

RESOLUTION NO. 2013-01

AN RESOLUTION OF THE SUN VALLEY WATER AND SEWER DISTRICT, BLAINE COUNTY, IDAHO, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF A GENERAL OBLIGATION REFUNDING BOND, SERIES 2013, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$1,720,000, FOR THE PURPOSE OF REFUNDING THE DISTRICT'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES 2004; MAKING FINDINGS AND COVENANTS; DESCRIBING THE REFUNDING BOND AND FIXING THE INTEREST RATES THEREON; PROVIDING FOR THE LEVY OF TAXES TO PAY THE PRINCIPAL OF AND INTEREST ON THE REFUNDING BOND; PROVIDING FOR THE USE OF THE PROCEEDS OF THE REFUNDING BOND; ESTABLISHING COVENANTS CONCERNING MAINTENANCE OF THE TAX-EXEMPT STATUS OF THE INTEREST THEREON; PROVIDING FOR THE CALL AND REDEMPTION OF THE BONDS TO BE REFUNDED; PROVIDING FOR THE SALE OF THE BOND TO AND APPROVING A FORM OF LOAN AGREEMENT WITH THE IDAHO BOND BANK AUTHORITY; PROVIDING FOR RELATED MATTERS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Sun Valley Water and Sewer District, Blaine County, Idaho (the "District"), is a political subdivision duly organized and operating under and pursuant to the laws of the State of Idaho; and

WHEREAS, the District heretofore, on April 29, 2004, issued its General Obligation Bonds, Series 2004, in the original principal amount of \$3,720,000, the principal amount of \$1,720,000 of which remains outstanding ("Refunded Bonds"); and

WHEREAS, the District is authorized by the Constitution and laws of Idaho to issue refunding bonds to refund its outstanding bonds whenever the Board of Directors determine that a savings or other beneficial public objective can be achieved thereby, without an approving vote of the electors of the District, and to sell such refunding bonds at private sale; and

WHEREAS, the Resolution pursuant to which the Refunded Bonds were issued reserves the right of the District to redeem the Refunded Bonds, in full, prior to maturity, upon notice as provided in said Resolution; and

WHEREAS, the Board of Directors has determined that it is in the best interests of the District to refund the Refunded Bonds and to issue refunding bonds for that purpose; and

WHEREAS, the Idaho Bond Bank Authority (the "Authority") is an independent body corporate and politic created and operating pursuant to Title 67, Chapter 87, Idaho Code, as amended (the "Act"), and the Authority is authorized by the Act to issue bonds for the purpose of purchasing municipal bonds, including bonds evidencing loans undertaken by municipalities for purposes authorized by law; and

WHEREAS, Section 67-8722, Idaho Code, authorizes the sale by the District of its bonds to the Authority at private sale and further authorizes the District to enter into a loan agreement for such purpose, and the Board of Directors have determined to issue the refunding obligations

of the District in the form of a single, amortized general obligation refunding bond in an aggregate principal amount not to exceed \$1,720,000 to the Authority; and

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE SUN VALLEY WATER AND SEWER DISTRICT, BLAINE COUNTY, IDAHO, AS FOLLOWS:

Section 1: DEFINITIONS

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

Act means, collectively, Title 50, Chapter 10, Title 57, Chapters 2, 5, and 9, and Title 67, Chapter 87, Idaho Code.

Authority means the Idaho Bond Bank Authority, an independent body corporate and politic created and operating pursuant to Title 67, Chapter 87, Idaho Code.

Board means the Board of Directors of the District.

Bond means the Series 2013 Bond.

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

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

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

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

Business Day means any day other than (i) a Saturday or Sunday, on which banks located in the State of Idaho and in the state where the Bond Registrar's Principal Corporate Trust Office is located, are open for the purpose of conducting commercial banking business.

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

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

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

District means the Sun Valley Water and Sewer District, Blaine County, Idaho.

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

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

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

Loan Agreement means the loan agreement between the Authority and the District, substantially in the form which is annexed hereto as Exhibit "B," and referred to and authorized in Section 13 of the Resolution.

Resolution means this Resolution No. 2013-01, adopted on April 15, 2013.

Record Date means in the case of each interest payment date, the Bond Registrar's close of business on the fifteenth day next preceding such interest payment date falls.

Refunded Bonds means the Series 2004 Bond.

