HARRIS RANCH COMMUNITY
INFRASTRUCTURE DISTRICT NO. 1
BOARD MEETING AGENDA
September 10, 2019
3:30 PM
City Hall - Maryanne Jordan City Council Chambers

I. CALL TO ORDER

Pursuant to Idaho Code Section 74-204(4), all agenda Items are action items, and a vote may be taken on these items.

II. MINUTES APPROVAL

1. Harris Ranch Community Infrastructure District No. 1 Minutes - Regular Meeting - Aug 20, 2019 4:00 PM

III. HARRIS RANCH CID RESOLUTIONS

1. HRCID-9-2019 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, IDAHO), ADA COUNTY, IDAHO, AUTHORIZING THE ISSUANCE AND SALE OF A GENERAL OBLIGATION BOND, IN ONE OR MORE SERIES, IN THE PRINCIPAL AMOUNT OF UP TO $3,922,000; PROVIDING FOR THE DATE, FORM, MATURITIES, DESIGNATION, REGISTRATION, AND AUTHENTICATION OF THE BOND; PROVIDING FOR THE SALE OF THE BOND TO THE PURCHASER THEREOF; PROVIDING FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THE BOND BY THE ANNUAL LEVY OF TAXES; ESTABLISHING CERTAIN FUNDS AND ACCOUNTS; PROVIDING COVENANTS WITH RESPECT TO THE BOND; PROVIDING FOR RELATED MATTERS; AND PROVIDING AN EFFECTIVE DATE.

IV. PUBLIC HEARING

1. HRCID-10-2019 A RESOLUTION APPROVING THE FY 2020 OPERATING BUDGET AS AMENDED FOR THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1; AND PROVIDING AN EFFECTIVE DATE.

V. ADJOURNMENT
I. Call to Order

PRESENT:  Clegg, Woodings
ABSENT:  Ludwig

Pursuant to Idaho Code Section 74-204(4), all agenda Items are action items, and a vote may be taken on these items.

II. Minutes Approval

1. Harris Ranch Community Infrastructure District No. 1 - Regular Meeting - Jul 23, 2019 1:00 PM

RESULT:  ACCEPTED [UNANIMOUS]
MOVER:  Holli Woodings, Council Member
SECONDER:  Elaine Clegg, Council President
AYES:  Clegg, Woodings
ABSENT:  Ludwig

III. Harris Ranch CID Resolutions

1. A RESOLUTION APPROVING THE REMOVAL AND TRANSFER OF ASSESSMENTS FOR CERTAIN RIGHT OF WAY PARCELS AND COMMON LOTS WITHIN HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO 1. (CITY OF BOISE, ADA COUNTY, IDAHO); IMPOSING SPECIAL ASSESSMENTS UPON THE REAL PROPERTY WITHIN THE ASSESSMENT AREA OF HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO 1. (CITY OF BOISE, ADA COUNTY, IDAHO); PROVIDING SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

David Hasagawa, Department of Finance and Administration and Rob Lockward, Legal presented the item to the Board.
RESULT: APPROVED [UNANIMOUS]
MOVER: Holli Woodings, Council Member
SECONDER: Elaine Clegg, Council President
AYES: Clegg, Woodings
ABSENT: Ludwig

IV. Adjournment

Motion to adjourn the Harris Ranch Community Infrastructure District No. 1 Meeting.

RESULT: APPROVED [UNANIMOUS]
MOVER: Holli Woodings, Council Member
SECONDER: Elaine Clegg, Council President
AYES: Clegg, Woodings
ABSENT: Ludwig
TO: Board of Directors
FROM: David Hasegawa, Treasury
NUMBER: HRCID-9-2019
DATE: September 4, 2019
SUBJECT: Harris Ranch CID Bond Resolution

BACKGROUND:

General obligation bonds will be issued to finance community infrastructure projects within the Harris Ranch CID as approved by the Board.

Pending final close of the bond with the lending bank, the District expects the following:

- Term: 20-years
- Principal amount - no more than: $3,922,000
- Lender: Banner Bank

ATTACHMENTS:

- Bond Resolution (Official Copy for Purposes of this Transaction - the large size of the resolution sometimes results in formatting errors in MinuteTraq) (DOCX)
- Cover Memo (DOCX)
- Cover Memo (DOCX)
- Cover Memo (DOCX)
BY THE BOARD: CLEGG, LUDWIG AND WOODINGS

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, IDAHO), ADA COUNTY, IDAHO, AUTHORIZING THE ISSUANCE AND SALE OF A GENERAL OBLIGATION BOND, IN ONE OR MORE SERIES, IN THE PRINCIPAL AMOUNT OF UP TO $3,922,000; PROVIDING FOR THE DATE, FORM, MATURITIES, DESIGNATION, REGISTRATION, AND AUTHENTICATION OF THE BOND; PROVIDING FOR THE SALE OF THE BOND TO THE PURCHASER THEREOF; PROVIDING FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THE BOND BY THE ANNUAL LEVY OF TAXES; ESTABLISHING CERTAIN FUNDS AND ACCOUNTS; PROVIDING COVENANTS WITH RESPECT TO THE BOND; PROVIDING FOR RELATED MATTERS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho (the “District”), is a community infrastructure district of the State of Idaho and is duly organized and operating under Chapter 31, Title 50, Idaho Code, as amended (the “Act”); and

WHEREAS, as provided by the Act, the District is a special limited purpose district possessing only those powers as set forth in the Act, including, but not limited to, the power to borrow money and incur indebtedness and evidence the same by certificates, notes, bonds or debentures, levy property taxes and impose fees or charges to pay the costs of providing services, and the District is, except as otherwise provided in the Act, a political subdivision of the State of Idaho, separate and apart from the City of Boise City, Idaho; and

WHEREAS, the Board of Directors (the “Board”) of the District, by adoption of its Resolution No. 3 on June 29, 2010, ordered a special election to be held within the District for the submission to the electors of the District the question of whether or not the District should be authorized to incur indebtedness and to issue general obligation bonds in the principal amount of up to $50,000,000, in one or more series, over a period not to exceed thirty (30) years, for the purpose of providing for the financing, acquisition, purchase, construction, and/or installation of the District’s costs or portion of its costs associated with various community infrastructure projects, facilities and improvements for the District, and such other related costs, items, and improvements, as allowed pursuant to the terms of the Act and as set forth in said Resolution No. 3; and

WHEREAS, at the special election, duly noticed, held, and conducted within the District on August 3, 2010, the requisite two-thirds (2/3) majority of the qualified electors of the District approved the issuance of the aforementioned general obligation indebtedness of the District; and
WHEREAS, the Board now deems it necessary and desirable to authorize the issuance and sale of the District’s General Obligation Bond, Series 2019 in the principal amount of up to $3,922,000 (the “Bond”), to finance certain community infrastructure projects, subject to certain conditions hereinafter stated, and Sections 50-3105(m) and 50-3108, Idaho Code, provide that the issuance of such indebtedness shall be by resolution and in the manner specified in the laws of the State of Idaho; and

WHEREAS, Section 50-3111, Idaho Code, as amended, authorizes the sale of bonds at negotiated private sale, and the Board has determined that it is in the best interests of the District to sell the Bond at such a private sale; and

WHEREAS, the Board has determined to issue the Bond in the form of one or more fully registered, amortized general obligation bonds to Banner Bank, as purchaser of the Bond or another qualified purchaser if Banner Bank is not able to purchase the Bond; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE CITY, IDAHO), ADA COUNTY, IDAHO, as follows:

Section 1: DEFINITIONS

As used in this Bond Resolution, unless the context shall otherwise require, the following terms shall have the following meanings:

Act means, collectively, Chapter 31 of Title 50 and Chapter 9 of Title 57, Idaho Code, as amended.

Board means the Board of Directors of the District.

Bond or Bonds means the Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho, General Obligation Bond, Series 2019 in the principal amount of up to $3,922,000, herein authorized to be issued, sold, and delivered.

Bond Account means the Bond Account established in Section 8 hereof.

Bond Counsel means the law firm of Skinner Fawcett LLP, 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 Parameters means the parameters for the Bond including the interest rate, maturity, redemption provisions, principal payment schedule, amount of reserve funds, and maturities as set forth in Section 13 hereof.

Bond Registrar means Zions Bancorporation, National Association, as Bond registrar,
transfer agent, authenticating and paying agent for the Bond, appointed and designated in Section 6 of the Bond Resolution.

**Bond Resolution** means this Resolution adopted on September 10, 2019, authorizing the issuance and sale of the Bond.

**Chairperson** or **Chairman** means the chairperson of the Board.

**Clerk** means the clerk or Secretary of the District.

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

**District** means Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho, a special limited purpose community infrastructure district duly organized and operating pursuant to Title 50, Chapter 31, Idaho Code.

**Fiscal Year** means that period adopted by the District as its annual accounting period, currently October 1 through September 30.

**Legal Conditions** has the meaning set forth in Section 3 hereof.

**Project** means the costs of community infrastructure projects as set forth in Section 2 hereof.

**Project Accounts** means the fund by that name established in Section 8 hereof.

**Purchaser** means Banner Bank, as purchaser of the Bond, or another qualified purchaser of the Bond if Banner Bank is not able to purchase the Bond.

**Registered Owner or Owners** means the registered owner of any Bond as shown in the registration books of the District kept by the Bond Registrar for such purpose.

**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.

**Reserve Account** means the fund by that name established in Section 8 hereof.

**Secretary** means the secretary or Clerk of the District.

**Terms Certificate** means the Terms Certificate in substantially the form set forth in Exhibit “B” hereto to provide certain terms for the Bonds in accordance with this Bond Resolution, which certificate shall be executed by the District and be delivered to Bond Counsel at or before the issuance and delivery of the Bonds.
Treasurer means the treasurer of the District.

Section 2: PURPOSE OF BOND; FINDINGS.

The Bond is to be issued to provide financing for certain community infrastructure purposes and projects, consisting of and associated with payment, reimbursement and/or refinancing of a portion of the fees, charges, and costs related to the acquisition of certain real property for sediment and storm water collection and control, road design, engineering, construction, landscaping, or other related community infrastructure (collectively, the “Project”); and to fund the Reserve Account and to pay for issuance costs of the Bond, all of which will be paid from the proceeds of the Bond pursuant to this Resolution, the Development Agreement (as defined in Section 3 below) upon the written concurrence of the Treasurer, and subject to the eligibility requirements set forth in the Act, the Development Agreement (as defined in Section 3 below), and any other applicable federal, state, or local law.

The District has determined that no additional financial assurance for the payment of the debt service on the Bond through additional collateral, payment guarantee or otherwise shall be required of Harris Family Limited Partnership or Barber Valley Development, Inc., as developers (collectively, the “Developer”), although the Purchaser may provide or require additional financial assurance in its bond purchase proposal.

Section 3: DESCRIPTION OF BONDS

The Bond, designated Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho, General Obligation Bond, Series 2019 in the principal amount of up to $3,922,000, is hereby authorized to be issued, sold, and delivered pursuant to Chapter 31 of Title 50, Idaho Code, provided that the principal amount of the Bond will not exceed any legal limits applicable to the District, including but not limited to the following legal conditions: (i) the aggregate principal amount of the Bond, together with the aggregate outstanding principal amount of general obligation indebtedness of the District for which its full faith and credit is pledged does not exceed nine percent (9%) of the actual or adjusted market value for assessment purposes on all taxable real property within the District as such valuation existed on December 31 of the previous year as set forth in Section 50-3108(4), Idaho Code; and (ii) ninety-five percent (95%) of the amount of ad valorem taxes estimated to be collected at a tax rate of not greater than .003 (3 mills) of the assessed value of the taxable property within the District as of the time of issuance of the Bond is sufficient to pay the highest combined debt service requirements for the proposed general obligation indebtedness and other general obligation indebtedness outstanding as provided in Section 6.3(c) of the District Development Agreement No. 1 between the District, the City of Boise City, Idaho and Harris Family Limited Partnership dated as of August 31, 2010 (the “Development Agreement”). The foregoing requirements are hereinafter referred to as the “Legal Conditions.” Evidence that the Legal Conditions have been met shall be a certificate or statement of the Treasurer together with a certificate or statement of the Ada County Assessor, the forms of which shall be substantially as set forth in Exhibit “C” hereto. The series designation of a series of the Bond is hereby authorized to be modified to accurately reflect the year it is delivered and other relevant matters.
The form of a bond for a series shall consist of a single, transferable, amortized general obligation bond, substantially in the forms annexed hereto as Exhibit “A,” shall be issued in accordance with and subject to the Bond Parameters established and set forth in Section 13 hereof in fully registered form, shall be dated as of the date of its delivery, and shall mature and shall bear interest on the unpaid balance, at the interest rate and with interest payable as set forth in the Terms Certificate delivered at closing.

