

RESOLUTION NO. 2204-004

AN RESOLUTION OF THE EASTERN IDAHO REGIONAL SEWER DISTRICT, BINGHAM COUNTY, IDAHO, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF A SEWER REVENUE BOND, SERIES 2024, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$36,250,000 FOR THE PURPOSE OF CONSTRUCTING IMPROVEMENTS TO THE DISTRICT'S FACILITIES; PROVIDING FOR THE COLLECTION AND APPLICATION OF SEWER REVENUES TO PAY THE PRINCIPAL OF AND INTEREST ON THE BOND; ESTABLISHING FUNDS; PROVIDING FOR THE FORM, EXECUTION, REGISTRATION, MATURITY, AND PAYMENT OF THE BOND; PROVIDING COVENANTS RELATING TO THE BOND AND THE TAX-EXEMPT STATUS OF THE INTEREST ON THE BOND; APPROVING A FORM OF BOND PURCHASE AGREEMENT; PROVIDING FOR RELATED MATTERS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Eastern Idaho Regional Sewer District, Bingham County, Idaho (the "District"), is a political subdivision duly organized and operating under and pursuant to the laws of the State of Idaho; and

WHEREAS, the District owns and operates a wastewater system (the "System") for the benefit of the residents of the District; and

WHEREAS, the District Board of Directors ("Board") determined that the District is in urgent need of improvements to the System; and

WHEREAS, the Board obtained approval to borrow the monies needed for the improvements through a judicial confirmation proceeding in Bingham County, Case No. CV06-23-0357, such judgment being filed on May 2, 2023; and

WHEREAS, the District Board ("Board") has determined that it is in the best interests of the District and its utility ratepayers to construct the needed improvements for the District's wastewater treatment and collection system ("System") and to issue revenue bonds for that purpose; and

WHEREAS, the District is authorized to sell its bonds at private sale and the District is further authorized to enter into a Bond Purchase Agreement for such purpose, and the Board has determined to issue the obligations of the District in the form of sewer revenue bonds in an aggregate principal amount not to exceed \$36,250,000 to an underwriter to be determined by the President of the Board ("Underwriter").

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE EASTERN IDAHO REGIONAL SEWER DISTRICT, Bingham County, Idaho, as follows:

Section 1: DEFINITIONS

As used in this Resolution, the following words shall have the following meanings:

Act means, collectively, Title 42, Chapter 32 and Chapter 41, and Title 57, Chapters 2 and 9, Idaho Code.

Additional Bonds means any bonds issued pursuant to Section 9 of this Resolution.

Annual Debt Service means the amount required in a given Fiscal Year of the District for the payment of the principal of and interest on the Bond.

Average Annual Debt Service means the average annual amount required over the term of the Bond from the time of calculation for the payment of the principal of and interest on the Bond.

Bond or Bonds means the “Eastern Idaho Regional Sewer Revenue Bond(s), Series 2024,” herein authorized to be issued, sold, and delivered.

Bond Counsel means MSBT Law, Chartered, Boise, Idaho, or another attorney at law or a firm of attorneys of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States.

Bond Fund means the Bond Fund established by Section 8(A) of this Resolution.

Bond Register means the registration books on which are maintained the names and addresses of the owners or nominees of the owners of the Bond.

Bond Registrar means the bond registrar, transfer agent, and authenticating and paying agent appointed and designated in Section 6 of this Resolution, and any successor Bond Registrar.

Debt Reserve Fund means the Debt Reserve Fund referred to in Section 8(A) and Section 8(G) of this Resolution in the amount of the lesser of: 10% par of the Bonds, maximum annual debt service of the Bonds, or 125% of average annual debt service of the Bonds.

District means the Eastern Idaho Regional Sewer District, Bingham County, Idaho.

District Secretary means the Secretary of the District, or other officer of the District who is the custodian of the seal of the District and of the records of the proceedings of the District, or his/her successor in functions, if any.

Code means the Internal Revenue Code of 1986, as amended.

Cost of Issuance Fund means the fund created by Section 8(A) of this Bond Resolution for the payment of the costs of issuance of the Bond.

Board means the District Board of the District.

