Twin Falls City Council
Agenda

Monday, June 27, 2022, 5:00 PM

203 Main Avenue East
Twin Falls, ID 83301

COUNCIL CHAMBERS

Members: Ruth Pierce, Christopher Reid, Craig Hawkins, Nikki Boyd, Shawn Barigar, Jason Brown, Spencer Cutler

1) CALL MEETING TO ORDER/CONFIRMATION OF QUORUM
2) PLEDGE OF ALLEGIANCE
3) PROCLAMATIONS
4) CONSENT CALENDAR
   a) **ACTION ITEM:** Request to approve Accounts Payable for June 16-22, 2022.
      By: Amy Luna, Finance Administrative Assistant
   b) **ACTION ITEM:** Consideration of a request to hold the National Night Out event
      By: Lou Coronado, Sergeant, Twin Falls Police Department
   c) **ACTION ITEM:** Consideration of a request to approve the 11th Annual Magic Valley Beer Festival.
      By: Lou Coronado, Sergeant, Twin Falls Police Department
   d) **ACTION ITEM:** Consideration of a request to approve the 2022 Oktoberfest event.
      By: Lou Coronado, Sergeant, Twin Falls Police Department
   e) **ACTION ITEM:** Approval of the Findings of Fact and Conclusion of Law: Galena Opportunity Inc. Additional Height request
      By: Jonathan Spendlove, Planning & Zoning Director
   f) **ACTION ITEM:** Request to waive the three hundred (300) foot distance requirement between an alcohol sales location (135 Main Ave W) and a school, church or other place of worship. c/o Cloverleaf Creamery
      By: Lisa Strickland, City Planner
   g) **ACTION ITEM:** Request to approve Livvy LLC dba Cloverleaf Farm Market's Alcohol License.
      By: Amy Luna, Finance Administrative Assistant
5) ITEMS OF CONSIDERATION
   a) **ACTION ITEM:** Consideration of an FAA Grant Offer (AIP 53) for a new piece of multi-tasking snow removal equipment in the amount of $780,944.00
      By: Kent Atkin, JUB Engineers

b) **ACTION ITEM:** Request to declare city equipment #5111 2007 BME Pumper Fire Engine surplus and authorize its sale by online auction.

By: Norm Hatke, City Shop Supervisor

c) **PRESENTATION:** Presentation of proposed SHUR-CURB to be installed on Addison Avenue East at the intersection with Sunrise Boulevard.

By: Troy Vitek, City Engineer

d) **ACTION ITEM:** Consideration of a request by Starr Corporation to approve a proposed Guaranteed Maximum Price (GMP) for Fire Station #3.

By: Mandi Thompson, Assistant to the City Manager

e) **ACTION ITEM:** Approving the use of annual appropriation certificates of participation to allow for the construction of Fire Station 2.

By: Breanna Howard, CFO

6) GENERAL PUBLIC INPUT

7) ADVISORY BOARD REPORT/ANNOUNCEMENTS

8) PUBLIC HEARINGS

9) ADJOURNMENT

Any person(s) needing special accommodations to participate in the above-noticed meeting could contact Josh Palmer (208) 735-7312 at least two working days before the meeting. Si desea esta información en Español, por favor llame a Josh Palmer al teléfono (208) 735-7312.

Public Input Procedures

1. Individuals wishing to provide public input regarding matters relevant to the City of Twin Falls shall:
- Wait to be recognized by the Mayor or Chairman
- Approach the microphone/podium
- State their name, and whether they are a resident or property owner in the City of Twin Falls, and proceed with their input.

2. The Mayor or Chairman may limit input to no less than two (2) minutes. Individuals are not permitted to give their time to other speakers.

Public Hearing Procedures for Zoning Requests

1. Prior to opening the first Public Hearing of the session, the Mayor or Chairman shall review the public hearing procedures.

2. Individuals wishing to testify or speak before the City Council or Planning & Zoning Commission shall wait to be recognized by the Mayor or Chairman, approach the microphone/podium, state their name, and then proceed with their comments. Following their statements, they shall write their name and address on the record sheet(s) provided by the staff. The staff shall make an audio recording of the Public Hearing.

3. A City Staff Report shall summarize the application and history of the request.

4. The Applicant, or the spokesperson for the Applicant, will make a presentation on the application/request (request). No changes to the request may be made by the applicant after the publication of the Notice of Public Hearing. The presentation should include the following:
- A complete explanation and description of the request.
- Why the request is being made.
- Location of the Property.
- Impacts on the surrounding properties and efforts to mitigate those impacts.

5. Applicant is limited to 15 minutes, unless a written request for additional time is received, at least 72 hours prior to the hearing, and granted by the Mayor or Chairman.

6. The City Council or Planning & Zoning Commission may ask questions of staff or the applicant pertaining to the request.

7. The general public will then be given the opportunity to provide their testimony regarding the request. The Mayor or Chairman may limit public testimony to no less than two (2) minutes per person.
- Individuals are not permitted to give their time to other speakers.
- However, five (5) or more individuals that received written notice of the public hearing may appoint, by written petition, a spokesperson. The written petition must be received at least 72 hours prior to the hearing and must be granted by the Mayor or Chairman. The spokesperson shall be limited to 15 minutes.
- Written comments, including e-mail, received by 12:00 p.m. on the date of the hearing shall be either read into the record or displayed to the public on the overhead projector.

8. Following the Public Testimony, the applicant is permitted five (5) minutes to respond to Public Testimony.

9. Following the Public Testimony and Applicant's response, Council or Commission members, as recognized by the Mayor or Chairman, shall be allowed to question the Applicant, Staff or anyone who has testified. Responses shall be limited to answering the questions asked. The Mayor or Chairman may limit the time permitted for the answer.

10. The Mayor or Chairman shall close the Public Hearing. The City Council or Planning & Zoning Commission shall deliberate on the request. Deliberations and decisions shall be based upon the information and testimony provided during the Public Hearing. Once the Public Hearing is closed, additional testimony from the staff, applicant or public is not allowed. Legal or procedural questions may be directed to the City Attorney.

* Any person not conforming to the above rules may be prohibited from speaking. Persons refusing to comply with such prohibitions may be asked to leave the hearing and, thereafter removed from the room by order of the Mayor or Chairman.

BEFORE THE CITY COUNCIL OF THE CITY OF TWIN FALLS

In Re:	)	
	)	
Additional Height,	)	FINDINGS OF FACT,
Application,	)	
	)	CONCLUSIONS OF LAW,
Galena Opportunity, Inc.	)	
c/o Bill Truax	)	
	)	AND DECISION
Applicant(s)		

This matter having come before the City Council of the City of Twin Falls, Idaho on June 21, 2022, for public hearing pursuant to public notice as required by law for Additional Height to extend to sixty (60) feet on property located on 2nd Avenue South between Hansen Street and Shoshone Street, and the City Council having heard testimony from interested parties, and being fully advised in the matter, now makes the following

FINDINGS OF FACT

1. Applicant has applied for Additional Height beyond to extend to sixty (60) feet on property located on 2nd Avenue South between Hansen Street and Shoshone Street.

2. All legal requirements for notice of public hearing have been met with advertisement taking place on the following dates: June 3, 2022.

3. The property in question is zoned C-B P-1 pursuant to the Zoning Ordinance of the City of Twin Falls. The property is designated as Downtown in the duly adopted Comprehensive Plan of the City of Twin Falls.

4. The existing neighboring land uses in the immediate area of this property are: to the north, Shoshone St; CB P-1, Mixed Use Commercial/Office/Retail; to the south, Hansen St; CB-P1, Mixed Use Commercial/Office/Retail; to the east, Alley; CB P-1, Mixed Use Commercial/Office/Retail; to the west, 2nd Ave S; CB P-1, Mixed Use Commercial/Office/Retail.

Based on the foregoing Findings of Fact, the City Council hereby makes the following

CONCLUSIONS OF LAW

1. The application for Additional Height to extend to sixty (60) feet on property located on 2nd Avenue South between Hansen Street and Shoshone Street is consistent with the purpose of the C-B P-1 Zone and is not detrimental to any of the outright permitted uses or existing special uses in the area.

2. The proposed use is consistent with the provisions of the Comprehensive Plan and Zoning Ordinance of the City of Twin Falls, and in particular Sections 10-1-3, 10-1-5, 10-7-3, and 10-10-12 of the Twin Falls City Code.

3. The proposed use is proper use in the C-B P-1 Zone, subject to the conditions, which are attached as "Exhibit No. A", and incorporated by reference as though fully set forth herein.

4. The application for Additional Height beyond 50 feet on property located on 2nd Avenue South between Hansen Street and Shoshone Street should be granted, subject to all applicable requirements of the Zoning Ordinance, and City code of the City of Twin Falls and to the conditions which are attached as "Exhibit No. A" and incorporated by reference as though fully set forth herein.

Based on the foregoing Conclusions of Law, the Twin Falls City Council hereby enters the following

DECISION

1. The application for Additional Height to extend to sixty (60) feet on property located on 2nd Avenue South between Hansen Street and Shoshone Street is hereby granted.

2. The applicant shall comply with all applicable requirements of the Adopted Standard Drawings, the Zoning Ordinance, and the City Code of the City of Twin Falls and to the conditions which are attached as "Exhibit No. A" and incorporated by reference as though fully set forth herein.

MAYOR - TWIN FALLS CITY COUNCIL

DATE

"EXHIBIT NO. A"

1. Subject to continued compliance with all local, state, and federal code requirements and other standards as applicable.
2. Subject to continued compliance with the application materials and drawings submitted by the applicant.
3. Subject to maximum height of the building to include all mechanical and service equipment.

Date: Monday, June 27, 2022

To: Honorable Mayor and City Council

From: Lisa Strickland

ACTION ITEM

Request:

Request to waive the three hundred (300) foot distance requirement between an alcohol sales location (135 Main Ave W) and a school, church or other place of worship. c/o Cloverleaf Creamery

Time Estimate:

Background:

Cloverleaf Creamery is a new business in the process of being located at 135 Main Ave W. Part of their business model is selling alcohol. In following state and local codes, the owner is required to obtain the appropriate alcohol licenses. The order of operation would be for the State and County to issue the alcohol license first, the City then issues the license. No alcohol sales or brewing of alcohol can occur without first obtaining these appropriate licenses.

Per State Code 23-913: LICENSEE NOT ALLOWED NEAR CHURCHES OR SCHOOLS — EXCEPTIONS.
No license shall be issued for any premises in any neighborhood which is predominantly residential or within 300 feet of any public school, church, or any other place of worship, measured in a straight line to the nearest entrance to the licensed premises, except with the approval of the governing body of the municipality; provided, that this limitation shall not apply to any duly licensed premises that at the time of licensing did not come within the restricted area but subsequent to licensing same therein.

Note: An alcohol exception has been approved for Koto Brewing located at 156 Main Ave N and Magic Valley Brewing 125 Main Ave W both of which are within 300' of the school or church.

Approval Process:

A simple majority vote on this item would approve the request.

Budget Impact:

n/a

Regulatory Impact:

Enacting the exception allowed in State Code 23-913 would allow the business located at 135 Main Ave W to continue through the licensing process and eventually conduct alcohol sales at this location.

History:

An alcohol exception has been approved for Koto Brewing located at 156 Main Ave N and Magic Valley Brewing 125 Main Ave W both of which are within 300' of the school or church.

Analysis:

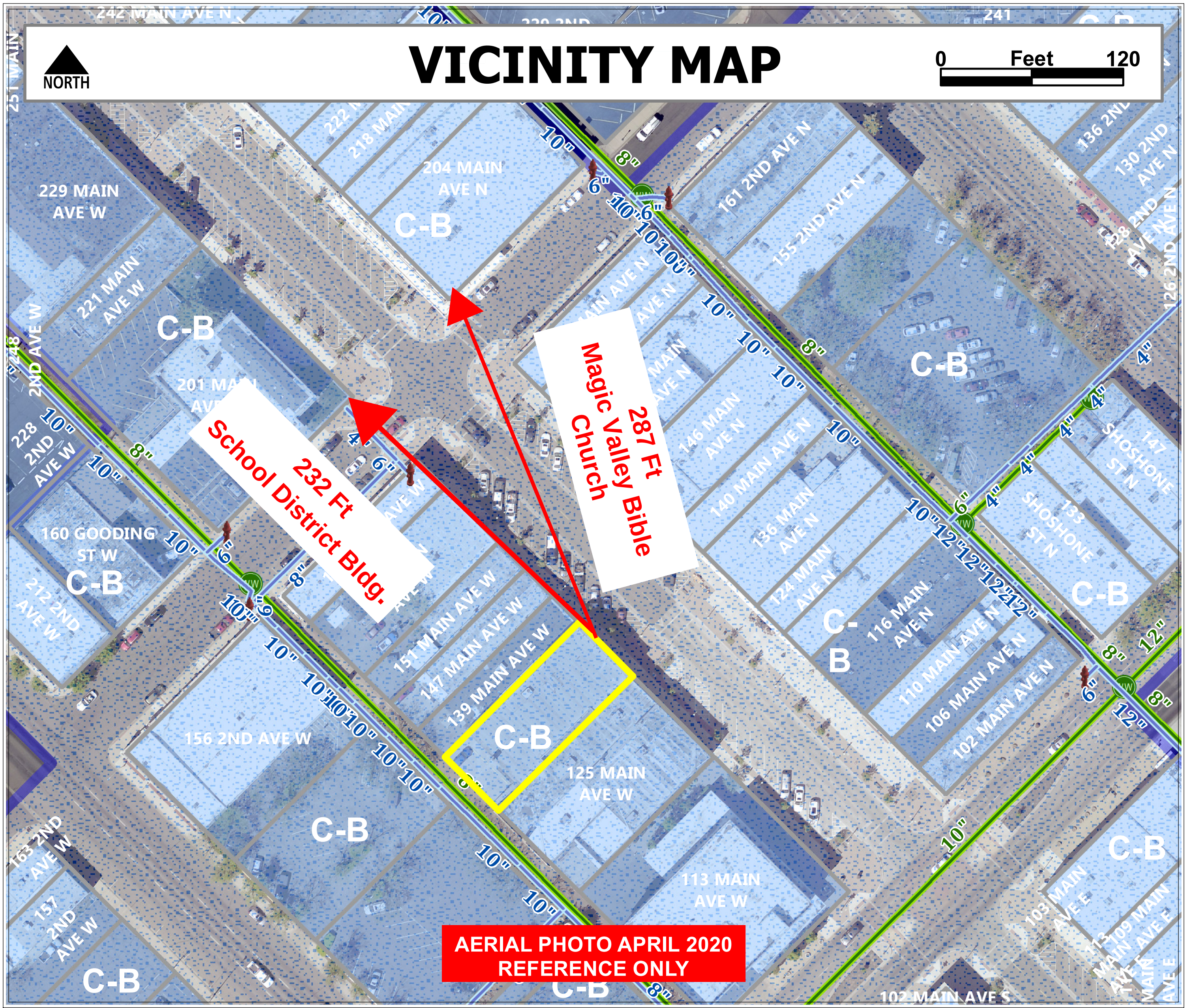
n/a

Conclusion:

Upon conclusion, Council may approve the request, approve the request with conditions, deny the request or table the request for additional information.