The sale of the Bond to Purchaser, as an “accredited investor” or a “qualified institutional buyer” in compliance with the Development Agreement (hereinafter also referred to as the “Registered Owner”), is hereby authorized and approved, provided the Legal Conditions and the Bond Parameters set forth in Section 13 hereof are met. The Registered Owner of the Bond shall have the right, at its expense, to convert a series of the Bond to fully registered serial bonds, without coupons and to adjust the interest rate, payment terms and other provisions of the Bond in accordance with their terms. The Bond shall be transferable only to a “qualified institutional buyer” that is an affiliate of the Registered Owner or “accredited investor” or to a “Bank” as the term is defined in Section 3(a)(2) of the Securities and Exchange Act in compliance with the Development Agreement and with the federal securities laws, which compliance shall be certified and provided to the District prior to issuance of each series of Bond.

Section 4: EXECUTION

The Bond shall be executed by the manual or facsimile signature of the Chairperson, authenticated by the manual signature of the Bond Registrar, and attested by the manual or facsimile signature of the Secretary/Clerk, and the official seal of the District, if one is in existence, or a facsimile thereof shall be impressed thereon.

The Bond shall not be entitled to any security or benefit under this Bond Resolution, or be valid or become obligatory for any purpose, until the certificate of authentication thereon shall have been signed by the Bond Registrar.

Section 5: PLACE AND MANNER OF PAYMENT

Both principal of and interest on the Bond shall be payable on the respective dates when principal and interest become due in lawful money of the United States of America by electronic funds or by check, dated as of the payment due date, and mailed to the Registered Owner thereof, at the address of such Registered Owner as shown on the registration records of the Bond Registrar, or at such other address as shall be designated in writing to the Bond Registrar by the Registered Owner or at the electronic funds transfer address furnished by the Registered Owner to the Bond Registrar.

Section 6: BOND REGISTRAR

Zions Bancorporation, National Association 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, at its principal corporate trust office sufficient books for the registration and transfer of the Bond (the “Bond Register”) which shall, at all times, be open to inspection by the District. The Bond Registrar shall do all things authorized by the Idaho Registered Public Obligations Act, Chapter 9, Title 57, Idaho Code, as amended. The Bond Registrar is authorized, on behalf of the District, to authenticate and deliver the Bond transferred or exchanged in accordance with the provisions of such Bond and this Bond Resolution and to carry out all of the Bond Registrar’s powers and duties under this Bond Resolution. For purposes of said Registered Public Obligations Act, this Bond Resolution shall constitute a “system of registration” within the meaning, and for all purposes, of said Act.

The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bond. The Bond Registrar may become the owner of the Bond with the same rights as it would have if it were not the Bond Registrar.

The Bond may be transferred only by 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 the 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.

The Bond Registrar shall not be required to exchange or transfer any Bond within fifteen (15) days of an interest payment date or, in the case of any redemption of Bonds, during the period from the Record Date specified by the Bond Registrar in the notice of redemption to the date of redemption.

The Bond Registrar may resign and be discharged of the trusts created by this Bond Resolution by written resignation filed with the Clerk of the District not less than sixty (60) days before the date when it is to take effect. Such resignation shall take effect only upon the appointment of a successor Bond Registrar. If no successor Bond Registrar shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the incumbent Bond Registrar or any registered owner (on behalf of himself and all other registered owners) may petition any court of competent jurisdiction for the appointment of a successor Bond Registrar, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Bond Registrar.

The Bond Registrar may be removed (i) at any time, following at least thirty (30) days written notice, by an instrument or concurrent instruments in writing, filed with the Bond Registrar and the District and signed by the registered owners representing a majority in aggregate principal amount of the Bonds then outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the District, or (ii) by the District at any time, following at least thirty (30) days written notice, except during the continuance of an event of default, for such cause as shall be determined in the sole discretion of the District by filing with the Bond Registrar notice of removal in the form of a District certificate. In no event,
however, shall such removal take effect until a successor Bond Registrar has been appointed pursuant to this Section of this Bond Resolution.

If the Bond Registrar or any successor Bond Registrar resigns or is removed or is 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 Bond Registrar, and the District shall appoint a successor. If the District fails to make such appointment within sixty (60) days after the date notice of resignation is filed, the owners of a majority in principal amount of the Bonds then outstanding may do so.

Section 7: PREPAYMENT AND REDEMPTION

The District reserves the right, at its option, to prepay and redeem, on any payment date, in inverse order of maturity, without penalty or premium, the principal amount outstanding on the Bond, in whole or in part, by the payment of a redemption price equal to the principal amount prepaid and redeemed, plus interest accrued to the date fixed for prepayment or redemption. Partial prepayments shall be made in the amount of $1.00 or integral multiples thereof. No partial prepayment shall extend or postpone the due date of any subsequent installment. Prepayments shall be made without penalty or premium. The District may exercise its option of prepayment or redemption by giving written notice to the Bond Registrar, not less than forty-five (45) days prior to the date selected for redemption. Notice of any intended prepayment and redemption shall be given by the Bond Registrar by first class mail, postage prepaid, to the Registered Owner of the Bond as of the 15th day prior to mailing the notice of redemption (the “Record Date”), at its address appearing on the Bond Register, not more than sixty (60) nor less than thirty (30) days prior to the prepayment and redemption date.

Section 8: FUNDS AND ACCOUNTS

A. Establishment of District Accounts. The following funds on the accounting records of the District are hereby created with respect to each series of the Bonds:

- Project Account.
- Cost of Issuance Account.
- Bond Account.
- Reserve Account.

B. Delivery of a Bond; Application of Proceeds. The Treasurer of the District is hereby instructed to make delivery of the Bond to the Registered Owner and to receive payment and/or credit therefor in accordance with Purchaser’s Bond Purchase Proposal submitted to the District once the Legal Conditions and the Bond Parameter have been met with respect to such series, as certified by the District Treasurer and the Ada County Assessor’s office, and to deposit the proceeds of sale as follows:
(1) Accrued interest on the Bond from its date to its date of delivery, if any, and any capitalized interest on the Bond, as set forth in the Terms Certificate shall be allocated to the Bond Account.

(2) A portion of the proceeds of sale of the Bond in the amount set forth in the Terms Certificate shall be allocated to the Cost of Issuance Account to be used as described in Section 8(D).

(3) A portion of the proceeds of sale of the Bond in the amount set forth in the Terms Certificate shall be allocated to the Reserve Account to be used as described in Section 8(F).

(4) The remaining proceeds of the Bond shall be allocated to the Project Account defined below to be used as described in Section 8(C).

. Project Account. There is hereby established in the hands of the District the “Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho, General Obligation Bond, Series 2019 Project Account” (the “Project Account”), to which all of the proceeds of the sale of the Bond shall be allocated, except accrued interest, if any, and capitalized interest, if any, which shall be allocated to the Bond Account, and except for amounts allocated to the Cost of Issuance Account pursuant to Section 8(D) below and the amounts allocated to the Reserve Account pursuant to Section 8(F) below. The proceeds of the Bond shall be used to pay for the Project pursuant to the Development Agreement upon the written concurrence of the Treasurer. Monies allocated to the Project Account may be invested in lawful investments until needed for purposes for which the Bond is issued. Any investment earnings shall accrue to and be used solely for the purposes of the Project Account. In the event there are funds allocated to the Project Account remaining after all expenditures for the community infrastructure purposes and projects as set forth hereinabove, any surplus funds shall be allocated to the Bond Account and used for the payment of principal of and interest on the outstanding Bond as the same shall accrue.

. Cost of Issuance Account. There is hereby established in the hands of the District the “Series 2019 Bond Cost of Issuance Account” (the “Cost of Issuance Account”). At the time of the delivery of the Bond, the District shall allocate to the Cost of Issuance Account such amounts as shall be required to pay a certain portion of the reasonable and necessary costs of issuance of the Bond, and moneys allocated to the Cost of Issuance Account shall be used for the payment of costs of issuance of the Bond. Any moneys allocated to the Cost of Issuance Account remaining on the date of the full and final payment of all costs of issuance of the Bond shall be allocated to the Project Account to be used as described in 8(C) above to pay for any unpaid community infrastructure Project costs or allocated to the Bond Account for the prepayment of principal and interest on the Bond in accordance with Section 7.

. Bond Account. The proceeds of taxes levied pursuant to Section 50-3108 and 50-3114, Idaho Code, and other provisions of applicable law to pay the principal of and interest on the Bond, as set forth in Section 9 of this Bond Resolution, shall be allocated by the Treasurer of
the District to the “Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho, General Obligation Bond, Series 2019, Bond Account” (the “Bond Account”), which Bond Account shall be used for no other purpose than the payment of the principal of and interest on the Bond as the same fall due. Monies allocated to the Bond Account may be invested in lawful investments until needed for the purposes of the Bond Account, and all investment earnings shall accrue to and be used solely for the purposes of the Bond Account. The Bond Account shall be maintained by the Treasurer until the principal of and interest on the Bond have been paid in full. At least one (1) business day prior to each interest or principal payment date for the Bond, the District shall transfer to the Bond Registrar as Paying Agent an amount sufficient to pay the principal of and interest on the Bond then due and payable and the Paying Agent is hereby authorized and directed to apply such funds to said payment.

. Reserve Account. There is hereby established in the hands of the District the “Series 2019 Bond Reserve Account” (the “Bond Reserve Account”) as further provided in the Terms Certificate. At the time of delivery of the Bond, the District shall allocate to the Bond Reserve Account proceeds from the Bond or other available funds, as to be provided in the Terms Certificate, an amount to be determined at closing equal to 20% of the maximum annual debt service requirements with respect to the Bond, provided that such deposit shall not exceed an amount equal to the lesser of i) 125% of the average annual debt service with respect to the Bond; ii) the maximum annual debt service requirements with respect to the Bond; or iii) 10% of the principal amount of the outstanding amount of the Bond, with such deposit to the Bond Reserve Account to provide for the payment of the Bond for as long as the Bond remains outstanding and unpaid in the event of any shortfall in tax levy collections, provided that any amounts not needed for such purposes may either be applied to the final payment of the Bond or to pay for other costs of the Project, all as may be further provided in the Terms Certificate.

Section 9: COVENANTS AND UNDERTAKINGS

A. Levy of Taxes. In accordance with the provisions of Sections 50-3108(8) and 50-3114, Idaho Code, as amended, there shall be levied on all taxable real property in the District, in addition to all other taxes, a direct annual ad valorem tax in an amount sufficient to meet the payment of the principal and interest on the Bond as the same matures (provided that interest on the Bond for which capitalized interest has been financed as part of the principal amount of such Bond may be excluded from the levy if so provided in Bond Purchase Proposal), and to constitute a sinking fund for the payment of the principal thereof.

Said taxes in each of the years, beginning with the tax year 2019, shall be levied, assessed, certified, extended, and collected by the proper officers and at the times, all as fixed by law, and as other taxes are levied, assessed, certified, extended, and collected in, for and by the District and by the same officers thereof and are hereby appropriated for the purpose of paying the Bond until the Bond shall be fully paid.

Principal of or interest on the Bond falling due at any time when the proceeds of said tax levy may not be available shall be paid from other funds of the District and shall be reimbursed from the proceeds of said taxes when said taxes shall have been collected. Said taxes in each of
the several years shall be and are hereby certified to the Board of County Commissioners of Ada County, Idaho, as being taxes necessary to be levied on all of the taxable real property in the District for the purpose of paying the principal of and the interest on the Bond as the same become due. Said taxes when collected shall be allocated to the Bond Account and shall be used for no other purpose than for the payment of the principal of and the interest on the Bond as the same become due, except as described below, so long as any of the Bond remains outstanding and unpaid, but nothing herein contained shall be construed to prevent the District from paying the interest on or the principal of the Bond from any other funds in its hands and available for that purpose, or to prevent the District from levying any further or additional taxes which may be necessary to fully pay the interest on or the principal of the Bond. In the event that funds in the Bond Reserve Account are transferred to the Bond Account to be used for the payment of the principal of and interest on the Bond and a deficiency then exists in the Bond Reserve Account, then any amount remaining from said taxes after making the allocation to the Bond Account to be used for the payment of the principal of and interest due on the Bond in the then current fiscal year, shall be allocated to the Bond Reserve Account, until such deficiency in the Bond Reserve Account is cured.

The full faith and credit and all taxable real property in the District are hereby pledged for the prompt payment of the principal of and the interest on the Bond as the same become due (provided that interest on the Bond for which capitalized interest has been financed as part of the principal amount of such Bond may be excluded from the pledge and levy if so provided in the Bond Purchase Proposal) and the tax levies to that end herein provided shall be in full force and effect, and forever remain so until the indebtedness hereby incurred, principal and interest, shall have been fully paid, satisfied and discharged, except as herein before provided, and any collection fees or charges made in connection with the payment of the Bond and interest thereon are to be paid by the District.