Estimated Net Revenues means, for any current or prior Fiscal Year of the District, the estimated Revenues of the System for such year less the estimated Operation and Maintenance

Expenses for such year, based upon estimates prepared by the District Engineer or an independent engineer, or an independent certified public accountant. In computing Estimated Net Revenues, Revenues of the System may be adjusted as necessary to reflect any changed schedule of rates and charges.

Fiscal Year means the annual fiscal year of the District, currently commencing on October 1 of each year and ending on September 30 of the following year.

Interest Payment Date(s) means the payment date(s) on the Bond set forth in the Bond Purchase Agreement.

Bond Purchase Agreement means the Bond Purchase Agreement between the Underwriter and the District, substantially in the form which is annexed hereto as Exhibit "B," and referred to and authorized in Section 14 of the Resolution.

Net Revenues means Revenue of the System after the deduction of Operation and Maintenance Expenses.

Operation and Maintenance Expenses or any phrase of similar import means all reasonable and necessary current expenses of the District, (except depreciation), paid or accrued, of operating, maintaining, and repairing the System or of levying, collecting, and otherwise administering the Net Revenues for the payment of the Bond; and the term includes (except as limited by contract or otherwise limited by law) without limiting the generality of the foregoing:

- (1) Engineering, auditing, reporting, legal, and other overhead expenses of the various District departments directly relating and reasonably allocable to the administration of the System;
- (2) Fidelity bonds and property and liability insurance premiums pertaining to the System, or a reasonably allocable share of a premium of any blanket bond or policy pertaining thereto;
- (3) Payments to pension, retirement, health, and hospitalization funds and other insurance related to the System;
- (4) Any taxes, assessments, excise taxes, or other charges which may be lawfully imposed on the District, the System, revenues therefrom, or any privilege in connection with their operation;
- (5) The reasonable charges of the bond registrar, fiscal or paying agent, commercial bank, trust bank, or other depository bank pertaining to the Bond issued by the District or pertaining to the Project, if any;
- (6) Contractual services, professional services, salaries, other administrative expenses, and the cost of materials, supplies, repairs, and labor, pertaining to the issuance of the Bond and to the ordinary operation of the System; and

(7) All other administrative, general, and commercial expenses of the System.

President means the President of the District, or his/her successor in functions, if any.

Project means biological treatment improvements; membrane bioreactor improvements; UV disinfection improvements; lift station and headworks improvements; and upgrades to headworks.

Registered Owner means the Underwriter of the Bond and any subsequent transferee or Underwriter of the Bond.

Regulations means the Treasury Regulations issued or proposed under Section 103, Section 148, Section 149, or Section 150 of the Code (26 CFR Part 2) or other sections of the Code relating to “arbitrage bonds” or rebate, including without limitation Sections 1.148-0 through 1.148-11 and 1.150-1 of the Treasury Regulations, to the extent applicable, and includes amendments thereto or successor provisions.

Resolution means this Resolution No. 2204-004, adopted on July 16, 2024.

Revenue Fund means the “Eastern Idaho Regional Sewer District Sewer Revenue Fund” referred to in Sections 8(A) and 8(D) of this Resolution.

Revenue of the System means all revenues received by the District from its System and may include, at the discretion of the District, moneys derived from one, all, or any combination of revenue sources pertaining to the System, including, without limitation, rates, charges, rents, connection fees, other fees, and any other income derived from the operation or ownership of, the use of services of, or the availability of or services pertaining to, or otherwise derived in connection with, the System or all or any part of any property pertaining to the System.

System means the sanitary wastewater system of the District, as the same now exists, including its assets, real and personal, tangible and intangible, and as it may later be added to, extended, and improved, and shall include buildings, structures, utilities, or other income producing wastewater facilities from the operation of or in connection with which the revenues of the payment of the Bond to be issued hereunder will be derived, and the lands pertaining thereto.

Treasurer means the Treasurer of the District, or his/her successor in functions, if any.

Treasury Regulations means the Treasury Regulations issued or proposed under Section 103, Section 148, Section 149, or Section 150 of the Code (26 CFR Part 2) or other sections of the Code relating to “arbitrage bonds” or rebate, including without limitation Sections 1.148-0 through 1.148-11 and 1.150-1 of the Treasury Regulations, to the extent applicable, and includes amendments thereto or successor provisions.

Trustee means U.S. Bank Trust Company, National Association, as trustee and paying agent.

