

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF MOSCOW:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF MOSCOW, IDAHO, APPROVING AND ADOPTING THE PARTICIPATION AND REIMBURSEMENT AGREEMENT BETWEEN THE AGENCY AND THE THOMPSON FAMILY LIMITED PARTNERSHIP, AND ACKNOWLEDGING THE TERMS OF THE GUARANTY AGREEMENT BETWEEN THE THOMPSON FAMILY LIMITED PARTNERSHIP AND THE BANK OF PULLMAN; AUTHORIZING AND DIRECTING THE CHAIRMAN AND SECRETARY, RESPECTIVELY, TO EXECUTE AND ATTEST SAID AGREEMENT; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of Moscow City, Idaho, an independent public body corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, as amended and supplemented, Chapter 20, Title 50, Idaho Code (the "Law"), a duly created and functioning urban renewal agency for the City of Moscow, Idaho, hereinafter referred to as the "Agency."

WHEREAS, the Agency is authorized to borrow money and to issue revenue allocation bonds pursuant to the Law for the purpose of financing urban renewal projects under the Law;

WHEREAS, the Agency is further authorized to issue revenue allocation (tax increment) bonds pursuant to the Local Economic Development Act, the same being Title 50, Chapter 29, Idaho Code, as amended and supplemented (the "Act");

WHEREAS, the City of Moscow, Latah County, Idaho (the "City") by adoption of ordinance No. 96-12 on July 1, 1996, duly adopted the Research and Technology Park Competitively Disadvantaged Border Community Urban Renewal Plan (the "Plan"), to be administered by the Agency, which Plan contains a revenue allocation financing provision pursuant to the Act;

WHEREAS, the Agency now desires to undertake the implementation of a portion of the Plan, consisting generally of public infrastructure improvements, including public streets, water, sewer, storm drainage, curb, gutter, sidewalk, public park, and related improvements pursuant to the Plan (the "Project"), and to authorize the issuance, sale, and delivery of its Bonds (the "Bonds") therefor;

WHEREAS, a proposal to purchase the Bonds has been submitted to the Agency by Bank of Pullman;

WHEREAS, on January 7, 1997, the Agency Board approved Resolution 97-01, (the "Bond Resolution") which authorized the issuance, sale and delivery of \$600,000 Principal Amount of Revenue Allocation (Tax Increment) Bonds, Series 1997, and providing for the sale of the Bonds to Bank of Pullman (the "Purchaser");

WHEREAS, the Bonds will be issued in two series; Series A in the aggregate principal amount of \$175,000, constituting tax exempt bonds, and Series B in the aggregate principal amount of \$425,000;

WHEREAS, to induce the purchase of the Bonds in addition to the security provided by the pledge of the Pledged Revenues as provided in the Bond Resolution, the Agency has requested and the Thompson Family Limited Partnership (the "Guarantor"), has agreed to enter into that certain Guaranty Agreement for the benefit of the Purchaser, securing and facilitating payment of the principal of and interest on the Bonds;

WHEREAS, the proceeds derived from the issuance and sale of the Bonds will benefit the Guarantor and such proceeds will be applied to acquire, construct, and install a Project (as defined in the Bond Resolution) which will benefit the real estate development owned by Guarantor;

WHEREAS, the Guarantor desires that the Agency issue the Bonds and apply the proceeds as aforesaid and is willing to enter into a Guaranty Agreement to achieve the said benefits and as an inducement to the purchase of the Bonds by all who shall at any time become owners of the Bonds;

WHEREAS, the Purchaser and Guarantor have negotiated a Guaranty Agreement to secure payment of the sum due under the Bonds and provided the Agency with the terms of the Guaranty Agreement;

WHEREAS, in order to facilitate the Guaranty Agreement by the Guarantor, the Guarantor and Agency have negotiated a Participation and Reimbursement Agreement which provides for the private development of property which will generate tax increment proceeds, and to provide for the payment of such proceeds to the Guarantor, in the event the Purchaser invokes the remedies provided for in the Guaranty Agreement;

WHEREAS, the Agency Board has before it the Guaranty Agreement, a copy of which is attached hereto as Exhibit 1, and incorporated herein by reference, the Participation and Reimbursement Agreement between the Agency and Guarantor, a copy of which is attached hereto as Exhibit 2, and incorporated herein by reference;

WHEREAS, the Agency deems it to be in its best interest and the interest of the public in compliance with the provisions of the Plan to acknowledge the terms of the Guaranty Agreement and approve the Participation and Reimbursement Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO:

Section 1: That the Agency acknowledges the terms and conditions of the Guaranty Agreement, Exhibit 1 attached hereto.

Section 2: That the Participation and Reimbursement Agreement, a copy of which is attached hereto as Exhibit 2 be and the same is hereby approved.

Section 3: That the Chairman and Secretary of the Board of Directors of the Agency are hereby authorized, permitted and directed to enter into the above-referenced Participation and Reimbursement Agreement and further, are hereby authorized permitted and directed to execute all necessary documents to implement the agreements and approve any necessary technical changes to the agreements, upon advice from Agency Liaison, Bond Counsel or Agency Counsel that said changes are consistent with provisions of the agreements presented to the Board at its February 4, 1997, meeting and the Chairman is authorized permitted and directed to perform any and all other duties required pursuant to the agreements.

Section 4. This Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED By the Urban Renewal Agency of the City of Moscow, Idaho, on February 4, 1997. Signed by the Chairman of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on February 4, 1997.

APPROVED:

By JR [Signature]
Chairman

ATTEST:

By [Signature]
Secretary