Attachments:

1. Vicinity Map


VICINITY MAP
NORTH
0 Feet 120
287 Ft
Magic Valley Bible
Church
232 Ft
School District Bldg.
AERIAL PHOTO APRIL 2020
REFERENCE ONLY
C-B
229 MAIN AVE W
204 MAIN AVE N
221 MAIN AVE W
201 MAIN AVE
160 GOODING ST W
212 2ND AVE W
156 2ND AVE W
125 MAIN AVE W
113 MAIN AVE W
161 2ND AVE N
155 2ND AVE N
146 MAIN AVE N
140 MAIN AVE N
136 MAIN AVE N
124 MAIN AVE N
116 MAIN AVE N
110 MAIN AVE N
106 MAIN AVE N
102 MAIN AVE N
151 MAIN AVE W
147 MAIN AVE W
139 MAIN AVE W
147 SHOSHONE ST N
133 SHOSHONE ST N
102 MAIN AVE S

June 27, 2022 City Council Meeting

To: Honorable Mayor and City Council

From: Bill Carberry, Airport Manager

Request: Consideration of an FAA Grant Offer (AIP 53) for a new piece of multi-tasking snow removal equipment in the amount of $780,944.00

Time Estimate: 5 minutes with additional time for questions.

Background: This grant offer from the FAA will cover the costs of the recently awarded bid and contract with MB Company for a new MB-5 multi-tasking piece of snow removal equipment and the associated engineering services.

This will be the second MB-5 model (combination plow and broom) the airport will purchase. The favorable reports from the airport snow team on the first MB-5 model's performance influenced our pursuit of the second unit.

Budget Impact: This grant covers 93.75% of the cost of the project with the remaining local match from the City and County funded through the airport's Passenger Facility Charge (PFC) funds.

Regulatory Impact: The grant offer will be subject to the standard assurances associated with FAA grant projects. The City Attorney will review the pending the grant offer which will be sent digitally and delivered by email.

Conclusion: Staff recommends the Council approve acceptance of the FAA AIP 53 Grant Offer for $780,944.00 and authorize the Mayor to sign the grant.

U.S. Department of Transportation
Federal Aviation Administration

Airports Division
Northwest Mountain Region
Idaho, Montana

Helena Airports District Office:
FAA Bldg, 2725 Skyway Dr, Ste 2
Helena, MT 59602-1205

June 13, 2022

The Honorable Ruth Pierce, Mayor
City of Twin Falls
PO Box 1907
Twin Falls, ID 83303

The Honorable Jack Johnson, Chairman
Twin Falls County Board of Commissioners
PO Box 126
Twin Falls, ID 83303

Dear Mayor Pierce and Commissioner Johnson:

The Grant Offer for Airport Improvement Program (AIP) Project No. 3-16-0036-053-2022 at Joslin Field/Magic Valley Regional Airport is attached for execution. This letter outlines the steps you must take to properly enter into this agreement and provides other useful information. Please read the conditions, special conditions, and assurances that comprise the grant offer carefully.

You may not make any modification to the text, terms or conditions of the grant offer.

Steps You Must Take to Enter Into Agreement.

To properly enter into this agreement, you must do the following:

1. The governing body must give authority to execute the grant to the individual(s) signing the grant, i.e., the person signing the document must be the sponsor's authorized representative(s) (hereinafter "authorized representative").
2. The authorized representative must execute the grant by adding their electronic signature to the appropriate certificate at the end of the agreement.
3. Once the authorized representative has electronically signed the grant, the sponsor's attorney(s) will automatically receive an email notification.
4. On the **same day or after** the authorized representative has signed the grant, the sponsor's attorney(s) will add their electronic signature to the appropriate certificate at the end of the agreement.
5. If there are co-sponsors, the authorized representative(s) and sponsor's attorney(s) must follow the above procedures to fully execute the grant and finalize the process. Signatures must be obtained and finalized no later than **July 15, 2022**.
6. The fully executed grant will then be automatically sent to all parties as an email attachment.

Payment. Subject to the requirements in 2 CFR § 200.305 (Federal Payment), each payment request for reimbursement under this grant must be made electronically via the Delphi eInvoicing System. Please see the attached Grant Agreement for more information regarding the use of this System.

Project Timing. The terms and conditions of this agreement require you to complete the project without undue delay and no later than the Period of Performance end date (1,460 days from the grant execution date). We will be monitoring your progress to ensure proper stewardship of these Federal funds. We expect you to submit payment requests for reimbursement of allowable incurred project expenses consistent with project progress. Your grant may be placed in "inactive" status if you do not make draws on a regular basis, which will affect your ability to receive future grant offers. Costs incurred after the Period of Performance ends are generally not allowable and will be rejected unless authorized by the FAA in advance.

Reporting. Until the grant is completed and closed, you are responsible for submitting formal reports as follows:

- For all grants, you must submit by December 31st of each year this grant is open:
    1. A signed/dated SF-270 (Request for Advance or Reimbursement for non-construction projects) or SF-271 or equivalent (Outlay Report and Request for Reimbursement for Construction Programs), and
    2. An SF-425 (Federal Financial Report).
- For non-construction projects, you must submit FAA Form 5100-140, Performance Report within 30 days of the end of the Federal fiscal year.
- For construction projects, you must submit FAA Form 5370-1, Construction Progress and Inspection Report, within 30 days of the end of each Federal fiscal quarter.

Audit Requirements. As a condition of receiving Federal assistance under this award, you must comply with audit requirements as established under 2 CFR part 200. Subpart F requires non-Federal entities that expend $750,000 or more in Federal awards to conduct a single or program specific audit for that year. Note that this includes Federal expenditures made under other Federal-assistance programs. Please take appropriate and necessary action to ensure your organization will comply with applicable audit requirements and standards.

Closeout. Once the project(s) is completed and all costs are determined, we ask that you work with your FAA contact indicated below to close the project without delay and submit the necessary final closeout documentation as required by your Region/Airports District Office.

FAA Contact Information. Gary Gates, (406) 441-5405, gary.gates@faa.gov is the assigned program manager for this grant and is readily available to assist you and your designated representative with the requirements stated herein.

We sincerely value your cooperation in these efforts and look forward to working with you to complete this important project.

Sincerely,

Jason Garwood

Jason Garwood (Jun 13, 2022 09:36 MDT)

U.S. Department of Transportation Federal Aviation Administration

FAA Airport Improvement Program (AIP)

GRANT AGREEMENT

Part I - Offer

Federal Award Offer Date	June 13, 2022
Airport/Planning Area	Joslin Field/Magic Valley Regional Airport
FY2022 AIP Grant Number	3-16-0036-053-2022 (DOT-FA22NM-2022)
Unique Entity Identifier	E7YQT9PN5HW4

TO: County and City of Twin Falls

(herein called the "Sponsor") (For Co-Sponsors, list all Co-Sponsor names. The word "Sponsor" in this Grant Agreement also applies to a Co-Sponsor.)

FROM: **The United States of America** (acting through the Federal Aviation Administration, herein called the "FAA")

WHEREAS, the Sponsor has submitted to the FAA a Project Application dated March 23, 2022, for a grant of Federal funds for a project at or associated with the Joslin Field/Magic Valley Regional Airport, which is included as part of this Grant Agreement; and

WHEREAS, the FAA has approved a project for the Joslin Field/Magic Valley Regional Airport (herein called the "Project") consisting of the following:

Acquire Snow Removal Equipment (new plow and broom multitask equipment)

which is more fully described in the Project Application.

NOW THEREFORE, Pursuant to and for the purpose of carrying out the Title 49, United States Code (U.S.C.), Chapters 471 and 475; 49 U.S.C. §§ 40101 et seq., and 48103; FAA Reauthorization Act of 2018 (Public Law Number 115-254); the Department of Transportation Appropriations Act, 2021 (Public Law 116-260, Division L); the Consolidated Appropriations Act, 2022 (Public Law 117-103); and the representations contained in the Project Application; and in consideration of: (a) the Sponsor's adoption and ratification of the Grant Assurances attached hereto; (b) the Sponsor's acceptance of this Offer; and (c) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the Grant Assurance and conditions as herein provided;

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay 93.75 percent of the allowable costs incurred accomplishing the Project as the United States share of the Project.

Assistance Listings Number (Formerly CFDA Number): 20.106

This Offer is made on and SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

CONDITIONS

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is $780,944.

   The following amounts represent a breakdown of the maximum obligation for the purpose of establishing allowable amounts for any future grant amendment, which may increase the foregoing maximum obligation of the United States under the provisions of 49 U.S.C. § 47108(b):
   $ 0 for planning
   $ 780,944 for airport development or noise program implementation; and,
   $ 0 for land acquisition.

2. **Grant Performance.** This Grant Agreement is subject to the following Federal award requirements:

   a. Period of Performance:

      1. Shall start on the date the Sponsor formally accepts this Agreement and is the date signed by the last Sponsor signatory to the Agreement. The end date of the Period of Performance is 4 years (1,460 calendar days) from the date of acceptance. The Period of Performance end date shall not affect, relieve, or reduce Sponsor obligations and assurances that extend beyond the closeout of this Grant Agreement.

      2. Means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions or budget periods. (2 Code of Federal Regulations (CFR) § 200.1).

   b. Budget Period:

      1. For this Grant is 4 years (1,460 calendar days) and follows the same start and end date as the period of performance provided in paragraph (2)(a)(1). Pursuant to 2 CFR § 200.403(h), the Sponsor may charge to the Grant only allowable costs incurred during the Budget Period.

      2. Means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which the Sponsor is authorized to expend the funds awarded, including any funds carried forward or other revisions pursuant to 2 CFR § 200.308.

   c. Close Out and Termination

      1. Unless the FAA authorizes a written extension, the Sponsor must submit all Grant closeout documentation and liquidate (pay-off) all obligations incurred under this award no later than 120 calendar days after the end date of the period of performance. If the Sponsor does not submit all required closeout documentation within this time period, the FAA will proceed to close out the grant within one year of the period of performance end date with the information available at the end of 120 days. (2 CFR § 200.344).

2. The FAA may terminate this Grant, in whole or in part, in accordance with the conditions set forth in 2 CFR § 200.340, or other Federal regulatory or statutory authorities as applicable.

3. **Ineligible or Unallowable Costs.** The Sponsor must not include any costs in the project that the FAA has determined to be ineligible or unallowable.

4. **Determining the Final Federal Share of Costs.** The United States' share of allowable project costs will be made in accordance with 49 U.S.C. § 47109, the regulations, policies, and procedures of the Secretary of Transportation ("Secretary"), and any superseding legislation. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.

5. **Completing the Project Without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the project without undue delays and in accordance with this Agreement, 49 U.S.C. Chapters 471 and 475, and the regulations, and the Secretary's policies and procedures. Per 2 CFR § 200.308, the Sponsor agrees to report and request prior FAA approval for any disengagement from performing the project that exceeds three months or a 25 percent reduction in time devoted to the project. The report must include a reason for the project stoppage. The Sponsor also agrees to comply with the grant assurances, which are part of this Agreement.

6. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.

7. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before July 15, 2022, or such subsequent date as may be prescribed in writing by the FAA.

8. **Improper Use of Federal Funds.** The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner for any project upon which Federal funds have been expended. For the purposes of this Grant Agreement, the term "Federal funds" means funds however used or dispersed by the Sponsor, that were originally paid pursuant to this or any other Federal grant agreement. The Sponsor must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The Sponsor must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.

9. **United States Not Liable for Damage or Injury.** The United States is not responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this Grant Agreement.

10. **System for Award Management (SAM) Registration and Unique Entity Identifier (UEI).**

    a. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR § 25.110, the Sponsor must maintain the currency of its information in the SAM until the Sponsor submits the final financial report required under this Grant, or receives the final payment, whichever is later. This requires that the Sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at http://www.sam.gov).

b. Unique entity identifier (UEI) means a 12-character alpha-numeric value used to identify a specific commercial, nonprofit or governmental entity. A UEI may be obtained from SAM.gov at https://sam.gov/content/entity-registration.

11. **Electronic Grant Payment(s).** Unless otherwise directed by the FAA, the Sponsor must make each payment request under this Agreement electronically via the Delphi eInvoicing System for Department of Transportation (DOT) Financial Assistance Awardees.

12. **Informal Letter Amendment of AIP Projects.** If, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by $25,000 or five percent (5%), whichever is greater, the FAA can issue a letter amendment to the Sponsor unilaterally reducing the maximum obligation.

    The FAA can also issue a letter to the Sponsor increasing the maximum obligation if there is an overrun in the total actual eligible and allowable project costs to cover the amount of the overrun provided it will not exceed the statutory limitations for grant amendments. The FAA's authority to increase the maximum obligation does not apply to the "planning" component of Condition No. 1, Maximum Obligation.

    The FAA can also issue an informal letter amendment that modifies the grant description to correct administrative errors or to delete work items if the FAA finds it advantageous and in the best interests of the United States.

    An informal letter amendment has the same force and effect as a formal grant amendment.

13. **Air and Water Quality.** The Sponsor is required to comply with all applicable air and water quality standards for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this Grant Agreement.

14. **Financial Reporting and Payment Requirements.** The Sponsor will comply with all Federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.

15. **Buy American.** Unless otherwise approved in advance by the FAA, in accordance with 49 U.S.C. § 50101, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for which funds are provided under this grant. The Sponsor will include a provision implementing Buy American in every contract and subcontract awarded under this Grant.

16. **Build America, Buy America.** The sponsor must comply with the requirements under the Build America, Buy America Act (Public Law 117-58).

17. **Maximum Obligation Increase.** In accordance with 49 U.S.C. § 47108(b)(3), as amended, the maximum obligation of the United States, as stated in Condition No. 1, Maximum Obligation, of this Grant Offer:

    a. May not be increased for a planning project;

    b. May be increased by not more than 15 percent for development projects if funds are available;

    c. May be increased by not more than the greater of the following for a land project, if funds are available:

1. 15 percent; or
2. 25 percent of the total increase in allowable project costs attributable to acquiring an interest in the land.

If the sponsor requests an increase, any eligible increase in funding will be subject to the United States Government share as provided in 49 U.S.C. § 47110, or other superseding legislation if applicable, for the fiscal year appropriation with which the increase is funded. The FAA is not responsible for the same Federal share provided herein for any amount increased over the initial grant amount. The FAA may adjust the Federal share as applicable through an informal letter of amendment.

18. **Audits for Sponsors.**

PUBLIC SPONSORS. The Sponsor must provide for a Single Audit or program-specific audit in accordance with 2 CFR Part 200. The Sponsor must submit the audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse's Internet Data Entry System at http://harvester.census.gov/facweb/. Upon request of the FAA, the Sponsor shall provide one copy of the completed audit to the FAA. Sponsors that expend less than $750,000 in Federal awards and are exempt from Federal audit requirements must make records available for review or audit by the appropriate Federal agency officials, State, and Government Accountability Office. The FAA and other appropriate Federal agencies may request additional information to meet all Federal audit requirements.

19. **Suspension or Debarment.** When entering into a "covered transaction" as defined by 2 CFR § 180.200, the Sponsor must:

a. Verify the non-Federal entity is eligible to participate in this Federal program by:
   1. Checking the excluded parties list system (EPLS) as maintained within the System for Award Management (SAM) to determine if the non-Federal entity is excluded or disqualified; or
   2. Collecting a certification statement from the non-Federal entity attesting they are not excluded or disqualified from participating; or
   3. Adding a clause or condition to covered transactions attesting the individual or firm are not excluded or disqualified from participating.
b. Require prime contractors to comply with 2 CFR § 180.330 when entering into lower-tier transactions (e.g., Sub-contracts).
c. Immediately disclose in writing to the FAA whenever (1) the Sponsor learns they have entered into a covered transaction with an ineligible entity or (2) the Public Sponsor suspends or debars a contractor, person, or entity.

20. **Ban on Texting While Driving.**

a. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:
   1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.

2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
   a. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
   b. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

b. The Sponsor must insert the substance of this clause on banning texting while driving in all subgrants, contracts, and subcontracts funded with this Grant.