Arbitrage Covenant; Covenant to Maintain Tax Exemption. The Treasurer of the District and other appropriate officials of the District are each hereby authorized and directed to execute from time to time such certifications 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 Regulations and to establish that interest on the Bond is not and will not become subject to taxation under the Code and applicable regulations. The District covenants and certifies to and for the benefit of the Registered Owner of the Bond that no use will be made of the proceeds of the issue and sale of the Bond, or any funds of the District which may be deemed to be proceeds of the Bond, pursuant to Section 148 of the Code and the Regulations which use, if it had been reasonably expected on the date of issuance of the Bond, would have caused the Bond to be classified as an “arbitrage bond” within the meaning of Section 148 of the Code. Pursuant to this covenant, the District obligates itself to comply throughout the term of the Bond with the requirements of Section 148 of the Code and the regulations proposed or promulgated thereunder. The District covenants to comply with the terms of the Tax Certificate for the Bond delivered at closing.

Bank Qualified. The Bond is hereby designated as a “qualified tax-exempt obligation” within the meaning and for the purpose of Section 265(b)(3) of the Internal Revenue Code of 1986 (the “Code”), and the District, including all aggregated issuers as described in Section 265(b)(3)(E), does not reasonably anticipate that it will issue more than $10,000,000,
including the Bond, as qualified tax-exempt obligations during the calendar year 2019.

Issuance of Additional Bonds to Redeem the Bonds. It is understood and agreed by the District that additional general obligation bonds of the District may be offered to “accredited investors” and “qualified institutional buyers” in the bond market in order to redeem and refinance the Bond provided such bonds meet the Legal Conditions as well as other provisions of applicable law.

Section 10: AMENDMENTS

A. The District from time to time and at any time may adopt a resolution or resolutions supplemental hereto, which resolution or resolutions thereafter shall become a part of this Bond Resolution, for any one or more of all of the following purposes, without the consent of the Registered Owner:

() To add to or modify the covenants and agreements of the District in this Bond Resolution, other covenants and agreements thereafter to be observed, which change shall not adversely affect the interest of the Registered Owner of the Bond, or surrender or lessen any right or power of the Registered Owner of the Bond herein reserved.

() To make such provisions for the purpose of curing any ambiguities or of curing, correcting, or supplementing any defective provisions contained in the Bond 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, rights, or powers of the Registered Owner of the Bond.

B. With the consent of the Registered Owner of the Bond and, if required by the Registered Owner, upon a receipt of an opinion of Bond Counsel acceptable to the Registered Owner, the Board may adopt a 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 Bond Resolution or of any supplemental resolution.

C. Upon the adoption of any supplemental resolution pursuant to the provisions of this Section, this Bond Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations of the District under this Bond 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 Bond Resolution for any and all purposes.

D. Any Bonds 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 Bond Resolution contained in any such supplemental resolution, may be prepared and delivered without cost to the Registered Owner of the Bonds then outstanding, upon surrender for cancellation of the Bonds.

Section 11: VALIDITY OF ISSUANCE

The Bond is to be issued pursuant to Chapter 31 of Title 50 and Chapter 9 of Title 57, Idaho Code. This recital is conclusive evidence of the validity of the Bond and the regularity of its issuance. This Bond Resolution shall be deemed a final decision of the Board for purposes of Section 50-3119, Idaho Code.

Section 12: BOND RESOLUTION A CONTRACT

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

Section 13: SALE OF THE BOND

The sale of the Bond to the Purchaser, in accordance with the Bond Purchase Proposal, to be submitted to the District and pertaining to the Bond, and the Bond Parameters set forth below are hereby approved subject to the execution, receipt and terms of a final Terms Certificate substantially in the form set forth in Exhibit “B” hereto and subject to the receipt of certificates of the Treasurer and the Ada County Assessor evidencing compliance with the Legal Conditions substantially as set forth in Exhibit “C” hereto, as well as the receipt of a qualified investor letters of the Purchaser in substantially the form set forth in Exhibit “D” hereto. The Chairperson, Treasurer, and Clerk/Secretary of the District are, and each of them is, hereby authorized to do or perform all such acts as may be necessary or advisable to comply with the Bond Purchase Proposal and this Bond Resolution and to carry the same into effect.

Pursuant to Section 57-235, Idaho Code, as amended, the Board hereby delegates to the Chairperson and Treasurer, each with the authority to act alone (hereinafter each referred to as the “Delegated Officer”), the power to make the following determinations on the date of sale of the Bond to the Purchaser, without any requirement that the members of the Board meet to approve such determinations, but subject to the limitations provided:

(1) The rate of interest to be borne by the Bond, as measured by the true interest cost, not to exceed a tax-exempt rate of 3.50%, and a rate of 4.25% during the pendency of a default or in the event interest on the Bond is no longer excludable from the Registered Owner’s gross income.

(2) The principal amount of the Bond not to exceed $3,922,000, with authorized minimum denominations of $1.00 or integral multiples thereof.

(3) The principal payment dates with a final payment date not to exceed August 15, 2039.
(4) The amount of principal of the Bond maturing in any particular year, and the rate of interest accruing thereon.

(5) The final maturity of the Bond, to be not later than August 15, 2039.

(6) The price at which the Bond will be sold which shall not be less than par.

(7) The dates, if any, and terms on which, and the prices at which, the Bond will be subject to optional or mandatory redemption.

(8) The amount of proceeds of the Bond, if any, to fund the Bond Reserve Account.

Upon the sale of the Bond, including the final terms and provisions of the Bond, the Delegated Officer shall execute a Terms Certificate substantially in the form attached hereto as Exhibit “B” reflecting the final terms and provisions of the Bond and certifying that the final terms and provisions of the Bond are consistent with, not in excess of and no less favorable than the terms set forth in the Bond Parameters above.

Section 14: FURTHER AUTHORITY

The Chairperson, the Treasurer, and the Clerk/Secretary, and other officers of the District are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents, and other instruments, including the final Terms Certificate, as may be necessary or advisable to provide for the issuance, sale, and delivery of the Bond and the fulfillment of the covenants and obligations of the District contained herein and therein.

Section 15: MISCELLANEOUS

. Ratification. All proceedings, resolutions, and actions of the Board, the District, and their officers, agents, and employees taken in connection with the authorization, sale, and issuance of the Bond are hereby in all respects ratified, confirmed, and approved.

. Severability. It is hereby declared that all parts of this Bond Resolution are severable, and if any section, paragraph, clause, or provision of this Bond Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, paragraph, clause, or provision shall not affect the remaining sections, paragraphs, clauses or provisions of this Bond Resolution.

C. Conflict. All ordinances, resolutions, orders, and regulations or parts thereof heretofore adopted or passed which are in conflict with any of the provisions of this Bond Resolution are, to the extent of such conflict, hereby repealed.

. Captions. The captions or headings herein are for convenience of reference only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Bond Resolution.
Effective Date. This Bond Resolution shall be in full force and effect immediately upon its adoption and approval, as may be provided by law.

[Remainder of page left blank intentionally]
ADOPTED by the Board of Directors of the Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho, this 10th day of September 2019.

APPROVED by the Chairperson of the Board of the Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho, this 10th day of September 2019.

HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1
(CITY OF BOISE, IDAHO)
Ada County, Idaho

By: ______________________________
Chairperson, Board of Directors

ATTEST:

____________________________
District Clerk

(SEAL)

EXHIBIT “A”

“FORM OF BOND”

THIS BOND IS SUBJECT TO RESTRICTIONS ON TRANSFER AS SET FORTH IN THE BOND RESOLUTION DEFINED BELOW INCLUDING A CERTIFICATE TO THE DISTRICT THAT THE TRANSFER IS TO A “QUALIFIED INSTITUTIONAL BUYER” UNDER SEC RULE 144A OF THE FEDERAL SECURITIES LAWS THAT IS AN AFFILATE OF THE REGISTERED OWNER OR TO A “BANK” AS THE TERM IS DEFINED IN SECTION 3(a)(2) OF THE SECURITIES AND EXCHANGE ACT.

UNITED STATES OF AMERICA
STATE OF IDAHO

Registered No. R-__ $______________

HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1
Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), a community infrastructure district duly formed pursuant to the provisions of Title 50, Chapter 31, Idaho Code, as amended (the “District”), for value received, hereby acknowledges itself indebted and promises to pay to the above specified registered owner, the principal amount identified above on the aforesaid maturity date unless earlier prepaid or redeemed, and to pay interest on the principal amount outstanding from the date as of which this Bond (the “Bond”) is dated as indicated hereinabove, or the most recent date to which interest thereon has been paid or duly provided for, at the aforesaid interest rate, commencing on February 15, 2020, and each August 15 and February 15 thereafter (an “interest payment date”) to the maturity or redemption prior to maturity of this Bond. Annual amortized installments of the principal of this Bond are payable in accordance with the debt service schedule for the Bond attached hereto as Schedule A-1, commencing on August 15, 2020, and annually thereafter each August 15 until maturity or prior redemption. The final installment of principal of this Bond is payable upon presentation and surrender hereof at the office of the Bond Registrar.

Both principal of and interest on this Bond, is payable on the respective dates when principal and interest become due in lawful money of the United States of America by electronic funds or by check, dated as of the payment due date, and mailed to the registered owner hereof (the “Registered Owner”) whose name and address appear on the registration books (the “Bond Register”) of Zions Bancorporation, National Association, Corporate Trust Department, Boise, Idaho (the “Bond Registrar”), maintained by the Bond Registrar, or at such other address designated in writing to the Bond Registrar by the Registered Owner or at the electronic funds transfer address furnished by the Registered Owner to the Bond Registrar. All payments shall be applied first to accrued interest and then to principal as of the date such payment is actually received by the Registered Owner. During the pendency of a default under the Bond Resolution (as defined below) and/or the Bond Purchase Proposal dated September __, 2019 relating to the Bond, or in the event interest on the Bond is no longer excludable from the Registered Owner’s gross income, interest on the Bond shall accrue at the rate of ___%.

The Bond is originally issuable and registered only in the denomination of the principal amount hereof.

The full faith and credit of the District are hereby pledged for the due and punctual
payment of the principal hereof and interest hereon, and provision has been made in the statutory manner under the Bond Resolution for the levy and collection of taxes sufficient to pay the interest on this Bond as the same becomes due and for the payment of the principal hereof at or before the date of maturity of this Bond.

This Bond is issued by the District pursuant to Resolution No. ____ of the Board of the District, duly adopted on September 10, 2019, prior to the issuance hereof, all of the terms of which are hereby incorporated herein (the “Bond Resolution”), and pursuant to the Constitution and laws of the State of Idaho relative to the issuance and sale of bonds of community infrastructure districts, and all amendments thereto, and all other laws of the State of Idaho thereunto enabling, and also pursuant to the legal authorization of a special general obligation bond election conducted within the District on August 3, 2010.

The Bond is payable from the proceeds of an ad valorem tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable real property within the boundaries of the District, sufficient to pay debt service on the Bond when due.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF BOISE CITY, IDAHO, OR THE STATE OF IDAHO OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) IS PLEDGED TO THE PAYMENT OF THE BOND.

The Bond is subject to redemption prior to maturity, in whole or in part, on any payment date, in inverse order of maturity, by the payment of a redemption price equal to the principal amount redeemed plus interest accrued to the date fixed for redemption without premium.

Notice of redemption will be mailed by first class mail, postage prepaid, not more than 60 nor less than 30 days prior to the date set for redemption to the Registered Owner at the address shown on the registration books for the Bond maintained by the Bond Registrar. Failure to receive properly given notice of redemption shall not affect the redemption of any such Bond for which notice was properly given.

The Bond Registrar shall maintain the registration books of the District for the registration of ownership of the Bond as provided in the Bond Resolution.

This Bond shall not be entitled to any security or benefit under the Bond Resolution or be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

It is hereby certified, recited and declared (i) that all conditions, acts and things required by the Constitution and laws of the State of Idaho to happen, to be done, to exist and to be performed precedent to and in the issuance of this Bond, and of the series of which it is one, have happened, have been done, do exist and have been performed in regular and due form and time as required by law; (ii) that the obligation evidenced by the Bond, together with all other existing indebtedness of the District, does not exceed any applicable constitutional or statutory limitation and (iii) that due provision has been made for the levy and collection of a direct, annual, ad valorem tax upon taxable property within the District, over and above all other taxes authorized or limited by law, sufficient to pay the principal hereof and the interest hereon as each becomes due.

(The remainder of this page is intentionally left blank.)
IN WITNESS WHEREOF, HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, IDAHO), Ada County, Idaho, has caused this Bond to be executed in the name of the District by the facsimile or manual signature of the Chairperson of the Board of Directors of the District, and attested by the facsimile or manual signature of the District Clerk/Secretary, and a facsimile of the seal of District, if one is in existence, to be reproduced hereon as of this _____ day of September 2019.

HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1
(CITY OF BOISE, IDAHO),
ADA COUNTY, IDAHO

By (Facsimile or Manual Signature)
Chairperson, Board of Directors, Harris Ranch Community Infrastructure District No. 1
(City of Boise, Idaho)

ATTEST:

(Facsimile or Manual Signature)
District Clerk, Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho)
Schedule A-1
“DEBT SERVICE SCHEDULE”
(to be attached at closing)
CERTIFICATE OF AUTHENTICATION

This Bond is the Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho, General Obligation Bond, Series 2019 described in the within mentioned Bond Resolution.

Date of Authentication: September __, 2019

ZIONS BANCORPORATION,
NATIONAL ASSOCIATION, as Bond Registrar

By: (Manual Signature)
Authorized Officer, Zions Bank Division

EXHIBIT “B”
“TERMS CERTIFICATE”
September __, 2019

HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (“Issuer”)
Re: Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho) Ada County, Idaho, General Obligation Bond, Series 2019

The undersigned official of the Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho) Ada County, Idaho (the “District”), as a Delegated Officer, does hereby certify as follows (capitalized terms used herein and not defined have the meanings assigned to such terms in the Resolution, hereinafter defined):

1. The undersigned is familiar with the Bond Resolution of the District adopted on September 10, 2019, to authorize issuance of the District’s General Obligation Bond, Series 2019 (the “Bond”), and related documents, which Bond is sold this date to Banner Bank (the “Purchaser”) pursuant to the Bond Purchase Proposal dated September __, 2019.
2. Section 13 of the Bond Resolution delegated to the undersigned, as a Delegated Officer, the power to make certain determinations on the date of sale of the Bond.
3. Pursuant to such delegation, relating to the Bond the undersigned Delegated Officer hereby determines as follows
   a. Details of the terms of the Bond including payment schedules are reflected in the final bond sale number schedules provided by the Purchaser this date, which schedules are attached as Exhibit A hereto.
   b. The rate of interest to be borne by the Bond is ___% per annum. The rate of interest to be borne by the Bond during the pendency of a default or in the event interest on the Bond is no longer excludable from the Registered Owner’s income is ___% per annum. The true interest cost on the Bond does not exceed ____%. Interest shall be calculated on the basis of the actual number of days elapsed over a year of 360 days or actual/360 (simple interest).
   c. The principal amount of the Bond is $__________, with authorized minimum
denominations of $1.00 or integral multiples thereof.

d. The Bond is sold at the purchase price of $____________, representing the principal amount thereof.

e. The Bond is subject to optional or mandatory redemption as follows:__________________.

f. The amount of proceeds of the Bond to pay for the costs of the Project, as defined in the Bond Resolution, is $____________ and such sum shall be deposited to the Project Account.

g. The amount of proceeds of the Bond to fund the Costs of Issuance Account is $____________.

h. The amount of proceeds of the Bond to fund the Bond Reserve Account is $______________.

4. The undersigned Delegated Officer hereby certifies that the final terms and provisions of the Bond, as described above, are consistent with, not in excess of, and no less favorable than, the terms set forth in Section 13 of the Bond Resolution and as approved by the Board of the District.

5. The undersigned Delegated Officer has therefore caused to be delivered the Bonds this date.

DATED: September ____, 2019.

HARRIS RANCH COMMUNITY
INFRASTRUCTURE DISTRICT NO. 1
(CITY OF BOISE, IDAHO), ADA COUNTY,
IDAHO, as Issuer

By: ______________________________________
LYNDA LOWRY, DISTRICT TREASURER

EXHIBIT “C”
“FORMS OF DISTRICT TREASURER’S CERTIFICATE AND ADA COUNTY ASSESSOR’S CERTIFICATE”

CERTIFICATE OF THE DISTRICT TREASURER,
HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1
(CITY OF BOISE, IDAHO), ADA COUNTY, IDAHO

RE: Outstanding Indebtedness and Certification of Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho

The undersigned District Treasurer of Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho (the “District”), does hereby certify and provide the outstanding indebtedness and financial information of the District, for the purposes of compliance with Section 50-3108(4), Idaho Code, as amended, and Section 6.3(c) of the District Development Agreement No. 1, as follows:
1. As of the date of this Certificate, according to the records of the District, the outstanding general obligation bonds or notes and any other indebtedness, for which the full faith and credit of the District are pledged, is $________.00

2. According to the records of the District and Ada County, the total outstanding general obligation bonded and any other indebtedness of the District ($________.00) set forth in paragraph 1 above, plus the proposed aggregate principal amount ($_________) of the District’s General Obligation Bond, Series 2019 (the “Bond”), will not exceed nine percent (9%) of the actual or adjusted market value for assessment purposes on all taxable real property located in the above District as such valuation existed on December 31, 2018, provided that upon issuance of the Bond a portion of the proceeds thereof may be utilized to prepay, redeem and retire in full all of such outstanding indebtedness referred to in paragraph 1 above if in accordance with law.

3. Further, according to the records of the District and Ada County, and based upon a proposed debt service schedule for the Bond as presented to the District, the highest combined debt service requirements for the proposed Bond and any other indebtedness referred to in paragraph 1 above which may remain outstanding after issuance of the Bond if any, will not exceed ninety-five percent (95%) of the amount of ad valorem taxes estimated to be collected at a tax rate of no greater than .003 (3 mills) of the assessed value of all taxable property within the District as of the date of the issuance of the Bond. DATED as of the ___day of September, 2019.

HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, IDAHO), ADA COUNTY, IDAHO

By: ____________________________
LYNDA LOWRY, DISTRICT TREASURER
CERTIFICATE OF ASSESSOR OF ADA COUNTY, IDAHO

RE: Market Valuation of Real Property in Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho

The undersigned Assessor of Ada County, Idaho (the “County”), does hereby certify, at the request of the Harris Ranch Community Infrastructure District No. 1, Ada County, Idaho (the “District”), for the purposes of Section 50-3108(4), Idaho Code, as amended, as follows:

1. According to the records of Ada County, the actual or adjusted market value for assessment purposes on all taxable real property located within the above District, as such valuation existed on December 31, 2018, is $__________________.

DATED as of the ____ day of September, 2019.

ASSESSOR, Ada County, State of Idaho

EXHIBIT “D”
“FORM OF QUALIFIED INVESTOR LETTER”

QUALIFIED INVESTOR LETTER
September__, 2019

HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (“Issuer”)
Re: Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho) Ada County, Idaho, General Obligation Bonds, Series 2019

Please be advised that the undersigned is purchasing the entire amount of the above captioned Bond (hereinafter referred to as the “Bond”) pursuant to the Resolution of the Issuer adopted on September 10, 2019 (the “Bond Resolution”). The undersigned hereby acknowledges that the Bond (i) is not being registered under the federal Securities Act of 1933, as amended (the “Securities Act”), in reliance upon certain exemptions set forth in the Securities Act, (ii) is not being registered or otherwise qualified for sale under the “blue sky” laws and regulations of the State of Idaho or any other state, and (iii) will not carry any rating from any rating service.

In regard to the foregoing, the undersigned hereby certifies, acknowledges, warrants and represents that:

(1) The undersigned has been provided an opportunity to ask questions of, and to receive answers from, representatives of the Issuer regarding the terms and conditions of the Bond. The undersigned has obtained all information that it as a reasonable investor has requested as a result of it having attached significance thereto in evaluating the merits and risks of its decision to purchase the Bond.
(2) The undersigned has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of obligations like the Bond and is capable of evaluating the merits and risks of its purchase of the Bond. The undersigned is able to bear the economic risk of, and an entire loss of, purchasing the Bond.

(3) Neither the addressee District nor the City of Boise City, Idaho (the “City”), nor the respective officials, officers, directors, council members, advisors, employees and agents of either have undertaken to furnish, nor has the undersigned requested, information that may have been furnished to the undersigned by any third party in connection with purchasing the Bond.

(4) The undersigned is a “qualified institutional buyer” within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (the “Securities Act”), or an “accredited investor” within the meaning of Rule 501 of Regulation D promulgated under the Securities Act.

(5) The undersigned is purchasing the Bond for its loan portfolio to evidence an extension of its credit, with no present intention of reselling the Bond. Notwithstanding such present intention, the undersigned is not prohibited from reselling the Bond in the future; provided, however, that the undersigned acknowledges that the Bond may only be resold or transferred to other purchasers who are either affiliates of the Registered Owners qualified as an accredited investors or a “Bank” as defined in Section 3(a)(2) of the Securities and Exchange Act, and only in the full outstanding amount of the Bond.

(6) The undersigned acknowledges and accepts that it has reviewed and has made its decision to purchase the Bond based solely on its review of the information it has received; and that it is capable of suffering a loss of the entirety of its investment which is represented by the Bond. The undersigned represents that it can bear the economic risk associated with a purchase of obligations such as the Bond and it has such knowledge and experience in business and financial matters, including the analysis of a participation in the purchase of similar obligations, so as to be capable of evaluating the merits and risks of purchasing the Bond on the basis of the information and review described herein.

(7) The undersigned is experienced in transactions such as those relating to the Bond, is knowledgeable and fully capable of independent evaluation of the risks involved in purchasing the Bond and did not rely on the addressee District or the City, or any official, officer, director, council member, advisor, employee or agent of either (except reliance on representations and warranties made in the Bond Resolution and accompanying documents) in making its decision to purchase the Bond other than to provide the undersigned with all material and the requested information to evaluate its decision to purchase the Bond.

By: __________________________________
Printed Name: _______________________
Title: ________________________________

ADOPTED by the Board of Directors of the Harris Ranch Community Infrastructure District No. 1 (City of Boise, Ada County, Idaho), this September 10, 2019.

APPROVED by the Chairman of the Board of the Harris Ranch Community Infrastructure District No. 1 (City of Boise, Ada County Idaho), this September 10, 2019.

HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1
(CITY OF BOISE, IDAHO)
Ada County, Idaho

By: ________________
Elaine Clegg, Vice Chair, Board of Directors

ATTEST:

______________________________
Lynda Lowry, District Clerk
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, IDAHO), ADA COUNTY, IDAHO, AUTHORIZING THE ISSUANCE AND SALE OF A GENERAL OBLIGATION BOND, IN ONE OR MORE SERIES, IN THE PRINCIPAL AMOUNT OF UP TO $3,922,000; PROVIDING FOR THE DATE, FORM, MATURITIES, DESIGNATION, REGISTRATION, AND AUTHENTICATION OF THE BOND; PROVIDING FOR THE SALE OF THE BOND TO THE PURCHASER THEREOF; PROVIDING FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THE BOND BY THE ANNUAL LEVY OF TAXES; ESTABLISHING CERTAIN FUNDS AND ACCOUNTS; PROVIDING COVENANTS WITH RESPECT TO THE BOND; PROVIDING FOR RELATED MATTERS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho (the “District”), is a community infrastructure district of the State of Idaho and is duly organized and operating under Chapter 31, Title 50, Idaho Code, as amended (the “Act”); and

WHEREAS, as provided by the Act, the District is a special limited purpose district possessing only those powers as set forth in the Act, including, but not limited to, the power to borrow money and incur indebtedness and evidence the same by certificates, notes, bonds or debentures, levy property taxes and impose fees or charges to pay the costs of providing services, and the District is, except as otherwise provided in the Act, a political subdivision of the State of Idaho, separate and apart from the City of Boise City, Idaho; and

WHEREAS, the Board of Directors (the “Board”) of the District, by adoption of its Resolution No. 3 on June 29, 2010, ordered a special election to be held within the District for the submission to the electors of the District the question of whether or not the District should be authorized to incur indebtedness and to issue general obligation bonds in the principal amount of up to $50,000,000, in one or more series, over a period not to exceed thirty (30) years, for the purpose of providing for the financing, acquisition, purchase, construction, and/or installation of the District’s costs or portion of its costs associated with various community infrastructure projects, facilities and improvements for the District, and such other related costs, items, and improvements, as allowed pursuant to the terms of the Act and as set forth in said Resolution No. 3; and

WHEREAS, at the special election, duly noticed, held, and conducted within the District on August 3, 2010, the requisite two-thirds (2/3) majority of the qualified electors of the District approved the issuance of the aforementioned general obligation indebtedness of the District; and

WHEREAS, the Board now deems it necessary and desirable to authorize the issuance and sale of the District’s General Obligation Bond, Series 2019 in the principal amount of up to $3,922,000 (the “Bond”), to finance certain community infrastructure projects, subject to certain conditions hereinafter stated, and Sections 50-3105(m) and 50-3108, Idaho Code, provide that the
issuance of such indebtedness shall be by resolution and in the manner specified in the laws of the State of Idaho; and

WHEREAS, Section 50-3111, Idaho Code, as amended, authorizes the sale of bonds at negotiated private sale, and the Board has determined that it is in the best interests of the District to sell the Bond at such a private sale; and

WHEREAS, the Board has determined to issue the Bond in the form of one or more fully registered, amortized general obligation bonds to Banner Bank, as purchaser of the Bond or another qualified purchaser if Banner Bank is not able to purchase the Bond; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE CITY, IDAHO), ADA COUNTY, IDAHO, as follows:

Section 1: DEFINITIONS

As used in this Bond Resolution, unless the context shall otherwise require, the following terms shall have the following meanings:

Act means, collectively, Chapter 31 of Title 50 and Chapter 9 of Title 57, Idaho Code, as amended.

