues and payment of principal of and interest on the Certificates. No representation or assurance can be made that revenues will be realized by the City in amounts sufficient to warrant annual renewal of the Appropriation Lease and appropriation of funds for payment of Lease Payments. In addition, although the City anticipates receiving a property tax exemption with respect to the Facilities, should property taxes be imposed, such taxes would, during the Lease Term, be paid by the City in addition to the Lease Payments. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES—Covenants under the Appropriation Lease—Taxes, Other Governmental Charges and Utility Charges” herein. The City does not expect the imposition of property taxes, should it occur, to materially impact the City’s ability to otherwise make Lease Payments. Neither the Underwriter nor the Municipal Advisor (hereinafter defined) has made any independent investigation of the extent to which any such factors may have an adverse effect on the revenues of the City.

Coronavirus Disease 2019

On March 13, 2020, the Governor of the State of Idaho (the “Governor”) proclaimed a state of emergency throughout the State as a result of the coronavirus disease 2019 (“COVID-19”). The World Health Organization has classified COVID-19 as a pandemic. On March 25, 2020, the Governor issued an extreme emergency declaration and an Order to Self-Isolate (the “Stay Home Order”), requiring that people in the State cease leaving their home or place of residence except to conduct or participate in essential activities, essential government functions or to operate essential business through April 15, 2020, which Stay Home Order was extended on April 15, 2020 to continue through the end of April 2020. In addition to prohibiting all non-essential public and private gatherings, the Stay Home Order directs all businesses and governmental agencies to cease nonessential operations at physical locations in the State and orders the cessation of all non-essential travel.

On April 23, 2020, the Governor announced a four phased approach to reopening the State beginning on May 1, 2020, following the expiration of the Stay at Home Order (the “Reopening Order”). Under the Reopening Order, certain syndromic, epidemiology and healthcare criteria for each stage must be met before the State advances to the next stage. Each stage is estimated to last two weeks, with the final stage estimated to begin on June 13, 2020. If the applicable criteria indicates trends are beginning to move the wrong direction, or there is evidence that a stage has adversely impacted transmission rates, stages may have to be extended or reversed. The State progressed through Stages 1, 2 and 3 in two week intervals as originally estimated, entering State 4 on June 13, 2020. However, the State never advanced out of Stage 4, remaining there for approximately 19 weeks before a surge in State COVID-19 cases resulted in a return to Stage 3 on October 27, 2020. In Stage 3, indoor gatherings are limited to 50 people or less, outdoor gatherings are limited to 25-percent capacity, and physical distancing requirements are in place for gatherings of all types, among other restrictions. Most recently, on November 14, 2020, the State returned to a modified Stage 2 limiting indoor gatherings to 10 people or less, with exceptions for religious and political events. All businesses may remain open as long as they operate under applicable health guidelines.

The terms of existing proclamations and orders, including the Reopening Order, could be extended beyond the dates specified in such proclamations or orders, and additional proclamations, orders or directions intended to address the spread of COVID-19 may be issued in the future.

The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) provides an estimated \$2 trillion stimulus package to battle the effects of the COVID-19 pandemic. Part of that package estimates \$150 billion for state, local and tribal governments. The State received \$1,250,000,000 from the Coronavirus Relief Fund. The CARES Act provides that payments from the Coronavirus Relief Fund may only be used to cover costs that (i) are necessary expenditures incurred due to the public health emergency with respect to COVID-19, (ii) were not accounted for in the budget most recently approved as of March 27, 2020 for the State or government, and (iii) were incurred during the period beginning March 1, 2020, and ending on December 30, 2020.

On April 7, 2020, the Governor issued Executive Order 2020-07 which established the Coronavirus 2019 Financial Advisory Committee (CFAC) to make recommendations for prioritizing the use of the funds. To date CFAC has recommended and the Governor has accepted their recommendation for the following funding allocations:

- (1) \$44,156,400 for Idaho counties
- (2) \$42,375,000 for Idaho cities
- (3) \$7,218,900 for Idaho special purpose taxing districts
- (4) \$633,900 for Idaho tribal governments
- (5) \$57,682,760 for Idaho state agencies
- (6) \$2,000,000 for PPE for small business
- (7) \$300,000,000 for Idaho Rebound Grants for Small Businesses

The City’s CARES Act allocation is \$2,118,600. As of November 6, 2020, the City has spent an estimated total of \$1,257,715.82 on eligible COVID-19 related expenditures—for which amount the City has submitted reimbursement requests (and already received \$147,735.50). In addition, the City has received pre-approvals of \$763,205.14 for COVID-19 related projects. The City expects to receive such reimbursement funds during its current fiscal year. An additional \$97,679.04 remains of the City’s CARES Act allocation. The City intends to prioritize such funds for public safety (police and fire projects) and may submit for additional reimbursements up to this remaining amount for covered expenses incurred through December 30, 2020. The City continues to closely monitor the proclamations from federal and State authorities regarding actions the City can take to address COVID-19, as well as continues take advantage of federal and State resources intended to provide relief to the City in its actions and efforts to address COVID-19.

More generally, the current domestic and international financial disruption has had, and is expected to continue to have, negative repercussions upon State, national and global economies. Examples of potential impacts include volatility in the securities markets, significant losses in investment portfolios, a scarcity of credit, lack of confidence in the financial sector, reduced business activity, increased consumer bankruptcies, increased business failures and bankruptcies, and increased unemployment rates.

The City cannot predict if any federal, State or local authorities will issue additional proclamations or orders that can be expected to further adversely impact economic activity or the City's operations or revenue. Although the full effects of COVID-19 cannot be predicted with certainty, COVID-19 and related social distancing measures in response to COVID-19 are having an adverse effect on economic activity within the State and the City. This reality notwithstanding, the City does not anticipate COVID-19 related factors necessitating a budget amendment for City Fiscal Year ending September 30, 2021 and, as of the date of this Preliminary Official Statement, the City's budget has not suffered material adverse financial impact from the COVID-19 pandemic. Nonetheless, the full extent of the direct and indirect impacts of COVID-19 related financial disruption on the City is currently unknown and the future impact of the COVID-19 pandemic on the City cannot be reasonably estimated at this time.

Development of Improvements and Value of Facilities

The anticipated costs and construction period for the Improvements are based upon budgets, conceptual design documents and construction schedule estimates prepared by the City in consultation with its architects. The cost of the Improvements may vary from expectations, and there may be a limited amount of capital resources to fund cost overruns. If cost overruns cannot be financed on a timely basis, the completion of the Improvements may be delayed until adequate funding is available. The completion date of the Improvements also could differ from expectations for construction-related or other reasons. No assurance can be given that the Improvements will be completed at all, on time or within established budgets. Significant delays, cost overruns or failure of the Improvements to provide expected benefits could result in an Event of Nonrenewal.

Upon any casualty or condemnation of the Facilities or upon an Event of Nonrenewal, there can be no assurance that the proceeds of any insurance or condemnation awards or amounts received by the Trustee upon re-letting of the Facilities will be sufficient to redeem in full or to pay the principal of and interest on the Certificates when due. No appraisal has been made of the Facilities. At any time, the value of such property could be less than the aggregate principal amount of the Certificates then outstanding.

Material Litigation

On October 8, 2020, a lawsuit was filed against the City and several former Idaho Falls Police Department officers in the United States District Court for the District of Idaho by Christopher Tapp (the "Tapp Litigation"). The Tapp Litigation asserts claims against the City arising out of Mr. Tapp's conviction for rape and murder; crimes for which Mr. Tapp spent nearly 20 years in prison before his exoneration on July 17, 2019. The lawsuit claims the Idaho Falls Police Department violated Mr. Tapp's First, Fifth, Sixth and Fourteenth amendment rights. Because the Tapp Litigation is in its early stages and because Mr. Tapp has not stated the amount sought, the City is not able to meaningfully evaluate the likelihood of Mr. Tapp's success. If Mr. Tapp is awarded damages against the City in excess of the City's available insurance and budgetary capacity, such an award could impact the City's annual determination to renew the Appropriation Lease. The City has the ability, under Idaho law, to borrow monies and/or to certify a special ad valorem tax levy without voter approval to discharge a judgment. If the Tapp Litigation judgment exceeds the City's insurance coverage and the City's readily available funds, the City anticipates that it would seek to certify a judgment levy. The amount permitted to be certified is not legally limited. The City additionally has the ability to recover foregone taxes to aid in the payment of Lease Payments and / or to discharge a judgment. See "REVENUE SOURCES OF THE CITY—Property Taxes—Forgone Taxes" herein.

CONTINUING DISCLOSURE

Upon delivery of the Certificates, the City will enter into an Information Reporting Agreement (the "Undertaking") for the benefit of the Beneficial Owners of the Certificates. Pursuant to the Undertaking, the City will agree to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis, and a summary of other terms of the Undertaking, including termination, amendment, and remedies, are set forth in the Undertaking, the proposed form of which is attached as APPENDIX D to this Official Statement.

A failure by the City to comply with the Undertaking will not constitute a default under the Trust Indenture and Beneficial Owners of the Certificates are limited to the remedies described in the Undertaking. A failure by the City to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal

securities dealer before recommending the purchase or sale of the Certificates in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Certificates and their market price.

The City does not currently have, and has not had in the past five years, any continuing disclosure obligations under the Rule.

TAX MATTERS

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Certificates is excluded from gross income under federal income tax laws pursuant to Section 103 of the Tax Code, and interest on the Certificates is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. For purposes of this paragraph and the succeeding discussion, “interest” includes the original issue discount on certain of the Certificates only to the extent such original issue discount is accrued as described herein.