21. **Trafficking in Persons.**

a. You as the recipient, your employees, subrecipients under this Grant, and subrecipients' employees may not:
   1. Engage in severe forms of trafficking in persons during the period of time that the Grant and applicable conditions are in effect;
   2. Procure a commercial sex act during the period of time that the Grant and applicable conditions are in effect; or
   3. Use forced labor in the performance of the Grant or any subgrants under this Grant.

b. We as the Federal awarding agency, may unilaterally terminate this Grant, without penalty, if you or a subrecipient that is a private entity:
   1. Is determined to have violated a prohibition in paragraph (a) of this condition; or
   2. Has an employee who is determined by the agency official authorized to terminate the Grant to have violated a prohibition in paragraph (a) of this Condition through conduct that is either –
      a. Associated with performance under this Grant; or
      b. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement), as implemented by our agency at 2 CFR Part 1200.

c. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph (a) of this Condition.

d. Our right to terminate unilaterally that is described in paragraph (a) of this Condition:
   1. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. § 7104(g)), and
   2. Is in addition to all other remedies for noncompliance that are available to us under this Grant Agreement.

22. **AIP Funded Work Included in a PFC Application.** Within 90 days of acceptance of this Grant Agreement, the Sponsor must submit to the FAA an amendment to any approved Passenger Facility Charge (PFC) application that contains an approved PFC project also covered under this Grant Agreement as described in the project application. The airport sponsor may not make any expenditure under this Grant Agreement until project work addressed under this Grant Agreement is removed from an approved PFC application by amendment.

23. **Exhibit "A" Property Map.** The Exhibit "A" Property Map dated November 2021, is incorporated herein by reference or is submitted with the project application and made part of this Grant Agreement.

24. **Employee Protection from Reprisal.**

    a. Prohibition of Reprisals

        1. In accordance with 41 U.S.C. § 4712, an employee of a Sponsor, grantee, subgrantee, contractor, or subcontractor may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in sub-paragraph (a)(2) below, information that the employee reasonably believes is evidence of:

            i. Gross mismanagement of a Federal grant;
            ii. Gross waste of Federal funds;
            iii. An abuse of authority relating to implementation or use of Federal funds;
            iv. A substantial and specific danger to public health or safety; or
            v. A violation of law, rule, or regulation related to a Federal grant.

        2. Persons and bodies covered. The persons and bodies to which a disclosure by an employee is covered are as follows:

            i. A member of Congress or a representative of a committee of Congress;
            ii. An Inspector General;
            iii. The Government Accountability Office;
            iv. A Federal employee responsible for contract or grant oversight or management at the relevant agency;
            v. A court or grand jury;
            vi. A management official or other employee of the Sponsor, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct; or
            vii. An authorized official of the Department of Justice or other law enforcement agency.

        3. Submission of Complaint. A person who believes that they have been subjected to a reprisal prohibited by paragraph (a) of this Condition may submit a complaint regarding the reprisal to the Office of Inspector General (OIG) for the U.S. Department of Transportation.

        4. Time Limitation for Submittal of a Complaint. A complaint may not be brought under this subsection more than three years after the date on which the alleged reprisal took place.

        5. Required Actions of the Inspector General. Actions, limitations, and exceptions of the Inspector General's office are established under 41 U.S.C. § 4712(b).

        6. Assumption of Rights to Civil Remedy. Upon receipt of an explanation of a decision not to conduct or continue an investigation by the OIG, the person submitting a complaint assumes the right to a civil remedy under 41 U.S.C. § 4712(c)(2).

25. **Co-Sponsor.** The Co-Sponsors understand and agree that they jointly and severally adopt and ratify the representations and assurances contained therein and that the word "Sponsor" as used in the application and other assurances is deemed to include all Co-Sponsors.

SPECIAL CONDITIONS

26. **ARFF and SRE Equipment and Vehicles.** The Sponsor agrees that it will:

    a. House and maintain the equipment in a state of operational readiness on and for the airport;

b. Provide the necessary staffing and training to maintain and operate the vehicle and equipment;

c. Restrict the vehicle to on-airport use only;

d. Restrict the vehicle to the use for which it was intended; and

e. Amend the Airport Emergency Plan and/or Snow and Ice Control Plan to reflect the acquisition of the vehicle and equipment.

27. **Equipment Acquisition.** The Sponsor understands and agrees that any equipment acquired through this Grant is considered a *facility* as that term is used in the Grant Assurances. Further, the equipment must be only operated by the Sponsor. The Sponsor agrees that it will maintain the equipment and use it exclusively at the airport for airport purposes.

28. **Plans and Specifications Approval Based Upon Certification.** The FAA and the Sponsor agree that the FAA's approval of the Sponsor's Plans and Specification is based primarily upon the Sponsor's certification to carry out the project in accordance with policies, standards, and specifications approved by the FAA. The Sponsor understands that:

    a. The Sponsor's certification does not relieve the Sponsor of the requirement to obtain prior FAA approval for modifications to any AIP standards or to notify the FAA of any limitations to competition within the project;

    b. The FAA's acceptance of a Sponsor's certification does not limit the FAA from reviewing appropriate project documentation for the purpose of validating the certification statements; and

    c. If the FAA determines that the Sponsor has not complied with their certification statements, the FAA will review the associated project costs to determine whether such costs are allowable under this Grant.

29. **Consultant Contract and Cost Analysis.** The Sponsor understands and agrees that no reimbursement will be made on the consultant contract portion of this Grant until the FAA has received the consultant contract, the Sponsor's analysis of costs, and the independent fee estimate.

30. **Buy American Executive Orders.** The Sponsor agrees to abide by applicable Executive Orders in effect at the time this Grant Agreement is executed, including Executive Order 14005, Ensuring the Future Is Made in All of America by All of America's Workers.

The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the Grant Assurances, terms, and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.[1]

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION

Jason Garwood
Jason Garwood (Jun 13, 2022 09:36 MDT)

(Signature)

Jason Garwood

(Typed Name)

Acting Assistant Manager

(Title of FAA Official)

[1] Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

Part II - Acceptance

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer, and does hereby accept this Offer and by such acceptance agrees to comply with all of the Grant Assurances, terms, and conditions in this Offer and in the Project Application.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.[2]

Dated ______________________________

County of Twin Falls
(Name of Sponsor)

____
(Signature of Sponsor's Authorized Official)

By: ______________________________
(Typed Name of Sponsor's Authorized Official)

Title: ______________________________
(Title of Sponsor's Authorized Official)

[2] Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

CERTIFICATE OF SPONSOR'S ATTORNEY

I, , acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of __Idaho__. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative, who has been duly authorized to execute this Grant Agreement, which is in all respects due and proper and in accordance with the laws of the said State; and Title 49, United States Code (U.S.C.), Chapters 471 and 475; 49 U.S.C. §§ 40101 et seq., and 48103; FAA Reauthorization Act of 2018 (Public Law Number 115-254); the Department of Transportation Appropriations Act, 2021 (Public Law 116-260, Division L); the Consolidated Appropriations Act, 2022 (Public Law 117-103); and the representations contained in the Project Application. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.[3]

Dated at ______________________________

By: ______________________________
(Signature of Sponsor's Attorney)

[3] Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer, and does hereby accept this Offer and by such acceptance agrees to comply with all of the Grant Assurances, terms, and conditions in this Offer and in the Project Application.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.[4]

Dated ______________________________

City of Twin Falls
(Name of Sponsor)

____
(Signature of Sponsor's Authorized Official)

By: ______________________________
(Typed Name of Sponsor's Authorized Official)

Title: ______________________________
(Title of Sponsor's Authorized Official)

[4] Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

CERTIFICATE OF SPONSOR'S ATTORNEY

I, ______, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of __Idaho__. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative, who has been duly authorized to execute this Grant Agreement, which is in all respects due and proper and in accordance with the laws of the said State; and Title 49, United States Code (U.S.C.), Chapters 471 and 475; 49 U.S.C. §§ 40101 et seq., and 48103; FAA Reauthorization Act of 2018 (Public Law Number 115-254); the Department of Transportation Appropriations Act, 2021 (Public Law 116-260, Division L); the Extending Government Funding and Delivering Emergency Assistance Act (Public Law 117-43; the Consolidated Appropriations Act, 2022 (Public Law 117-103); and the representations contained in the Project Application. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.[5]

Dated at ______________________________

By: ______________________________
(Signature of Sponsor's Attorney)

[5] Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

ASSURANCES

AIRPORT SPONSORS

A. General.

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this Grant Agreement.

B. Duration and Applicability.

1. **Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.**

   The terms, conditions and assurances of this Grant Agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. **Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.**

   The preceding paragraph (1) also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. **Airport Planning Undertaken by a Sponsor.**

   Unless otherwise specified in this Grant Agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 23, 25, 30, 32, 33, 34, and 37 in Section C apply to planning projects. The terms, conditions, and assurances of this Grant Agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport.

C. Sponsor Certification.

The sponsor hereby assures and certifies, with respect to this grant that:

1. General Federal Requirements

It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance, and use of Federal funds for this Grant including but not limited to the following:

FEDERAL LEGISLATION

a. 49, U.S.C., subtitle VII, as amended.

b. Davis-Bacon Act, as amended — 40 U.S.C. §§ 3141-3144, 3146, and 3147, et seq.[1]

c. Federal Fair Labor Standards Act - 29 U.S.C. § 201, et seq.

d. Hatch Act – 5 U.S.C. § 1501, et seq.[2]

e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. § 4601, et seq.[1], [2]

f. National Historic Preservation Act of 1966 – Section 106 - 54 U.S.C. § 306108.1.[1]

g. Archeological and Historic Preservation Act of 1974 - 54 U.S.C. § 312501, et seq.[1]

h. Native Americans Grave Repatriation Act - 25 U.S.C. Section § 3001, et seq.

i. Clean Air Act, P.L. 90-148, as amended - 42 U.S.C. § 7401, et seq.

j. Coastal Zone Management Act, P.L. 92-583, as amended - 16 U.S.C. § 1451, et seq.

k. Flood Disaster Protection Act of 1973 – Section 102(a) - 42 U.S.C. § 4012a.[1]

l. 49 U.S.C. § 303, (formerly known as Section 4(f)).

m. Rehabilitation Act of 1973 - 29 U.S.C. § 794.

n. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin).

o. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.) (prohibits discrimination on the basis of disability).

p. Age Discrimination Act of 1975 - 42 U.S.C. § 6101, et seq.

q. American Indian Religious Freedom Act, P.L. 95-341, as amended.

r. Architectural Barriers Act of 1968, as amended - 42 U.S.C. § 4151, et seq.[1]

s. Powerplant and Industrial Fuel Use Act of 1978 – Section 403 - 42 U.S.C. § 8373.[1]

t. Contract Work Hours and Safety Standards Act - 40 U.S.C. § 3701, et seq.[1]

u. Copeland Anti-kickback Act - 18 U.S.C. § 874.[1]

v. National Environmental Policy Act of 1969 - 42 U.S.C. § 4321, et seq.[1]

w. Wild and Scenic Rivers Act, P.L. 90-542, as amended – 16 U.S.C. § 1271, et seq.

x. Single Audit Act of 1984 - 31 U.S.C. § 7501, et seq.[2]

y. Drug-Free Workplace Act of 1988 - 41 U.S.C. §§ 8101 through 8105.

z. The Federal Funding Accountability and Transparency Act of 2006, as amended (P.L. 109-282, as amended by section 6202 of P.L. 110-252).

aa. Civil Rights Restoration Act of 1987, P.L. 100-259.

bb. Build America, Buy America Act, P.L. 117-58, Title IX.

EXECUTIVE ORDERS

a. Executive Order 11246 – Equal Employment Opportunity[1]

b. Executive Order 11990 – Protection of Wetlands

c. Executive Order 11998 – Flood Plain Management

d. Executive Order 12372 – Intergovernmental Review of Federal Programs

e. Executive Order 12699 – Seismic Safety of Federal and Federally Assisted New Building Construction[1]

f. Executive Order 12898 – Environmental Justice

g. Executive Order 13166 – Improving Access to Services for Persons with Limited English Proficiency

h. Executive Order 13985 – Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government

i. Executive Order 13988 – Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation

j. Executive Order 14005 – Ensuring the Future is Made in all of America by All of America's Workers

k. Executive Order 14008 – Tackling the Climate Crisis at Home and Abroad

FEDERAL REGULATIONS

a. 2 CFR Part 180 – OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).

b. 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.[4, 5]

c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment.

d. 14 CFR Part 13 – Investigative and Enforcement Procedures.

e. 14 CFR Part 16 – Rules of Practice For Federally-Assisted Airport Enforcement Proceedings.

f. 14 CFR Part 150 – Airport Noise Compatibility Planning.

g. 28 CFR Part 35 – Nondiscrimination on the Basis of Disability in State and Local Government Services.

h. 28 CFR § 50.3 – U.S. Department of Justice Guidelines for the Enforcement of Title VI of the Civil Rights Act of 1964.

i. 29 CFR Part 1 – Procedures for Predetermination of Wage Rates.[1]

j. 29 CFR Part 3 – Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States.[1]

k. 29 CFR Part 5 – Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act).[1]

l. 41 CFR Part 60 – Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and Federally-assisted contracting requirements).[1]

m. 49 CFR Part 20 – New Restrictions on Lobbying.

n. 49 CFR Part 21 – Nondiscrimination in Federally-Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964.

o. 49 CFR Part 23 – Participation by Disadvantage Business Enterprise in Airport Concessions.

p. 49 CFR Part 24 – Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs.[1 2]

q. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs.

r. 49 CFR Part 27 – Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance.[1]

s. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities Conducted by the Department of Transportation.

t. 49 CFR Part 30 – Denial of Public Works Contracts to Suppliers of Goods and Services of Countries That Deny Procurement Market Access to U.S. Contractors.

u. 49 CFR Part 32 – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance).

v. 49 CFR Part 37 – Transportation Services for Individuals with Disabilities (ADA).

w. 49 CFR Part 38 – Americans with Disabilities Act (ADA) Accessibility Specifications for Transportation Vehicles.

x. 49 CFR Part 41 – Seismic Safety.

FOOTNOTES TO ASSURANCE (C)(1)

[1] These laws do not apply to airport planning sponsors.
[2] These laws do not apply to private sponsors.
[3] 2 CFR Part 200 contains requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation shall apply where applicable to private sponsors receiving Federal assistance under Title 49, United States Code.
[4] Cost principles established in 2 CFR part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.
[5] Audit requirements established in 2 CFR part 200 subpart F are the guidelines for audits.

SPECIFIC ASSURANCES

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this grant agreement.

2. Responsibility and Authority of the Sponsor.

a. Public Agency Sponsor:

It has legal authority to apply for this Grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

b. Private Sponsor:

It has legal authority to apply for this Grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this Grant Agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. Sponsor Fund Availability.

It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this Grant Agreement which it will own or control.

4. Good Title.

a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

5. Preserving Rights and Powers.

a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this Grant Agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

b. Subject to the FAA Act of 2018, Public Law 115-254, Section 163, it will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this Grant Agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this Grant Agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this Grant Agreement.

c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.

d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.

e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.

f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to ensure that the airport will be operated and maintained in accordance with Title 49, United States Code, the regulations and the terms, conditions and assurances in this Grant Agreement and shall ensure that such arrangement also requires compliance therewith.

g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

6. Consistency with Local Plans.

The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

7. Consideration of Local Interest.

It has given fair consideration to the interest of communities in or near where the project may be located.

8. Consultation with Users.

In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

9. Public Hearings.

In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. Metropolitan Planning Organization.

In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.

11. Pavement Preventive Maintenance-Management.

With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

12. Terminal Development Prerequisites.

For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under 49 U.S.C. § 44706, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

13. Accounting System, Audit, and Record Keeping Requirements.

a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this Grant, the total cost of the project in connection with which this Grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.

b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this Grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a Grant or relating to the project in connection with which this Grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United

States not later than six (6) months following the close of the fiscal year for which the audit was made.