Board means the Board of Directors of the District.

Bond or Bonds means the Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho, General Obligation Bond, Series 2019 in the principal amount of up to $3,922,000, herein authorized to be issued, sold, and delivered.

Bond Account means the Bond Account established in Section 8 hereof.

Bond Counsel means the law firm of Skinner Fawcett LLP, 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 Parameters means the parameters for the Bond including the interest rate, maturity, redemption provisions, principal payment schedule, amount of reserve funds, and maturities as set forth in Section 13 hereof.

Bond Registrar means Zions Bancorporation, National Association, as Bond registrar, transfer agent, authenticating and paying agent for the Bond, appointed and designated in Section 6 of the Bond Resolution.

Bond Resolution means this Resolution adopted on September 10, 2019, authorizing the issuance and sale of the Bond.
Chairperson or Chairman means the chairperson of the Board.

Clerk means the clerk or Secretary of the District.

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

District means Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho, a special limited purpose community infrastructure district duly organized and operating pursuant to Title 50, Chapter 31, Idaho Code.

Fiscal Year means that period adopted by the District as its annual accounting period, currently October 1 through September 30.

Legal Conditions has the meaning set forth in Section 3 hereof.

Project means the costs of community infrastructure projects as set forth in Section 2 hereof.

Project Accounts means the fund by that name established in Section 8 hereof.

Purchaser means Banner Bank, as purchaser of the Bond, or another qualified purchaser of the Bond if Banner Bank is not able to purchase the Bond.

Registered Owner or Owners means the registered owner of any Bond as shown in the registration books of the District kept by the Bond Registrar for such purpose.

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.

Reserve Account means the fund by that name established in Section 8 hereof.

Secretary means the secretary or Clerk of the District.

Terms Certificate means the Terms Certificate in substantially the form set forth in Exhibit “B” hereto to provide certain terms for the Bonds in accordance with this Bond Resolution, which certificate shall be executed by the District and be delivered to Bond Counsel at or before the issuance and delivery of the Bonds.

Treasurer means the treasurer of the District.

Section 2: PURPOSE OF BOND; FINDINGS.

The Bond is to be issued to provide financing for certain community infrastructure purposes and projects, consisting of and associated with payment, reimbursement and/or
refinancing of a portion of the fees, charges, and costs related to the acquisition of certain real property for sediment and storm water collection and control, road design, engineering, construction, landscaping, or other related community infrastructure (collectively, the “Project”); and to fund the Reserve Account and to pay for issuance costs of the Bond, all of which will be paid from the proceeds of the Bond pursuant to this Resolution, the Development Agreement (as defined in Section 3 below) upon the written concurrence of the Treasurer, and subject to the eligibility requirements set forth in the Act, the Development Agreement (as defined in Section 3 below), and any other applicable federal, state, or local law.

The District has determined that no additional financial assurance for the payment of the debt service on the Bond through additional collateral, payment guarantee or otherwise shall be required of Harris Family Limited Partnership or Barber Valley Development, Inc., as developers (collectively, the “Developer”), although the Purchaser may provide or require additional financial assurance in its bond purchase proposal.

Section 3: DESCRIPTION OF BONDS

The Bond, designated Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho, General Obligation Bond, Series 2019 in the principal amount of up to $3,922,000, is hereby authorized to be issued, sold, and delivered pursuant to Chapter 31 of Title 50, Idaho Code, provided that the principal amount of the Bond will not exceed any legal limits applicable to the District, including but not limited to the following legal conditions: (i) the aggregate principal amount of the Bond, together with the aggregate outstanding principal amount of general obligation indebtedness of the District for which its full faith and credit is pledged does not exceed nine percent (9%) of the actual or adjusted market value for assessment purposes on all taxable real property within the District as such valuation existed on December 31 of the previous year as set forth in Section 50-3108(4), Idaho Code; and (ii) ninety-five percent (95%) of the amount of ad valorem taxes estimated to be collected at a tax rate of not greater than .003 (3 mills) of the assessed value of the taxable property within the District as of the time of issuance of the Bond is sufficient to pay the highest combined debt service requirements for the proposed general obligation indebtedness and other general obligation indebtedness outstanding as provided in Section 6.3(c) of the District Development Agreement No. 1 between the District, the City of Boise City, Idaho and Harris Family Limited Partnership dated as of August 31, 2010 (the “Development Agreement”). The foregoing requirements are hereinafter referred to as the “Legal Conditions.” Evidence that the Legal Conditions have been met shall be a certificate or statement of the Treasurer together with a certificate or statement of the Ada County Assessor, the forms of which shall be substantially as set forth in Exhibit “C” hereto. The series designation of a series of the Bond is hereby authorized to be modified to accurately reflect the year it is delivered and other relevant matters.

The form of a bond for a series shall consist of a single, transferable, amortized general obligation bond, substantially in the forms annexed hereto as Exhibit “A,” shall be issued in accordance with and subject to the Bond Parameters established and set forth in Section 13 hereof in fully registered form, shall be dated as of the date of its delivery, and shall mature and shall bear interest on the unpaid balance, at the interest rate and with interest payable as set forth in the Terms Certificate delivered at closing.
The sale of the Bond to Purchaser, as an “accredited investor” or a “qualified institutional buyer” in compliance with the Development Agreement (hereinafter also referred to as the “Registered Owner”), is hereby authorized and approved, provided the Legal Conditions and the Bond Parameters set forth in Section 13 hereof are met. The Registered Owner of the Bond shall have the right, at its expense, to convert a series of the Bond to fully registered serial bonds, without coupons and to adjust the interest rate, payment terms and other provisions of the Bond in accordance with their terms. The Bond shall be transferable only to a “qualified institutional buyer” that is an affiliate of the Registered Owner or “accredited investor” or to a “Bank” as the term is defined in Section 3(a)(2) of the Securities and Exchange Act in compliance with the Development Agreement and with the federal securities laws, which compliance shall be certified and provided to the District prior to issuance of each series of Bond.

Section 4: EXECUTION

The Bond shall be executed by the manual or facsimile signature of the Chairperson, authenticated by the manual signature of the Bond Registrar, and attested by the manual or facsimile signature of the Secretary/Clerk, and the official seal of the District, if one is in existence, or a facsimile thereof shall be impressed thereon.

The Bond shall not be entitled to any security or benefit under this Bond Resolution, or be valid or become obligatory for any purpose, until the certificate of authentication thereon shall have been signed by the Bond Registrar.

Section 5: PLACE AND MANNER OF PAYMENT

Both principal of and interest on the Bond shall be payable on the respective dates when principal and interest become due in lawful money of the United States of America by electronic funds or by check, dated as of the payment due date, and mailed to the Registered Owner thereof, at the address of such Registered Owner as shown on the registration records of the Bond Registrar, or at such other address as shall be designated in writing to the Bond Registrar by the Registered Owner or at the electronic funds transfer address furnished by the Registered Owner to the Bond Registrar.

Section 6: BOND REGISTRAR

Zions Bancorporation, National Association 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, at its principal corporate trust office sufficient books for the registration and transfer of the Bond (the “Bond Register”) which shall, at all times, be open to inspection by the District. The Bond Registrar shall do all things authorized by the Idaho Registered Public Obligations Act, Chapter 9, Title 57, Idaho Code, as amended. The Bond Registrar is authorized, on behalf of the District, to authenticate and deliver the Bond transferred or exchanged in accordance with the provisions of such Bond and this Bond Resolution and to carry out all of the Bond Registrar’s powers and duties under this Bond Resolution. For purposes of said Registered Public Obligations Act, this Bond Resolution shall constitute a “system of registration” within the meaning, and for all purposes, of said Act.
The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bond. The Bond Registrar may become the owner of the Bond with the same rights as it would have if it were not the Bond Registrar.

The Bond may be transferred only by 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 the 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.

The Bond Registrar shall not be required to exchange or transfer any Bond within fifteen (15) days of an interest payment date or, in the case of any redemption of Bonds, during the period from the Record Date specified by the Bond Registrar in the notice of redemption to the date of redemption.

The Bond Registrar may resign and be discharged of the trusts created by this Bond Resolution by written resignation filed with the Clerk of the District not less than sixty (60) days before the date when it is to take effect. Such resignation shall take effect only upon the appointment of a successor Bond Registrar. If no successor Bond Registrar shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the incumbent Bond Registrar or any registered owner (on behalf of himself and all other registered owners) may petition any court of competent jurisdiction for the appointment of a successor Bond Registrar, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Bond Registrar.

The Bond Registrar may be removed (i) at any time, following at least thirty (30) days written notice, by an instrument or concurrent instruments in writing, filed with the Bond Registrar and the District and signed by the registered owners representing a majority in aggregate principal amount of the Bonds then outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the District, or (ii) by the District at any time, following at least thirty (30) days written notice, except during the continuance of an event of default, for such cause as shall be determined in the sole discretion of the District by filing with the Bond Registrar notice of removal in the form of a District certificate. In no event, however, shall such removal take effect until a successor Bond Registrar has been appointed pursuant to this Section of this Bond Resolution.

If the Bond Registrar or any successor Bond Registrar resigns or is removed or is 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 Bond Registrar, and the District shall appoint a successor. If the District fails to make such appointment within sixty (60) days after the date notice of resignation is filed, the owners of a majority in principal amount of the Bonds then outstanding may do so.
Section 7: PREPAYMENT AND REDEMPTION

The District reserves the right, at its option, to prepay and redeem, on any payment date, in inverse order of maturity, without penalty or premium, the principal amount outstanding on the Bond, in whole or in part, by the payment of a redemption price equal to the principal amount prepaid and redeemed, plus interest accrued to the date fixed for prepayment or redemption. Partial prepayments shall be made in the amount of $1.00 or integral multiples thereof. No partial prepayment shall extend or postpone the due date of any subsequent installment. Prepayments shall be made without penalty or premium. The District may exercise its option of prepayment or redemption by giving written notice to the Bond Registrar, not less than forty-five (45) days prior to the date selected for redemption. Notice of any intended prepayment and redemption shall be given by the Bond Registrar by first class mail, postage prepaid, to the Registered Owner of the Bond as of the 15th day prior to mailing the notice of redemption (the “Record Date”), at its address appearing on the Bond Register, not more than sixty (60) nor less than thirty (30) days prior to the prepayment and redemption date.

Section 8: FUNDS AND ACCOUNTS

A. Establishment of District Accounts. The following funds on the accounting records of the District are hereby created with respect to each series of the Bonds:

(1) Project Account.

(2) Cost of Issuance Account.

(3) Bond Account.

(4) Reserve Account.

B. Delivery of a Bond; Application of Proceeds. The Treasurer of the District is hereby instructed to make delivery of the Bond to the Registered Owner and to receive payment and/or credit therefor in accordance with Purchaser’s Bond Purchase Proposal submitted to the District once the Legal Conditions and the Bond Parameter have been met with respect to such series, as certified by the District Treasurer and the Ada County Assessor’s office, and to deposit the proceeds of sale as follows:

(1) Accrued interest on the Bond from its date to its date of delivery, if any, and any capitalized interest on the Bond, as set forth in the Terms Certificate shall be allocated to the Bond Account.

(2) A portion of the proceeds of sale of the Bond in the amount set forth in the Terms Certificate shall be allocated to the Cost of Issuance Account to be used as described in Section 8(D).

(3) A portion of the proceeds of sale of the Bond in the amount set forth in the Terms Certificate shall be allocated to the Reserve Account to be used as described in Section 8(F).
(4) The remaining proceeds of the Bond shall be allocated to the Project Account defined below to be used as described in Section 8(C).

C. **Project Account.** There is hereby established in the hands of the District the “Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho, General Obligation Bond, Series 2019 Project Account” (the “Project Account”), to which all of the proceeds of the sale of the Bond shall be allocated, except accrued interest, if any, and capitalized interest, if any, which shall be allocated to the Bond Account, and except for amounts allocated to the Cost of Issuance Account pursuant to Section 8(D) below and the amounts allocated to the Reserve Account pursuant to Section 8(F) below. The proceeds of the Bond shall be used to pay for the Project pursuant to the Development Agreement upon the written concurrence of the Treasurer. Monies allocated to the Project Account may be invested in lawful investments until needed for purposes for which the Bond is issued. Any investment earnings shall accrue to and be used solely for the purposes of the Project Account. In the event there are funds allocated to the Project Account remaining after all expenditures for the community infrastructure purposes and projects as set forth hereinabove, any surplus funds shall be allocated to the Bond Account and used for the payment of principal of and interest on the outstanding Bond as the same shall accrue.