Written Certificate means an instrument in writing on behalf of the District executed by an authorized officer of the District.

Section 2: FINDINGS

The Board hereby finds, determines, and declares:

A. That the District's Refunded Note can be refunded at a cost saving to the benefit of the District and its utility ratepayers; that it is desirable and necessary for the benefit of the District and its utility ratepayers to refund the Refunded Note for the purpose of achieving a cost saving and other beneficial public objectives; and that the net proceeds of the Bond, together with other lawfully available moneys of the District, to the extent necessary, shall be used to refund the Refunded Note.

B. That it is the intent of the Board to issue the Bond for the purpose of providing funds in an amount sufficient, together with other lawfully available funds of the District, if necessary, to refund, redeem, and retire the Refunded Note.

Section 3: THE BOND

The Bond, designated "Eastern Idaho Regional Sewer District Sewer Revenue Bond, Series 2024" (the "Bond"), in an aggregate principal amount not to exceed \$36,250,000, is hereby authorized to be issued, sold, and delivered pursuant to the Act. The Bond shall consist of a single, transferrable, amortized revenue bond, substantially in the form annexed hereto as Exhibit "A," shall be issued in fully registered form, shall be dated as of its date of delivery, and shall bear interest on its unpaid principal balance at such rate or rates, shall be payable at such times and in such amounts, and shall mature, as shall be set forth in the Bond Purchase Agreement.

Section 4: EXECUTION

The Bond shall be executed by the manual signature of the President, countersigned by the manual signature of the Treasurer, and attested by the manual signature of the District Secretary, and the seal of the District shall be impressed thereon.

Section 5: PLACE AND MANNER OF PAYMENT

Both principal of and interest on the Bond shall be payable in lawful money of the United States of America to the Registered Owner thereof, at the address of such Registered Owner as shown on the registration records of the District, or at such other address as shall be designated in writing to the District by the Registered Owner.

Section 6: BOND REGISTRAR

The Trustee is hereby appointed as bond registrar, transfer agent and paying agent, and is herein referred to as the "Bond Registrar." The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bond. The Bond Registrar is authorized,

on behalf of the District, to carry out all of the Bond Registrar's powers and duties under this Resolution.

The Bond may be transferred only upon the books for the registration and transfer of bonds (the "Bond Register"), upon the surrender thereof to the Bond Registrar, together with a form of transfer duly executed by the Registered Owner or its attorney duly authorized in writing. Upon the transfer of a Bond, there shall be issued in the name of the transferee or transferees a new fully registered bond or bonds of any authorized denomination or denominations and of the same maturity and interest rate, and of the same aggregate principal amount, as the surrendered Bond. The new bond or bonds shall bear the same date as the date of the surrendered bond, but shall bear interest from the immediately preceding interest payment date to which interest has been paid or fully provided for.

This Section is intended to provide the system of registration required by Chapter 9, Title 57, Idaho Code.

Section 7: PRE-PAYMENT; DEFEASANCE

The District may have the option to prepay the Bond, in whole or in part, in accordance with the prepayment provisions of the Bond Purchase Agreement.

In the event that money and/or government obligations, maturing or having guaranteed redemption prices at the option of the owner at such time or times and bearing interest to be earned thereon in such amounts as are sufficient (together with any resulting cash balances) to redeem and retire part or all of the Bond in accordance with its terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on the Bond so provided for, and the Bond and interest accrued thereon shall then cease to be entitled to any lien, benefit, or security of this Resolution, except the right to receive the funds so set aside and pledged, and the Bond and interest accrued thereon shall no longer be deemed to be outstanding hereunder.

Section 8: FUNDS AND ACCOUNTS – REDEMPTION OF REFUNDED NOTE

A. Establishment of Funds and Accounts. The following funds and accounts are created or confirmed with respect to the Bond.

1. Bond Fund, to be held by the Trustee.
2. Construction Fund, to be held by the Trustee.
3. Cost of Issuance Fund, to be held by the Trustee.
4. Debt Reserve Fund, to be held by the Trustee.
5. Revenue Fund, to be held by the District.