14. Minimum Wage Rates.

It shall include, in all contracts in excess of $2,000 for work on any projects funded under this Grant Agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor under 40 U.S.C. §§ 3141-3144, 3146, and 3147, Public Building, Property, and Works), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

15. Veteran's Preference.

It shall include in all contracts for work on any project funded under this Grant Agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in 49 U.S.C. § 47112. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

16. Conformity to Plans and Specifications.

It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this Grant Agreement, and, upon approval of the Secretary, shall be incorporated into this Grant Agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this Grant Agreement.

17. Construction Inspection and Approval.

It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

18. Planning Projects.

In carrying out planning projects:

a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.

b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.

c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.

d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.

e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.

f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.

g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.

h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

19. Operation and Maintenance.

a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal, State and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for:

   1. Operating the airport's aeronautical facilities whenever required;
   2. Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and
   3. Promptly notifying pilots of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood, or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.

b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

20. Hazard Removal and Mitigation.

It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

21. Compatible Land Use.

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

22. Economic Nondiscrimination.

a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.

b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to:

    1. Furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and

    2. Charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.

d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.

e. Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees (including, but not limited to maintenance, repair, and fueling) that it may choose to perform.

g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.

h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.

i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. Exclusive Rights.

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and

b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. Fee and Rental Structure.

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a Grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. Airport Revenues.

a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:

   1. If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the

revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.

2. If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.

3. Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at 49 U.S.C. § 47102), if the FAA determines the airport sponsor meets the requirements set forth in Section 813 of Public Law 112-95

b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.

c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of 49 U.S.C. § 47107.

26. Reports and Inspections.

It will:

a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;

b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;

c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this Grant Agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and

d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:

1. all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and

2. all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. Use by Government Aircraft.

It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that:

a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or

b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

28. Land for Federal Facilities.

It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

29. Airport Layout Plan.

a. Subject to the FAA Reauthorization Act of 2018, Public Law 115-254, Section 163, it will keep up to date at all times an airport layout plan of the airport showing:

   1. boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;

   2. the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities;

   3. the location of all existing and proposed non-aviation areas and of all existing improvements thereon; and

   4. all proposed and existing access points used to taxi aircraft across the airport's property boundary.

   Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.

b. Subject to the FAA Reauthorization Act of 2018, Public Law 115-254, Section 163, if a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary:

    1. eliminate such adverse effect in a manner approved by the Secretary; or

    2. bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

30. Civil Rights.

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, color, and national origin (including limited English proficiency) in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4); creed and sex (including sexual orientation and gender identity) per 49 U.S.C. § 47123 and related requirements; age per the Age Discrimination Act of 1975 and related requirements; or disability per the Americans with Disabilities Act of 1990 and related requirements, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any program and activity conducted with, or benefiting from, funds received from this Grant.

a. Using the definitions of activity, facility, and program as found and defined in 49 CFR §§ 21.23(b) and 21.23(e), the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by or pursuant to these assurances.

b. Applicability

    1. Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities.

    2. Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter, or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.

    3. Real Property. Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.

c. Duration.

    The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

1. So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or
2. So long as the sponsor retains ownership or possession of the property.

d. Required Solicitation Language. It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this Grant Agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

"The (**County and City of Twin Falls**), in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, [select businesses, or disadvantaged business enterprises or airport concession disadvantaged business enterprises] will be afforded full and fair opportunity to submit bids in response to this invitation and no businesses will be discriminated against on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in consideration for an award."

e. Required Contract Provisions.

1. It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the Department of Transportation (DOT), and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.
2. It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.
3. It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.
4. It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:
   a. For the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
   b. For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.

f. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.

g. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.

31. Disposal of Land.

a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order:

1. Reinvestment in an approved noise compatibility project;
2. Reinvestment in an approved project that is eligible for grant funding under 49 U.S.C. § 47117(e);
3. Reinvestment in an approved airport development project that is eligible for grant funding under 49 U.S.C. §§ 47114, 47115, or 47117
4. Transfer to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport; or
5. Payment to the Secretary for deposit in the Airport and Airway Trust Fund.

If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.

b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, upon application to the Secretary, be reinvested or transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order:

1. Reinvestment in an approved noise compatibility project;
2. Reinvestment in an approved project that is eligible for grant funding under 49 U.S.C. § 47117(e);
3. Reinvestment in an approved airport development project that is eligible for grant funding under 49 U.S.C. §§ 47114, 47115, or 47117
4. Transfer to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport; or
5. Payment to the Secretary for deposit in the Airport and Airway Trust Fund.

c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.

d. Disposition of such land under (a), (b), or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. Engineering and Design Services.

If any phase of such project has received Federal funds under Chapter 471 subchapter 1 of Title 49 U.S.C., it will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services in the same manner as a contract for architectural and engineering services is negotiated under Chapter 11 of Title 40 U.S.C., or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. Foreign Market Restrictions.

It will not allow funds provided under this Grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

34. Policies, Standards, and Specifications.

It will carry out any project funded under an Airport Improvement Program Grant in accordance with policies, standards, and specifications approved by the Secretary including, but not limited to, current FAA Advisory Circulars (https://www.faa.gov/airports/aip/media/aip-pfc-checklist.pdf) for AIP projects as of March 23, 2022.

35. Relocation and Real Property Acquisition.

a. It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.

b. It will provide a relocation assistance program offering the services described in Subpart C of 49 CFR Part 24 and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.

c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. Access By Intercity Buses.

The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

37. Disadvantaged Business Enterprises.

The sponsor shall not discriminate on the basis of race, color, national origin, or sex, in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise (ACDBE) programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. § 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. §§ 3801-3809, 3812).

38. Hangar Construction.

If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

39. Competitive Access.

a. If the airport owner or operator of a medium or large hub airport (as defined in 49 U.S.C. § 47102) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that:

   1. Describes the requests;
   2. Provides an explanation as to why the requests could not be accommodated; and
   3. Provides a time frame within which, if any, the airport will be able to accommodate the requests.

b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.

Date: Monday, June 27, 2022

To: Honorable Mayor and City Council

From: Norm Hatke

ACTION ITEM

Request:

Request to declare city equipment #5111 2007 BME Pumper Fire Engine surplus and authorize its sale by online auction.

Time Estimate:

15 minutes

Background:

The Fire Department purchased equipment #5111 a 2007 BME Pumper Fire truck in early FY 2008. The purchase price was $325,755. Over the past 14 years, this apparatus has served the organization as a front-line fire engine dispatched to all calls for service. During a routine Engine Oil Sampling test, excess wear in the internal components of the engine was discovered. Wear of this type and severity will result in catastrophic engine failure. While the timing cannot be predicted for certain, it is imminent. Equipment #5111 has been out of service since the discovery of the damage to the engine.

Fire apparatus that experiences this type of engine failure is typically worth between $10,000 to $30,000. The cost of the repair is approximately $15,000 to $25,000 depending on the extent of the internal damage. The ability to make the repair assumes that parts would be available and, given the current supply chain disruptions, that is uncertain.

On September 27, 2021, the City Council authorized the purchase of a replacement fire engine and that apparatus is scheduled to be delivered in the first part of July 2022. The delivery of the replacement apparatus is approximately 6-8 months earlier than what was expected. Typically, the TFFD creates a list of specifications for new equipment that meets the operational needs of the department. Knowing that #5111 was failing and that the supply of fire apparatus was reduced, the TFFD made the decision to purchase an "off-the-shelf" model. This decision secured an available unit that will be available much sooner.

Approval Process:

A majority vote of the Council present is needed to approve this request.

Budget Impact:

The proceeds from the online auction will go back into the General Fund.

Regulatory Impact:

There is no regulatory impact of this request.

History:

Analysis:

Conclusion:

It is the Fleet Maintenance Department's determination that the money and staff time necessary to rebuild this engine and maintain it in reserve status is not a good investment. The engine should be declared surplus and approved for sale by online auction.

Attachments:

None

Date:	Monday, June 27, 2022
To:	Honorable Mayor and City Council
From:	Troy Vitek, City Engineer

PRESENTATION

Request:

Presentation of proposed SHUR-CURB to be installed on Addison Avenue East at the intersection with Sunrise Boulevard.

Time Estimate:

Staff Estimates 5 minutes to present

Background:

Some intersections within the City of Twin Falls experience higher traffic accidents. Engineering, working with the Police department, looks at these intersections to see what type of accident is happening and what solutions are there to keep our residents safer and possibly avoid future incidents. One such accident location is Addison Avenue East at the intersection of Addison and Sunrise. Between 2016 and 2020 this intersection had 15 accidents with most of them being a left turning movement. There are many options to eliminate this conflict, but in an effort to save money and verify the proposed solution is a solid option, Engineering would like to install SHUR-CURB at this location as shown on the attached map. It is our recommendation, for access management, SHUR-CURB with delineators could be installed to help prevent drivers making restricted or undesirable left turns. Delineators by themselves are often not enough of an impediment to making restricted left turns and can be run over by driver. The addition of SHUR-CURB is generally sufficient to discourage drivers from running over the delineators. Median countermeasures or a lane separator has a Crash Reduction Factor of 20- 88%. SHUR-CURB is an inexpensive alternative to a raised island that is highly visible, quick and easy to install, removable if necessary and Engineering feels it is a great opportunity to notify drivers of a change to the roadway. The police department and street department along with Engineering see other opportunities throughout the City to reduce accidents with this system, but as a pilot study, we recommend installation on Addison to verify this is the correct solution. Engineering met with the Smith's manager about the proposal and he was in favor of installation.

Approval Process:

N/A

Budget Impact:

The trial product of Tough Curb was purchased through the Streets maintenance budget. No additional funds are being requested.

Regulatory Impact:

N/A

History:

N/A

Analysis:

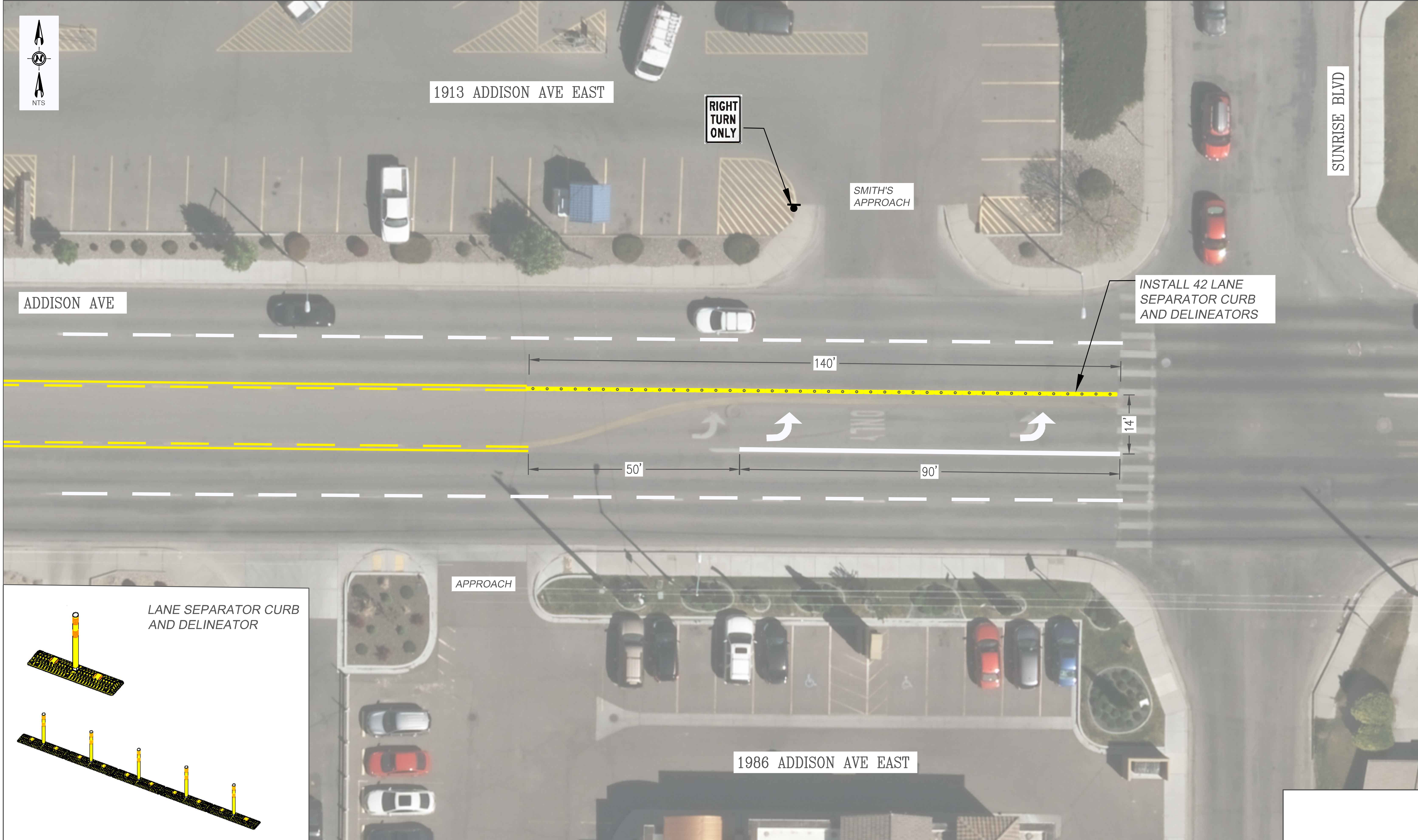
N/A

Conclusion:

Tough Curb is a new product that the Police Department and Engineering believe will be effective in preventing accidents. Since this is a new product in the City, we felt it necessary to present it to the Council to explain the why.

Attachments:

1. Addison Ave East and Sunrise Blvd
2. Shur-Curb Product Bulletin



REVISIONS			
NO.	DATE	BY	DESCRIPTION

DESIGNED W. HABBABA
DESIGN CHECKED
DETAILED W. HABBABA
DRAWING CHECKED

SCALES SHOWN ARE FOR 11" X 17" PRINTS ONLY
CADD FILE NAME
DRAWING DATE: MAY 2022

OWNER
CITY OF TWIN FALLS
203 MAIN AVE EAST
PO BOX 1907
TWIN FALLS, ID 83303
TELEPHONE: (208) 735-7287

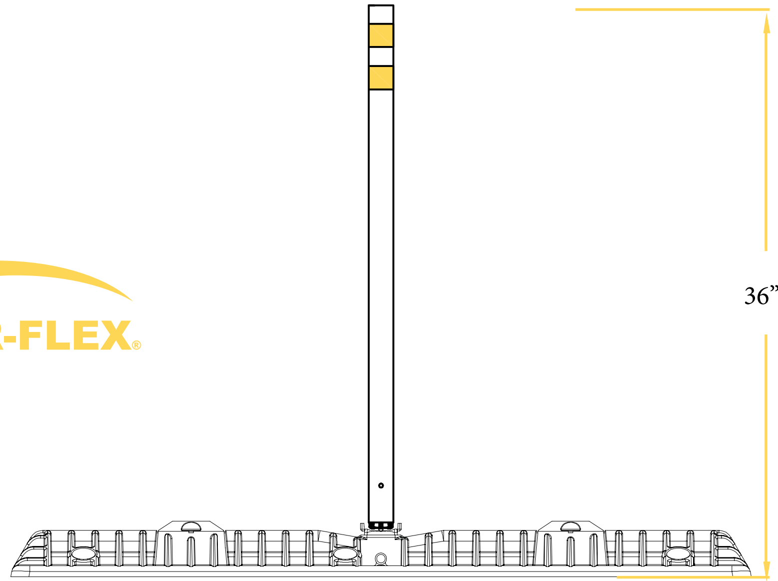
PLAN VIEW

ADDISON AVE EAST

(INSTALLING LANE SEPARATOR CURB AND DELINEATOR)

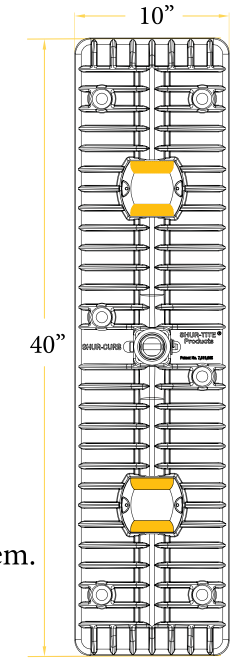
SHUR-CURB® TRAFFIC SEPARATOR

SHUR-FLEX®



FEATURES

- Utilizes the patented Shur-Flex® system
- Non-mechanical flexible design is self-righting upon impact
- 360° post reflectivity & raised pavement markers added for base reflectivity
- Premium UV added for long lasting color
- Easy bolt down design
- Quick and easy installation and post replacement
- MUTCD compliant; FHWA accepted



SPECIFICATIONS

Shur-Flex® System - 3 Component Design

- The flexible square to round joint is a simple one piece, non-metallic molded design that withstands multiple impacts assuring long-life in corrosive environments.
- Posts are manufactured with greater wall thickness to provide structural integrity.
- Standard posts are round top providing 360° degrees of reflectivity.
- All Post colors or styles are interchangeable with any product utilizing the Shur-Flex® system.
- One pin - one minute! We’ve made it quick and easy to install or replace a post.
- Ideal for mounting object markers and other panel products for even greater visibility.
- The Shur-Curb® base is 10” x 40” and has a low profile design.