D. **Cost of Issuance Account.** There is hereby established in the hands of the District the “Series 2019 Bond Cost of Issuance Account” (the “Cost of Issuance Account”). At the time of the delivery of the Bond, the District shall allocate to the Cost of Issuance Account such amounts as shall be required to pay a certain portion of the reasonable and necessary costs of issuance of the Bond, and moneys allocated to the Cost of Issuance Account shall be used for the payment of costs of issuance of the Bond. Any moneys allocated to the Cost of Issuance Account remaining on the date of the full and final payment of all costs of issuance of the Bond shall be allocated to the Project Account to be used as described in 8(C) above to pay for any unpaid community infrastructure Project costs or allocated to the Bond Account for the prepayment of principal and interest on the Bond in accordance with Section 7.

E. **Bond Account.** The proceeds of taxes levied pursuant to Section 50-3108 and 50-3114, Idaho Code, and other provisions of applicable law to pay the principal of and interest on the Bond, as set forth in Section 9 of this Bond Resolution, shall be allocated by the Treasurer of the District to the “Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho, General Obligation Bond, Series 2019, Bond Account” (the “Bond Account”), which Bond Account shall be used for no other purpose than the payment of the principal of and interest on the Bond as the same fall due. Monies allocated to the Bond Account may be invested in lawful investments until needed for the purposes of the Bond Account, and all investment earnings shall accrue to and be used solely for the purposes of the Bond Account. The Bond Account shall be maintained by the Treasurer until the principal of and interest on the Bond have been paid in full. At least one (1) business day prior to each interest or principal payment date for the Bond, the District shall transfer to the Bond Registrar as Paying Agent an amount sufficient to pay the principal of and interest on the Bond then due and payable and the Paying Agent is hereby authorized and directed to apply such funds to said payment.

F. **Reserve Account.** There is hereby established in the hands of the District the “Series
2019 Bond Reserve Account” (the “Bond Reserve Account”) as further provided in the Terms Certificate. At the time of delivery of the Bond, the District shall allocate to the Bond Reserve Account proceeds from the Bond or other available funds, as to be provided in the Terms Certificate, an amount to be determined at closing equal to 20% of the maximum annual debt service requirements with respect to the Bond, provided that such deposit shall not exceed an amount equal to the lesser of i) 125% of the average annual debt service with respect to the Bond; ii) the maximum annual debt service requirements with respect to the Bond; or iii) 10% of the principal amount of the outstanding amount of the Bond, with such deposit to the Bond Reserve Account to provide for the payment of the Bond for as long as the Bond remains outstanding and unpaid in the event of any shortfall in tax levy collections, provided that any amounts not needed for such purposes may either be applied to the final payment of the Bond or to pay for other costs of the Project, all as may be further provided in the Terms Certificate.

**Section 9: COVENANTS AND UNDERTAKINGS**

A. **Levy of Taxes.** In accordance with the provisions of Sections 50-3108(8) and 50-3114, Idaho Code, as amended, there shall be levied on all taxable real property in the District, in addition to all other taxes, a direct annual ad valorem tax in an amount sufficient to meet the payment of the principal and interest on the Bond as the same matures (provided that interest on the Bond for which capitalized interest has been financed as part of the principal amount of such Bond may be excluded from the levy if so provided in Bond Purchase Proposal), and to constitute a sinking fund for the payment of the principal thereof.

Said taxes in each of the years, beginning with the tax year 2019, shall be levied, assessed, certified, extended, and collected by the proper officers and at the times, all as fixed by law, and as other taxes are levied, assessed, certified, extended, and collected in, for and by the District and by the same officers thereof and are hereby appropriated for the purpose of paying the Bond until the Bond shall be fully paid.

Principal of or interest on the Bond falling due at any time when the proceeds of said tax levy may not be available shall be paid from other funds of the District and shall be reimbursed from the proceeds of said taxes when said taxes shall have been collected. Said taxes in each of the several years shall be and are hereby certified to the Board of County Commissioners of Ada County, Idaho, as being taxes necessary to be levied on all of the taxable real property in the District for the purpose of paying the principal of and the interest on the Bond as the same become due. Said taxes when collected shall be allocated to the Bond Account and shall be used for no other purpose than for the payment of the principal of and interest on the Bond as the same become due, except as described below, so long as any of the Bond remains outstanding and unpaid, but nothing herein contained shall be construed to prevent the District from paying the interest on or the principal of the Bond from any other funds in its hands and available for that purpose, or to prevent the District from levying any further or additional taxes which may be necessary to fully pay the interest on or the principal of the Bond. In the event that funds in the Bond Reserve Account are transferred to the Bond Account to be used for the payment of the principal of and interest on the Bond and a deficiency then exists in the Bond Reserve Account, then any amount remaining from said taxes after making the allocation to the Bond Account to be used for the payment of the principal of and interest due on the Bond in the then current fiscal year, shall be allocated to the Bond Reserve Account, until such deficiency in the Bond Reserve Account.
Account is cured.

The full faith and credit and all taxable real property in the District are hereby pledged for the prompt payment of the principal of and the interest on the Bond as the same become due (provided that interest on the Bond for which capitalized interest has been financed as part of the principal amount of such Bond may be excluded from the pledge and levy if so provided in the Bond Purchase Proposal) and the tax levies to that end herein provided shall be in full force and effect, and forever remain so until the indebtedness hereby incurred, principal and interest, shall have been fully paid, satisfied and discharged, except as herein before provided, and any collection fees or charges made in connection with the payment of the Bond and interest thereon are to be paid by the District.

B. Arbitrage Covenant; Covenant to Maintain Tax Exemption. The Treasurer of the District and other appropriate officials of the District are each hereby authorized and directed to execute from time to time such certifications 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 Regulations and to establish that interest on the Bond is not and will not become subject to taxation under the Code and applicable regulations. The District covenants and certifies to and for the benefit of the Registered Owner of the Bond that no use will be made of the proceeds of the issue and sale of the Bond, or any funds of the District which may be deemed to be proceeds of the Bond, pursuant to Section 148 of the Code and the Regulations which use, if it had been reasonably expected on the date of issuance of the Bond, would have caused the Bond to be classified as an “arbitrage bond” within the meaning of Section 148 of the Code. Pursuant to this covenant, the District obligates itself to comply throughout the term of the Bond with the requirements of Section 148 of the Code and the regulations proposed or promulgated thereunder. The District covenants to comply with the terms of the Tax Certificate for the Bond delivered at closing.

C. Bank Qualified. The Bond is hereby designated as a “qualified tax-exempt obligation” within the meaning and for the purpose of Section 265(b)(3) of the Internal Revenue Code of 1986 (the “Code”), and the District, including all aggregated issuers as described in Section 265(b)(3)(E), does not reasonably anticipate that it will issue more than $10,000,000, including the Bond, as qualified tax-exempt obligations during the calendar year 2019.

D. Issuance of Additional Bonds to Redeem the Bonds. It is understood and agreed by the District that additional general obligation bonds of the District may be offered to “accredited investors” and “qualified institutional buyers” in the bond market in order to redeem and refinance the Bond provided such bonds meet the Legal Conditions as well as other provisions of applicable law.

Section 10: AMENDMENTS

A. The District from time to time and at any time may adopt a resolution or resolutions supplemental hereto, which resolution or resolutions thereafter shall become a part of this Bond Resolution, for any one or more of all of the following purposes, without the consent of the Registered Owner:

1. To add to or modify the covenants and agreements of the District in this
Bond Resolution, other covenants and agreements thereafter to be observed, which change shall not adversely affect the interest of the Registered Owner of the Bond, or surrender or lessen any right or power of the Registered Owner of the Bond 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 the Bond 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, rights, or powers of the Registered Owner of the Bond.

B. With the consent of the Registered Owner of the Bond and, if required by the Registered Owner, upon a receipt of an opinion of Bond Counsel acceptable to the Registered Owner, the Board may adopt a 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 Bond Resolution or of any supplemental resolution.

C. Upon the adoption of any supplemental resolution pursuant to the provisions of this Section, this Bond Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations of the District under this Bond 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 Bond Resolution for any and all purposes.

D. Any Bonds 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 Bond Resolution contained in any such supplemental resolution, may be prepared and delivered without cost to the Registered Owner of the Bonds then outstanding, upon surrender for cancellation of the Bonds.

Section 11: VALIDITY OF ISSUANCE

The Bond is to be issued pursuant to Chapter 31 of Title 50 and Chapter 9 of Title 57, Idaho Code. This recital is conclusive evidence of the validity of the Bond and the regularity of its issuance. This Bond Resolution shall be deemed a final decision of the Board for purposes of Section 50-3119, Idaho Code.

Section 12: BOND RESOLUTION A CONTRACT

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

Section 13: SALE OF THE BOND
The sale of the Bond to the Purchaser, in accordance with the Bond Purchase Proposal, to be submitted to the District and pertaining to the Bond, and the Bond Parameters set forth below are hereby approved subject to the execution, receipt and terms of a final Terms Certificate substantially in the form set forth in Exhibit “B” hereto and subject to the receipt of certificates of the Treasurer and the Ada County Assessor evidencing compliance with the Legal Conditions substantially as set forth in Exhibit “C” hereto, as well as the receipt of a qualified investor letters of the Purchaser in substantially the form set forth in Exhibit “D” hereto. The Chairperson, Treasurer, and Clerk/Secretary of the District are, and each of them is, hereby authorized to do or perform all such acts as may be necessary or advisable to comply with the Bond Purchase Proposal and this Bond Resolution and to carry the same into effect.

Pursuant to Section 57-235, Idaho Code, as amended, the Board hereby delegates to the Chairperson and Treasurer, each with the authority to act alone (hereinafter each referred to as the “Delegated Officer”), the power to make the following determinations on the date of sale of the Bond to the Purchaser, without any requirement that the members of the Board meet to approve such determinations, but subject to the limitations provided:

1. The rate of interest to be borne by the Bond, as measured by the true interest cost, not to exceed a tax-exempt rate of 3.50%, and a rate of 4.25% during the pendency of a default or in the event interest on the Bond is no longer excludable from the Registered Owner’s gross income.

2. The principal amount of the Bond not to exceed $3,922,000, with authorized minimum denominations of $1.00 or integral multiples thereof.

3. The principal payment dates with a final payment date not to exceed August 15, 2039.

4. The amount of principal of the Bond maturing in any particular year, and the rate of interest accruing thereon.

5. The final maturity of the Bond, to be not later than August 15, 2039.

6. The price at which the Bond will be sold which shall not be less than par.

7. The dates, if any, and terms on which, and the prices at which, the Bond will be subject to optional or mandatory redemption.

8. The amount of proceeds of the Bond, if any, to fund the Bond Reserve Account.

Upon the sale of the Bond, including the final terms and provisions of the Bond, the Delegated Officer shall execute a Terms Certificate substantially in the form attached hereto as Exhibit “B” reflecting the final terms and provisions of the Bond and certifying that the final terms and provisions of the Bond are consistent with, not in excess of and no less favorable than the terms set forth in the Bond Parameters above.
Section 14: FURTHER AUTHORITY

The Chairperson, the Treasurer, and the Clerk/Secretary, and other officers of the District are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents, and other instruments, including the final Terms Certificate, as may be necessary or advisable to provide for the issuance, sale, and delivery of the Bond and the fulfillment of the covenants and obligations of the District contained herein and therein.

Section 15: MISCELLANEOUS

A. Ratification. All proceedings, resolutions, and actions of the Board, the District, and their officers, agents, and employees taken in connection with the authorization, sale, and issuance of the Bond are hereby in all respects ratified, confirmed, and approved.

B. Severability. It is hereby declared that all parts of this Bond Resolution are severable, and if any section, paragraph, clause, or provision of this Bond Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, paragraph, clause, or provision shall not affect the remaining sections, paragraphs, clauses or provisions of this Bond Resolution.

C. Conflict. All ordinances, resolutions, orders, and regulations or parts thereof heretofore adopted or passed which are in conflict with any of the provisions of this Bond Resolution are, to the extent of such conflict, hereby repealed.

D. Captions. The captions or headings herein are for convenience of reference only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Bond Resolution.

E. Effective Date. This Bond Resolution shall be in full force and effect immediately upon its adoption and approval, as may be provided by law.

[Remainder of page left blank intentionally]
ADOPTED by the Board of Directors of the Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho, this 10th day of September, 2019.

APPROVED by the Chairperson of the Board of the Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho, this 10th day of September, 2019.

HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, IDAHO)
Ada County, Idaho

By: ______________________________
Chairperson, Board of Directors

ATTEST:

____________________________
District Clerk

(SEAL)
EXHIBIT “A”

“FORM OF BOND”

THIS BOND IS SUBJECT TO RESTRICTIONS ON TRANSFER AS SET FORTH IN THE BOND RESOLUTION DEFINED BELOW INCLUDING A CERTIFICATE TO THE DISTRICT THAT THE TRANSFER IS TO A “QUALIFIED INSTITUTIONAL BUYER” UNDER SEC RULE 144A OF THE FEDERAL SECURITIES LAWS THAT IS AN AFFILIATE OF THE REGISTERED OWNER OR TO A “BANK” AS THE TERM IS DEFINED IN SECTION 3(a)(2) OF THE SECURITIES AND EXCHANGE ACT.