B. Delivery of Bond; Application of Proceeds. The Treasurer is hereby instructed to receive payment therefor in accordance with the terms of this Resolution and deposit the proceeds of sale as follows:

1. A portion of the proceeds of sale of the Bond, or other funds of the District, as shall be designated by Written Certificate of the District, shall be deposited in the Cost of Issuance Fund.
2. A portion of the proceeds of sale of the Bond, or other funds of the District, as shall be designated by Written Certificate of the District, shall be deposited in the Debt Reserve Fund.
3. The remaining proceeds of sale of the Bond, as shall be designated by Written Certificate of the District, shall be deposited in the Construction Fund.

C. Construction Fund. There has heretofore been created a special fund known as the "Eastern Idaho Regional Sewer District Sewer Construction Fund" (the "Construction Fund" or a similar designation by the District), which shall be maintained by the Trustee and into which the remaining proceeds of the sale of the Bond shall be deposited forthwith upon its receipt as shall be designated by Written Certificate of the District.

D. Revenue Fund. There has heretofore been created a special fund known as the "Eastern Idaho Regional Sewer District Sewer Revenue Fund" (the "Revenue Fund" or a similar designation by the District), which shall be maintained by the Treasurer and into which the Revenue of the System shall be deposited forthwith upon its receipt.

The Revenue of the System shall be used for payment of the following obligations in the following order of priority:

1. First Charge and Lien: the costs of Operation and Maintenance Expenses;
2. Second Charge and Lien: the principal of and interest on the Bond and any Additional Bonds, by payment into the Bond Fund; and
3. To administer surplus funds. Funds remaining in the Revenue Fund, after having been applied to the purposes provided in this Resolution, shall constitute surplus funds and may be used for the purposes set forth in Section 8(I) of this Resolution.

E. Bond Fund. There is heretofore created a special fund known as the "Eastern Idaho Regional Sewer District Sewer Revenue Bond Fund" (the "Bond Fund"), into which shall be deposited, from Net Revenues, the following described revenues:

1. Each installment of interest and principal payable on the Bond shall be payable into the Bond Fund from the Revenue Fund. The moneys herein

allocated shall be used solely to pay currently maturing installments of principal of and interest on the Bond.

2. Interest earnings on deposits in the Bond Fund shall remain in the Bond Fund to be used for the purposes of the Bond Fund.

G. Debt Reserve Fund. There has heretofore been created a special fund known as the "Eastern Idaho Regional Sewer District Debt Reserve Fund" (the "Debt Reserve Fund"), into which shall be deposited the funds set forth in the Written Certificate. The Debt Reserve Fund is pledged as security for the payment of the Bond.

H. Cost of Issuance Fund. There is hereby established a separate fund designated as the "Cost of Issuance Fund." At the time of the delivery of the Bond, the District shall deposit into the Cost of Issuance Fund such amount as shall be required to pay the reasonable and necessary costs of issuance of the Bond. Moneys in the Cost of Issuance Fund shall be used for the payment of costs of issuance of the Bond. Any moneys remaining in the Cost of Issuance Fund on the date of the full and final payment of all costs of issuance of the Bond shall be transferred to the District and deposited into the Bond Fund.

I. Surplus Funds. Funds remaining in the Revenue Fund after having been applied to or designated funds for the purposes provided in Section 8(E) of this Resolution shall constitute surplus funds and may be used for any of the following purposes:

1. To pay the costs of unusual or extraordinary maintenance of or repair to the System;
2. To pay the principal of and interest on any subordinate lien obligations which may have been issued to provide wastewater facilities in or for the District;
3. To improve, extend, enlarge, or replace any wastewater facilities;
4. To acquire or construct additional wastewater facilities in or for the District;
5. To prepay the principal, interest, and any costs of the Bond; and
6. For any other lawful purpose.

Section 9: ADDITIONAL BONDS OR OTHER OBLIGATIONS

A. Limitation Upon Issuance of Parity Obligations. Nothing contained in this Resolution shall be construed in such a manner as to prevent the issuance by the District of Additional Bonds or other additional obligations payable from the Net Revenues on a parity with, but neither prior nor superior to, the lien of the Bond herein authorized; provided, however, that before any such Additional Bonds or other additional parity obligations are authorized or actually issued:

(1) The District is not, and has not been, in default as to any payments required by the provisions of this Resolution for a period of not less than twelve (12) months immediately preceding the issuance of such Additional Bonds or other additional parity obligations.

