

**COEUR D'ALENE URBAN RENEWAL AGENCY
(d/b/a IGNITE CDA)**

RESOLUTION NO. 17-03

BY THE BOARD OF COMMISSIONERS OF THE COEUR D'ALENE URBAN RENEWAL AGENCY D/B/A IGNITE CDA:

A RESOLUTION of the Board of Commissioners of the Coeur d'Alene Urban Renewal Agency d/b/a ignite cda, the urban renewal agency of the City of Coeur d'Alene, Idaho, authorizing the issuance and sale to Washington Trust Bank of its Revenue Allocation Note, Series 2017 (Lake District Redevelopment Project), in the principal amount of up to \$10,000,000 to finance in part the redevelopment of the Lake District Urban Renewal Area, including but not limited to financing certain costs of (i) the proposed downtown structured parking facility, (ii) the Memorial Park element of the Four Corners Master Plan, (iii) other eligible capital expenditure projects within the Lake District Urban Renewal Area; and (iv) costs of issuing the Series 2017 Note (collectively, the "Project"); authorizing the date, maturity, and other terms of the Note and the accompanying Note Purchase and Security Agreement; authorizing the Chair, Vice Chair and Executive Director to take appropriate action and providing an effective date.

THIS RESOLUTION is made on the date hereinafter set forth by the Coeur d'Alene Urban Renewal Agency d/b/a ignite cda (the "Agency"), an independent public body corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965 Title 50, Chapter 20 of the Idaho Code, as amended (the "Law"), and the Local Economic Development Act, Title 50, Chapter 29, as amended (the "Act"), a duly created and existing urban renewal agency for the City of Coeur d'Alene, Idaho (the "City").

WHEREAS, by Resolution No. 97-151, dated August 5, 1997, the City Council ("City Council") of the City created the Agency, an independent public body, corporate and politic created by and existing under the authority of the Law and the Act;

WHEREAS, following notice duly published and a public hearing, the City Council adopted its Ordinance No. 2842 on December 16, 1997, approving the Coeur d'Alene Urban Renewal Plan for Midtown, Northwest Boulevard, and Downtown Urban Renewal Project (the "Lake District Urban Renewal Plan"), and making certain findings;

WHEREAS, following notice duly published and a public hearing, the City Council adopted its Ordinance No. 3154 on November 18, 2003, approving the Lake District Amended

and Restated Urban Renewal Plan, and making certain findings, which, in part, extended the termination date from 2012, to 2021;

WHEREAS, following notice duly published and a public hearing, the City Council adopted its Ordinance No. 3337 on August 19, 2008, approving the Lake District Second Amended and Restated Lake District Urban Renewal Plan, and making certain findings;

WHEREAS, following notice duly published and a public hearing, the City Council adopted its Ordinance No. 3542 on July 13, 2016, approving the First Amendment to the Lake District Second Amended and Restated Urban Renewal Plan for the purpose of deannexing certain parcels from the existing revenue allocation area (collectively, the Lake District Urban Renewal Plan, and the amendments thereto, are referred to as the "Plan");

WHEREAS, pursuant to the Act and Plan, the Agency is authorized to borrow money to carry out the purposes and various projects under the Plan and to enter into and carry out contracts or agreements in connection therewith; and at this time the Agency desires to finance in part the redevelopment of the Lake District Urban Renewal Area, including but not limited to, the Project as described in the title hereto;

WHEREAS, the Agency has found that the Project will promote redevelopment that is consistent with the goals of the Plan;

WHEREAS, the Agency intends to enter into a Note Purchase and Security Agreement (the "Purchase Agreement") with Washington Trust Bank (the "Bank") in the form presented to the Board of Commissioners of the Agency (the "Board") and attached hereto as Exhibit A, under which the Agency will borrow up to \$10,000,000 to be used to finance the Project;

WHEREAS, the Agency desires to evidence the indebtedness under the Purchase Agreement by issuance to the Bank of its Revenue Allocation Note, Series 2017 (Lake District Redevelopment Project) (the "Note") in the principal amount of up to \$10,000,000, in the form presented to the Board and attached hereto as Exhibit B;

WHEREAS, the Note shall be paid from and secured by the Revenue Allocation Proceeds received by the Agency on a subordinate basis, as further described in the Purchase Agreement;

WHEREAS, as required by Section 50-2012, Idaho Code, the Agency published notice of this meeting in the Coeur d'Alene Press on April 11, 2017, indicating the Agency's intent to adopt this Resolution on April 19, 2017, and to issue the Note to finance the Project; and

WHEREAS, the Board finds it in the best interest of the Agency and the public to approve the form and terms of the Purchase Agreement and the Note.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COEUR D'ALENE URBAN RENEWAL AGENCY D/B/A IGNITE CDA:

Section 1. Recitals. The above recitals are true and correct.