UNITED STATES OF AMERICA
STATE OF IDAHO

Registered No. R-__

$____________

HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1
(CITY OF BOISE, IDAHO)
ADA COUNTY, STATE OF IDAHO
GENERAL OBLIGATION BOND, SERIES 2019

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REGISTERED OWNER: ***___________________.* ***

PRINCIPAL AMOUNT: ***

AND 00/100 DOLLARS***

Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), a community infrastructure district duly formed pursuant to the provisions of Title 50, Chapter 31, Idaho Code, as amended (the “District”), for value received, hereby acknowledges itself indebted and promises to pay to the above specified registered owner, the principal amount identified above on the aforesaid maturity date unless earlier prepaid or redeemed, and to pay interest on the principal amount outstanding from the date of which this Bond (the “Bond”) is dated as indicated hereinabove, or the most recent date to which interest thereon has been paid or duly provided for, at the aforesaid interest rate, commencing on February 15, 2020, and each August 15 and February 15 thereafter (an “interest payment date”) to the maturity or redemption prior to maturity of this Bond. Annual amortized installments of the principal of this Bond are payable in accordance with the debt service schedule for the Bond attached hereto as Schedule A-1, commencing on August 15, 2020, and annually thereafter each August 15 until maturity or prior redemption. The final installment of principal of this Bond is payable upon presentation and surrender hereof at the office of the Bond Registrar.

EXHIBIT “A” - PAGE - 1
Both principal of and interest on this Bond, is payable on the respective dates when principal and interest become due in lawful money of the United States of America by electronic funds or by check, dated as of the payment due date, and mailed to the registered owner hereof (the “Registered Owner”) whose name and address appear on the registration books (the “Bond Register”) of Zions Bancorporation, National Association, Corporate Trust Department, Boise, Idaho (the “Bond Registrar”), maintained by the Bond Registrar, or at such other address designated in writing to the Bond Registrar by the Registered Owner or at the electronic funds transfer address furnished by the Registered Owner to the Bond Registrar. All payments shall be applied first to accrued interest and then to principal as of the date such payment is actually received by the Registered Owner. During the pendency of a default under the Bond Resolution (as defined below) and/or the Bond Purchase Proposal dated September __, 2019 relating to the Bond, or in the event interest on the Bond is no longer excludable from the Registered Owner’s gross income, interest on the Bond shall accrue at the rate of ___%.

The Bond is originally issuable and registered only in the denomination of the principal amount hereof.

The full faith and credit of the District are hereby pledged for the due and punctual payment of the principal hereof and interest hereon, and provision has been made in the statutory manner under the Bond Resolution for the levy and collection of taxes sufficient to pay the interest on this Bond as the same becomes due and for the payment of the principal hereof at or before the date of maturity of this Bond.

This Bond is issued by the District pursuant to Resolution No. ___ of the Board of the District, duly adopted on September 10, 2019, prior to the issuance hereof, all of the terms of which are hereby incorporated herein (the “Bond Resolution”), and pursuant to the Constitution and laws of the State of Idaho relative to the issuance and sale of bonds of community infrastructure districts, and all amendments thereto, and all other laws of the State of Idaho thereunto enabling, and also pursuant to the legal authorization of a special general obligation bond election conducted within the District on August 3, 2010.

The Bond is payable from the proceeds of an ad valorem tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable real property within the boundaries of the District, sufficient to pay debt service on the Bond when due.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF BOISE CITY, IDAHO, OR THE STATE OF IDAHO OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) IS PLEDGED TO THE PAYMENT OF THE BOND.

The Bond is subject to redemption prior to maturity, in whole or in part, on any payment date, in inverse order of maturity, by the payment of a redemption price equal to the principal amount redeemed plus interest accrued to the date fixed for redemption without premium.

Notice of redemption will be mailed by first class mail, postage prepaid, not more than 60 nor less than 30 days prior to the date set for redemption to the Registered Owner at the address shown on the registration books for the Bond maintained by the Bond Registrar. Failure to receive properly given notice of redemption shall not affect the redemption of any such Bond for which notice was properly given.

The Bond Registrar shall maintain the registration books of the District for the registration of ownership of the Bond as provided in the Bond Resolution.
This Bond shall not be entitled to any security or benefit under the Bond Resolution or be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

It is hereby certified, recited and declared (i) that all conditions, acts and things required by the Constitution and laws of the State of Idaho to happen, to be done, to exist and to be performed precedent to and in the issuance of this Bond, and of the series of which it is one, have happened, have been done, do exist and have been performed in regular and due form and time as required by law; (ii) that the obligation evidenced by the Bond, together with all other existing indebtedness of the District, does not exceed any applicable constitutional or statutory limitation and (iii) that due provision has been made for the levy and collection of a direct, annual, ad valorem tax upon taxable property within the District, over and above all other taxes authorized or limited by law, sufficient to pay the principal hereof and the interest hereon as each becomes due.

(The remainder of this page is intentionally left blank.)
IN WITNESS WHEREOF, HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, IDAHO), Ada County, Idaho, has caused this Bond to be executed in the name of the District by the facsimile or manual signature of the Chairperson of the Board of Directors of the District, and attested by the facsimile or manual signature of the District Clerk/Secretary, and a facsimile of the seal of District, if one is in existence, to be reproduced hereon as of this _____ day of September, 2019.

HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, IDAHO), ADA COUNTY, IDAHO

By (Facsimile or Manual Signature)
Chairperson, Board of Directors, Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho)

ATTEST:

(Facsimile or Manual Signature)
District Clerk, Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho)
Schedule A-1

“DEBT SERVICE SCHEDULE”

(to be attached at closing)
CERTIFICATE OF AUTHENTICATION

This Bond is the Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho, General Obligation Bond, Series 2019 described in the within mentioned Bond Resolution.

Date of Authentication: September ___, 2019

ZIONS BANCORPORATION,
NATIONAL ASSOCIATION, as Bond Registrar

By:  (Manual Signature)______________

_____ Authorized Officer, Zions Bank Division
EXHIBIT “B”
“TERMS CERTIFICATE”

September ___, 2019

HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (“Issuer”)

Re: Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho)
Ada County, Idaho, General Obligation Bond, Series 2019

The undersigned official of the Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho) Ada County, Idaho (the “District”), as a Delegated Officer, does hereby certify as follows (capitalized terms used herein and not defined have the meanings assigned to such terms in the Resolution, hereinafter defined):

1. The undersigned is familiar with the Bond Resolution of the District adopted on September 10, 2019, to authorize issuance of the District’s General Obligation Bond, Series 2019 (the “Bond”), and related documents, which Bond is sold this date to Banner Bank (the “Purchaser”) pursuant to the Bond Purchase Proposal dated September ___, 2019.

2. Section 13 of the Bond Resolution delegated to the undersigned, as a Delegated Officer, the power to make certain determinations on the date of sale of the Bond.

3. Pursuant to such delegation, relating to the Bond the undersigned Delegated Officer hereby determines as follows
   a. Details of the terms of the Bond including payment schedules are reflected in the final bond sale number schedules provided by the Purchaser this date, which schedules are attached as Exhibit A hereto.
   b. The rate of interest to be borne by the Bond is ___% per annum. The rate of interest to be borne by the Bond during the pendency of a default or in the event interest on the Bond is no longer excludable from the Registered Owner’s income is ___% per annum. The true interest cost on the Bond does not exceed ____%. Interest shall be calculated on the basis of the actual number of days elapsed over a year of 360 days or actual/360 (simple interest).
   c. The principal amount of the Bond is $__________, with authorized minimum denominations of $1.00 or integral multiples thereof.
   d. The Bond is sold at the purchase price of $____________, representing the principal amount thereof.
   e. The Bond is subject to optional or mandatory redemption as follows:____________________.
f. The amount of proceeds of the Bond to pay for the costs of the Project, as defined in the Bond Resolution, is $___________ and such sum shall be deposited to the Project Account.

g. The amount of proceeds of the Bond to fund the Costs of Issuance Account is $__________.

h. The amount of proceeds of the Bond to fund the Bond Reserve Account is $__________.

4. The undersigned Delegated Officer hereby certifies that the final terms and provisions of the Bond, as described above, are consistent with, not in excess of, and no less favorable than, the terms set forth in Section 13 of the Bond Resolution and as approved by the Board of the District.

5. The undersigned Delegated Officer has therefore caused to be delivered the Bonds this date.

DATED: September ____, 2019.

HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, IDAHO), ADA COUNTY, IDAHO, as Issuer

By: ________________________________
LYNDA LOWRY, DISTRICT TREASURER
EXHIBIT “C”

“FORMS OF DISTRICT TREASURER’S CERTIFICATE AND ADA COUNTY ASSESSOR’S CERTIFICATE”

CERTIFICATE OF THE DISTRICT TREASURER,
HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1
(CITY OF BOISE, IDAHO), ADA COUNTY, IDAHO

RE: Outstanding Indebtedness and Certification of Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho

The undersigned District Treasurer of Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho (the “District”), does hereby certify and provide the outstanding indebtedness and financial information of the District, for the purposes of compliance with Section 50-3108(4), Idaho Code, as amended, and Section 6.3(c) of the District Development Agreement No. 1, as follows:

1. As of the date of this Certificate, according to the records of the District, the outstanding general obligation bonds or notes and any other indebtedness, for which the full faith and credit of the District are pledged, is $________.00

2. According to the records of the District and Ada County, the total outstanding general obligation bonded and any other indebtedness of the District ($________.00) set forth in paragraph 1 above, plus the proposed aggregate principal amount ($________) of the District’s General Obligation Bond, Series 2019 (the “Bond”), will not exceed nine percent (9%) of the actual or adjusted market value for assessment purposes on all taxable real property located in the above District as such valuation existed on December 31, 2018, provided that upon issuance of the Bond a portion of the proceeds thereof may be utilized to prepay, redeem and retire in full all of such outstanding indebtedness referred to in paragraph 1 above if in accordance with law.

3. Further, according to the records of the District and Ada County, and based upon a proposed debt service schedule for the Bond as presented to the District, the highest combined debt service requirements for the proposed Bond and any other indebtedness referred to in paragraph 1 above which may remain outstanding after issuance of the Bond if any, will not exceed ninety-five percent (95%) of the amount of ad valorem taxes estimated to be collected at a tax rate of no greater than .003 (3 mills) of the assessed value of all taxable property within the District as of the date of the issuance of the Bond.

DATED as of the ___ day of September, 2019.

EXHIBIT “C” - PAGE - 1
HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, IDAHO), ADA COUNTY, IDAHO

By: ____________________________

LYNDA LOWRY, DISTRICT TREASURER
CERTIFICATE OF ASSESSOR OF ADA COUNTY, IDAHO

RE: Market Valuation of Real Property in Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho), Ada County, Idaho

The undersigned Assessor of Ada County, Idaho (the “County”), does hereby certify, at the request of the Harris Ranch Community Infrastructure District No. 1, Ada County, Idaho (the “District”), for the purposes of Section 50-3108(4), Idaho Code, as amended, as follows:

1. According to the records of Ada County, the actual or adjusted market value for assessment purposes on all taxable real property located within the above District, as such valuation existed on December 31, 2018, is $__________________.

DATED as of the ____ day of September, 2019.

ASSESSOR, Ada County, State of Idaho
EXHIBIT “D”
“FORM OF QUALIFIED INVESTOR LETTER”

QUALIFIED INVESTOR LETTER

September __, 2019

HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (“Issuer”)

Re: Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho)
Ada County, Idaho, General Obligation Bonds, Series 2019

Please be advised that the undersigned is purchasing the entire amount of the above captioned Bond (hereinafter referred to as the “Bond”) pursuant to the Resolution of the Issuer adopted on September 10, 2019 (the “Bond Resolution”). The undersigned hereby acknowledges that the Bond (i) is not being registered under the federal Securities Act of 1933, as amended (the “Securities Act”), in reliance upon certain exemptions set forth in the Securities Act, (ii) is not being registered or otherwise qualified for sale under the “blue sky” laws and regulations of the State of Idaho or any other state, and (iii) will not carry any rating from any rating service.

In regard to the foregoing, the undersigned hereby certifies, acknowledges, warrants and represents that:

(1) The undersigned has been provided an opportunity to ask questions of, and to receive answers from, representatives of the Issuer regarding the terms and conditions of the Bond. The undersigned has obtained all information that it as a reasonable investor has requested as a result of it having attached significance thereto in evaluating the merits and risks of its decision to purchase the Bond.