(2) The Net Revenues of the System for the past twelve (12) consecutive months immediately preceding the year of the issuance of such Additional Bonds shall have been sufficient to pay the Operation and Maintenance Expenses of the System for said past twelve (12) months, and, in addition, sufficient so that the Net Revenues for such preceding year equal an amount representing at least 125% of the annual principal and interest requirements of the outstanding Bond, and any other obligations of the District payable from the Net Revenues of the System.

(3) In the alternative, the Estimated Net Revenues of the System for the twelve-month period immediately succeeding the issuance of the bond or other obligations proposed to be issued will be not less than 125% of the annual principal and interest requirements of the Bond and any other obligations of the District payable from the Net Revenues of the System, plus the average annual principal and interest requirements of the Additional Bonds or other obligations proposed to be issued.

(4) A written certification by the Treasurer that the 125% Net Revenue requirement of subsection (2) above, or the 125% Estimated Net Revenues requirement of subsection (3) above has been satisfied shall be obtained and filed with the District, which certification shall be conclusively presumed to be accurate in determining the right of the District to authorize, issue, sell, and deliver said Additional Bonds or other additional obligations on a parity with the Bond authorized herein.

(5) The foregoing limitations, or any of them, may be waived or modified by the written consent of the Registered Owner of not less than 75% of the principal amount of the Bond then outstanding.

B. Subordinate Lien Bond. No provision of this Resolution shall be deemed to limit or restrict the power of the District to issue bonds, notes or warrants, or to make pledges of the revenues which shall be subordinate as to the lien of the Bond and which shall provide for compliance with the current provisions hereof prior to the application of any funds to said subordinate purpose.

C. Refunding. The restrictions with respect to the issuance of parity obligations shall not apply if such additional parity bonds proposed to be issued are for the sole purpose of refunding outstanding Sewer Revenue bonds.

Section 10: PLEDGE OF REVENUES

The Net Revenues of the System are hereby pledged for the payment of the Bond and shall be used and applied in the order of priority provided in Section 8(E) of this Resolution.

The District shall establish, revise, maintain, and collect charges sufficient, with other revenues received, after taking into consideration anticipated delinquencies, to provide Net Revenues equal to not less than 1.50 times the average annual debt service on the Bond and any Additional Bonds.

Section 11: INVESTMENTS

Surplus funds in any of the funds set forth in this Resolution may be invested in securities as permitted by law.

Section 12: GENERAL COVENANTS

For the protection and security of the Bond, it is covenanted and agreed to and with the Registered Owner of the Bond from time to time, that the District will perform the following covenants:

A. Operate System. It will operate the System in an efficient and economical manner and prescribe, revise, and collect such charges in connection therewith so that the services, facilities, and properties of the System may be furnished at the lowest possible cost consistent with sound economy and prudent management.

B. Good Repair. It will operate, maintain, preserve, and keep the System and every part hereof in good repair, working order, and condition.

C. Preserve Security. It will preserve and protect the security of the Bond and the rights of the Registered Owner thereof.

D. Collect Revenues. It will collect and hold in trust the revenues and other funds pledged to the payment of the Bond and apply such revenue or other funds only as provided in this Resolution.

E. Service Bond. It will pay and cause to be paid punctually the principal of the Bond and the interest thereon on the date or dates and at the place or places and in the manner provided in the Bond, and in accordance with this Resolution.

F. Pay Claims. It will pay and discharge any and all lawful claims for labor, materials, and supplies which, if unpaid, might by law become a lien or charge upon the Revenue of the System, or any part of said Revenue of the System, or any funds in the hands of the Treasurer, prior or superior to the lien of the Bond or which might impair the security of the Bond, to the end that the priority and security of the Bond shall be fully preserved and protected.

G. Encumbrances. It will not mortgage or otherwise encumber, sell, lease, or dispose of the System or any part thereof, nor enter into any lease or agreement which would impair or impede the operation of the System or any part thereof necessary to secure adequate revenues for the payment of the principal of and interest on the Bond, nor which would otherwise impair or impede the rights of the Registered Owner of the Bond with respect to such revenues of the

operation of the System without provisions for the retirement of the Bond then outstanding from the proceeds thereof.