AVAILABLE POST COLORS

TECHNICAL INFORMATION

Post Diameter: 2.25” OD
Post Heights: 18” up to 48”
Materials: High Density Thermoplastic

AVAILABLE BASE COLORS

* additional colors available by special order

Office: 512.218.9500

Email: sales@shur-tite.com

www.shur-tite.com

Shur-Tite Products
PO Box 2283
Round Rock, TX 78680

SHUR-TITE®

Date:	Monday, June 27, 2022
To:	Honorable Mayor and City Council
From:	Mandi Thompson, Assistant to the City Manager

ACTION ITEM

Request:

Consideration of a request by Starr Corporation to approve a proposed Guaranteed Maximum Price (GMP) for Fire Station #3.

Time Estimate:

The presentation will take approximately 15 minutes with time for Council questions.

Background:

As per the CM/GC Contract Agreement with Starr Corporation, the City and Michael Arrington are presenting the Guaranteed Maximum Price (GMP) for the construction of Fire Station #3.

The GMP for Fire Station #3 is $7,199,584. This includes all bid packages for the project with the exception of bid packages 1 (concrete), 4a and 4b (structural steel), 5 (rough carpentry), 10 (aluminum entrances and storefronts), 16 (window coverings) and 21 (sitework and utilities). Starr Corp. did not receive any bids for these packages. They will be rebid at a future date, but current estimated values for these scopes of work are included in the budget as allowances. These allowances were based on current conditions in addition to predicted price increases in several areas. It also includes 3% contingency, Payment and Performance Bond, and the CM fee of 4.4% per the CM/GC contract. Unless the City makes material changes to the budget, this amount is set as the maximum price for the construction of station #2. Furthermore, there is a possibility that the GMP could actually be less if the bids for the bid packages 1, 4, 5, 10, 16 and 21 come in lower than budgeted allowances or if the full 3% construction contingency is not used.

This number does not include the soft costs (architecture and engineering) of $709,247 or owner costs of $1,452,520.77. The owner costs include the automated altering system, access control, fiber to the building, land acquisition, FF&E, independent inspections, independent commissioning, and utility tap fees. While the land was previously purchased in the amount of approximately $900,000, the remaining owner costs have not been expended. Of the 9 acres purchased for the station, only two will be used for the facility itself. The remaining 7 acres will likely be used to expand the neighboring Vista Bonita park. Development of that park would be eligible for park impact fees. The maximum total project cost for fire station #3 $9,361,378.77.

Approval Process:

Majority approval (50% +1) to accept the GMP for Fire Station #3 as presented by Starr Corporation.

Budget Impact:

The Guaranteed Maximum Price (GMP) for station #2 is $7,199,584. Soft costs (architecture and engineering) of $709,247 and owner costs of $1,452,520.77 bring the total project cost for fire station #3 $9,361,378.77.

Regulatory Impact:

None

History:

N/A

Analysis:

N/A

Conclusion:

Staff recommends that Council approve the GMP for Fire Station #3 as presented.

Attachments:

1. Station No. 3-GMP
2. Fire Station Numbers

Twin Falls Fire Station #3

June 22, 2022

Bid Package No. 2-Polished Concrete Finishing	$	23,938.00	
Bid Package No. 3-Masonry	$	958,798.00	
Bid Package No. 6-Casework	$	106,575.00	
Bid Package No. 7-Roofing	$	320,000.00	
Bid Package No. 8-Doors & Hardware	$	56,135.00	
Bid Package No. 9-Sectional Doors	$	39,359.00	
Bid Package No. 9a-Four-Fold Side Opening Metal Doors	$	104,927.00	
Bid Package No. 11-Drywall	$	312,244.00	
Bid Package No. 12-Tiling	$	47,138.00	
Bid Package No. 13-Floor Covering	$	12,130.00	
Bid Package No. 14-Painting	$	58,500.00	
Bid Package No. 15-Specialties	$	77,752.00	
Bid Package No. 17-Fire Protection	$	82,657.00	
Bid Package No. 18-Plumbing	$	394,065.00	
Bid Package No. 19-HVAC	$	462,825.00	
Bid Package No. 20-Electrical	$	603,785.00	
Bid Package No. 22-Metal Fencing	$	148,240.00	
Bid Package No. 23-Landscaping & Irrigation	$	215,000.00	
			$ 4,024,068.00
Allowances			
Project Manager	$	44,400.00	
Project Superintendent	$	99,840.00	
Job Site Trailer	$	5,040.00	
Surveying	$	8,500.00	
Telephone	$	1,800.00	
Internet	$	1,200.00	
Temp Toilets	$	4,560.00	
Temp Electrical	$	18,000.00	
Dumpster	$	15,000.00	
Temporary Site Fence	$	12,600.00	
Cold Weather Protection	$	21,500.00	
Water Softener (excluded by HVAC bidder)	$	27,000.00	
Final Cleaning	$	6,800.00	
Bid Package No. 1-Concrete	$	625,000.00	
Bid Package No. 4a-Structural Steel: Install, Only	$	40,175.00	
Bid Package No. 4b-Structural Steel: Supply, Only	$	250,000.00	
Bid Package No. 5-Rough Carpentry	$	635,000.00	
Bid Package No. 10-Aluminum Entrances & Storefronts	$	220,000.00	
Bid Package No. 16-Window Coverings	$	13,000.00	
Bid Package No. 21-Sitework & Utilities	$	563,000.00	
			$ 2,612,415.00
Contingency			$ 199,095.00
Payment and Performance Bond			$ 72,000.00
CM Fee			$ 292,006.00
Total			$ 7,199,584.00

TWIN FALLS FIRE STATIONS BUDGET REPORT

	Station 2	Station 3
GMP	$ 7,123,166.00	$ 7,199,584.00
Soft Costs	$ 877,847.60	$ 709,274.00
Owner Costs	$ 707,927.85	$ 1,452,520.77
	$ 8,708,941.45	**$ 9,361,378.77**

Owner Costs		
CM/GC Preconstruction Services	$ 5,000.00	$ 5,000.00
Alerting system	$ 103,369.57	$ 101,385.96
Access Control	$ 35,834.38	$ 35,594.37
Fiber	$ 178,314.90	$ 31,216.44
Land Acqusition	$ 2,746.00	$ 900,000.00
FF&E	$ 250,000.00	$ 250,000.00
Independent Inspections	$ 23,663.00	$ 20,524.00
Commissioning	$ 9,000.00	$ 8,800.00
Utility Tap Fees	$ 100,000.00	$ 100,000.00
	$ 707,927.85	**$ 1,452,520.77**

Soft Costs		
Predesign/Programming	$ 20,000.00	$ 20,000.00
A&E Basic Services	$ 560,713.00	$ 443,357.00
A&E Reimbursable Services	$ 20,000.00	$ 20,000.00
Supplemental Services	$ 249,206.00	$ 197,048.00
Final Plat Services	$ 4,705.00	$ 6,045.00
Geotechnical Serivees	$ 9,623.60	$ 6,024.00
Site Survey	$ 3,600.00	$ 6,800.00
Renders/Models	$ 5,000.00	$ 5,000.00
As-Constructed Record Drawings	$ 5,000.00	$ 5,000.00
	$ 877,847.60	**$ 709,274.00**

$ 18,070,320.22

Date: Monday, June 27, 2022

To: Honorable Mayor and City Council

From: Breanna Howard, CFO

ACTION ITEM

Request:

Approving the use of annual appropriation certificates of participation to allow for the construction of Fire Station 2.

Time Estimate:

This item is scheduled to take 10 minutes, plus time for questions and answers.

Background:

The City of Twin Falls staff have worked with our financial advisors and bond counsel to identify a solution that would allow the City of Twin Falls to leverage its financial strength and resources using annual appropriation certificates of participation (the "Certificates") to create a financing lease structure to construct a replacement fire station ("Fire Station 2").

The City Manager and Chief Financial Officer have worked with bond counsel, financial advisors, and an underwriter to create a preliminary official statement (offering document) and lease documents that will be used to secure financing for Fire Station 2. The Certificates being proposed are using an estimated cost for one fire station that would be $8.71M. This is based on current construction bids received to complete Fire Station 2.

By approving the Certificate Ordinance, the City is authorizing the issuance of the Certificates pursuant to the Trust Indenture prepared by Skinner Fawcett as the City's Bond Counsel. In addition, with the issuance of the Certificates the City will enter into a Primary Lease in which the City will lease the Property together with Fire Station 2 (the "Facilities") to be constructed to Zions Bancorporation, National Association (the "Bank") for a term ending September 30, 2042 or earlier date if the certificates are paid in full prior to September 30, 2042 (the primary lease cannot extend beyond 99 years). The City and the Bank will separately enter into the Appropriation Lease pursuant to which the Bank will lease the Facilities back to the City on an annual basis subject to appropriation and annual renewal by the City. The certificates will be general obligations of the City payable from any lawful funds which will include fire impact fees.

The Certificates are created by Skinner Fawcett, the City's bond counsel. The Certificates are drafted to ensure compliance with applicable Idaho Codes and the Idaho Constitution. A special fund will be created to hold revenues that will be used to pay the Certificates annually if renewed by the City.

Approval Process:

Approval of this request requires a simple majority (50%+1) of the members in attendance at this meeting.

Budget Impact:

The City will annually appropriate lease payments comprised of interest and principal for the next 20 years, beginning on March 1st, 2023 and ending September 1st, 2042 with a call provision to pay off early after seven years and an interest rate not to exceed 5.5%. The preliminary lease is for $8,415,000, but with the current uncertainty in the market, the ordinance is written for up-to $10 million. The lease payments are to be funded using Impact Fees. Preliminary lease payments are around $678,000 per year. The principal amount of the lease is $8,415,000 and interest through the entire term is $5,146,400 making a total debt service of $13,561,400. If the City were to pay off the Certificate of Participation note early, in year 7, it would save the City total interest of $2,444,750.

Regulatory Impact:

Section 50-301, Idaho Code, the City is authorized to acquire, hold, lease, and convey property, real and personal, and to erect buildings or structures of any kind, needful for the uses or purposes of the City

History:

Analysis:

Conclusion:

Attachments:

1. Ordinance No. 2022-12 (Certificates Ordinance) Twin Falls COP Series 2022
2. Preliminary Official Statement (Twin Falls COP Series 2022)
3. Trust Indenture (Twin Falls COP Series 2022)
4. Appropriation Lease (Twin Falls COP Series 2022)
5. Primary Lease (Twin Falls COP Series 2022)

CITY OF TWIN FALLS, IDAHO

ORDINANCE NO. 2022-012

AN ORDINANCE OF THE CITY OF TWIN FALLS, IDAHO APPROVING AND AUTHORIZING THE ISSUANCE AND PROVIDING FOR THE NEGOTIATED SALE OF THE PRINCIPAL AMOUNT OF UP TO $10,000,000 ANNUAL APPROPRIATION CERTIFICATES OF PARTICIPATION, SERIES 2022 (FIRE STATION NO. 2 PROJECT); DELEGATING AUTHORITY TO CERTAIN OFFICERS FOR THE SALE THEREOF; APPROVING AND AUTHORIZING THE EXECUTION OF A PRIMARY LEASE, AN ANNUAL APPROPRIATION LEASE AGREEMENT, AND AN ANNUAL APPROPRIATION TRUST INDENTURE, TOGETHER WITH OTHER RELATED DOCUMENTS; RATIFYING ACTIONS HERETOFORE TAKEN; AND PROVIDING FOR RELATED MATTERS.

*** *** ***

WHEREAS, the City of Twin Falls, Idaho (the "City"), is a municipal corporation operating and existing under and pursuant to the provisions of the constitution and laws of the State of Idaho (the "State");

WHEREAS, pursuant to Section 50-301, Idaho Code, the City is authorized to acquire, hold, lease, and convey property, real and personal, and to erect buildings or structures of any kind, needful for the uses or purposes of the City;

WHEREAS, the City Council of the City (the "Council") has determined it is in the best interest of the City to finance the costs of preparing, constructing, furnishing, equipping and improving certain real and personal property comprising a new fire station and related facilities within the City to be known as Fire Station No. 2 on a certain parcel of real property (the "Property") currently owned by the City for use by the City (the "Improvements");

WHEREAS, the City has requested Zions Bancorporation, National Association, as trustee (the "Trustee") to issue on its behalf certain certificates of participation to provide funds to finance the cost of the Improvements and to pay the costs of issuing the Certificates (defined below), which certificates shall be designated the "City of Twin Falls, Idaho Annual Appropriation Certificates of Participation, Series 2022 (Fire Station No. 2 Project)" (the "Certificates") , and desires to enter into the Annual Appropriation Trust Indenture(the "Trust Indenture") by and among the City, the Trustee, and Zions Bancorporation, National Association, as lessor (hereinafter "Bank"), under an Annual Appropriation Lease Agreement to provide for the issuance of the Certificates;

WHEREAS, the City desires to sell the Certificates pursuant to negotiated sale to Piper Sandler & Co. (the "Underwriter") and to enter into a Certificate Purchase Agreement with the Underwriter setting out the terms of such sale (the "Certificate Purchase Agreement");

WHEREAS, the City desires to authorize and ratify the actions of certain of its officials to assist in the preparation and completion of the preliminary official statement related to the offering of the Certificates (the "POS") and authorize certain officials to deem final the POS in the form presented to the City Council (the "Council") of the City or at such time the POS is final, and to authorize the use of the POS in connection with the offering of the Certificates;

WHEREAS, pursuant to Section 57-235, Idaho Code, the Council desires to delegate authority, in accordance with the specific instructions and procedures set forth herein, for determination and approval of certain final terms and provisions of the Certificates on the date of sale thereof;

WHEREAS, the City and Bank have agreed to enter into a Primary Lease the "Primary Lease") under the terms of which City will lease to the Bank the Property together with the Improvements to be constructed thereon (the Property and the Improvements collectively referred to herein as the "Facilities");

WHEREAS, the City and Bank have agreed to enter into an Annual Appropriation Lease Agreement (the "Appropriation Lease") under the terms of which the Bank will sublease the Facilities back to the City and, subject to annual appropriation by the Council, the City will pay lease payments in an amount sufficient to pay the principal, premium, if any, and interest on the Certificates as the same become due and payable at maturity or upon earlier redemption, as applicable (the "Lease Payments");

WHEREAS, pursuant to the Trust Indenture, the Bank, in order to secure the payment of the principal of, premium, if any, and interest on the Certificates, assigns, transfers, pledges and grants to the Trustee a security interest in the Trust Estate, as defined in the Trust Indenture, including, among other things, all of its right title and interests in the Primary Lease and the Appropriation Lease under and pursuant to the terms thereof, and all payments including the Lease Payments, revenues, rents and receipts received or receivable by the Bank under the Appropriation Lease;

WHEREAS, at any time during the Initial Term or any Renewal Term of the Appropriation Lease (as such terms are defined in the Trust Indenture), the City may purchase Bank's right, title and interest in the Facilities pursuant to certain terms and conditions as set forth in the Appropriation Lease including, but not limited to, providing notice and tendering the purchase price (as described in Article XI of the Appropriation Lease) and, upon retirement of the Certificates, the City shall have the option to purchase all of the Bank's right, title and interest in the Facilities for nominal consideration; which option to purchase shall survive an Event of Nonrenewal (as defined in the Trust Indenture);

WHEREAS, execution of the Primary Lease and Appropriation Lease is conditioned upon delivery by the City to the Bank and Trustee of a leasehold owner's policy of title insurance in the amount and with coverage as required by the Primary Lease and the Appropriation Lease showing the Bank and the Trustee have valid leasehold interests in the Facilities, as their interests may appear of record, subject only to Permitted Encumbrances as described in the Appropriation Lease (the "Title Requirements");

WHEREAS, the Council desires to approve the terms and provisions of the Trust Indenture, the Primary Lease, the Appropriation Lease, and the POS (collectively, hereinafter referred to as the "Certificate Documents"), and to delegate authority to certain officials of the City to execute and deliver such documents, as applicable, together with such changes as shall be necessitated by the pricing and sale of the Certificates, and any other documents related to the sale of the Certificates; and

WHEREAS, the substantial forms of the Certificate Documents and the other documents referenced hereinafter have been provided to the Council for review prior to this meeting.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF TWIN FALLS, IDAHO, as follows:

ARTICLE I

DEFINED TERMS

Section 1.1 Certain terms are defined in the preambles hereto. Except as provided in the preambles or in the following Articles, all capitalized terms contained in this Ordinance shall have the same meanings as set forth in the Trust Indenture.