Section 2. Definitions. The following words and terms as used in this Resolution shall have the following meanings for all purposes of this Resolution, and as previously defined in the WHEREAS clauses hereof, unless some other meaning is plainly intended. Capitalized terms not defined herein have the meaning set forth in the Purchase Agreement.

“Agency” means the Coeur d’Alene Urban Renewal Agency d/b/a ignite cda, an independent public body corporate and politic, duly organized and existing under the laws of the State of Idaho.

“Bank” means Washington Trust Bank, and any successor to the business and assets thereof.

“Board” means the Board of Commissioners of the Agency, as the same shall be duly and regularly constituted from time to time.

“Code” means the Federal Internal Revenue Code of 1986, as amended. Any reference to a provision of the Code shall include applicable regulations of the Department of the Treasury promulgated or proposed with respect to such provisions.

“Note” means the Agency’s Revenue Allocation Note, Series 2017 (Lake District Redevelopment Project) issued in the principal amount of up to \$10,000,000, fully incorporated herein and set forth as Exhibit B hereto.

“Note Register” means the registration books maintained by the Note Registrar for the purpose of identifying ownership of the Note.

“Note Registrar” means the Agency’s Executive Director for the purposes of registering and authenticating the Note, maintaining the Note Register, affecting the transfer of ownership of the Note and paying interest on and principal of the Note.

“Purchase Agreement” means the Note Purchase and Security Agreement entered into between the Bank and the Agency, fully incorporated herein, and set forth as Exhibit A hereto.

“Revenue Allocation Area” means the Lake District Urban Renewal Area designated as a revenue allocation area pursuant to City Ordinance No. 3337, and as amended by the First Amendment to the Lake District Second Amended and Restated Urban Renewal Plan adopted by City Ordinance No. 3542.

“Revenue Allocation Proceeds” means that incremental portion of Taxes received by the Issuer under the authority of the provisions of Title 50, Chapters 20 and 29, Idaho Code, and the Lake District Second Amended and Restated Urban Renewal Plan, adopted by the City of Coeur d’Alene, Idaho, by Ordinance No. 3337 on August 19, 2008, as amended by the First Amendment to the Lake District Second Amended and Restated Urban Renewal Plan adopted by the City by Ordinance No. 3542 on July 13, 2016, as lawfully available.

“Taxes” means all levies on ad valorem basis upon land, real property, personal property or any other property, tangible or intangible, included within the Revenue Allocation Area.

Section 3. Purpose, Authorization and Description of Note. To finance the Project and costs of issuance of the Note, the Agency shall issue the Note to the Bank in the principal amount of up to \$10,000,000. The Note shall be designated the "Coeur d'Alene Urban Renewal Agency d/b/a ignite cda, Revenue Allocation Note, Series 2017 (Lake District Redevelopment Project)," shall be dated as of the date of its delivery to the Bank, shall be fully registered as to both principal and interest, shall be in the denomination of up to \$10,000,000, and shall be numbered in such manner and with any additional designation as the Note Registrar deems necessary for the purposes of identification. The Note shall be issued pursuant to the Purchase Agreement. The form, terms and provisions of the Purchase Agreement and the Note, set forth as Exhibit A and B hereto, are hereby approved and incorporated by reference as if set forth fully herein.

Section 4. Registration and Payment. The Executive Director is hereby appointed as registrar, paying agent and transfer agent for the Note (the "Note Registrar"). The Note Registrar shall keep sufficient records for the registration and transfer of the Note. The Note Registrar is authorized, on behalf of the Agency, to authenticate and deliver the Note to the Bank, to transfer or exchange the Note in accordance with the provisions of such Note and this Resolution and to carry out all other duties of the Note Registrar under this Resolution.

Both principal of and interest on the Note shall be payable in lawful money of the United States of America pursuant to the terms of the Note. Upon final payment of all installments of principal and interest thereon, the Note shall be submitted to the Note Registrar for cancellation and surrender. The Note is not transferable except to a successor to the business or assets of the Bank.

Section 5. Execution of Purchase Agreement and Note. The Purchase Agreement and Note shall be executed on behalf of the Agency by the manual or facsimile signature of the Chair or Vice Chair, and attested by the manual or facsimile signature of the Executive Director.

Only such Note as shall bear thereon a Certificate of Authentication in the form set forth in Exhibit B attached hereto, manually executed by the Note Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution. Such Certificate of Authentication shall be conclusive evidence that the Note so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this Resolution.