H. Insurance. It will procure and keep in force insurance upon all buildings and structures of the System and the machinery and equipment therein, which are usually insured by entities operating like property, in good and responsible insurance companies. The amount of the insurance shall be such as may be required to adequately protect it and the Registered Owner of the Bond from loss due to any casualty, and in the event of any such loss, the proceeds shall be used to repair or restore the System or for the payment of the Bond issued under this Resolution.

I. Engineers. It will employ consulting engineers of acknowledged reputation, skill, and experience in the improvement and operation of the System for any unusual or extraordinary items of maintenance, repair, or betterments as shall be required from time to time, all reports, estimates, and recommendations of such consulting engineers to be filed with the Secretary and furnished to the Registered Owner of the Bond issued hereunder, upon request.

J. Accounts. It will keep proper and separate accounts and records in which complete and separate entries shall be made of all transactions relating to the System, and it will furnish complete operating and income statements upon request.

K. Delinquencies. It will not furnish wastewater service to any customer whatsoever free of charge, and it shall not later than sixty (60) days after an account becomes delinquent, take such legal action as may be reasonable to enforce collection of any collectible delinquent account.

L. Disclosure. The District will provide the Trustee with its annual audit within 270 days of the fiscal year end and its annual budget within 30 days of adoption. The District will provide other financial information as reasonably requested by the Trustee pursuant to the continuing disclosure agreement.

Section 13: SPECIAL COVENANTS

The District further covenants and agrees:

A. In accordance with Section 149(a) of the Internal Revenue Code of 1986, as amended (the "Code"), the Bond, and any serial bonds to which it may be converted, shall be issued and remain in fully registered form in order that interest thereon be excluded from gross income of the owner or owners for federal income tax purposes. The District covenants and agrees that it will take no action to permit the Bond, or any serial bonds to which it may be converted, to be issued in or converted to bearer or coupon form.

B. None of the proceeds of the Bond will be used, directly or indirectly, (i) to make or finance loans to persons or (ii) in any trade or business carried on by any person (other than as a member of the general public). For purposes of the preceding sentence, the term "person" does not include a government unit other than the United States or any agency or instrumentality thereof, and the term "trade or business" means any activity carried on by a person other than a natural person. The District further covenants and agrees to take no action which would cause the Bond

to become a “private activity bond,” nor will it omit to take any action necessary to prevent the Bond from becoming a “private activity bond,” within the meaning of Section 141 of the Code.

C. The President, Secretary, and Treasurer, and other appropriate officials of the District, or any one or more of such officials, as may be appropriate, are each hereby authorized and directed to execute, on behalf of the District, such certificate or certificates as shall be necessary to establish that the Bond is not an “arbitrage bond” within the meaning of Section 148 of the Code and the Treasury Regulations promulgated thereunder, and to establish that interest on the Bond is not and will not become includable in the gross income of the Registered Owner of the Bond under the Code and applicable regulations. The District covenants and agrees that no use will be made of the proceeds of the Bond, or any funds of the District which may, pursuant to Section 148 of the Code and applicable regulations, be deemed to be proceeds of the Bond, which would cause the Bond to become an “arbitrage bond” within the meaning of Section 148 of the Code. The District further covenants to comply throughout the term of the Bond with the requirements of Section 148 of the Code and the regulations promulgated thereunder in order to prevent the Bond from becoming an “arbitrage bond.”

Section 14: BOND PURCHASE AGREEMENT

The Bond Purchase Agreement, as may be amended and similar to the form annexed hereto as Exhibit “B,” is hereby approved. The President and District Secretary, or such officer’s designee, are each hereby authorized and directed, on behalf of the District, to execute and attest, respectively, and to deliver the Bond Purchase Agreement as such Agreement may be revised; provided, however, that (i) the term of the Bond Purchase Agreement shall end no later than September 15, 2054; (ii) the principal amount set forth in the Bond Purchase Agreement shall not exceed \$36,250,000; and (iii) the interest rate does not exceed 5.5%. The sale of the Bond to the Underwriter, with such Underwriter to be determined by the President and Board, is hereby approved provided that the Bond complies with the parameters set forth herein. The District shall comply with all terms and provisions of the Bond Purchase Agreement, and, in the event that any provision of this Resolution or the Bond is inconsistent with the provisions of the Bond Purchase Agreement, the provisions of the Bond Purchase Agreement shall control.