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

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

Series 2004 Bond means the Sun Valley Water and Sewer District General Obligation Bonds, Series 2004, issued on April 29, 2004, in the initial principal amount of \$3,720,000.

Series 2013 Bond means the Sun Valley Water and Sewer District General Obligation Refunding Bond, Series 2013, herein authorized to be issued, sold, and delivered in the form of a single, fully registered, amortized bond in a principal amount not to exceed \$1,720,000.

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

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

Trustee means the Bank of New York Mellon Trust Company, N.A. or such other trustee designated by the Authority pursuant to the Master Trust Agreement and latest Supplemental Trust Agreement between the Authority and the Bank of New York Mellon Trust Company, N.A., as such agreements may be amended from time to time (collectively the "Trust Agreement").

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

## Section 2: FINDINGS

The Board of Directors hereby finds, determines, and declares:

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

B. That it is the intent of the Board of Directors to issue the Series 2013 Bond for the purpose of providing funds in an amount sufficient, together with other lawfully available funds of the District, if necessary, to refund, redeem, and retire the Refunded Bonds.

## Section 3: THE BONDS

A. The Series 2013 Bond, designated "Sun Valley Water and Sewer District General Obligation Refunding Bond, Series 2013" (the "Series 2013 Bond"), in an aggregate principal amount not to exceed \$1,720,000, is hereby authorized to be issued, sold, and delivered pursuant to the Act. The Series 2013 Bond shall consist of a single, transferrable, amortized revenue bond, substantially in the form annexed hereto as Exhibit "A," shall be issued in fully registered form, shall be dated as of its date of delivery, and shall bear interest on its unpaid principal balance at such rate or rates, shall be payable at such times and in such amounts, and shall mature, as shall be set forth in the Loan Agreement.

## Section 4: EXECUTION

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

## Section 5: PLACE AND MANNER OF PAYMENT

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

Section 6: BOND REGISTRAR

The Treasurer is hereby appointed as bond registrar, transfer agent and paying agent, and is herein referred to as the "Bond Registrar." The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bond. The Bond Registrar is authorized, on behalf of the District, to carry out all of the Bond Registrar's powers and duties under this Resolution.

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

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

Section 7: PRE-PAYMENT; DEFEASANCE

The District shall have the option to prepay the Bonds, in whole or in part, in accordance with the prepayment provisions of the Loan Agreement.

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

Section 8: FUNDS AND ACCOUNTS – REDEMPTION OF REFUNDED BONDS

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

- (1) Bond Fund, to be held by the District.
- (2) Cost of Issuance Fund, to be held by the Trustee.

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

1. A portion of the proceeds of sale of the Bonds, as shall be designated by Written Certificate of the District, shall be deposited in the Cost of Issuance Fund to be used as provided in the Loan Agreement.
2. Accrued interest on the Bonds from its date to the date of delivery, if any, shall be deposited into the Bond Fund.
3. The remaining proceeds of sale of the Bond shall be deposited into the fund established by the Trustee for the redemption of the Refunded Bond.

C. Redemption of Refunded Bonds; Pledge, Etc.

1. The Refunded Bonds are hereby irrevocably called for redemption on June 5, 2013. Notice of such redemption shall be given as provided in the resolution pursuant to which the Refunded Bonds were issued. The Refunded Bonds are being redeemed at a redemption price of par plus accrued interest to the date of redemption.
2. Proceeds of the Bond shall be utilized exclusively for the purpose of paying and redeeming, on June 5, 2013, the outstanding principal of the Refunded Bonds, in full, together with interest accrued to the date of redemption.

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

F. Bond Fund. The proceeds of taxes levied without limitation as to rate or amount to pay the principal of and interest on the Refunding Bond, as set forth in Section 8 of this Resolution, shall be kept by the Treasurer of the District in a special fund, which is hereby created, separate and apart from all other funds of the District which is hereby designated the "Sun Valley Water and Sewer District, Idaho General Obligation Refunding Bond, Series 2013, Bond Fund" (the "Bond Fund") or such other designation as shall conform to banking requirements and good accounting practices, which Bond Fund shall be used for no other purpose than the payment of the principal of and interest on the Refunding Bond, on each payment date as the same fall due. Monies in the Bond Fund may be invested in lawful investments until needed for the purposes of the Bond Fund, and all investment earnings shall

accrue to and be used solely for the purposes of the Bond Fund. The Bond Fund shall be maintained by the Treasurer until the principal of and interest on the Bonds has been paid in full.