The Tax Code imposes several requirements which must be met with respect to the Certificates in order for the interest thereon to be excluded from gross income and alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the Certificates. These requirements include: (a) limitations as to the use of proceeds of the Certificates; (b) limitations on the extent to which proceeds of the Certificates may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Certificates above the yield on the Certificates to be paid to the United States Treasury. The City covenants and represents in the Trust Indenture that it will take all steps to comply with the requirements of the Tax Code to the extent necessary to maintain the exclusion of interest on the Certificates from gross income and alternative minimum taxable income under federal income tax laws in effect when the Certificates are delivered. Bond Counsel’s opinion as to the exclusion of interest on the Certificates from gross income and alternative minimum taxable income is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the City to comply with these requirements could cause the interest on the Certificates to be included in gross income, alternative minimum taxable income or both from the date of issuance. Bond Counsel’s opinion also is rendered in reliance upon certifications of the City and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

[With respect to the Certificates that were sold in the initial offering at a discount (the “Discount Certificates”), the difference between the stated redemption price of the Discount Certificates at maturity and the initial offering price of those bonds to the public (as defined in Section 1273 of the Tax Code) will be treated as “original issue discount” for federal income tax purposes and will, to the extent accrued as described below, constitute interest which is excluded from gross income or alternative minimum taxable income under the conditions described in the preceding paragraphs. The original issue discount on the Discount Certificates is treated as accruing over the respective terms of such Discount Certificates on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on March 1 and September 1 with straight line interpolation between compounding dates. The amount of original issue discount accruing each period (calculated as described in the preceding sentence) constitutes interest which is excluded from gross income or alternative minimum taxable income under the conditions described in the preceding paragraphs and will be added to the owner’s basis in the Discount Certificates. Such adjusted basis will be used to determine taxable gain or loss upon disposition of the Discount Certificates (including sale or payment at maturity). Owners should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Certificates.

Owners who purchase Discount Certificates after the initial offering or who purchase Discount Certificates in the initial offering at a price other than the initial offering price (as defined in Section 1273 of the Tax Code) should consult their own tax advisors with respect to the federal tax consequences of the ownership of the Discount Certificates. Owners who are subject to state or local income taxation should consult their tax advisor with respect to the state and local income tax consequences of ownership of the Discount Certificates. It is possible that, under the applicable provisions governing determination of state and local taxes, accrued original issue discount on the Discount Certificates may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.]

The Tax Code contains numerous provisions which may affect an investor’s decision to purchase the Certificates. Owners of the Certificates should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-

exempt obligations, foreign corporations doing business in the United States and certain “subchapter S” corporations may result in adverse federal and state tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Certificates made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports “reportable payments” (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. [Certain of the Certificates were sold at a premium, representing a difference between the original offering price of those Certificates and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such certificates (if any) may realize a taxable gain upon their disposition, even though such certificates are sold or redeemed for an amount equal to the owner’s acquisition cost. Bond Counsel’s opinion relates only to the exclusion of interest (and, to the extent described above for the Discount Certificates, original issue discount) on the Certificates from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the Certificates. Owners of the Certificates should consult their own tax advisors as to the applicability of these consequences.]

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the Certificates. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Certificates, the exclusion of interest (and, to the extent described above for the Discount Certificates, original issue discount) on the Certificates from gross income or alternative minimum taxable income or both from the date of issuance of the Certificates or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Certificates. Owners of the Certificates are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Certificates. If an audit is commenced, the market value of the Certificates may be adversely affected. Under current audit procedures the Service will treat the City as the taxpayer and the Certificate owners may have no right to participate in such procedures. The City has covenanted in the Trust Indenture not to take any action that would cause the interest on the Certificates to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income for the owners thereof for federal income tax purposes. None of the City, the Municipal Advisor, the Underwriter, Bond Counsel or any other person is responsible for paying or reimbursing any Certificate holder with respect to any audit or litigation costs relating to the Certificates.

PROSPECTIVE PURCHASERS OF THE CERTIFICATES SHOULD CONSULT THEIR TAX ADVISORS AS TO THE FEDERAL, STATE AND LOCAL, AND FOREIGN TAX CONSEQUENCES OF THEIR ACQUISITION, OWNERSHIP AND DISPOSITION OF THE CERTIFICATES.

RATINGS

As noted on the cover page of this Preliminary Official Statement, Moody’s Investors Service (“Moody’s”) has assigned its municipal bond rating of “___” to the Certificates. The rating reflects only the views of the rating agency and an explanation of the significance of the rating may be obtained from the rating agency. There is no assurance that the rating will be retained for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating will be likely to have an adverse effect on the market price of the Certificates.

UNDERWRITING

The Certificates are being purchased by Stifel, Nicolaus & Company, Inc., acting as the Underwriter. The Underwriter has agreed, subject to certain conditions, to purchase the Certificates at a price of \$_____, which reflects the principal amount of the Certificates, plus an original issue premium of \$_____, less an Underwriter’s discount of \$_____. The Underwriter may offer and sell the Certificates to certain dealers (including dealers depositing Certificates into investment trusts) and others at prices

lower than the initial offering prices set forth on the inside cover page hereof, and such initial offering prices may be changed, from time to time, by the Underwriter.

INDEPENDENT AUDITORS

The financial statements of the City as of and for the year ended September 30, 2019, which appear in APPENDIX B to this Preliminary Official Statement, have been audited by Moss Adams LLP, Portland, Oregon, independent auditors.

LEGAL MATTERS

Approval

All legal matters incidental to the authorization, issuance and sale of the Certificates by the City are subject to the approving legal opinion of Bond Counsel, substantially in the form attached hereto as APPENDIX A. Certain legal matters will be passed on for the Underwriter by its legal counsel, Skinner Fawcett LLP. Certain disclosure matters will be passed upon by Hawley Troxell Ennis & Hawley LLP, as disclosure counsel.

Laws Relating to Municipal Reorganization

Idaho Code Section 67-3903 permits taxing districts of the State of Idaho, to file a petition for federal bankruptcy relief, in accordance with Title IX of the United States Bankruptcy Code (the “Bankruptcy Code”). Prior to filing such petition, the taxing district is required to adopt a resolution authorizing the filing. The statute authorizes the taxing district to take any of the following actions to consummate a plan of readjustment pursuant to its bankruptcy proceedings, including cancellation and remission of money payable under bonds, warrants or other obligations issued by the district; issuance of refunding bonds on certain conditions, adoption of necessary ordinances, assessment, levy and collection of taxes to enforce collections necessary pursuant to the plan of readjustment, cancellation and reduction of taxes or special assessments for bonds refunded under the plan as a result of reduction in debt service accomplished by such refunding and to take any other actions necessary for accomplishment of the plan. Prior to refunding bonds or levying any taxes or special assessments, the taxing district is required to provide notice and hold a hearing prior to the adoption of the plan for readjustment requiring such actions.

PENDING AND THREATENED LITIGATION

No litigation is pending or, to the knowledge of the City, threatened in any court or before any administrative body (1) to restrain or enjoin the issuance or delivery of the Certificates; (2) in any way contesting or affecting the validity of the Certificates, the Primary Lease, the Appropriation Lease, the Trust Indenture, or the related documents; or (3) that would otherwise affect the ability of the City to pay the principal of or interest on the Certificates when due. The City is a defendant in various lawsuits arising in the ordinary course of its operation. Aside from the Tapp Litigation—see “RISK FACTORS—Material Litigation” herein—there are no material legal lawsuits currently pending against the City that would affect the financial condition or results of operations of the City.

MUNICIPAL ADVISOR

The City has utilized the services of Zions Public Finance, Inc. as municipal advisor to the City (the “Municipal Advisor”). The City has entered into an agreement with the Municipal Advisor whereunder the Municipal Advisor provides financial recommendations and guidance to the City with respect to preparation for sale of the Certificates, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the Certificates. The Municipal Advisor has read and participated in the drafting of certain portions of this Preliminary Official Statement. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the Preliminary Official Statement, or any other related information available to the City, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the Preliminary Official Statement or any other matter related to the Preliminary Official Statement.

ADDITIONAL INFORMATION

The references herein to the Primary Lease, the Appropriation Lease, the Trust Indenture and other documents referred to in this Preliminary Official Statement are brief summaries of certain provisions. Such outlines do not purport to be complete, and, for full and complete statements of the provisions of the Primary Lease, the Appropriation Lease, and the Trust Indenture, reference is made to the Primary Lease, the Appropriation Lease, and the Trust Indenture attached as

APPENDIX E, APPENDIX F, and APPENDIX G, respectively, to this Preliminary Official Statement and such other documents.

The agreement of the City with the Owners of the Certificates is fully set forth in the Trust Indenture, and neither any advertisement of the Certificates nor this Preliminary Official Statement is to be construed as constituting an agreement with the purchasers of the Certificates. So far as any statements are made in this Preliminary Official Statement involving matters of opinion, estimates or projections, whether or not expressly stated as such, they are intended as such and are not representations of fact. CUSIP identification numbers will be printed on the Certificates, but no error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for any Certificates. Section headings, table headings and captions are included for convenience only and should not be construed as modifying the text of this Preliminary Official Statement.

APPROVAL OF OFFICIAL STATEMENT

The City, through a duly authorized official, has deemed this Preliminary Official Statement “final” as of its date except for the omission of information dependent on the pricing of this issue and completion of the underwriting agreement, for purposes of compliance with Securities and Exchange Commission Rule 15c2-12.

CITY OF IDAHO FALLS, IDAHO

/s/

Rebecca L. Noah Casper, Mayor

Appendix A

Form of Bond Counsel Opinion

(attached)

Appendix B

Financial Statements

The City's Auditor has not performed any further review of the City's general purpose financial statements since the date of the audit contained herein.

(attached)

Appendix C

Book-Entry Only System

(attached)

**SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC--bracketed material may apply only to certain issues)

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with

respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

Appendix D

Form of Information Reporting Agreement

(attached)

Appendix E

Form of Primary Lease

(attached)

Appendix F

Form of Annual Appropriation Lease Agreement

(attached)

Appendix G

Form of Annual Appropriation Trust Indenture

(attached)

CITY OF IDAHO FALLS, IDAHO
INFORMATION REPORTING AGREEMENT

Re: \$[30,000,000] initial principal amount of City of Idaho Falls, Idaho, Annual Appropriation Certificates of Participation, Series 2020, dated December __, 2020 (the “Certificates”) authorized pursuant to an Ordinance adopted on November 24, 2020 (the “Ordinance”), by the City Council of the City of Idaho Falls, Idaho (hereinafter the “City”), approving certain Financing Documents as described below and authorizing the issuance and confirming the sale of the Certificates.