ARTICLE II

AUTHORIZATION OF CERTIFICATES

Section 2.1 In accordance with and subject to the terms, conditions, and limitations established by the Constitution and laws of the State and as contained in this Ordinance, the City hereby authorizes the Trustee to issue the Certificates pursuant to the Trust Indenture for the purpose of financing the Improvements and to pay the costs of issuance of the Certificates.

ARTICLE III

AUTHORIZATION OF ACTIONS PRELIMINARY TO SALE OF CERTIFICATES

Section 3.1 Negotiated Sale and Notice Thereof. The Council desires to sell the Certificates pursuant to negotiated sale to the Underwriter. In accordance with Idaho Code Section 57-215, the Notice of Negotiated Sale of Certificates in the form attached as **Exhibit A** hereto is hereby ratified and approved, and Skinner Fawcett LLP, as Bond Counsel, is authorized to complete the notice and effect timely publication thereof prior to the sale of the Certificates.

Section 3.2 Preliminary Official Statement. The POS in substantially the form previously provided to the Council and as presented to the Council at this meeting, with such changes, omissions, insertions and revisions as the Delegated Officers (hereinafter defined), with the advice of counsel to the City, shall approve, is hereby authorized, and the actions of the City, including the certification by the Delegated Officers, or any of them, as to the "deemed finality" of the POS pursuant to Rule 15c2-12 of the Securities Exchange Commission adopted pursuant to the Securities Exchange Act of 1934, as amended ("Rule 15c2-12") in connection with the offering of the Certificates, are hereby acknowledged, approved, and ratified.

Section 3.3 Certificate Purchase Agreement. The Certificate Purchase Agreement in substantially the form previously provided to the Council and as presented at this meeting, with such changes, omissions, insertions, and revisions as the Delegated Officers, with the advice of counsel to the City, shall approve, is hereby ratified, and approved. Upon the sale of the Certificates, the Delegated Officers, or any of them, are hereby authorized to execute and deliver the Certificate Purchase Agreement to the Underwriter. The Delegated Officers are authorized to do or perform all such acts as may be necessary or advisable to comply with the Certificate Purchase Agreement and to carry the same into effect.

Section 3.4 Official Statement. Upon the sale of the Certificates, the POS together with such changes, omissions, insertions, and revisions to reflect the final terms and provisions of the Certificates (thereafter referred to as the "Official Statement"), shall be approved and signed by the Delegated Officers, or any of them, to authorize delivery thereof to the Underwriter for distribution to prospective purchasers of the Certificates and other interested persons.

Section 3.5 Continuing Disclosure Undertaking. To comply with subsection (b)(5) of Rule 15c2-12, the Underwriter has provided in the Certificate Purchase Agreement that it is a condition to delivery of the Certificates that the City and the Trustee, as disclosure agent thereunder, shall have executed and delivered the Continuing Disclosure Agreement in substantially the form provided to the Council and attached to the POS. The Continuing Disclosure Agreement is hereby ratified and approved in all respects, together with such changes thereto as shall be consistent with the foregoing and as the Delegated Officers shall approve, and the Council authorizes the Underwriter to include a copy thereof in the POS and Official Statement. Upon delivery of the Certificates, the Mayor is hereby authorized to execute and deliver the Continuing Disclosure Agreement, which shall constitute the City's undertaking for compliance with Rule 15c2-12.

ARTICLE IV

DELEGATION AUTHORITY; SALE OF CERTIFICATES

Section 4.1 Delegation Authority. Pursuant to Section 57-235, Idaho Code, the Council hereby delegates to the Mayor and the City Manager, each with the authority to act alone on behalf of the City (the "Delegated Officers"), the power to make the following determinations on the date of sale of the Certificates, without any requirement the members of the Council meet to approve such determinations, but subject to the following limitations:

a. The rate of interest to be borne by the Certificates, as measured by the true interest cost, shall not exceed 5.500%.

b. The aggregate principal amount of the Certificates on the sale date; provided, however, the principal amount of the Certificates shall not exceed $10,000,000.

c. The principal and interest payment dates for the Certificates, with the final payment date for the Certificates to be not later than twenty-one (21) years from the date of the Certificates.

d. The amount of principal of the Certificates maturing, or subject to mandatory sinking fund redemption in any particular year and the rate of interest accruing thereon.

e. The dates, if any, on which, and the prices at which, the Certificates will be subject to optional redemption.

f. The price at which the Certificates will be sold (including any underwriter's discount, original issue premium and original issue discount).

Section 4.2 Certificate as to Pricing. Upon the sale of the Certificates, the Delegated Officers shall execute a Terms Certificate substantially in the form attached hereto as **Exhibit B** reflecting the final terms and provisions of the Certificates and certifying that the final terms and provisions of the Certificates are consistent with, not more than and no less favorable than the terms set forth in subparagraphs a. through f. in Section 4.1 above.

ARTICLE V

APPROVAL OF CERTIFICATE DOCUMENTS AND EXECUTION THEREOF UPON DELIVERY OF CERTIFICATES

Section 5.1 Primary Lease. The terms and provisions of the Primary Lease in substantially the form previously provided to the Council and as presented at this meeting are hereby approved, and the Mayor and the City Clerk are hereby authorized to execute and deliver the Primary Lease on behalf of the City together with such changes thereto as shall be consistent with the foregoing and upon verification of satisfaction of the Title Requirements with respect to the Facilities.

Section 5.2 Appropriation Lease. The terms and provisions of the Appropriation Lease in substantially the form previously provided to the Council and as presented at this meeting are hereby approved, and the Mayor and the City Clerk are hereby authorized to execute and deliver the Appropriation Lease on behalf of the City upon execution of the Primary Lease, and together with such changes thereto as shall be consistent with the foregoing.

Section 5.3 Trust Indenture. The terms and provisions of the Trust Indenture in substantially the form previously provided to the Council and as presented at this meeting are hereby approved, and the Mayor and the City Clerk are hereby authorized to execute and deliver the Trust Indenture on behalf of the City together with such changes thereto as shall be consistent with the foregoing at the time the City is able to execute and deliver the Primary Lease and Appropriation Lease.

Section 5.4 Tax Certificate. Pursuant to the Appropriation Lease, the City obligates itself to comply with the requirements of Section 103 of the Internal Revenue Code of 1986 and the regulations proposed or promulgated thereunder throughout the Lease Term in order to preserve the tax exempt status of the Certificate, and to take such actions, if any, to enable it to do so, including adopting ordinances or resolutions or entering into federal tax exemption certificates necessary to comply with any changes in law or regulations. Upon delivery of the Certificates, the Mayor and the City Manager are hereby authorized and directed to execute a federal tax exemption certificate with respect to the Certificates.

ARTICLE VI

GENERAL

Section 6.1 Other Actions With Respect to Certificates. The officers, officials, and employees of the City shall take all actions necessary or reasonably required to carry out, give effect to, and consummate the transactions contemplated hereby and shall take all action necessary in conformity with the laws of the State to carry out the sale and issuance of the Certificates, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the issuance, sale and delivery of the Certificates.

Section 6.2 Ratification. All proceedings, ordinances, resolutions, and actions of the Council and the officers, officials, agents, and employees of the City, as applicable, taken in connection with the execution and delivery of the Certificate Documents and all other documents authorized hereunder, and the authorization, sale, and issuance of the Certificates, are hereby in all respects ratified.

Section 6.3 Effective Date. That, pursuant to the affirmative vote of one-half (1/2) plus one (1) of the members of the Council, the rule requiring two (2) separate readings by title and one (1) reading in full be, and the same is hereby, dispensed with, and accordingly, this Ordinance shall be in full force and effect immediately upon its passage, approval, and publication of the summary substantially in the form attached hereto as **Exhibit C**, in the manner as required by law. Upon personal request, the City Clerk shall promptly provide the full text of this Ordinance to any citizen.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR of the City of Twin Falls, Twin Falls County, Idaho, this 27th day of June 2022.

CITY OF TWIN FALLS, a municipal corporation
of the State of Idaho

By: ______________________________
RUTH PIERCE, Mayor

____
City Clerk

[SEAL]

Exhibit A

FORM OF NOTICE OF NEGOTIATED SALE OF CERTIFICATES

NOTICE OF NEGOTIATED SALE OF CERTIFICATES

Public notice is hereby given by the City of Twin Falls, Idaho (the "City"), of negotiation for and private sale to Piper Sandler & Co. (the "Underwriter") of the City of Twin Falls, Idaho Annual Appropriation Certificates of Participation, Series 2022 (Fire Station No. 2 Project) (the "Certificates") pursuant to a Certificate Purchase Agreement between the City and the Underwriter to be executed on the date of sale of the Certificates, and setting forth the final terms and provisions of the Certificates. The Certificates were authorized to be issued by the City Council of the City pursuant to an Ordinance adopted June 27, 2022 (the "Ordinance"). The sale of the Certificates, upon satisfying certain requirements contained in the Ordinance pursuant to Idaho Code Section 57-235, is expected to occur on or around July 19, 2022. Additional information concerning the terms and provisions of the Certificates, the contents of the City's Preliminary Official Statement with respect to the issuance and sale of the Certificates, the security for payment of the Certificates, and other pertinent information relating to the Certificates is available for public inspection at the administrative offices of the City: 203 Main Avenue East, Twin Falls, ID, 83301.

By order of the City Council of the City of Twin Falls, Idaho.

Dated: July __, 2022.

CITY OF TWIN FALLS, IDAHO

Exhibit B

FORM OF TERMS CERTIFICATE

CITY OF TWIN FALLS, IDAHO
ANNUAL APPROPRIATION CERTIFICATES OF PARTICIPATION, SERIES 2022
(FIRE STATION NO. 2 PROJECT)

TERMS CERTIFICATE

The undersigned Delegated Officer of the City of Twin Falls, Idaho (the "City") does hereby certify as follows (capitalized terms used herein and not defined have the meanings assigned to such terms in the Ordinance hereinafter referred to and/or the Annual Appropriation Trust Indenture (the "Trust Indenture") among the City, Zions Bancorporation, National Association, as Trustee (the "Trustee"), and Zions Bancorporation, National Association, as lessor under the Annual Appropriation Lease Agreement):

1. The undersigned are familiar with Ordinance No. 2022-12 adopted by the City Council of the City on June 27, 2022 (the "Ordinance"), authorizing the Trustee to issue the City of Twin Falls, Idaho Annual Appropriation Certificates of Participation, Series 2022 (Fire Station No. 2 Project) (the "Certificates") pursuant to the Trust Indenture and to authorize related documents, which Certificates were sold on this date to Piper Sandler & Co. (the "Underwriter").

2. Section 4.1 of the Ordinance delegated to the undersigned, as Delegated Officers, the power to make certain determinations on the date of sale of the Certificates.

3. Pursuant to such delegation, the Delegated Officers hereby determine as follows:

(a) Details of the terms of the Certificates are reflected in the schedules of final sale numbers provided by the Underwriter on this date, which schedules are attached as **Exhibit A** hereto.

(b) The true interest cost of the Certificates is _____%, which does not exceed 5.500%.

(c) The aggregate principal amount of the Certificates is $_____, which does not exceed $10,000,000.

(d) The final maturity of the Certificates is September 1, 2042, which is not later than 20 years from the date of issuance thereof.

(e) The Certificates were sold at the purchase price of $_______, representing the principal amount thereof, plus [net] premium in the amount of $_______, less underwriter's discount of $_______.

(f) The Certificates are subject to optional [and mandatory sinking fund redemption] as reflected in **Exhibit A** and as specifically set forth in **Exhibit B** attached hereto.

4. The undersigned Delegated Officer hereby certifies the final terms and provisions of the Certificates, as described above and in the attached Exhibit A and Exhibit B, are consistent with, not in excess of and no less favorable than the terms set forth in subparagraphs a. through f. in Section 4.1 of the Ordinance.

5. The undersigned Delegated Officer has therefore executed and delivered the Certificate Purchase Agreement to the Underwriter this date.

DATED: July __, 2022.

CITY OF TWIN FALLS, IDAHO

By: ______________________________

RUTH PIERCE, Mayor

EXHIBIT A

FINAL NUMBERS PROVIDED BY UNDERWRITER

EXHIBIT B

REDEMPTION PROVISIONS

1. Optional Redemption:

The Certificates maturing on September 1 in the years 2023 through 2029, inclusive, are not subject to optional redemption prior to their stated dates of maturity. The Certificates maturing on or after September 1, 2030, are subject to redemption prior to their stated dates of maturity at the election of City at any time on or after September 1, 2029, in whole or in part (maturities to be selected by City and randomly within a maturity in such manner as the Trustee shall determine). Such optional redemption of the Certificates shall be at a price of 100% of the principal amount of the Certificates to be so redeemed, plus accrued interest to the date fixed for redemption

2. Mandatory Sinking Fund Redemption:

The Certificates maturing on September 1, 20__, are subject to mandatory sinking fund redemption prior to their stated maturity, at a price of 100% of the principal amount of the Certificates to be so redeemed, plus accrued interest to the date fixed for redemption, on September 1 of the years, and in the amounts, shown below:

SEPTEMBER 1 OF THE YEAR	MANDATORY REDEMPTION AMOUNT
	$
*	

*stated maturity

Exhibit C

FORM OF SUMMARY OF ORDINANCE

CITY OF TWIN FALLS, IDAHO

SUMMARY OF ORDINANCE NO. 2022-12

Passed June 27, 2022

AN ORDINANCE OF THE CITY OF TWIN FALLS, IDAHO APPROVING AND AUTHORIZING THE ISSUANCE AND PROVIDING FOR THE NEGOTIATED SALE OF THE PRINCIPAL AMOUNT OF UP TO $10,000,000 ANNUAL APPROPRIATION CERTIFICATES OF PARTICIPATION, SERIES 2022; DELEGATING AUTHORITY TO CERTAIN OFFICERS FOR THE SALE THEREOF; APPROVING AND AUTHORIZING THE EXECUTION OF A PRIMARY LEASE, AN ANNUAL APPROPRIATION LEASE AGREEMENT, AND AN ANNUAL APPROPRIATION TRUST INDENTURE, TOGETHER WITH OTHER RELATED DOCUMENTS; RATIFYING ACTIONS HERETOFORE TAKEN; AND PROVIDING FOR RELATED MATTERS.