Section 9: COVENANTS AND UNDERTAKINGS

A. Levy of Taxes. In accordance with the provisions of Sections 57-222, Idaho Code, as amended, there shall be levied on all taxable property in the District, in addition to all other taxes, a direct annual ad valorem tax in an amount sufficient to (1) meet the payment of the interest and principal on the Refunded Bonds through and including June 5, 2013, and (2) to meet the payment of the principal and interest on the Refunding Bond from and after June 5, 2013, as the same mature, and to constitute a sinking fund for the payment of the principal thereof.

Said taxes in each of said years 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 any of the Bonds until the Refunding Bond shall be fully paid.

Principal of or interest on the Refunding 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 certified as being taxes necessary to be levied on all of the taxable property in the District for the purpose of paying the principal of and the interest on the Refunding Bond as the same become due. Said taxes when collected shall be placed in the Bond Fund and shall be used for no other purpose than for the payment of the principal of and the interest on the Refunding Bond as the same become due, so long as any of the Refunding Bond remain outstanding and unpaid, but nothing herein contained shall be construed to prevent the District from paying the interest on or the principal of the Refunding 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 Refunding Bond.

The full faith and credit and all taxable property in the District are hereby pledged for the prompt payment of the principal of and the interest on the Refunding Bond as the same become due 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 hereinbefore provided, and any collection fees or charges made in connection with the payment of the Refunding Bond and interest thereon are to be paid by the District.

B. Arbitrage Covenant; Covenant to Maintain Tax Exemption.

(1) 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 Tax Certificates as shall be necessary to establish that the Refunding Bond are not "arbitrage bonds" within the

meaning of Section 148 of the Code and the Regulations and to establish that interest on the Refunding 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 Owners that no use will be made of the proceeds of the issue and sale of the Refunding Bond, or any funds or accounts of the District which may be deemed to be proceeds of the Refunding 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 Refunding Bond, would have caused the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code. Pursuant to this covenant, the District obligates itself to comply throughout the term of the Refunding Bond with the requirements of Section 148 of the Code and the regulations proposed or promulgated thereunder.

(2) The District further covenants and agrees with and for the benefit of the Registered Owners that the District (i) will not take any action that would cause interest on the Refunding Bond to be or to become ineligible for the exclusion from gross income of the Registered Owners as provided in Section 103 of the Code, (ii) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause interest on the Refunding Bond to be or to become ineligible for the exclusion from gross income of the Registered Owners as provided in Section 103 of the Code and (iii) without limiting the generality of the foregoing, (a) will not take any action which would cause the Refunding Bond, or any Refunding Bond, to be a "private activity bond" within the meaning of Section 141 of the Code or to fail to meet any applicable requirement of Section 149 of the Code and (b) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause the Refunding Bond, or any Refunding Bond, to be a "private activity bond" or to fail to meet any applicable requirement of Section 149 of the Code. The Chairman, Secretary, and Treasurer of the District and other appropriate officials of the District are each hereby authorized and directed to execute from time to time such Tax Certificates as shall be necessary to establish that the Refunding Bond are not and will not become "private activity bonds," that all applicable requirements of Section 149 of the Code are and will be met, and that the covenants of the District contained in this Section 11 will be complied with.

(3) The District covenants and certifies to and for the benefit of the Registered Owners that: (i) the District will at all times comply with the provisions of any Tax Certificate and no bonds or other evidences of indebtedness of the District have been or will be sold within a period beginning 15 days prior to the sale of the Refunding Bond and ending 15 days following the date of sale of the Refunding Bond.

(4) A Tax Certificate, in the form acceptable to Bond Counsel, is hereby authorized and approved to be delivered in connection with the initial delivery of the Refunding Bond. The Chairman, Secretary, or Treasurer of the District, or their duly authorized deputies, are hereby authorized to execute such Tax Certificate. Approval of said Tax Certificate by said Chairman, Secretary, or Treasurer shall be conclusively established by their execution of the Tax Certificate in its final form.