THIS INFORMATION REPORTING AGREEMENT (the “Agreement”) is executed and delivered by the City, as the obligated person hereunder, and Zions Bancorporation, National Association (hereinafter “Disclosure Agent”) as of the date set forth below in order for the City to authorize and direct the Disclosure Agent, as the agent of the City, to make certain information available to the public in compliance with Section (b)(5)(i) of Rule 15c2-12, as hereinafter defined. Capitalized terms contained in this Agreement, unless defined herein, shall have the meanings set forth in the Indenture (as hereinafter defined), except where the context indicates otherwise.

WITNESSETH:

- 1. Background.** The City has resolved to authorize issuance of the Certificates pursuant to the Ordinance, the Annual Appropriation Trust Indenture dated December __, 2020 (the “Indenture”), among the City, Zions Bancorporation, National Association (the “Bank”), and Zions Bancorporation, National Association, as trustee, paying agent and registrar (the “Trustee”), and the Annual Appropriation Lease Agreement dated December __, 2020, between the City, as lessee, and the Bank, as lessor (the “Appropriation Lease”). The Appropriation Lease and the Indenture are herein collectively referred to as the “Financing Documents”). The CUSIP number assigned to the final maturity of the Certificates is _____.
- 2. Appointment of Disclosure Agent.** The City hereby appoints the Disclosure Agent and any successor Disclosure Agent acting as Trustee under the Indenture as its agent under this Agreement to disseminate the financial information and notices furnished by the City hereunder in the manner and at the times as herein provided and to discharge the other duties assigned with respect to the Certificates.
- 3. Information to be Furnished by the City.** The City hereby covenants for the benefit of the registered and beneficial holders of the Certificates that, subject to the termination provisions

of Section 9 hereof, for as long as the Certificates are outstanding, the City will deliver the following information to the Disclosure Agent:

a. Within 210 days after the end of the City's fiscal year, beginning with fiscal year ended September 30, 2020, the audited financial statements of the City prepared in accordance with generally-accepted accounting principles, together with the report thereon of the City's independent auditors. If audited financial statements are not available by the time specified herein, unaudited financial statements will be provided and audited financial statements will be provided when, and if, available. The City shall include with each submission a written representation addressed to the Disclosure Agent to the effect that the financial statements are the financial statements required by this Agreement and that they comply with the applicable requirements of this Agreement. For the purposes of determining whether information received from the City is the required financial statements, the Disclosure Agent shall be entitled conclusively to rely on the City's written representation made pursuant to this Section.

b. Within 210 days after the end of the City's fiscal year, beginning with fiscal year ended September 30, 2020, the other financial, statistical and operating data for said fiscal year of the City in the form and scope similar to the financial, statistical and operating data contained in the City's Official Statement, specifically the tables and/or information contained under the following tables and headings of the Official Statement:

Updated TABLE 1 titled "HISTORICAL LAWFUL FUNDS OF THE CITY" – page ____

Updated TABLE 4 titled "SUMMARY OF CITY GOVERNMENTAL REVENUES BY SOURCE" – page ____

Updated TABLE 5 titled "DIRECT AND OVERLAPPING TAX RATES (per \$1,000 of assessed value)" – page ____

Updated TABLE 6 titled "PROPERTY VALUES" – page ____

Updated TABLE 7 titled "PROPERTY TAX COLLECTION" – page ____

Updated TABLE 8 titled "PRINCIPAL TAXPAYERS" – page ____

Updated TABLE 9 titled "STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE—GENERAL FUND" – page ____

Updated TABLE 10 titled "BALANCE SHEET—GENERAL FUND" – page ____

c. The Disclosure Agent shall provide notice to the City of its requirement to provide the information listed in Sections 3.a. and 3.b. at least thirty (30) days prior to the date such information is to be provided to the Disclosure Agent by the City. Any or all of the items

listed above in Sections 3.a. or 3.b. may be incorporated by reference from other documents, including official statements of debt issues of the City which have been previously submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such document incorporated by reference. In the event City is unable or fails to provide the required annual financial information specified in Sections 3.a. and 3.b. above on or before the date specified therein, City shall timely submit to the Repository notice of such failure in the form attached hereto as Exhibit A.

d. Within ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Certificates:

- (1) Principal and interest payment delinquencies;
- (2) Nonpayment-related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the securities, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;¹

¹ For the purposes of the event identified in paragraph (12) above, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the obligated person, if material; or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect securities holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

The Disclosure Agent shall promptly advise the City whenever, in the course of performing its duties under the Indenture, the Disclosure Agent identifies an occurrence which would require the City to provide a notice of the occurrence of any of the events listed in this Section 3.d. above; provided that the failure of the Disclosure Agent so to advise the City of such occurrence shall not constitute a breach by the Disclosure Agent of any of its duties and responsibilities hereunder or under the Indenture. The Disclosure Agent shall only send notice of such event listed this Section 3.d to the Repository if such written notice is provided to it by the City, and in no event shall the Disclosure Agent be required to determine the materiality of such event.

4. Manner and Time by Which Information is to be made Public by the Disclosure Agent.

a. The information required to be delivered to the Disclosure Agent pursuant to Sections 3.a. and 3.b. hereof shall be referred to as the Continuous Disclosure Information (the “Continuous Disclosure Information”), and the notices required to be delivered to the Disclosure Agent pursuant to Section 3.d. hereof shall be referred to as the Event Information (the “Event Information”).

b. After the receipt of any Continuous Disclosure Information or any Event Information, the Disclosure Agent will deliver the information as provided in the following Section 4.c.

other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

c. It shall be the Disclosure Agent's duty:

(1) to deliver the Continuous Disclosure Information to the Repository once it is received from the City not later than five (5) days after receipt thereof; and

(2) to deliver the Event Information to the Repository promptly upon receipt from the City and, in any event, not more than two (2) business days following receipt from the City.

d. The Disclosure Agent shall have no duty or obligation to disclose to the Repository any information other than (i) Continuous Disclosure Information that the Disclosure Agent actually has received from the City and (ii) Event Information about which the Disclosure Agent has received written notice from the City. Any such disclosures shall be required to be made only as and when specified in this Agreement. The Disclosure Agent's duties and obligations are only those specifically set forth in this Agreement, and the Disclosure Agent shall have no implied duties or obligations.

e. All Continuous Disclosure Information and Event Information, or other financial information and notices pursuant to this undertaking are to be provided to the Repository in electronic PDF format (word-searchable) as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

5. Indemnification.

a. The Disclosure Agent shall have no obligation to examine or review the Continuous Disclosure Information or the Event Information and shall have no liability or responsibility for the form of or the accurateness or completeness of the Continuous Disclosure Information or the Event Information disseminated by the Disclosure Agent hereunder.

b. During the Lease Term, to the extent permitted by law and subject to appropriation therefor, the City hereby agrees to hold harmless and to indemnify the Disclosure Agent, its employees, officers, directors, agents and attorneys from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorneys' fees and expenses, whether incurred before trial, at trial, or on appeal, or in any bankruptcy or arbitration proceedings), which may be incurred by the Disclosure Agent by reason of or in connection with the disclosure of information in accordance with this Agreement, except to the extent such claims, damages, losses, liabilities, costs or expenses result directly from the willful or negligent conduct of the Disclosure Agent in the performance of its duties under this Agreement.

6. Compensation. The City hereby agrees to compensate the Disclosure Agent for the services provided and the expenses incurred pursuant to this Agreement in an amount to be agreed upon from time to time hereafter and appropriated therefor. Such compensation shall be

in addition to any fees previously agreed upon with respect to the fiduciary services of the Disclosure Agent in its capacity as the Trustee.

7. **Enforcement.** The obligations of the City under this Agreement shall be for the benefit of the registered and beneficial holders of the Certificates. Any holder of the Certificates then outstanding, including any Beneficial Owner (as defined in the Indenture) of the Certificates, may enforce specific performance of such obligations by any judicial proceeding available. However, any failure by the City to perform in accordance with this Agreement shall not constitute a default under the Financing Documents. Neither the City nor the Disclosure Agent shall have any power or duty to enforce this Agreement.

This Agreement shall inure solely to the benefit of the City, the Disclosure Agent and the holders and Beneficial Owners from time to time of the Certificates and shall create no rights in any other person or entity.

8. **Definitions.** As used herein, the following terms shall have the following meanings:

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b); provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in Rule 15c2-12) has been provided to the MSRB consistent with Rule 15c2-12.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“obligated person” as defined in Rule 15c2-12 shall mean any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the municipal securities to be sold in the offering (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

“Official Statement” shall mean the final official statement relating to the Certificates dated December __, 2020.

“Repository” shall mean MSRB through its Electronic Municipal Market Access system (“EMMA”) at <http://emma.msrb.org>, or such other nationally recognized municipal securities information repository recognized by the SEC from time to time pursuant to Rule 15c2-12.

“Rule 15c2-12” shall mean Rule 15c2-12, as amended, promulgated by the SEC under the Securities Exchange Act of 1934, and as amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

9. Amendments and Termination. This Agreement may be amended with the mutual agreement of the City and the Disclosure Agent and without the consent of any registered or Beneficial Owners of the Certificates under the following conditions:

a. the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person or type of business conducted;

b. this Agreement, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any change in circumstances; and

c. the amendment does not materially impair the interests of holders of the Certificates, as determined by parties unaffiliated with the City (such as the Disclosure Agent or nationally recognized bond counsel).

Any party to this Agreement may terminate this Agreement by giving written notice of an intent to terminate to the other parties at least thirty (30) days prior to such termination, provided that no such termination shall relieve the obligation of the City to comply with Rule 15c2-12(b)(5) either through a successor agent or otherwise.