In case any of the officers who shall have executed the Note shall cease to be such officer or officers of the Agency before the Note so signed shall have been authenticated or delivered by the Note Registrar, or issued by the Agency, the Note may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issuance, shall be as binding upon the Agency as though those who signed the same had continued to be such officers of the Agency. The Note may also be signed and attested on behalf of the Agency by such persons as at the actual date of execution of the Note shall be the proper officers of the Agency although at the original date of the Note any such person shall not have been such officer of the Agency.

Section 6. Lost or Destroyed Note. If the Note is lost, stolen, or destroyed, the Note Registrar may authenticate and deliver a new Note of like amount and tenor to the registered owner upon the owner's paying the expenses and charges of the Agency and the Note Registrar

in connection with preparation and authentication of the replacement Note and upon his or her filing with the Executive Director evidence satisfactory to the Executive Director that such Note was actually lost, stolen, or destroyed and of his or her ownership, and upon furnishing the Agency with indemnity satisfactory to the Board Chair.

Section 7. Limited Obligation. The Note is a special limited obligation of the Agency and is not an obligation of the City, the State of Idaho or any political subdivision thereof other than the Agency, and neither the full faith and credit nor the taxing power of the City or the State of Idaho is pledged to the payment of the Note. The Agency has no taxing power.

Section 8. Sale of Note. The Board hereby accepts and approves the offer of the Bank to purchase the Note on the terms and conditions set forth in the Note, Purchase Agreement, and in this Resolution. The Note shall be issued and delivered to the Bank upon payment of the purchase price specified in the Note.

Section 9. Tax Covenants. The Agency hereby covenants for the benefit of the Bank that it will not take any action or omit to take any action with respect to the Note, the proceeds thereof, any other funds of the Agency or the Project financed by the proceeds of the Note if such action or omission (i) would cause the interest on the Note to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, (ii) would cause interest on the Note to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code, except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income, or (iii) would cause interest on the Note to lose its exclusion from State taxable income under present State law. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Note until the date on which all obligations of the Issuer in fulfilling the above covenant under the Code have been met.

Section 10. Designations as "Qualified Tax-Exempt Obligations". The Agency hereby designates the Note as "qualified tax-exempt obligations" for the purpose and within the meaning of Section 265(b)(3) of the Code. The Agency hereby certifies that the Note is the only bond or similar obligation of the Agency for which a designation as "qualified tax-exempt obligations" has been made in the current year.

Section 11. General Authorization; Approval of Documents; Prior Acts. The Chair, Vice Chair, Executive Director, and other appropriate officers, agents and representatives of the Agency are hereby authorized and directed to take such steps, to do such other acts and things, and to execute such letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate, or desirable to carry out the terms and provisions of, and complete the transactions contemplated by, this Resolution.

The Chair, the Vice Chair, and the Executive Director of the Agency are each hereby authorized to take all action necessary or desirable in conformity with the Law to finance the Project, including without limitation, the execution and delivery of all other agreements, documents and certificates to be delivered in connection with the sale and delivery of the Note.

The Chair, Vice Chair, and the Executive Director of the Agency are further authorized and directed to publish notice of the adoption of this Resolution, substantially in the form set forth in Exhibit C attached hereto.

All acts taken pursuant to the authority of this Resolution but prior to its effective date are hereby ratified and confirmed.

Section 12. Severability. If any one or more of the covenants and agreements provided in this Resolution to be performed on the part of the Agency 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 of this Resolution and shall in no way affect the validity of the other provisions of this Resolution or of the Note or Purchase Agreement.

Section 13. Effective Date. This Resolution shall be in full force and effect immediately upon its adoption and approval.

[Signatures Appear on Following Page]

PASSED by the Coeur d'Alene Urban Renewal Agency d/b/a ignite cda, on April 19, 2017.

COEUR D'ALENE URBAN RENEWAL
AGENCY D/B/A IGNITE CDA

By: _____
Scott Hoskins, Chair

ATTEST:

By: _____
Anthony R. Berns, Executive Director

I, the undersigned, Secretary of the Board of Commissioners of the Coeur d'Alene Urban Renewal Agency d/b/a ignite cda, hereby certify that the foregoing Resolution is a full, true, and correct copy of Resolution No. 17-03, duly adopted at a meeting of the Agency; the meeting was held at the Community Room at the Coeur d'Alene Public Library, at 702 E. Front Ave., Coeur d'Alene, Idaho, on April 19, 2017; all members of the Board had due notice thereof; and a majority of the members were present.