The District hereby covenants to adopt, make, execute, and enter into (and to take such actions, if any, as may be necessary to enable it to do so) any resolution or Tax Certificate



necessary to comply with any changes in Regulations in order to preserve the exclusion of interest on the Refunding Bond from gross income of the Registered Owners thereof for purposes of the federal income tax to the extent that it may lawfully do so. The District further covenants to (a) impose such limitations on the investment or use of moneys or investment related to the Refunding Bond, (b) make such payments to the United States Treasury, (c) maintain such records, (d) perform such calculations and (e) perform such other acts as may be necessary to preserve the exclusion of interest on the Refunding Bond from gross income of the Registered Owners thereof for purposes of the federal income tax and which it may lawfully do.

The District hereby covenants that it will take all steps to comply with the requirements of the Code to the extent necessary to maintain the exclusion of interest on the Refunding Bond from gross income and alternative minimum taxable income (except to the extent of certain adjustments applicable to corporations) under present federal income tax laws.

Pursuant to these covenants, the District obligates itself to comply throughout the term of the issue of the Refunding Bond with the requirements of Section 103 of the Code and the Regulations.

D. Bonds in Registered Form. The District recognizes that Section 149(a) of the Code requires the Refunding Bond to be issued and to remain in fully registered form in order that interest thereon is exempt from federal income taxation under laws in force at the time the Refunding Bond is delivered. In this connection, the District agrees that it will not take any action to permit the Refunding Bond to be issued in, or converted into, bearer form.

E. Continuing Disclosure. The District will comply with the requirements of Rule 15c2-12(a)(5) of the U.S. Securities and Exchange Commission with respect to the continuing disclosure of financial information and operating data and of certain material events with respect to the Bonds, as more fully set forth in the Loan Agreement.

#### Section 10: LOAN AGREEMENT

The Loan Agreement, substantially in the form annexed hereto as Exhibit "B," is hereby approved. The Chairman and District Secretary, or such officer's designee, are each hereby authorized and directed, on behalf of the District, to execute and attest, respectively, and to deliver the Loan Agreement; provided, however, that (i) the term of the Loan Agreement shall end no later than September 15, 2019; (ii) the principal amount set forth in the Loan Agreement shall not exceed \$1,720,000; and (iii) the true interest cost on the Bond shall not exceed 2.50%. The sale of the Bonds to the Authority in accordance with the Loan Agreement is hereby approved. The District shall comply with all terms and provisions of the Loan Agreement, and, in the event that any provision of this Resolution or the Bonds is inconsistent with the provisions of the Loan Agreement, the provisions of the Loan Agreement shall control.

## Section 11: 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 Resolution, for any one or more of all of the following purposes:

1. To add to the covenants and agreements of the District in this Resolution, other covenants and agreements thereafter to be observed, which shall not adversely affect the interest of the Registered Owners of the Bonds, or to surrender any right or power herein reserved.
2. To make such provisions for the purpose of curing any ambiguities or of curing, correcting, or supplementing any defective provisions contained in this Resolution, or any Resolution authorizing future bonds in regard to matters or questions arising under such Resolutions as the Board may deem necessary or desirable and not inconsistent with such Resolutions and which shall not adversely affect, in any material respect, the interest of the Registered Owners of the Bonds.

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

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

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

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

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

and all terms and conditions of any such supplemental Resolution shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes.

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

#### Section 12: FURTHER AUTHORITY

The Chairman, the Secretary, and Treasurer, 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 as may be necessary or advisable to provide for the issuance, sale, and delivery of the Refunding Bond and the fulfillment of the covenants and obligations of the District contained herein and therein.

#### Section 13: RESOLUTION A CONTRACT

The provisions of this Resolution shall constitute a contract between the District and the Registered Owners so long as the Bonds hereby authorized remain unpaid.

#### Section 14: SEVERABILITY

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

#### Section 15: REPEALER

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

#### Section 16: EFFECTIVE DATE

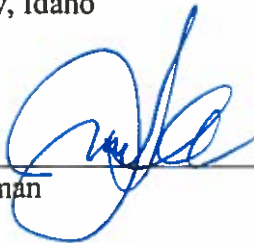
This Resolution shall take effect immediately upon passage, approval, and publication.

DATED this 15<sup>th</sup> day of April, 2013.

SUN VALLEY WATER AND SEWER DISTRICT  
Blaine County, Idaho

ATTEST:

  
\_\_\_\_\_  
District Secretary

By   
\_\_\_\_\_  
Chairman

( S E A L )