The City's next annual report must explain, in narrative form, the reasons for any such amendment or termination of the undertaking contained in this Agreement and the impact, as applicable, of any change in the type of operating data or financial information being provided or, in the case of accounting principles, the presentation of such operating data or financial information.

The undertaking contained in this Agreement shall be in effect from and after the issuance and delivery of the Certificates and shall extend to the earlier of (i) the date all principal and interest on the Certificates shall have been paid pursuant to the terms of the Financing Documents; (ii) upon an Event of Nonrenewal of the Appropriation Lease, at which time the City shall no longer constitute an "obligated person" within the meaning of Rule 15c2-12; or (iii) the date on which those portions of Rule 15c2-12 that require this written undertaking (a) are held to be invalid by a court of competent jurisdiction in a nonappealable action, (b) have been repealed retroactively, or (c) in the opinion of counsel who is an expert in federal securities laws, acceptable to the City or the Disclosure Agent, otherwise, do not apply to the Certificates. The City shall notify the Repository if this Agreement is terminated pursuant to (iii), above.

10. Successor Disclosure Agent. Upon the transfer of the duties created under the Indenture and applicable Financing Documents from the current Disclosure Agent to a successor Disclosure Agent, such successor Disclosure Agent shall succeed to the duties under this Agreement without any further action on the part of any party, and the then current Disclosure Agent shall have no further duties or obligations upon the transfer to a successor Disclosure Agent. Such Successor Disclosure Agent may terminate this Agreement or cause it to be amended as provided in Section 9.

11. Additional Information. Nothing in this Agreement shall be deemed to prevent the City from disseminating (or cause the Disclosure Agent to disseminate) any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Continuous Disclosure Information or notice of the occurrence of any Event Information, in addition to that which is required by this Agreement. If the City chooses to include any information in any Continuous Disclosure Information or Event Information in addition to that which is specifically required by this Agreement, the City shall have no obligation under this Agreement to update such information or include it in any future Continuous Disclosure Information or notice of occurrence of any Event Information.

If the City provides to the Disclosure Agent information relating to the City or the Certificates, which information is not designated as Event Information, and directs the Disclosure Agent to provide such information to the Repository, the Disclosure Agent shall provide such information in a timely manner to the Repository.

12. Notices. Notices and the required information under this Agreement shall be given to the parties at their addresses set forth below under their signatures or at such places as the parties to this Agreement may designate from time to time.

13. Counterparts. This Agreement may be executed in one or more counterparts, and each such instrument shall constitute an original counterpart of this Agreement.

14. Governing Law. This Agreement shall be governed by the laws of the State of Idaho.

[The following page is the signature page.]

IN WITNESS WHEREOF, the City and the Disclosure Agent have caused this Agreement to be executed and delivered by a duly authorized officer of each of them, all effective as of the ____ day of December, 2020.

CITY:

CITY OF IDAHO FALLS, IDAHO

By: _____
Mayor

Notice Address:
308 Constitution Way
Idaho Falls, ID 83402
Attn: City Clerk

DISCLOSURE AGENT:

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION

By: _____
Senior Vice President, Zions Bank
Division

Notice Address:
800 West Main Street, Suite 700
Boise, ID 83702
Attn: Twyla Lehto, SVP

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of
Obligated Person: City of Idaho Falls, Idaho (the "City")

Name of Issue: Annual Appropriation Certificates of Participation, Series 2020
 \$[30,000,000]

Date of Issuance: December __, 2020

CUSIP Number: _____

NOTICE IS HEREBY GIVEN that the Obligated Person has not provided an annual report with respect to the above-named Issue as required by the Information Reporting Agreement (the "Disclosure Agreement") between the City and Zions Bancorporation, National Association, as Disclosure Agent, dated the date of issuance. The City has notified the Disclosure Agent that it anticipates that the annual report will be filed on or about _____.

Dated: _____

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Disclosure Agent, on behalf of
the City

By: _____
Title: _____

CERTIFICATE PURCHASE AGREEMENT

DATED DECEMBER __, 2020

City of Idaho Falls, Idaho

\$_____

Annual Appropriation Certificates of Participation, Series 2020

City of Idaho Falls, Idaho
308 Constitution Way
Idaho Falls, Idaho 83402

Ladies and Gentlemen:

On the basis of the representations, warranties, covenants and conditions contained in this Certificate Purchase Agreement (this "Purchase Agreement"), the undersigned, Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), acting on its own behalf and not acting as fiduciary or agent for the City of Idaho Falls, Idaho (the "City"), hereby offers to purchase from the City all, but not less than all, of the City of Idaho Falls, Idaho Annual Appropriation Certificates of Participation, Series 2020 in the aggregate principal amount of \$_____ (the "Certificates") evidencing proportionate interests in the Lease Payments under an annually renewable Annual Appropriation Lease Agreement (the "Annual Appropriation Lease"), by and between Zions Bancorporation, National Association (the "Bank"), as lessor, and the City, as lessee. The Certificates are executed and delivered pursuant to Ordinance No. __ adopted by the City Council of the City (the "City Council") on November __, 2020 (the "Ordinance") and an Annual Appropriation Trust Indenture (the "Trust Indenture") by and among the City, the Bank and Zions Bancorporation, National Association, as trustee (the "Trustee"). The Underwriter has been duly authorized to execute and deliver this Purchase Agreement and to act hereunder.

All capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Trust Indenture, the Preliminary Official Statement (as defined below), or the Ordinance, unless the context clearly indicates otherwise.

For purposes of this Purchase Agreement, the capitalized term "City Documents" used herein means all financing documents to which the City is a party relating to the issuance of and security for the Certificates, as such documents are amended and supplemented to the Closing Date, including, but not limited to:

- (i) this Purchase Agreement;
- (ii) the Information Reporting Agreement;
- (iii) the Trust Indenture;
- (iv) the Primary Lease;

(v) the Annual Appropriation Lease; and

(vi) other applicable financing or operative documents to which the City is a party, as such documents are amended and supplemented to the date of the issuance and delivery of the Certificates (the "Closing Date").

2. Offer to Purchase the Certificates; Execution of Terms and Acceptance.

Underwriter offers to enter into this Purchase Agreement with the City which, upon the City's acceptance of this offer, will be binding upon the City and upon the Underwriter. This offer is subject to acceptance by the City by the Acceptance Deadline and, if not so accepted by the Acceptance Deadline, will be subject to withdrawal by the Underwriter by written notice delivered to the City at any time prior to acceptance. The City shall accept this Purchase Agreement by its execution hereof. Upon such execution, this Purchase Agreement will be binding upon the Underwriter and the City. This Purchase Agreement is effective as of the Effective Date and Time.

3. Purchase of the Certificates.

Upon the terms and conditions and upon the basis of the representations, warranties and covenants set forth in this Purchase Agreement, the Underwriter agrees to purchase all (but not less than all) of the \$_____ Annual Appropriation Certificates of Participation, Series 2020 (the "Certificates"), and the City agrees to cause the Certificates to be sold to the Underwriter. The Certificates shall bear interest at the rates per annum, mature on the dates, be sold to the public at the prices and be subject to optional and mandatory sinking fund redemption prior to maturity and to such other terms and provisions, all as set forth in **Schedule 1** hereto. The Certificates shall be as described in the Official Statement, the Trust Indenture, and the City Documents.

The City acknowledges and agrees that: (i) the primary role of the Underwriter, as an underwriter, is to purchase securities for resale to investors in an arms-length commercial transaction between the City and the Underwriter and that the Underwriter has financial and other interests that differ from those of the City; (ii) the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the City or any other person or entity and has not assumed any advisory or fiduciary responsibility to the City with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters); (iii) the only obligations the Underwriter has to the City with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (iv) the City has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein.

4. Purchase Price.

The Purchase Price of the Certificates is \$_____ (representing the principal amount of the Certificates, less an Underwriter's discount of \$_____, and plus net original issue premium of \$_____), plus accrued interest, if any, to the Closing Date.

The Purchase Price shall be payable on the Closing Date by the Underwriter to or as directed by the City by wire transfer in immediately available funds.

5. Public Offering.

The Underwriter agrees to make a bona fide initial public offering of all the Certificates in compliance with federal and state securities laws, at a price not in excess of the initial offering price set forth in **Schedule 1** hereto. Subject to Section 6, the Underwriter may change the initial offering price or prices as they deem necessary in connection with the offering of the Certificates without any requirement of prior notice, and may offer and sell the Certificates to certain institutions at prices lower than the public offering prices or yields greater than the yields set forth therein. Upon the request of Hawley Troxell Ennis & Hawley LLP, as bond counsel ("Bond Counsel"), the Underwriter shall execute and deliver prior to the Closing an issue price certificate in substantially the form attached hereto in Exhibit A or similar certificate in form and substance reasonably satisfactory to Bond Counsel and the Underwriter as further described below under "Establishment of Issue Price."

6. Establishment of Issue Price.

(a) The Underwriter agrees to assist the City in establishing the issue price of the Certificates and shall execute and deliver to the City at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Certificates.

(b) Except as otherwise set forth in Exhibit A attached hereto, the City represents that it will treat the first price at which 10% of each maturity of the Certificates is sold to the public (the "10% test") as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). If, as of the date hereof, the 10% test has not been satisfied as to any maturity of the Certificates for which the City has elected to utilize the 10% test, the Underwriter agrees to promptly report to the City the prices at which Certificates of that maturity or maturities have been sold by the Underwriter to the public. That reporting obligation shall continue until the earlier of the date upon which the 10% test has been satisfied as to the Certificates of that maturity or maturities or the Closing Date. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the City the price or prices at which it has sold to the public each maturity of Certificates.