Section 1.1 Sets out that capitalized terms not otherwise defined in Ordinance No. 2022-12 (the "Ordinance") shall have the same meanings as set forth in the Annual Appropriation Trust Indenture (the "Trust Indenture") among the City of Twin Falls, Idaho (the "City"), and Zions Bancorporation, National Association, in its capacities as Trustee thereunder and as lessor under the Annual Appropriation Lease Agreements, wherein the City is the lessee.

Section 2.1 Authorizes the Trustee to issue the City of Twin Falls, Idaho Annual Appropriation Certificates of Participation, Series 2022 (the "Certificates"), pursuant to the Trust Indenture for the purpose of financing the Improvements, as defined in the Trust Indenture, and to pay the costs of issuance of the Certificates.

Section 3.1 Ratifies and approves the form of Notice of Negotiated Sale of Certificates attached as Exhibit A to the Ordinance, and authorizes Bond Counsel to complete the notice and effect timely publication thereof prior to the sale of the Certificates.

Section 3.2 Authorizes the Preliminary Official Statement (the "POS") in the form provided to the Council in connection with the offering of the Certificates, and actions of the City related thereto, including the deemed finality of the POS by Delegated Officers of the City, or any of them, pursuant to Rule 15c2-12 of the Securities Exchange Commission ("Rule 15c2-12").

Section 3.3 Ratifies and approves the Certificate Purchase Agreement between the City and Piper Sandler & Co., as underwriter, in the form provided to the Council with such changes and revisions as the Delegated Officers, with advice of counsel to the City, shall approve, and, upon the sale of the Certificates, authorizes the execution of the Certificate Purchase Agreement by the Delegated Officers, or any of them, and the delivery of the executed Certificate Purchase Agreement to the underwriter.

Section 3.4 Provides that upon the sale of the Certificates, the POS together with such changes, omissions, insertions and revisions to reflect the final terms and provisions of the Certificates (thereafter referred to as the "Official Statement"), shall be approved and signed by the Delegated Officers, or any of them, to authorize delivery thereof to the Underwriter for distribution to prospective purchasers of the Certificates and other interested persons.

Section 3.5 Ratifies and approves the Continuing Disclosure Agreement together with such changes thereto as the Delegated Officers shall approve, and authorizes the Underwriter to include a copy thereof in the POS and Official Statement; authorizes the Mayor to execute and deliver the Continuing Disclosure Agreement constituting the City's undertaking for compliance with Rule 15c2-12.

Section 4.1 Delegates to the Delegated Officers of the City to make certain determinations on the date of sale of the Certificates, subject to certain limitations.

Section 4.2 Authorizes the Delegated Officers to execute a Certificate as to Pricing of Certificates and Related Matters substantially in the form attached to the Ordinance as Exhibit B reflecting the final terms and provisions of the Certificates and certifying the final terms and provisions of the Certificates are consistent with, not in excess of and no less favorable than the terms set forth in Section 4.1 of the Ordinance.

Section 5.1 Approves the substantial form of the Primary Lease provided to Council wherein the City, as lessor, leases to Zions Bancorporation, National Association ("Bank"), as lessee, the Facilities, and authorizes the execution and delivery thereof by the Mayor and the City Clerk, on behalf of the City, together with such changes thereto as shall be consistent with the provisions of the Ordinance, and upon verification of satisfaction of the Title Requirements with respect to the Facilities.

Section 5.2 Approves the substantial form of the Appropriation Lease provided to Council wherein the City, as lessee, leases from Bank, as lessor, the Facilities, subject to annual appropriation by the Council, and authorizes the execution and delivery thereof by the Mayor and the City Clerk, on behalf of the City, upon execution of the Primary Lease, together with such changes thereto as shall be consistent with the provisions of the Ordinance.

Section 5.3 Approves the substantial form of the Trust Indenture provided to Council among the Trustee, the City and Bank, and authorizes the execution and delivery thereof by the Mayor and the City Clerk, on behalf of the City, at the time the City is in a position to execute the Primary Lease and the Appropriation Lease, together with such changes thereto as shall be consistent with the provisions of the Ordinance.

Section 5.4 Obligates the City to comply with Section 103 of the Internal Revenue Code of 1986 throughout the Lease Term in order to preserve the tax exempt status of the Certificates, and authorizes and directs the Mayor and the City Manager to execute a federal tax exemption certificate with respect to the Certificates upon delivery thereof.

Section 6.1 Authorizes the officers, officials, and employees of the City to take all actions necessary or reasonably required to carry out, give effect to, and consummate the transactions contemplated by the Ordinance and to take all action necessary in conformity with the laws of the State of Idaho to carry out the sale and issuance of the Certificates, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the issuance, sale and delivery of the Certificates.

Section 6.2 Ratifies all proceedings, ordinances, resolutions, and actions of the Council and officers, officials, agents and employees of the City, as applicable, taken in connection with the execution and delivery of the Certificate Documents and all other documents authorized under the Ordinance, and the authorization, sale and issuance of the Certificates.

Section 6.3 Provides that, pursuant to the affirmative vote of one-half (1/2) plus one (1) of the members of the Council, the rule requiring two (2) separate readings by title and one (1) reading in full be, and the same is dispensed with, and accordingly, the Ordinance shall be in full force and effect immediately upon its passage, approval, and publication of this Summary as required by law.

Exhibit A: Sets forth the form of the Notice of Negotiated Sale of Certificates.

Exhibit B: Sets forth the form of the Term Certificate.

Exhibit C: Sets forth the substantial form of this Summary for publication.

The full text of Ordinance No. 2022-12 is available at the office of the Clerk of the City and will be provided to any citizen upon personal request during normal business hours.

Approved this ___ day of June 2022.

CITY OF TWIN FALLS, IDAHO

____
Ruth Pierce, Mayor

ATTEST:

____
Clerk

CERTIFICATION OF COUNSEL

I, the undersigned, the legal advisor to the City of Twin Falls, Idaho, hereby certify that I have read the attached Summary of Ordinance No. 2022-12 of the City, and that the same is true and complete and provides adequate notice to the public of the contents of said ordinance.

Dated as of this ___ day of June, 2022.

By: ________________________________
Shayne Nope, City Attorney

CERTIFICATE

I, the undersigned, City Clerk of the City of Twin Falls, Idaho (the "City"), hereby certify that the foregoing Ordinance No. 2022-12, including exhibits thereto, is a full, true, and correct copy of an Ordinance duly adopted at a regular meeting of the Council of the City (the "Council"); the meeting was duly and regularly held at the regular meeting place of the Council on June 27, 2022; all members of the Council had due notice thereof; a majority of the members were present; and that at said meeting said Ordinance was passed by the following vote:

Councilmembers voting Yes:

Councilmembers voting No:

Councilmembers abstaining:

Councilmembers absent:

I further certify that I have carefully compared the same with the original Ordinance No. 2022-12 on file and of record in my office; that said Ordinance is a full, true, and correct copy of the original Ordinance passed at said meeting; and that said Ordinance has not been amended, modified, or rescinded since the date of its passage, and is now in full force and effect.

I have set my hand on June __, 2022.

CITY OF TWIN FALLS, IDAHO

____
City Clerk

PRELIMINARY OFFICIAL STATEMENT DATED JULY __, 2022

NEW ISSUE—BOOK ENTRY ONLY

MOODY'S RATING: ___
See "RATINGS" herein

In the opinion of Skinner Fawcett LLP, Bond Counsel, assuming continuous compliance with certain covenants described herein: (i) interest on the Certificates is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Certificates (the "Tax Code"); (ii) interest on the Certificates is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code; and (iii) interest on the Certificates is excluded from gross income for purposes of income taxation by the State of Idaho. See "TAX MATTERS" herein.

$8,415,000(1)
City of Twin Falls, Idaho
Annual Appropriation Certificates of Participation, Series 2022
(Fire Station No. 2 Project)

DATED: Date of Delivery **DUE: September 1, as shown on the inside cover**

CERTIFICATES: The Annual Appropriation Certificates of Participation, Series 2022 (Fire Station No. 2 Project) (the "Certificates") offered hereby evidence undivided ownership interests in payments (the "Lease Payments") to be made by City of Twin Falls, Idaho, a municipal corporation operating and existing under and pursuant to the provisions of the Constitution and laws of the state of Idaho (the "City"), under that certain Annual Appropriation Lease Agreement dated _______, 2022 (the "Appropriation Lease"), with Zions Bancorporation, National Association, as lessor (the "Bank"). The Lease Payments are due semiannually on or before each March 1 and September 1, commencing March 1, 2023 and continuing, subject to appropriation annually by the City, through September 1, 2042. The Certificates will be issued pursuant to an Annual Appropriation Trust Indenture dated ______, 2022 (the "Trust Indenture") among the City, the Bank, and Zions Bancorporation, National Association, as trustee (the "Trustee").

BOOK-ENTRY ONLY SYSTEM: The Certificates will be issued in fully registered form under a book-entry only system and will be registered in the name of Cede & Co., as bond owner and nominee for The Depository Trust Company ("DTC"). DTC will act as initial securities depository for the Certificates. Individual purchases of the Certificates will be made in book-entry form, in the denomination of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Certificates purchased.

PRINCIPAL AND INTEREST PAYMENTS: Interest on the Certificates will be paid on March 1, 2023 and semiannually thereafter on March 1 and September 1 of each year to the maturity or earlier redemption of the Certificates. Principal of and interest on the Certificates will be payable to the persons in whose names such Certificates are registered (the "Beneficial Owners"), at the address appearing upon the registration books on the 15th day of the month preceding a payment date. The principal of and interest on the Certificates will be payable by the City's bond registrar, the Trustee, to DTC which, in turn, will remit such principal and interest to the DTC participants for subsequent disbursement to the Beneficial Owners of the Certificates.

MATURITY SCHEDULE: See inside cover.

PURPOSE: The Certificates are being issued to finance (i) the costs of preparing, constructing, furnishing, equipping and improving certain real and personal property comprising a new City fire station (Fire Station No. 2) and related facilities on certain real property currently owned by the City for use by the City, as well as (ii) the Costs of Issuance of the Certificates. See "PURPOSE AND USE OF PROCEEDS" and "THE IMPROVEMENTS" herein.

REDEMPTION: Certain of the Certificates are subject to optional and mandatory redemption as described herein. See "DESCRIPTION OF THE CERTIFICATES—Redemption."

SECURITY: The Lease Payments secure the Certificates and are general obligations of the City payable from any of its Lawful Funds (as defined herein). **The obligation of the City to make Lease Payments is subject to annual budgeting thereof by the City Council of the City and annual renewal of the Appropriation Lease at the option of the City. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES—Lease Payments Subject to Appropriation" and "RISK FACTORS" herein.**

THE CERTIFICATES AND THE INTEREST PAYABLE THEREON DO NOT CONSTITUTE A DEBT OR LIABILITY OR A PLEDGE OR LENDING OF THE FAITH AND CREDIT OF THE BANK, THE TRUSTEE, THE STATE, ITS LEGISLATURE OR ANY POLITICAL SUBDIVISIONS OR AGENCIES THEREOF, OTHER THAN THE CITY TO THE EXTENT HEREIN DESCRIBED. THE ISSUANCE OF THE CERTIFICATES DOES NOT DIRECTLY, INDIRECTLY, OR CONTINGENTLY OBLIGATE THE CITY (EXCEPT AS STATED IN THE PRIOR SENTENCE), THE STATE, ITS LEGISLATURE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR COLLECT ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT THEREOF. NOTHING HEREIN SHALL BE CONSTRUED TO PLEDGE REVENUES FROM, OR GIVE A SECURITY INTEREST IN, ANY REVENUES, PROPERTIES OR FACILITIES OF THE CITY EXCEPT AS SPECIFICALLY SET FORTH IN THE TRUST INDENTURE. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES" herein.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF ALL FACTORS RELATING TO AN INVESTMENT IN THE CERTIFICATES. INVESTORS ARE ADVISED TO READ THIS OFFICIAL STATEMENT (INCLUDING THE APPENDICES) IN ITS ENTIRETY BEFORE MAKING AN INVESTMENT DECISION.

LEGAL MATTERS: The Certificates are offered when, as and if issued and received by the Underwriter (hereinafter defined), subject to the approval of legality by Skinner Fawcett LLP, bond counsel, and certain other conditions. Certain matters will be passed on for the Underwriter by its legal counsel, Hawley Troxell Ennis & Hawley LLP, and by Hawley Troxell Ennis & Hawley LLP, in its capacity as disclosure counsel to the Underwriter. It is expected that the Certificates will be available for delivery through the facilities of DTC on or about ________, 2022 (the "Date of Delivery").

(1) Preliminary, subject to change.

PIPER | SANDLER

$8,415,000[1]
City of Twin Falls, Idaho
Annual Appropriation Certificates of Participation, Series 2022
(Fire Station No. 2 Project)

DATED: Date of Delivery **DUE: as shown below**

MATURITY SCHEDULE –

Due Date September 1	Amount[1]	Interest Rate	Yield	CUSIP[2]
2023	$ 220,000			
2024	270,000			
2025	280,000			
2026	295,000			
2027	310,000			
2028	325,000			
2029	345,000			
2030	360,000			
2031	380,000			
2032	395,000			
2033	415,000			
2034	440,000			
2035	460,000			
2036	480,000			
2037	505,000			
2038	530,000			
2039	560,000			
2040	585,000			
2041	615,000			
2042	645,000			
	$8,415,000			

(1) Preliminary, subject to change.

(2) The CUSIP data herein is provided by the CUSIP Global Services, managed on behalf of the American Bankers Association by Standard and Poor's. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for the CUSIP service. CUSIP numbers have been assigned by an independent company not affiliated with the City and are provided solely for convenience and reference. The CUSIP numbers for a specific maturity are subject to change after the issuance of the Certificates. Neither the City nor the Underwriter takes responsibility for the accuracy of the CUSIP numbers.

REGARDING USE OF THIS PRELIMINARY OFFICIAL STATEMENT

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY OR BY THE UNDERWRITER TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN AS CONTAINED IN THIS PRELIMINARY OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CITY OR THE UNDERWRITER. THIS PRELIMINARY OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE CERTIFICATES, NOR SHALL THERE BE ANY SALE OF THE CERTIFICATES BY ANY PERSON, IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSONS TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE CITY, DTC, AND CERTAIN OTHER SOURCES THAT ARE BELIEVED TO BE RELIABLE BUT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS. THE INFORMATION AND EXPRESSIONS OF OPINION CONTAINED HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE. ANY STATEMENTS MADE IN THIS PRELIMINARY OFFICIAL STATEMENT INVOLVING MATTERS OF OPINION OR ESTIMATES, WHETHER OR NOT SO EXPRESSLY STATED, ARE SET FORTH AS SUCH AND NOT AS REPRESENTATIONS OF FACT OR REPRESENTATIONS THAT THE ESTIMATES WILL BE REALIZED.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE CERTIFICATES AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

NEITHER THE DELIVERY OF THIS PRELIMINARY OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE DATE HEREOF.