(2) The undersigned has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of obligations like the Bond and is capable of evaluating the merits and risks of its purchase of the Bond. The undersigned is able to bear the economic risk of, and an entire loss of, purchasing the Bond.

(3) Neither the addressee District nor the City of Boise City, Idaho (the “City”), nor the respective officials, officers, directors, council members, advisors, employees and agents of either have undertaken to furnish, nor has the undersigned requested, information that may have been furnished to the undersigned by any third party in connection with purchasing the Bond.

(4) The undersigned is a “qualified institutional buyer” within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (the “Securities Act”), or an “accredited investor” within the meaning of Rule 501 of Regulation D promulgated under the Securities Act.

(5) The undersigned is purchasing the Bond for its loan portfolio to evidence an extension of its credit, with no present intention of reselling the Bond. Notwithstanding such present intention, the undersigned is not prohibited from reselling the Bond in the future; provided, however, that the undersigned acknowledges that the Bond may only be resold or transferred to other purchasers who are either affiliates of the Registered
Owners qualified as an accredited investors or a “Bank” as defined in Section 3(a)(2) of the Securities and Exchange Act, and only in the full outstanding amount of the Bond.

(6) The undersigned acknowledges and accepts that it has reviewed and has made its decision to purchase the Bond based solely on its review of the information it has received; and that it is capable of suffering a loss of the entirety of its investment which is represented by the Bond. The undersigned represents that it can bear the economic risk associated with a purchase of obligations such as the Bond and it has such knowledge and experience in business and financial matters, including the analysis of a participation in the purchase of similar obligations, so as to be capable of evaluating the merits and risks of purchasing the Bond on the basis of the information and review described herein.

(7) The undersigned is experienced in transactions such as those relating to the Bond, is knowledgeable and fully capable of independent evaluation of the risks involved in purchasing the Bond and did not rely on the addressee District or the City, or any official, officer, director, council member, advisor, employee or agent of either (except reliance on representations and warranties made in the Bond Resolution and accompanying documents) in making its decision to purchase the Bond other than to provide the undersigned with all material and the requested information to evaluate its decision to purchase the Bond.

By: ________________________________  
Printed Name: ________________________  
Title: ________________________________
Harris Ranch CID Resolution

To: Board Members, Harris Ranch Community Infrastructure District #1
From: David Hasegawa
CC: Lynda Lowry, Rob Lockward
Meeting Date: September 10, 2019
Re: Harris Ranch CID Bond Resolution

Background:
General obligation bonds will be issued to finance community infrastructure projects within the Harris Ranch CID as approved by the Board.

Pending final close of the bond with the lending bank, the District expects the following:

- Term: 20-years
- Principal amount – no more than: $3,922,000
- Lender: Banner Bank

Attachments:
Bond Resolution (This is official copy of the resolution to ensure correct formatting and accuracy). (DOCX)

Please do not hesitate to contact the following if you have detailed questions.

- District Manager: David Hasegawa (dhasegawa@cityofboise.org)
- District Attorney: Rob Lockward (RLockward@cityofboise.org)
Harris Ranch CID Resolution

To: Board Members, Harris Ranch Community Infrastructure District #1
From: David Hasegawa
CC: Lynda Lowry, Rob Lockward
Meeting Date: September 10, 2019
Re: Harris Ranch CID Bond Resolution

Background:
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Attachments:
Bond Resolution (This is official copy of the resolution to ensure correct formatting and accuracy). (DOCX)

Please do not hesitate to contact the following if you have detailed questions.
  • District Manager: David Hasegawa (dhasegawa@cityofboise.org)
  • District Attorney: Rob Lockward (RLockward@cityofboise.org)
Harris Ranch CID Resolution

To: Board Members, Harris Ranch Community Infrastructure District #1
From: David Hasegawa
CC: Lynda Lowry, Rob Lockward
Meeting Date: September 10, 2019
Re: Harris Ranch CID Bond Resolution

Background:
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  • Term: 20-years
  • Principal amount – no more than: $3,922,000
  • Lender: Banner Bank

Attachments:
Bond Resolution (This is official copy of the resolution to ensure correct formatting and accuracy). (DOCX)

Please do not hesitate to contact the following if you have detailed questions.
  • District Manager: David Hasegawa (dhasegawa@cityofboise.org)
  • District Attorney: Rob Lockward (RLockward@cityofboise.org)
TO: Board of Directors

FROM: David Hasegawa, Treasury

NUMBER: HRCID-10-2019

DATE: September 4, 2019

SUBJECT: FY20 HRCID Amended Budget

BACKGROUND:

**Description of Issue:** In the September 10th board meeting, the District will request the Board approve an amendment to increase the budget. The amendment will have no impact to the tax levy but will allow the district to pay substantially more towards outstanding projects. This board meeting will be a Public Hearing.

**Background:** After soliciting requests from banks for underwriting the new 2019 General Obligation debt issuance, the District has received an offer for debt with a 20-year maturity instead of the 15-year maturity that was issued last year. A quick comparison:

<table>
<thead>
<tr>
<th></th>
<th>15-year maturity</th>
<th>20-year maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond amount</td>
<td>$2.9M</td>
<td>$3.9M</td>
</tr>
<tr>
<td>Expected yearly debt service</td>
<td>$258K</td>
<td>$258K</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>2.80%</td>
<td>2.80%</td>
</tr>
</tbody>
</table>

Because the Developer is currently charging the District 7.25% on unreimbursed projects, the district will realize an overall savings on interest by using the 20-year debt. To do so will require amending the budget in a Public Hearing. Because the annual debt service is the same for both a 15-year and a 20-year bond, there is no change to the amount levied on the taxpayers of the district for FY-2020.

The District was not expecting that any bank would offer a 20-year bond and thus revenues and expenditures were reflective of a 15-year bond.

Changes to the budget would be as follows:
Adopted FY-20 budget  Proposed amendment

<table>
<thead>
<tr>
<th>Description</th>
<th>FY-20</th>
<th>FY-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Property Tax <em>(updated estimate from Ada County)</em></td>
<td>$851,200</td>
<td>$848,800</td>
</tr>
<tr>
<td>Total Other Financing Sources</td>
<td>$3,000,000</td>
<td>$4,000,000</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$4,466,943</td>
<td>$5,464,543</td>
</tr>
<tr>
<td>Total Other Financing Uses - Infrastructure and Costs</td>
<td>$2,674,932</td>
<td>$3,677,332</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td>$4,204,590</td>
<td>$5,204,590</td>
</tr>
<tr>
<td>Net Surplus/(Shortfall)</td>
<td>$262,353</td>
<td>$259,952</td>
</tr>
</tbody>
</table>

**Recommended or Requested Action:** Approve the budget amendment in the September 10th, Public Hearing. This will save the district considerable interest expense.

Please do not hesitate to contact the following if you have detailed questions.

- District Manager: David Hasegawa ([dhasegawa@cityofboise.org](mailto:dhasegawa@cityofboise.org))
- District Attorney: Rob Lockward ([RLockward@cityofboise.org](mailto:RLockward@cityofboise.org))

**ATTACHMENTS:**

- Exhibit A - Amended CID Budget  (PDF)
- Publication CID Notice FY 2020 - Amended(PDF)
A RESOLUTION APPROVING THE FY 2020 OPERATING BUDGET AS AMENDED FOR THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, as provided by Title 50, Chapter 31, Idaho Code, as amended (the "Act"), the Board of the Harris Ranch Community Infrastructure District No. 1 (the "District" or "Board") is required to hold a public hearing on the estimate of operating expenses and revenue for the upcoming fiscal year beginning October 1, 2019, and ending September 30, 2020 (the "proposed operating budget"); and

WHEREAS, at their July 23, 2019, public hearing the Board approved the proposed operating budget for the District; and

WHEREAS, the operating budget must be amended in order to reflect the finalized terms of this year’s General Obligation Bond; and

WHEREAS, a public hearing has been duly noticed for September 10, 2019, for the Board to consider adoption of the operating budget as amended; and

WHEREAS, the operating budget as amended will not affect the levy for FY 2020.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, IDAHO):

Section 1. That the FY 2020 Annual Operating Budget, as amended and attached hereto as Exhibit A and incorporated herein by reference, be, and the same hereby is, approved as to both form and content.

Section 2. That this Resolution shall be in full force and effect immediately upon its adoption and approval.

ADOPTED by the Board of Directors of the Harris Ranch Community Infrastructure District No. 1 (City of Boise, Ada County, Idaho), this September 10, 2019.

APPROVED by the Chairman of the Board of the Harris Ranch Community Infrastructure District No. 1 (City of Boise, Ada County Idaho), this September 10, 2019.

HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1
(CITY OF BOISE, IDAHO)
Ada County, Idaho

ATTEST:

Lynda Lowry, District Clerk

By: ____________________________
Elaine Clegg, Vice Chair, Board of Directors
# Harris Ranch Community Infrastructure District

## Amended Budgeted Revenue and Expense

For the year ending September 30, 2020

<table>
<thead>
<tr>
<th>Description</th>
<th>2020 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
</tr>
<tr>
<td>Total Property Tax</td>
<td>$848,800</td>
</tr>
<tr>
<td>Total Assessments</td>
<td>$400,743</td>
</tr>
<tr>
<td><strong>Total Property Tax &amp; Assessments</strong></td>
<td>$1,249,543</td>
</tr>
<tr>
<td>Total Miscellaneous</td>
<td>$0</td>
</tr>
<tr>
<td>Total Contingent Revenues</td>
<td>$215,000</td>
</tr>
<tr>
<td><strong>Total Miscellaneous Revenue</strong></td>
<td>$215,000</td>
</tr>
<tr>
<td>Total Other Financing Sources</td>
<td>$4,000,000</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$5,464,543</td>
</tr>
<tr>
<td><strong>Expense:</strong></td>
<td></td>
</tr>
<tr>
<td>Total Postage</td>
<td>$300</td>
</tr>
<tr>
<td>Total Publications</td>
<td>$1,000</td>
</tr>
<tr>
<td>Total Professional Services</td>
<td>$62,338</td>
</tr>
<tr>
<td>Total Contracted &amp; Misc.</td>
<td>$2,250</td>
</tr>
<tr>
<td>Total Internal Charges</td>
<td>$25,261</td>
</tr>
<tr>
<td><strong>Total Maintenance &amp; Operations</strong></td>
<td>$91,149</td>
</tr>
<tr>
<td><strong>Total Interest</strong></td>
<td>$691,274</td>
</tr>
<tr>
<td><strong>Total Debt Costs</strong></td>
<td>$529,835</td>
</tr>
<tr>
<td><strong>Total Other Financing Uses - Infrastructure and Costs</strong></td>
<td>$3,677,332</td>
</tr>
<tr>
<td><strong>Total Budget Appropriation</strong></td>
<td>$215,000</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td>$5,204,590</td>
</tr>
<tr>
<td><strong>Net Surplus/(Shortfall)</strong></td>
<td>$259,952</td>
</tr>
</tbody>
</table>
Notice of Public Hearing

Harris Ranch Community Infrastructure District
Proposed Amended Budget for Fiscal Year 2020

A public hearing for consideration of the proposed amended Harris Ranch Community Infrastructure District (CID) budget for the fiscal year that begins October 1, 2019 and ends September 30, 2020 will be held in the City Council Chambers, City Hall, 150 N. Capitol Blvd., Boise, ID on September 10, 2019, at 3:30 pm, pursuant to Idaho Code 50-1002. The budget is available for examination at City Hall or can be requested at boisetreasury@cityofboise.org. Written or oral comments about the proposed budget are welcome. Auxiliary aids or services for persons with disabilities are available upon 48 hours of advance notice.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CID Operations</td>
<td>14,700</td>
<td>91,149</td>
<td>(76,449)</td>
<td>14,700</td>
<td>91,149 (76,449)</td>
</tr>
<tr>
<td>CID Annual Debt Service</td>
<td>1,237,243</td>
<td>1,223,509</td>
<td>13,734</td>
<td>1,234,843</td>
<td>1,221,110 13,733</td>
</tr>
<tr>
<td>CID Capital</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CID Budgetary Appropriation</td>
<td>3,215,000</td>
<td>2,889,932</td>
<td>325,068</td>
<td>4,215,000</td>
<td>3,892,332 322,668</td>
</tr>
<tr>
<td>CID Grand Total</td>
<td>4,466,943</td>
<td>4,204,590</td>
<td>262,353</td>
<td>5,464,543</td>
<td>5,204,591 259,952</td>
</tr>
</tbody>
</table>

**Property Tax Levy's/Contingency**
- 851,200

**Property Tax Assessment**
- 400,743

**Total of All Other Revenues**
- 3,215,000

* CID Budgetary Appropriation is contingent appropriation for any additional debt issuance should it occur. Publication of this notice of public hearing, as required by State Code (Section 50-1002), will be made on September 3, 2019, in the Idaho Statesman.

Use (Source) of Budgetary Appropriation: (262,353) (259,952)