(c) The Underwriter confirms that it has offered the Certificates to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the Official Statement. Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Certificates for which the 10% test has not been satisfied and for which the City and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the City to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that

maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Certificates, the Underwriter will neither offer nor sell unsold Certificates of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the City when it has sold 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Underwriter confirms that any agreement among the Underwriter, any selling group agreement and any retail distribution agreement relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Certificates of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Certificates of that maturity or all Certificates of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The City acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (A) in the event a selling group has been created in connection with the initial sale of the Certificates to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (B) in the event that a retail distribution agreement was employed in connection with the initial sale of the Certificates to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Certificates.

(e) The Underwriter acknowledges that sales of any Certificates to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (i) “public” means any person other than an underwriter or a related party;
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to

participate in the initial sale of the Certificates to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the public);

(iii) a purchaser of any of the Certificates is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

7. Delivery of the Official Statement.

(a) The City hereby consents to and ratifies the use and distribution by the Underwriter of the Official Statement in connection with the public offering and sale of the Securities by the Underwriter. The City hereby represents and warrants that the Official Statement previously furnished to the Underwriter was “deemed final” by the City as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) thereof.

(b) The City, at its cost, shall provide, or cause to be provided, to the Underwriter within seven (7) business days after the date of this Purchase Agreement (or within such shorter period as may be approved by the Underwriter or required by applicable rule) such number of copies of a final Official Statement, and any amendments or supplements and statements incorporated by reference therein or attached thereto, as have been approved by the City, Bond Counsel, and the Underwriter, as reasonably requested by the Underwriter, but in sufficient quantity to permit the Underwriter to comply with paragraph (b)(4) of Rule 15c2-12, and Rule G-32 and any other applicable rules of the Securities and Exchange Commission of the United States (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”).

(c) The City authorizes the Underwriter to file, to the extent required by any applicable SEC or MSRB rule, and the Underwriter agrees to so file, the Official Statement with the MSRB or its designee. If an amended Official Statement is prepared during the Primary Offering Disclosure Period, and if required by any applicable SEC or MSRB rule, the Underwriter also shall make the required filings of the amended Official Statement. The City shall provide the Underwriter with the information necessary to complete MSRB Form G-32 for all filings to be made under this Section 7.

(d) The Preliminary Official Statement and the Official Statement may be delivered in printed and a “designated electronic format” as defined in the MSRB’s Rule G-32 and as may be agreed by the City and the Underwriter. If the Official Statement has been prepared in electronic form, the City hereby confirms that it does not object to distribution of the Official Statement in electronic form.

8. Amendments to Official Statement.

The City shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter. The City covenants to notify the Underwriter promptly if, on or prior to the 25th day after the End of the Underwriting Period, (or such other period as may be agreed to by the City and the Underwriter) any event shall occur, or information comes to the attention of the City, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and if in the opinion of the Underwriter such event requires the preparation and distribution of a supplement or amendment to the Official Statement, to prepare and furnish to the Underwriter, at the City’s expense, such number of copies of the supplement or amendment to the Official Statement, in (i) a “designated electronic format” consistent with the requirements of the MSRB’s Rule G-32 and (ii) a printed format form in substance mutually agreed upon by the City and the Underwriter, as the Underwriter may reasonably request. If such notification shall be given subsequent to the Closing Date, the City also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

9. Representations and Warranties.

(a) Representations and Warranties of the City. The City hereby agrees with, and makes the following representations and warranties to, the Underwriter, as of the date hereof and as of the Closing Date, which representations and warranties shall survive the Closing:

(i) The City is a municipal corporation operating and existing under and pursuant to the provisions of the Constitution and laws of the State of Idaho (the “State”), and has full legal right, power and authority under the Constitution and laws of the State, to adopt the Ordinance, to execute and deliver the City Documents and the Official Statement, to cause the Certificates to be issued, sold and delivered as provided herein, and to carry out and to consummate the transactions contemplated by the Ordinance, the City Documents and the Official Statement.

(ii) By all necessary official action of the City prior to or concurrently with the acceptance hereof, the City has duly authorized and approved (A) the distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement for use by the Underwriter in connection with the public offering of the Certificates, (B) the issuance and sale of the Certificates upon the terms set forth herein and as contemplated by the Ordinance, the City Documents and the Official Statement and

(C) the execution and delivery of, and the performance by the City of the obligations on its part contained in, the Certificates, the Ordinance and the City Documents.

(iii) The Certificates will be issued in conformity with and entitled to the benefit and security of the Ordinance and the City Documents, including the pledge or application of the Trust Estate under the Trust Indenture.

(iv) This Purchase Agreement constitutes a legal, valid and binding obligation of the City enforceable in accordance with its terms; the other City Documents, when duly executed and delivered, will constitute the legal, valid and binding obligations of the City enforceable in accordance with their respective terms; and the Certificates, when issued, authenticated and delivered in accordance with the City Documents and sold to the Underwriter as provided herein, evidence valid and binding assignments of proportionate undivided interests in the right to receive Lease Payments made by the City under the Appropriation Lease enforceable in accordance with their terms; in all cases, except as the enforceability of this Purchase Agreement, the other City Documents and the Certificates may be limited by application of Creditors' Rights Laws.

(v) The City is not in breach of or default in any material respect under (if applicable) its charter documents, its articles of incorporation or its bylaws or under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the City under any of the foregoing.

(vi) Except as may be described in the Preliminary Official Statement or the Official Statement, the City is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the City under any of the foregoing.

(vii) The adoption, execution and delivery of the Certificates, the Ordinance and the City Documents, and compliance with the provisions on the City's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City or any of its property or assets are otherwise subject, and such adoption, execution, delivery or compliance will not result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature upon the Trust Estate or the property or assets, if any, of the City to be pledged to secure the Certificates or under the

terms of any such law, regulation or instrument, except as provided by the Certificates, the Ordinance and the City Documents.

(viii) All authorizations, approvals, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect, the issuance of the Certificates or the due performance by the City of its obligations under the Certificate Ordinance, the City Documents and the Certificates have been duly obtained or will be obtained prior to the Closing, except for:

(1) such authorizations, approvals, consents and orders, if any, as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Certificates and

(2) authorizations, approvals, consents and orders that are required to be obtained or renewed periodically, such as budgets, licenses and permits.

(ix) The Preliminary Official Statement as of its date did not, and the Official Statement as of its date does not and as of the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the City makes no statement as to (1) the section describing DTC and its book-entry-only procedures, (2) the section captioned "Underwriting" if provided in writing by the Underwriter, and (3) the following additional sections, if any: Offering price(s), interest rate(s), selling compensation, aggregate principal amount, delivery dates, credit enhancement, if any, ratings, and other terms of the securities depending on such matters.

(x) The financial statements of the City contained in the Preliminary Official Statement and the Official Statement fairly present the financial position and results of operations of the City as of the dates and for the periods therein set forth in accordance with generally accepted accounting principles consistently applied, and, since the date thereof, there has been no material adverse change in the financial position or results of operations of the City.

(xi) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, agency, public board or body, pending or, to the knowledge of the City, threatened against the City: (A) affecting the existence of the City or the titles of its officers to their respective offices, (B) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Certificates or the pledge or collection by the City of the Trust Estate or the making of any other required deposits with respect to the Certificates, (C) in any way contesting or affecting the validity or enforceability of, or the power or authority of the City to cause the Certificates to be issued, to adopt or to enter into (as applicable) the Ordinance or the City Documents, (D) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, (E) except as disclosed in the Official Statement,

wherein an unfavorable decision, ruling or finding would materially adversely affect the financial position or condition of the City or would result in any material adverse change in the ability of the City to pledge or apply the Trust Estate or to pay debt service on the Certificates, or (F) contesting the status of the interest on the Certificates as excludable from gross income for federal income tax purposes or as exempt from any applicable state tax, in each case as described in the Official Statement.

(xii) The City has received all licenses, permits or other regulatory approvals required, if any, for the pledge, collection and/or application by the City of the Trust Estate and the City is not in material default, and no event has occurred which would constitute or result in a material default, under any such licenses, permits or approvals.

(xiii) The City has entered or will enter into the Continuing Disclosure Undertaking and, unless otherwise described in the Official Statement or set forth below, the City has not failed during the previous five years to comply in all material respects with any previous undertakings in a written continuing disclosure contract or agreement under Rule 15c2-12.

(xiv) The City Documents and the Certificates conform to the description thereof contained in the Official Statement.

(xv) Any certificate signed by any member or officer of the City and delivered to the Underwriter in connection with the delivery of the Certificates shall be deemed to be a representation and warranty by the City to the Underwriter as to the statements made in such certificate.

(xvi) The City has the legal authority to apply proceeds of the Certificates for the purposes contemplated by the Ordinance and the City Documents, including for the payment or reimbursement of incidental expenses in connection with the marketing, issuance and delivery of the Certificates to the extent required by this Purchase Agreement and in compliance with applicable law.

(b) Covenants of the City.

The City hereby covenants with the Underwriter that:

(i) Prior to the Closing Date, except as otherwise contemplated by the Official Statement, the City shall not create, assume or guarantee any indebtedness payable from, or pledge or otherwise encumber, the Trust Estate or other assets, properties, funds or interests that will be pledged as security for the Certificates pursuant to the City Documents.

(ii) The City shall cooperate with the Underwriter in the qualification of the Certificates for offering and sale and the determination of their eligibility for investment under the laws of such jurisdictions, to the extent applicable, as the Underwriter may request; provided that the City shall not be required to qualify as a foreign corporation in, or submit to the general jurisdiction of, any other state or to file any general or special consents to service of process under the laws of any jurisdiction.

(iii) The City shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable state tax, of the interest on the Certificates.

(c) Representations and Warranties of the Underwriter.

The Underwriter hereby agrees with, and makes the following representations and warranties to, the City, as of the date hereof and as of the Closing Date, which representations and warranties shall survive the Closing:

(i) The Underwriter is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization.

(ii) This Purchase Agreement has been duly authorized, executed and delivered by the Underwriter and, assuming the due authorization, execution and delivery by the City, is the legal, valid and binding obligation of the Underwriter enforceable in accordance with its terms, except as the enforceability of this Purchase Agreement may be limited by application of Creditors' Rights Laws.