Section 15: AMENDMENTS

A. The District from time to time and at any time may adopt an Resolution or Resolutions supplemental hereto, which Resolution or Resolutions thereafter shall become a part of this Resolution, for any one or more of all of the following purposes:

1. To add to the covenants and agreements of the District in this Resolution, other covenants and agreements thereafter to be observed, which shall not adversely affect the interest of the Registered Owner of the Bond, or to surrender any right or power herein reserved.
2. To make such provisions for the purpose of curing any ambiguities or of curing, correcting, or supplementing any defective provisions contained in this Resolution, or any Resolution authorizing future bonds in regard to

matters or questions arising under such Resolutions as the Board may deem necessary or desirable and not inconsistent with such Resolutions and which shall not adversely affect, in any material respect, the interest of the Registered Owner of the Bond.

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

B. With the consent of the Registered Owner of not less than 75% in aggregate principal amount of the Bond at the time outstanding, the Board may adopt an Resolution or Resolutions supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Resolution or of any supplemental Resolution; provided, however, that no such supplemental Resolution shall:

1. Extend the fixed maturities of the Bond, or reduce the rate of interest thereon, or extend the time of payments of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, if applicable, without the consent of the Registered Owner of the Bond so affected; or
2. Reduce the aforesaid percentage of the Registered Owner required to approve any such supplemental Resolution.

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

C. Upon the adoption of any supplemental Resolution pursuant to the provisions of this Section, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations of the District under this Resolution and the Registered Owner of the Bond outstanding hereunder shall thereafter be determined, exercised, and enforced thereunder, subject in all respects to such modification and amendments, and all terms and conditions of any such supplemental Resolution shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes.

D. Any bond executed and delivered after the execution of any supplemental Resolution adopted pursuant to the provisions of this Section may have a notation as to any matter provided for in such supplemental Resolution, and if such supplemental Resolution shall so provide, new bonds so modified as to conform, in the opinion of the Board, to any modification of this Resolution contained in any such supplemental Resolution, may be prepared and delivered without cost to the Registered Owner of the Bond then outstanding, upon surrender for cancellation of the Bond.

Section 16: VALIDITY OF ISSUANCE

The Bond is issued pursuant to the Idaho Revenue Bond Act, being Idaho Code Sections 50-1027 through 50-1042. This recital is conclusive evidence of the validity of the Bond and the regularity of its issuance.

Section 17: REGISTERED OWNER'S REMEDIES - RECEIVER

By action or suit in equity, the Registered Owner or subsequent owners of the Bond may, in the event of a material violation of any of the foregoing covenants, cause the appointment of a receiver, which receiver may enter and take possession of the System and any Net Revenues for the payment of the Bond, prescribe fees to be derived from the System, and collect, receive, and apply all Net Revenues of other moneys pledged for the payment of the Bond in the same manner as the District might do in accordance with the obligations of the District. In addition, the Registered Owner shall have the remedies set forth in the Bond Purchase Agreement.

Section 18: RESOLUTION A CONTRACT

The provisions of this Resolution shall constitute a contract between the District and the Registered Owner so long as the Bond hereby authorized remains unpaid.

Section 19: SEVERABILITY

If any one or more of the covenants or agreements provided in this Resolution to be performed on the part of the District shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Resolution and shall in no way affect the validity of the other provisions of this Resolution or of the Bond.

Section 20: REPEALER

All other Resolutions or parts thereof, to the extent inconsistent herewith, are hereby repealed and shall, to the extent of such inconsistency, have no further force or effect.

Section 21: AUTHORIZATION


The President, District Secretary, and District Treasurer, or any one of such officers, as may be appropriate to the circumstances, are hereby authorized to execute, on behalf of the District, the Bond, the Bond Purchase Agreement, and all such additional documents as may be necessary to effect the sale and delivery of the Bond.

Section 22: PUBLICATION


This Resolution, or a summary thereof in compliance with Section 50-901A, Idaho Code, shall be published once in the official newspaper of the District, and shall take effect immediately upon passage, approval, and publication.

DATED this 16th day of July, 2024.

EASTERN IDAHO REGIONAL SEWER DISTRICT
Bingham County, Idaho

By 
President

ATTEST:

 Attorney for District.

(S E A L)