After Motion by Commissioner _____ to adopt the foregoing Resolution, and second by Commissioner _____, the Commissioners voted as follows and the Resolution was adopted: ROLL CALL:

COMMISSIONER DAVIS	Voted
COMMISSIONER GOODLANDER	Voted
COMMISSIONER HOSKINS	Voted
COMMISSIONER WIDMYER	Voted
COMMISSIONER JORDAN	Voted
COMMISSIONER METTS	Voted
COMMISSIONER ARMON	Voted
COMMISSIONER DRUFFEL	Voted
COMMISSIONER CHAPKIS	Voted

Commissioners _____ and _____ were absent.

I further certify that the Resolution has not been amended, modified, or rescinded since the date of its adoption, and is now in full force and effect.

DATED _____, 2017.

Secretary

EXHIBIT A

Form of Note Purchase and Security Agreement

EXHIBIT B

Form of Note

UNITED STATES OF AMERICA

NO. R-1

Up to \$10,000,000

STATE OF IDAHO

COEUR D'ALENE URBAN RENEWAL AGENCY d/b/a IGNITE CDA

**REVENUE ALLOCATION NOTE, SERIES 2017
(LAKE DISTRICT REDEVELOPMENT PROJECT)**

ISSUE DATE: May __, 2017

INTEREST RATE PER ANNUM: 2.20%

REGISTERED OWNER: WASHINGTON TRUST BANK

TAX IDENTIFICATION #: 82-0506262

PRINCIPAL AMOUNT: UP TO TEN MILLION AND NO/100s DOLLARS

MATURITY DATE August 1, 2022

THE COEUR D'ALENE URBAN RENEWAL AGENCY d/b/a IGNITE CDA, an independent public body corporate and politic, duly organized and existing under the laws of the state of Idaho (the "Agency"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount indicated above, or actual amount drawn not exceeding the Principal Amount, together with interest thereon computed on the outstanding Principal Amount pursuant to the Note Purchase and Security Agreement dated April 19, 2017, by and between the Agency and the Registered Owner (the "Purchase Agreement").

This Note shall be payable in semi-annual payments based on the aggregate principal amount drawn, plus accrued interest thereon at the above Interest Rate, pursuant to an amortization schedule. The first amortized payment shall be due on the first February 1 or August 1 following draws totaling \$1,000,000. The amortization schedule shall be adjusted semi-annually on February 1 and August 1 thereafter based on amounts drawn until the Agency notifies the Registered Owner that no further draws hereunder shall be requested and, upon such notification, the final amortization schedule shall be prepared. Payments shall continue on the first day of each February and August until August 1, 2022, at which time all remaining unpaid portions of principal, together with all unpaid accrued interest, late charges and other amounts due herein are paid in full. In the event on any payment date the amortization schedule provides

for a payment in excess of the total amount due on the Note, only the amount due on the Note will be due and payable, together with accrued interest thereon.

Both principal of and interest on this Note are payable in lawful money of the United States of America. This Note is a special limited obligation of the Agency and is not an obligation of the City of Coeur d'Alene (the "City"), the State of Idaho or any political subdivision thereof other than the Agency, and neither the full faith and credit nor the taxing power of the City or the State of Idaho is pledged to the payment of the Note. The Agency has no taxing power.

This Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under Resolution No. 17-03 of the Agency, passed on April 19, 2017 (the "Resolution"), until the Certificate of Authentication hereon shall have been manually signed by the Executive Director of Agency, as Note Registrar. Any capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Resolution or the Purchase Agreement.

Principal of this Note is subject to prepayment upon 30 days' written notice to the Registered Owner with no prepayment penalty.

Principal and interest due hereunder shall be payable from any lawfully available sources of the Agency, including, but not limited to Revenue Allocation Proceeds, as defined in the Purchase Agreement. Such payment shall be secured by a pledge of Revenue Allocation Proceeds subordinate to the lien created by the Issuer's Amended and Restated Revenue Allocation Note, Series 2016 (Lake District Redevelopment Project) in favor of Washington Trust Bank dated November 1, 2016; the Issuer's Limited Recourse Promissory Note in favor of Ledger & Patano LLC (now Gringo Properties, L.L.C.) dated July 20, 2011; the Issuer's Limited Recourse Promissory Note in favor of Ice Plant Development, Inc., dated December 17, 2008; and the Issuer's Limited Recourse Promissory Note in favor of Coeur d'Alene Chamber of Commerce, dated February 20, 2008.