(iii) The Underwriter represents that it is licensed by and registered with the Financial Industry Regulatory Authority as a broker-dealer and the MSRB as a municipal securities dealer.

(iv) The Underwriter, by entering into this Purchase Agreement, hereby certifies that it and its parent company, wholly or majority-owned subsidiaries, and other affiliates, if any, are not currently engaged in, or for the duration of this Purchase Agreement will not engage in, a boycott of goods or services from the State of Israel; companies doing business in or with the State of Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or persons or entities doing business in the State of Israel. The Underwriter understands that "boycott" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations, but does not include an action made for ordinary business purposes.

10. Ratings. The following rating(s) on the Certificates shall be in effect on the Closing Date:

Moody's: [Aa2].

11. Closing.

(a) The delivery of and payment for the Certificates shall be the "Closing" for the Certificates and shall occur at or prior to 1:00 p.m., New York City time, on the Closing Date, or at such other time or on such other date as may be mutually agreed by the Underwriter and the City. The location of the Closing shall be Boise, Idaho.

(b) At the Closing, the Certificates shall be delivered in definitive form, duly executed and authenticated by the Trustee, together with the other documents identified in Section 13. Subject to satisfaction of the conditions contained in this Purchase Agreement, the Underwriter will accept

delivery of the Certificates as described above and pay the Purchase Price, plus accrued interest, if any, on the Certificates from their dated date to, but not including, the Closing Date, in immediately available funds, payable to the order of the Trustee or as otherwise directed by the City. If the Underwriter is to be paid an underwriting commission (in lieu of receiving an underwriting discount), the City shall pay the underwriting commission to the Underwriter in immediately available funds on the Closing Date.

(c) Delivery of the definitive Certificates shall be made through the facilities of DTC's book-entry-only system in New York, New York, or at such other location as may be designated by the Underwriter prior to the Closing. The Certificates will be delivered as fully-registered certificates of participation, bearing CUSIP numbers, with a single certificate of participation for each maturity of each series of the Certificates (or, if so provided in **Schedule 1**, for each separate interest rate within a maturity), and registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Certificates. Unless otherwise requested by the Underwriter, the Certificates will be delivered under DTC's FAST delivery system.

12. Closing Conditions.

The Underwriter's obligations under this Purchase Agreement to purchase and pay for the Certificates shall be subject to the performance by the City of all of its obligations to be performed under this Purchase Agreement at or prior to the Closing and the Underwriter shall receive on the Closing Date, in form and substance satisfactory to the Underwriter, each item specified below, unless waived by the Underwriter:

- (a) A copy of the Official Statement dated as of date of this Purchase Agreement.
- (b) A copy of the Ordinance certified by the City substantially in the form previously furnished.
- (c) An executed copy of the Primary Lease, Annual Appropriation Lease, Trust Indenture, and Continuing Disclosure Undertaking.
- (d) The approving opinion of Bond Counsel, addressed to the Underwriter, the City, and the Trustee, dated the Closing Date, and in substantially the form included as Appendix A to the Official Statement.
- (e) The supplemental opinion of Hawley Troxell Ennis & Hawley LLP, as Bond Counsel and Disclosure Counsel, addressed to the Underwriter and the City, dated the Closing Date, and in substantially the form attached hereto as Exhibit B.
- (f) The opinion of the City Attorney, addressed to the Underwriter and Bond Counsel, dated the Closing Date, and in substantially the form attached hereto as Exhibit C.
- (g) The opinion of Trustee's Counsel, addressed to the Underwriter and the City, dated the Closing Date, to the effect that the Trustee has full legal right, power and authority to enter into the Trust Indenture and issue the Certificates thereunder.

(h) The opinion of Underwriter's Counsel, addressed to the Underwriter, dated the Closing Date, to the effect that: (A) the Certificates are exempt from registration under the Securities Act and the Authorizing Law and any related trust indenture are exempt from qualification under the Trust Indenture Act and (B) the Continuing Disclosure Undertaking meets the requirements of Rule 15c2-12. In addition, such counsel shall state in its letter containing the foregoing opinion or in a separate letter addressed to the Underwriter that, without having undertaken to determine independently, or to assume responsibility for, the accuracy, completeness or fairness thereof, and based solely on their participation in meetings and telephone conferences at which representatives of the City, Bond Counsel and the Underwriter were at various times present, nothing has come to the attention of such counsel that would lead them to believe that the information and statements in the Preliminary Official Statement as of its date and the Official Statement, as of its date and as of the date of such letter, contained or contain any untrue statement of a material fact or omitted or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, no view need be expressed as to the financial statements of the City, any other financial, forecast, technical or statistical data, and any information in the Preliminary Official Statement as of its date and the Official Statement respecting DTC.

(i) A certificate dated the Closing Date of an authorized officer of the City to the effect that:

(i) the representations and warranties of the City contained in this Purchase Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date;

(ii) the Ordinance and the City Documents have been duly authorized and executed and are in full force and effect;

(iii) the City has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied at or prior to the Closing;

(iv) no event affecting the City has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing Date any statement or information contained in the Preliminary Official Statement or the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein not misleading in any material respect; and

(v) there is no action, suit, proceeding or investigation before or by any court or public board or body pending or threatened against the City to restrain or enjoin the issuance, execution or delivery of the Certificates or in any manner questioning the proceedings or authority for the issuance of the Certificates or affecting directly or indirectly the validity of the Certificates or of any provisions made or authorized for their payment or contesting the existence of the City or the title of any of its officers to their respective offices.

(j) Written evidence that the rating on the Certificates by the applicable rating service, as set forth in Section 11, is in effect as of the Closing Date.

(k) A certificate of an officer of the Bank, acceptable to the Underwriter, dated the Closing Date, to the effect that the Primary Lease and Annual Appropriation Lease and other financing or operative documents relating to the Certificates to which the Bank is a party have been duly authorized, executed and delivered by the Bank and, assuming due authorization, execution and delivery thereof by and the other parties thereto, constitute valid and binding agreements of the Bank enforceable against the Bank in accordance with their terms; and an incumbency certificate of the Bank, in form and content acceptable to the Underwriter and Bond Counsel, dated the Closing Date, with respect to the officers or other signatories of the Bank who have executed the Primary Lease and Annual Appropriation Lease to which the Bank is a party, and all other financing or operative documents relating to the Certificates to be signed by the Bank.

(l) A certificate of an officer of the Trustee, acceptable to the Underwriter, dated the Closing Date, to the effect that the Trust Indenture and Continuing Disclosure Undertaking and other financing or operative documents relating to the Certificates to which the Trustee is a party have been duly authorized, executed and delivered by the Trustee, and, assuming due authorization, execution and delivery thereof by the City and the other parties thereto, constitute valid and binding agreements of the Trustee enforceable against the Trustee in accordance with their terms; that the Trustee is authorized to issue the Certificates under the Trust Indenture and that the Certificates have been authenticated in accordance with the Ordinance and the Trust Indenture by a duly authorized officer or signatory of the Trustee; and an incumbency certificate of the Trustee, in form and content acceptable to the Underwriter and Bond Counsel, dated the Closing Date, with respect to the officers or other signatories of the Trustee who have executed, authenticated and delivered the Certificates, the Trust Indenture, the Continuing Disclosure Undertaking, and all other financing or operative documents relating to the Certificates to be signed by the Trustee.

(m) A tax certificate or tax regulatory agreement, executed by a duly authorized officer of the City, in form and substance satisfactory to Bond Counsel, setting forth, among other things, in the manner permitted by the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the reasonable expectations of the City as of the Closing Date as to the use of proceeds of the Certificates and of any other funds of the City expected to be used to pay debt service on the Certificates and the facts and estimates on which such expectations are based, and stating that, to the best of knowledge and belief of such certifying officer, the expectations set forth therein are reasonable.

(n) Written acknowledgment from the City's auditor, Moss Adams LLP, Portland, Oregon (the "Auditors"), dated as of or prior to the date of the respective Preliminary Official Statement and Official Statement addressed to the City acknowledging the use of its audit report within the City Financial Statement for fiscal year ended September 30, 2019, as an appendix to the Preliminary Official Statement and the Official Statement.

(o) True and complete copies of all opinions, certificates and other documents delivered to the Trustee under the Ordinance and the City Documents; and such additional legal opinions, certificates, instruments and other documents as the Underwriter or Bond Counsel reasonably may

request, in form and substance satisfactory to the Underwriter or Bond Counsel, as the case may be, to evidence (A) compliance by the City with legal requirements reasonably relating to the transactions contemplated by the Official Statement and this Purchase Agreement, (B) the truth and completeness, as of the date thereof, of the statements and information contained in the Preliminary Official Statement, (C) the truth and completeness, as of the date thereof and as of the time of the Closing, of the statements and information contained in the Official Statement, (D) the truth and completeness, as of the time of the Closing, of the representations and warranties of the City contained in this Purchase Agreement and the certificates and other documents referred to in this Purchase Agreement, and (E) the due performance or satisfaction by the City at or prior to the Closing of all agreements then to be satisfied.

13. Issue Price Certificate.

Upon request of Bond Counsel, the Underwriter shall execute and deliver on or prior to the Closing Date an issue price or similar certificate pursuant to this Section and Section 6 in form and substance reasonably satisfactory to the City, Bond Counsel and the Underwriter.

14. Termination.

The Underwriter shall have the right to cancel its obligation to purchase the Certificates and to terminate this Purchase Agreement by written notice to the City if, between the Effective Date to and including the Closing Date, in the Underwriter's sole and reasonable judgment any of the following events shall occur (each a "Termination Event"):

(a) the market price or marketability of the Certificates, or the ability of the Underwriter to enforce contracts for the sale of the Certificates, shall be materially adversely affected by any of the following events:

(i) any legislation, resolution, rule or regulation shall be introduced in or be enacted by any governmental body, department or agency in the State or a decision by any court of competent jurisdiction within the State shall be rendered which, in the Underwriter's opinion, materially adversely affects the market price of the Certificates; or

(ii) a stop order, ruling, regulation or official statement by, or on behalf of, the SEC or any other governmental agency having jurisdiction over the subject matter shall be issued or made to the effect that the execution and delivery, offering or sale of obligations of the general character of the Certificates, or the execution and delivery, offering or sale of the Certificates, including all the underlying obligations, as contemplated by the Trust Indenture, the Annual Appropriation Lease, the Primary Lease, this Purchase Agreement, the Information Reporting Agreement, or by the Official Statement, is in violation or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(iii) legislation shall be introduced in or enacted by the Congress of the United States of America, or a decision by a court established under Article III of the Constitution of the United States, or the Tax Court of the United States, shall be rendered, or a ruling,

regulation or official statement of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that obligations of the general character of the Certificates, including all of the underlying obligations, are not exempt from registration under or from other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or

(iv) any event shall have occurred, or information become known, which, in the Underwriter's opinion, makes untrue in any material respect any statement or information contained in the Official Statement or has the effect that the Official Statement contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; or

(v) any litigation shall have been instituted, pending or threatened to restrain or enjoin the issuance or sale of the Certificates or in any way contesting or affecting any authority for or the validity of the Certificates, or the existence or powers of the City; or

(vi) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(vii) the New York Stock Exchange or any national securities exchange, or any governmental authority, shall have imposed, as to the Certificates or obligations of the general character of the Certificates, any material restrictions not now in force or being enforced, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or

(viii) a general banking moratorium shall have been established by federal or State of Idaho authorities; or

(ix) the rating of any of the City's securities shall have been downgraded or withdrawn by a national rating service, which, in the Underwriter's opinion, materially and adversely affects the market price of the Certificates; or trading in any of the City's securities shall have been suspended on any national securities exchange; or any proceeding shall be pending or threatened by the SEC against the City; or

(x) a war involving the United States of America shall have been declared, or any conflict involving the armed forces of the United States of America shall have escalated, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which, in the Underwriter's opinion, materially adversely affects the market price of the Certificates; or

(xi) additional events or announcements related to the COVID-19 virus and its impact resulting in the cancellation of orders from investors or the inability of investors to

proceed with the purchase of the Certificates in an amount that the Underwriter deems to have an adverse material impact on the sale of and market for the Certificates.

Upon the occurrence of a Termination Event and the termination of this Purchase Agreement by the Underwriter, all obligations of the City and the Underwriter under this Purchase Agreement shall terminate, without further liability, except that) the City and the Underwriter shall pay their respective expenses as set forth in Section 15 below.

15. Payment of Expenses.

(a) The Underwriter shall be under no obligation to pay, and the City shall pay from available funds or direct the Trustee under the Ordinance and the City Documents to pay from the proceeds of the Certificates (to the extent permitted under applicable law) or from other funds of the City, all expenses that are incidental to the performance of the City's obligations under this Purchase Agreement, including but not limited to: all expenses in connection with the printing of the Preliminary Official Statement, the Official Statement and any amendment or supplement to either; all expenses in connection with the printing, issuance and delivery of the Certificates; the fees and expenses of Bond Counsel and Disclosure Counsel; the fees and expenses of the City's financial advisors, Auditors, any verification consultant and all other consultants; the fees and disbursements of any Trustee, any Paying Agent and any escrow agent, and their respective counsel; all expenses in connection with obtaining a rating or ratings for the Certificates; all expenses of the City in connection with the preparation, printing, execution and delivery, and any recording or filing, of any the City Document or any other instrument; the City's administrative fees; and all other expenses and costs of the City incident to its obligations in connection with the authorization, issuance, sale and distribution of the Certificates. Unless the City and the Underwriter otherwise agree, the City shall pay for all incidental costs (including, but not limited to, transportation, lodging, meals and entertainment of City personnel) incurred by or on behalf of the City in connection with the marketing, issuance and delivery of the Certificates.

(b) The Underwriter shall pay the costs of qualifying the Certificates for sale in the various states chosen by the Underwriter, all advertising expenses in connection with the public offering of the Certificates, the fees and disbursements of Underwriter's Counsel and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Certificates.

16. Notices.

Any notice or other communication to be given to the City, Trustee, and/or Underwriter under this Purchase Agreement may be given by certified mail or by delivering the same in writing at the addresses shown below.

To the City: City of Idaho Falls, Idaho
 308 Constitution Way
 Idaho Falls, Idaho 83402
 Attention: Municipal Services Director

To the Trustee: Zions Bancorporation, National Association

800 W. Main St., Suite 700
Boise, Idaho 83702
Attention: Twyla Lehto, Senior Vice President

To the Underwriter: Stifel, Nicolaus & Company, Incorporated
1401 Lawrence Street, Suite 900
Denver, Colorado 80202
Attention: Bryan Stelmack, Director

17. Governing Law.

This Purchase Agreement shall be governed by the laws of the State.

18. Miscellaneous.

This Purchase Agreement is made solely for the benefit of the signatories hereto (including the Underwriter and its successors or assigns) and no other person shall acquire or have any right hereunder or by virtue hereof. Neither the City nor the Underwriter may assign this Purchase Agreement. The term “successor” shall not include any holder of any Certificates merely by virtue of such holding. All representations, warranties, agreements and indemnities contained in this Purchase Agreement shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter, and shall survive the delivery of and payment for the Certificates and any termination of this Purchase Agreement. Section headings have been included in this Purchase Agreement as a matter of convenience of reference only and are not to be used in the interpretation of any provisions of this Purchase Agreement.

19. Counterparts.

This Purchase Agreement may be executed in one or more counterparts with the same force and effect as if all signatures appeared on a single instrument.

20. Signatures.

Upon execution by the City and the Underwriter, this Purchase Agreement shall be binding upon the City and the Underwriter as of the Effective Date and Time.

21. Severability.

If any provision of this Purchase Agreement is held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions because it conflicts with any provision of any constitution, statute, rule of public policy or any other reasons, such circumstances shall not have the effect of

rendering any other provision or provisions of this Purchase Agreement invalid, inoperative or unenforceable to any extent whatsoever.

22. Arms-Length Transaction.

The City acknowledges and agrees that (i) the purchase and sale of the Certificates pursuant to this Purchase Agreement is an arm's-length commercial transaction between the City and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as the agent, advisor or fiduciary of the City, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters) and the Underwriter has no obligation to the City with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Agreement; and (iv) the City has consulted its own legal, financial and other advisors to the extent it has deemed appropriate. For both subsections (ii) and (iii) herein, it is the City's understanding that an advisory or fiduciary relationship shall not be deemed to exist when, in the course of acting as an underwriter, a broker, dealer or municipal securities dealer, a person renders advice to a municipal corporation, including advice with respect to the structure, timing, terms and other similar matters concerning a new issue of municipal securities.

(Execution pages to follow.)

If you agree with the foregoing, please sign the enclosed counterpart of this Purchase Agreement and return it to the Underwriter. This Purchase Agreement shall become a binding agreement between you and the Underwriter when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: _____
Authorized Officer

ACCEPTED AND AGREED:

December __, 2020 at 5:00 p.m. (Mountain Standard Time)

CITY OF IDAHO FALLS, IDAHO

By: _____
Rebecca L. Noah Casper, Mayor

Attest: _____
City Clerk

Schedule 1

The Certificates will be dated the date of issuance and will bear interest from their dated date at the rates, and will mature in the principal amounts and in the years set forth below:

<u>Due Date</u> <u>September 15</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>#</u>
2022	\$	%	%	
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
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2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				
2048				
2049				
2050				

*Term bond, stated maturity.

Optional Redemption:

The Certificates maturing on September 15 in the years 2022 through 2030, inclusive, are not subject to optional redemption prior to their stated dates of maturity. The Certificates maturing on or after September 15, 2031, are subject to redemption prior to their stated dates of maturity at the election of the City at any time on or after September 15, 2030, in whole or in part (maturities to be selected by the City and randomly within a maturity in such manner as the Trustee shall determine). Such optional redemption of the Certificates shall be at a price of 100% of the

principal amount of the Certificates to be so redeemed, plus accrued interest to the date fixed for redemption.

Mandatory Sinking Fund Redemption:

The Certificates maturing on September 15, 20__, are subject to mandatory sinking fund redemption prior to their stated maturity, at a price of 100% of the principal amount of the Certificates to be so redeemed, plus accrued interest to the date fixed for redemption, on September 15 of the years, and in the amounts, shown below:

SEPTEMBER 15
OF THE YEAR

MANDATORY
REDEMPTION AMOUNT

\$

*Stated maturity.

Exhibit A

Form of Issue Price Certificate

IDAHO FALLS, IDAHO

\$ _____

Annual Appropriation Certificates of Participation, Series 2020

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Certificates”).

1. [Alternative 1¹ – All Maturities Use General Rule: *Sale of the Certificates*. As of the date of this certificate, for each Maturity of the Certificates, the first price at which at least 10% of such Maturity of the Certificates was sold to the Public is the respective price listed in Schedule A.] [Alternative 2² – Select Maturities Use General Rule: *Sale of the General Rule Maturities*. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Certificates was sold to the Public is the respective price listed in Schedule A.]

1. *Initial Offering Price of the [Certificates] [Hold-the-Offering-Price Maturities]*.

a) [Alternative 1³ – All Maturities Use Hold-the-Offering-Price Rule: Stifel, Nicolaus & Company, Incorporated offered the Certificates to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Certificates is attached to this certificate as Schedule B.] [Alternative 2⁴ – Select Maturities Use Hold-the-Offering-Price Rule: Stifel, Nicolaus & Company, Incorporated offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Certificates is attached to this certificate as Schedule B.]

b) [Alternative 1 – All Maturities use Hold-the-Offering-Price Rule: As set forth in the Bond Purchase Agreement, Stifel, Nicolaus & Company, Incorporated has agreed in writing that, (i) for each Maturity of the Certificates, it would neither offer nor sell any of the unsold Certificates of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement,

¹ If Alternative 1 is used, delete the remainder of paragraph 1 and all of paragraph 2 and renumber paragraphs accordingly.