In case of default in any obligation of the Issuer under the Purchase Agreement or in the payment on this Note of any of the principal or interest, when the same shall become due and payable, the Purchaser shall provide notice of default to the Issuer and the Issuer shall have thirty (30) days to cure the default or if the default cannot be cured during that time, to take reasonable steps to cure the default. Thereafter, the Purchaser may exercise any remedy available at law or in equity. In the event of any default under this Note, or in the event that any dispute arises (whether or not such dispute is with the Agency) relating to the interpretation, enforcement or performance of this Note, the prevailing party in the litigation, or the Registered Owner if the fees and costs are incurred in a non-litigation proceeding, will be entitled to collect from the Agency all reasonable fees and expenses incurred in connection therewith, including but not limited to fees of attorneys, expert witnesses, mediators and court reporters.

Interest on this Note is excluded from gross income for federal and Idaho state income tax

purposes. This Note has been designated as “qualified tax-exempt obligations” for the purpose and within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. This Note is the only bond or similar obligation of the Agency for which a designation as “qualified tax-exempt obligations” has been made in the current year.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Idaho and resolution of the Agency to exist, to have happened, and to have been performed precedent to and in the issuance of this Note do exist, have happened, and have been performed in due time, form and manner as prescribed by law, and that the amount of this Note, together with all other obligations or indebtedness of the Agency, does not exceed any constitutional or statutory limitations of indebtedness.

IN WITNESS WHEREOF, the Agency has caused this Note to be signed by the manual or facsimile signature of its Chair, attested by the manual or facsimile signature of its Executive Director, as of this ____ day of May, 2017.

COEUR D’ALENE URBAN RENEWAL
AGENCY d/b/a IGNITE CDA

Scott Hoskins, Chair

Attest:

Anthony R. Berns, Executive Director

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Note is the Coeur d'Alene Urban Renewal Agency d/b/a ignite cda, Revenue Allocation Note, Series 2017, dated as of May __, 2017, as described in the Resolution.

Date of Authentication and Registration: May __, 2017

Note Registrar:

Anthony R. Berns, Executive Director of
Coeur d'Alene Urban Renewal Agency d/b/a
ignite cda

Name and Address
of Registered Owner:

Washington Trust Bank
218 Lakeside Avenue
Coeur d'Alene, ID 83814

EXHIBIT C

Notice of Adoption of Resolution

NOTICE OF NOTE RESOLUTION NO. 17-03

Public notice is hereby given by the Coeur d'Alene Urban Renewal Agency d/b/a ignite cda (the "Agency"), that on April 19, 2017, the Board of Commissioners of the Agency approved and adopted Resolution No. 17-03 (the "Resolution").

The Resolution approves that certain Note Purchase and Security Agreement between the Agency and Washington Trust Bank (the "Purchase Agreement") and authorizes the issuance of the Agency's Revenue Allocation Note, Series 2017 (Lake District Redevelopment Project) (the "Note"), in the principal sum of up to Ten Million Dollars and 00/100 (\$10,000,000.00).

The Note is being issued to finance in part the redevelopment of the Lake District Urban Renewal Area, including but not limited to, financing certain costs of (i) the proposed downtown structured parking facility, (ii) the Memorial Park element of the Four Corners Master Plan, (iii) other eligible capital expenditure projects within the Lake District Urban Renewal Area; and (iv) costs of issuing the Note (collectively, the "Project").

Under the Note and the Purchase Agreement, the Agency has identified for the payment of the principal and interest coming due the Agency's Revenue Allocation Proceeds, defined as the incremental portion of taxes received by the Agency under the authority of the provisions of Title 50, Chapters 20 and 29, Idaho Code (collectively, the "Act"), and the Lake District Second Amended and Restated Urban Renewal Plan, adopted by the City of Coeur d'Alene, Idaho, by Ordinance No. 3337 on August 19, 2008, as amended by the First Amendment to the Lake District Second Amended and Restated Urban Renewal Plan adopted by the City by Ordinance No. 3542 on July 13, 2016 (collectively, the "Plan"), as lawfully available. The Project is authorized by the Act and the Plan.

Neither the City of Coeur d'Alene, the State of Idaho, its Legislature, nor any political subdivision thereof is liable for the payment of the principal of, or interest on, the Note.

The Resolution and other supporting material is available for public inspection on the Agency's website www.ignitedca.org.

The Resolution became effective upon its passage and approval on April 19, 2017.

In accordance with the provisions of Sections 50-2027 and 50-2911 of the Idaho Code, no direct or collateral action attacking or otherwise questioning the validity of the Note, or the Resolution, may be brought prior to the effective date of the Resolution authorizing such Note or after the elapse of thirty (30) days from and after the effective date of the Resolution authorizing such Note.

By Order of the Board of Commissioners of the Coeur d'Alene Urban Renewal Agency d/b/a ignite cda, dated as of the ___ day of April, 2017.