² If Alternative 2 is used, delete Alternative 1 of paragraph 1 and use each Alternative 2 in paragraphs 2(a) and (b).

³ If Alternative 1 is used, delete all of paragraph 1 and renumber paragraphs accordingly.

⁴ Alternative 2(a) of paragraph 2 should be used in conjunction with Alternative 2 in paragraphs 1 and 2(b).

to comply with the hold-the-offering-price rule. Stifel, Nicolaus & Company, Incorporated has not offered or sold any Maturity of the unsold Certificates at a price that is higher than the respective Initial Offering Price for that Maturity of the Certificates during the Holding Period.] [Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule: As set forth in the Bond Purchase Agreement, Stifel, Nicolaus & Company, Incorporated has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the unsold Certificates of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Stifel, Nicolaus & Company, Incorporated has not offered or sold any unsold Certificates of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Certificates during the Holding Period.]

3. *Defined Terms.*

(a) *City* means Idaho Falls, Idaho, a municipal corporation operating and existing under and pursuant to the provisions of the Constitution and laws of the State.

[(b) *General Rule Maturities* means those Maturities of the Certificates listed in Schedule A hereto as the “General Rule Maturities.”]

[(c) *Hold-the-Offering-Price Maturities* means those Maturities of the Certificates listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”]

[(d) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day (December __, 2020) after the Sale Date (December __, 2020), or (ii) the date on which Stifel, Nicolaus & Company, Incorporated has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(e) *Maturity* means Certificates with the same credit and payment terms, but with different maturity dates, or Certificates with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Certificates. The Sale Date of the Certificates is December __, 2020.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph

to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel, Nicolaus & Company, Incorporated's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Certificates, and by Hawley Troxell Ennis & Hawley LLP, as Bond Counsel, in connection with rendering its opinion that the interest on the Certificates is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G and other federal income tax advice it may give to the City from time to time relating to the Certificates.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Name: _____
Title: _____

Dated: [ISSUE DATE]

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

MATURITY (SEPTEMBER 15)	AMOUNT	INTEREST RATE	YIELD	PRICE	CUSIP (___)
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SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

Exhibit B

Form of Supplemental Opinion

(to come)

Exhibit C

Form of City Attorney Opinion

(to come)

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY OF IDAHO FALLS, IDAHO
DECLARING ITS OFFICIAL INTENT TO REIMBURSE CERTAIN
REIMBURSABLE EXPENDITURES RELATING TO CERTAIN
PROJECTS FROM TAX EXEMPT OBLIGATIONS AND PROVIDING
AN EFFECTIVE DATE.

WHEREAS, the City of Idaho Falls, Idaho (the “City”), is a municipal corporation operating and existing under and pursuant to the provisions of the constitution and laws of the State of Idaho;

WHEREAS, the City intends to finance the costs of acquiring, preparing, constructing, furnishing, equipping and improving a new City police headquarters building and related facilities, including related costs and expenses (collectively, the “Project”);

WHEREAS, to finance the Project, the City intends to issue a tax-exempt obligation in the form of a lease agreement, subject to annual appropriation, or similar obligation, including issuance and sale of certificates of participation (the “Proposed Obligation”);

WHEREAS, the City has incurred expenditures and expects to incur further expenditures related to the Project prior to entering into the Proposed Obligation and the City reasonably intends to reimburse itself or be reimbursed for such prior expenditures on the Project (the “Reimbursable Expenditures”) with the proceeds of the Proposed Obligation; and

WHEREAS, the City expects such reimbursement to occur not later than 18 months after the later of (i) the date of the Reimbursable Expenditures, or (ii) the date the Project is placed in service, but no later than three years after the date of the Reimbursable Expenditures.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF IDAHO FALLS, IDAHO, AS FOLLOWS::

1. The purpose of this Resolution is to permit the City to reimburse itself or be reimbursed for the Reimbursable Expenditures relating to the Project from the proceeds of the Proposed Obligation.
2. The City intends to incur and pay for Reimbursable Expenditures with its available funds, and hereby declares its intent and reasonably expects to reimburse itself or be reimbursed for those Reimbursable Expenditures from the proceeds of the issuance of the Proposed Obligation not later than 18 months after the later of (i) the date of the expenditure, or (ii) the date the Project is placed in service, but no later than three years after the date of the expenditure.
3. This declaration of official intention is made pursuant to Section 1.150-2, Code of Federal Regulations.
4. The maximum principal amount of the Proposed Obligation expected to be issued to finance the Project is \$30,000,000, plus costs.

5. The officials of the City are hereby authorized and directed, for and in the name and on behalf of the City, to take any and all actions and execute, acknowledge and deliver any and all agreements, instruments or other documents and revisions or corrections thereof and amendments thereto, as may in their discretion be deemed necessary or desirable to carry out the terms, provisions and intent of this Resolution.

6. This Resolution shall take effect and be in full force from and after its passage.

PASSED AND APPROVED BY THE MAYOR AND COUNCIL OF THE CITY OF IDAHO FALLS, IDAHO, THIS _____ day of _____, 2020.

CITY OF IDAHO FALLS, IDAHO

Rebecca L. Noah Casper, Mayor

ATTEST:

Kathy Hampton, City Clerk

(SEAL)

STATE OF IDAHO)
) ss:
County of Bonneville)

I, KATHY HAMPTON, CITY CLERK OF THE CITY OF IDAHO FALLS, IDAHO, DO
HEREBY CERTIFY:

That the foregoing Resolution is a full, true, and correct copy of a
Resolution duly adopted at a regular meeting of the City Council of
the City of Idaho Falls, Idaho (the “City Council”); the meeting was
duly and regularly held at the regular meeting place of the City
Council on _____, 2020; all members of the City Council
had due notice thereof; and a majority of the members were present.

The following is the vote upon the Resolution:

Councilmembers voting Yes:

Councilmembers voting No:

Councilmembers abstaining:

Councilmembers absent:

I further certify that the 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 the City on
_____, 2020.

CITY OF IDAHO FALLS, IDAHO

By: _____
Kathy Hampton City Clerk

Connecting Us, Sustaining Progress (CUSP) Interim Report

IDAHO FALLS CITY COUNCIL CUSP UPDATE | Juan Alvarez, November 23, 2020

The Idaho Falls City Council created and authorized the CUSP (“Connecting Us, Sustaining Progress”) Steering Committee to research and identify for the Council and community leaders ways the city can act, encourage, model, and partner to effect an atmosphere conducive to attracting and retaining a diverse workforce and meeting the needs of the greatest number of citizens (Council Resolution 2019-19, July 25, 2019).

The CUSP Steering Committee held its first meeting on October 28, 2019. During a December 10, 2019 public kickoff meeting, CUSP was launched with eight subcommittees made up of nearly 70 community volunteers and experts organized around core attributes essential to a healthy and sustainable community:

- Subcommittee for Public and Personal Safety, Janet Allen, Chair
- Subcommittee for Economic and Business Climate, Dana Kirkham, Chair
- Subcommittee for Healthcare and Public Health, Doug Crabtree, Chair
- Subcommittee for Education, Michaelena Hix, Chair
- Subcommittee on Diversity and Inclusion, Toni Carter, Chair
- Subcommittee on Housing and Transportation, Stephanie Rose, Chair
- Subcommittee on Environment and Sustainability, Kris Millgate, Chair
- Subcommittee on Community Enrichment, Vacant Chair

CUSP efforts have been impacted directionally by two factors: COVID-19 pandemic and national attention on social issues. The pandemic also affected volunteer participation and the timeline for subcommittees to complete their research work.

The Environment and Sustainability subcommittee completed its final report, all other subcommittees continue to complete research and/or finalize their recommendations.

A final CUSP report is planned for March 2021. The report will include broad-range recommendations to improve our city, targeting different stakeholders: policymakers, city government and services, businesses, non-governmental organizations, and residents.

The chair position for the Community Enrichment subcommittee remains vacant and the subcommittee is not active. The other subcommittees are filling gaps through their work.

CUSP continues to explore a large set of issues and challenges, strengths, and weaknesses, related to community living and services in Idaho Falls. To date, a few issues and challenges have risen to the top of the agenda, emerging in more than one subcommittee.

IDAHO FALLS CITY COUNCIL CUSP UPDATE | Juan Alvarez, November 23, 2020

Priority Issues: First Look

- COVID-19 and the virus economy demonstrate the need to strengthen resiliency in public health and safety, housing, transportation, inclusion, and in our business sector. This includes the need to address our most vulnerable populations who struggle to access food and basic services.
- The tragic killing of black men in the hands of law enforcement across our country is a stark reminder of the role that law enforcement plays in our community, the relationship they have with its residents, and the manner in which we respond to public outcry. Addressing these societal disparities in our community will strengthen ties between people of different races, beliefs, and preferences, creating an Idaho Falls that is inclusive and attractive to the future work force.
- Housing and Transportation are the central components of a city's livability. As such, all residents should have access to "livable neighborhoods" that are sensitive to diverse needs, enhance quality of life, nurture and sustain across the lifespan.
- The business case for sustainability has been made—but efforts are often superficial and have hardly reached the small and medium-sized businesses and the local public sector.
- We need to continue to retain and attract to Idaho Falls a future pipeline of diverse innovators, entrepreneurs, and skilled tradesman—prepared for the technological and market disruptions to come.

CUSP has drafted a vision statement: *Idaho Falls remains ranked among the top 50 U.S. cities to live in with a vibrant economy; home to an inclusively diverse population benefitting from a community that champions and values lifelong learning; and a place of many excellences and innovation. This is partially thanks to outstanding partnerships between public, community (non-profit), and private organizations working together to meet future challenges.*