THIS PRELIMINARY OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT WITH THE PURCHASERS OF THE CERTIFICATES. STATEMENTS IN THIS PRELIMINARY OFFICIAL STATEMENT THAT ARE NOT HISTORICAL INFORMATION ARE FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF THE FEDERAL SECURITIES LAWS. IN THIS RESPECT, THE WORDS "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "INTEND," "BELIEVE," "FORECAST" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. ALTHOUGH THE CITY BELIEVES THAT ITS EXPECTATIONS REGARDING FUTURE EVENTS ARE BASED ON REASONABLE ASSUMPTIONS WITHIN THE SCOPE OF ITS KNOWLEDGE, THE CITY CAN GIVE NO ASSURANCE THAT ITS GOALS WILL BE ACHIEVED OR THAT ITS EXPECTATIONS REGARDING FUTURE DEVELOPMENTS WILL BE REALIZED. THE FORWARD-LOOKING STATEMENTS IN THIS PRELIMINARY OFFICIAL STATEMENT ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE THE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED BY THESE STATEMENTS.

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS PRELIMINARY OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE CERTIFICATES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON A SPECIFIC EXEMPTION CONTAINED IN SUCH ACT, NOR HAVE THEY BEEN REGISTERED UNDER THE SECURITIES LAWS OF ANY STATE.

THIS PRELIMINARY OFFICIAL STATEMENT HAS BEEN "DEEMED FINAL" BY THE CITY, PURSUANT TO RULE 15C2-12 PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR INFORMATION WHICH IS PERMITTED TO BE EXCLUDED FROM THIS PRELIMINARY OFFICIAL STATEMENT UNDER SAID RULE 15C2-12.

* * *

CITY OF TWIN FALLS, IDAHO

203 Main Avenue East
Twin Falls, ID 83301
(208) 735-7271

MAYOR AND CITY COUNCIL

Ruth Pierce	Mayor
Chris Reid	Vice-Mayor
Shawn Barigar	Council Member
Nikki Boyd	Council Member
Craig Hawkins	Council Member
Jason Brown	Council Member
Spencer Cutler	Council Member

KEY APPOINTED OFFICIALS

Travis Rothweiler	City Manager
Breanna Howard	City Finance Director
Mandi Thompson	Assistant to the City Manager
Les Kenworthy	Fire Chief
Shayne Nope	City Attorney

UNDERWRITER

Piper Sandler & Co.
101 South Capitol Blvd, Suite 603
Boise, ID 83702

BOND COUNSEL

Skinner Fawcett LLP
250 W. Bobwhite Ct., Suite 240
Boise, ID 83706
(Mailing Address: P.O. Box 700, Boise, ID 83701)

UNDERWRITER'S AND DISCLOSURE COUNSEL

Hawley Troxell Ennis & Hawley LLP
877 Main Street, Suite 1000
Boise, Idaho 83702
(Mailing Address: P.O. Box 1617, Boise, ID 83701)

MUNICIPAL ADVISOR

Zions Public Finance, Inc.
800 W. Main Street, Suite 700
Boise, ID 83702
(208) 501-7533

TRUSTEE, PAYING AGENT AND REGISTRAR

Zions Bancorporation, National Association
800 W Main St, Suite 700
Boise, ID 83702

BANK

Zions Bancorporation, National Association
800 W Main St, Suite 700
Boise, ID 83702

Table of Contents

APPENDICES:

RENDERING OF THE IMPROVEMENTS [1]

(1) Preliminary, subject to change.

Source: the City.

PRELIMINARY OFFICIAL STATEMENT

\$8,415,000[(1)]
City of Twin Falls, Idaho
Annual Appropriation Certificates of Participation, Series 2022
(Fire Station No. 2 Project)

INTRODUCTION

The City of Twin Falls, Idaho (the "City") in Twin Falls County, Idaho (the "County"), a municipal corporation operating and existing under and pursuant to the provisions of the Constitution and laws of the state of Idaho (the "State"), furnishes this Preliminary Official Statement in connection with the offering of \$8,415,000[(1)] Annual Appropriation Certificates of Participation, Series 2022 (Fire Station No. 2 Project) (the "Certificates"), dated the Date of Delivery. This Preliminary Official Statement, which includes the cover page, inside cover page and appendices, provides information concerning the City and the Certificates.

The Certificates offered hereby evidence undivided ownership interests in payments (the "Lease Payments") to be made by the City, as lessee under that certain Annual Appropriation Lease Agreement dated _______, 2022 (the "Appropriation Lease") with Zions Bancorporation, National Association, as lessor (the "Bank"). The Lease Payments are due semiannually on or before each March 1 and September 1, commencing March 1, 2023 and continuing, subject to appropriation annually by the City, through September 1, 2042. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES" herein. The Certificates will be issued pursuant to the Annual Appropriation Trust Indenture dated _______, 2022 (the "Trust Indenture"), among the City, the Bank, and Zions Bancorporation, National Association, as trustee (the "Trustee").

The information set forth herein has been obtained from the City and other sources that are believed to be reliable. The Underwriter has relied on the City with respect to the accuracy and sufficiency of such information and such information is not to be construed as a representation, warranty or guarantee by the Underwriter. So far as any statement herein includes matters of opinion, or estimates of future expenses and income, whether or not expressly so stated, they are intended merely as such and not as representations of fact. This Preliminary Official Statement speaks only as of its date, and the information contained herein is subject to change. Capitalized words and phrases used in this Preliminary Official Statement have the meanings as defined in the forms of the Primary Lease (hereinafter defined), the Appropriation Lease and the Trust Indenture, which documents are attached to this Preliminary Official Statement as APPENDICES E, F, and G, respectively, all of such appendices being herein referred to as the "Documents." Brief descriptions and summaries of, and information relating to the Certificates, the City, and the Documents are hereinafter included in this Preliminary Official Statement. Such descriptions, summaries and information do not purport to be exhaustive, comprehensive, or definitive. All references herein to the Certificates and the Documents, or the terms or provisions of any of the foregoing, are qualified by reference to such documents in their entirety.

The City

The City is a municipal corporation operating and existing under and pursuant to the provisions of the Constitution and laws of the State. Incorporated in 1905, the City is located in south-central Idaho along the Snake River canyon, approximately 135 miles east of Boise and 218 miles north of Salt Lake City, and occupies a land area of approximately 18 square miles. The City is the County seat and the largest city in the County, with an estimated population of approximately 52,000, making it the eighth largest city in the State. The City serves as the urban, retail, educational, medical and employment center of the Magic Valley—an area in south-central Idaho consisting of Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka, and Twin Falls counties, with a total combined population of over 260,000. As a result, the daytime population of the City often swells by an estimated 50,000 people.

The City provides the following services to its citizens: planning and community development (building plan reviews, building inspections and economic development); public safety (police, fire, and rescue, emergency communications and emergency management); street improvements and street maintenance; support services (information systems, communications, facilities, financial, fleet, human resources, information, and risk management); parks, recreational and cultural services; airport; utilities (water, sewer, and sanitation); and refuse disposal and environmental remediation. For additional information see "THE CITY" herein.

(1) Preliminary, subject to change.

Purpose of the Certificates

The Certificates are being issued to finance (i) the costs of preparing, constructing, furnishing, equipping and improving certain real and personal property comprising a new City fire station (Fire Station No. 2) and related facilities on certain real property currently owned by the City (the "Property") for use by the City (the "Improvements" as further described in "THE IMPROVEMENTS" herein), as well as (ii) the Costs of Issuance of the Certificates. See "PURPOSE AND USE OF PROCEEDS" herein.

Authorization

Pursuant to Section 50-301, Idaho Code, the City is authorized to acquire, hold, lease, and convey property, real and personal, and to erect buildings or structures of any kind, needful for the uses or purposes of the City. The City Council of the City (the "City Council") adopted an Ordinance at a regular meeting on [June 27], 2022 (the "Ordinance") approving the terms and provisions of the Primary Lease (as defined below), the Appropriation Lease, and the Trust Indenture and delegating authority to officials of the City to approve the pricing and sale of the Certificates and to enter into a purchase contract with the Underwriter, and to execute and deliver the documents with such changes necessitated by the pricing and sale of the Certificates.

The Certificates and Financing Structure

Pursuant to its statutory authority and the Ordinance, the City is authorizing the issuance of the Certificates pursuant to the Trust Indenture. Concurrently with the issuance of the Certificates, (a) the City and the Bank will enter into a Primary Lease dated as of _______, 2022 (the "Primary Lease"), pursuant to which the City will lease the Property together with the Improvements to be constructed thereon (the Property and Improvements collectively referred to as the "Facilities") to the Bank for a term ending September 30, 2042 or such earlier date as the Certificates shall have been fully paid or payment provided therefor, or such longer period until the Certificates are no longer Outstanding and shall have been fully paid and retired, but not exceeding thirty (30) years, and (b) the City and the Bank will separately enter into the Appropriation Lease pursuant to which the Bank will lease the Facilities back to the City on an annual basis subject to appropriation and renewal by the City. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES."

Security for the Certificates

The Lease Payments secure the Certificates and are general obligations of the City payable from any of its Lawful Funds (as defined herein). **The Lease Payments are subject to annual appropriation by the City in each year as part of its budgeting and appropriation process.** See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES—Lease Payments Subject to Appropriation," herein.

THE CERTIFICATES AND THE INTEREST PAYABLE THEREON DO NOT CONSTITUTE A DEBT OR LIABILITY OR A PLEDGE OR LENDING OF THE FAITH AND CREDIT OF THE BANK, THE TRUSTEE, THE STATE, ITS LEGISLATURE OR ANY POLITICAL SUBDIVISIONS OR AGENCIES THEREOF, OTHER THAN THE CITY TO THE EXTENT HEREIN DESCRIBED. THE ISSUANCE OF THE CERTIFICATES DOES NOT DIRECTLY, INDIRECTLY, OR CONTINGENTLY OBLIGATE THE CITY (EXCEPT AS STATED IN THE PRIOR SENTENCE), THE STATE, ITS LEGISLATURE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR COLLECT ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT THEREOF. NOTHING HEREIN SHALL BE CONSTRUED TO PLEDGE REVENUES FROM, OR GIVE A SECURITY INTEREST IN, ANY REVENUES, PROPERTIES OR FACILITIES OF THE CITY EXCEPT AS SPECIFICALLY SET FORTH IN THE TRUST INDENTURE. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES" herein.

Delivery of the Certificates

The City expects to deliver the Certificates on or about __________, 2022.

Tax Status of the Certificates

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Certificates is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Certificates (the "Tax Code"), and interest on the Certificates is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, and interest on the Certificates is excluded from gross income for purposes of income taxation by the State. See “TAX MATTERS.”

This Introduction is not a summary of this Preliminary Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Preliminary Official Statement, including the cover page and appendices hereto and the documents summarized or described herein. A full review should be made of the entire Preliminary Official Statement. The offering of the Certificates to potential investors is made only by means of the entire Preliminary Official Statement.

DESCRIPTION OF THE CERTIFICATES

Principal Amount, Date, Interest Rate and Maturity

The Certificates will be issued in the aggregate principal amount[(1)] as shown on the cover page of this Preliminary Official Statement, will be dated the Date of Delivery, and will mature on September 1 in the years shown on the inside cover hereof. The Certificates shall bear interest as set forth on the inside cover hereof payable on March 1, 2023 and semiannually thereafter on March 1 and September 1 of each year (each an “Interest Payment Date”) until maturity or earlier redemption thereof. Interest on the Certificates will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Redemptions

Optional Redemption. The Certificates maturing on September 1 in the years 2023 through 2029, inclusive, are not subject to optional redemption prior to their stated dates of maturity. The City has reserved the right to call and redeem the Certificates maturing on or after September 1, 2030, prior to their stated dates of maturity, in whole or in part (maturities to be selected by the City and randomly within a maturity in such manner as the Trustee shall determine) at any time, on and after September 1, 2029, at the price of par plus accrued interest, if any, to the date fixed for redemption.

Mandatory Redemption. [Unless previously called under the provisions for optional redemption, the Certificates maturing on September 1 ____ are Term Certificates and are subject to mandatory redemption and retirement prior to maturity, in part, by lot in such manner as the Trustee shall determine, at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon, if any, to the date fixed for redemption, as set forth in the following table:

SEPTEMBER 1 OF THE YEAR	MANDATORY REDEMPTION AMOUNT
20__	$ _______
20__*	________

*term Certificate, stated maturity]

Redemption of Certificates in Whole upon Occurrence of Certain Events. The Certificates are also redeemable at the option of the City in whole at any time at a redemption price equal to 100% of the principal amount of each Certificate redeemed plus accrued interest to but not including the redemption date upon the occurrence of any of the following events:

(a) The Facilities shall have been damaged or destroyed to such extent that, as expressed in a Consulting Architect’s Certificate filed with the City, the Bank and the Trustee, (i) the Facilities cannot be reasonably restored within a period of twelve (12) consecutive months to the condition thereof immediately preceding such damage or destruction, or (ii) the City is thereby prevented from carrying on its normal operations with respect to the Facilities for a period of twelve (12) consecutive months.

(b) Title to, or the temporary use of, all or substantially all the Facilities shall have been taken under the exercise of the power of eminent domain by any governmental authority, or person, firm or corporation acting under governmental authority, including such a taking or takings as results, as evidenced in a Consulting Architect’s Certificate filed with the City, the Bank and the Trustee, in City being thereby prevented from carrying on its normal operations at the Facilities for a period of twelve (12) consecutive months.

(1) Preliminary, subject to change.

(c) A defect in title shall have occurred that results in a complete loss of the City's title to the Facilities.

Redemption of Certificates in Part upon Occurrence of Certain Events. The Certificates are also redeemable by the City in part at any time at a redemption price equal to 100% of the principal amount of each Certificate redeemed plus accrued interest to but not including the redemption date payable only with Net Proceeds of insurance or a condemnation award upon the occurrence of any of the following events:

(a) The Facilities are destroyed or damaged (in whole or in part) by fire or other casualty to such extent that the claim for loss under the insurance policies required to be carried pursuant to the Appropriation Lease resulting from such destruction or damage is $500,000 or more, provided that the City furnishes to the Bank and the Trustee a Consulting Architect's Certificate stating (i) that the portion of the Facilities damaged or destroyed is not essential to City's use or occupancy of the Facilities, or (ii) that the Facilities have been restored to a condition substantially equivalent to their value and condition prior to the damage or destruction.

(b) Title to, or the temporary use of, the Facilities or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority and the Net Proceeds from any award made in such eminent domain proceedings is $500,000 or more, provided that the City furnishes to the Bank and the Trustee a Consulting Architect's Certificate stating (i) that the portion of the Facilities taken by such condemnation proceedings is not essential to City's use or occupancy of the Facilities, or (ii) that the Facilities have been restored to a condition substantially equivalent to their value and condition prior to the taking by such condemnation proceedings, or (iii) that improvements have been acquired which are suitable for the City's operations at the Facilities and such other improvements will, together with the remaining improvements after eminent domain be of substantially the same value as the Facilities prior to the taking.

(c) A defect in title shall have occurred that results in a partial compensable loss of $500,000 or more under the leasehold owner's policy of title insurance (extended coverage) required by the Primary Lease and the Appropriation Lease.

Certificates Redeemed in Part

Any Certificate which is to be redeemed only in part shall be surrendered at a place stated for the surrender of Certificates called for redemption in the notice pursuant to the Trust Indenture with due endorsement by, or a written instrument of transfer in form satisfactory to the Trustee duly executed by, the Owner thereof or his attorney duly authorized in writing and with guaranty of signatures satisfactory to the Trustee) and the Bank shall cause the Trustee to authenticate and deliver to the Owner of such Certificate without service charge a new certificate or certificates of the same series in any authorized denomination as requested by such Owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Certificate so surrendered.

Notice of Redemption

Notice of redemption may be conditional or unconditional and shall be given by the Trustee by mail (first class, postage prepaid), not less than thirty (30) or more than sixty (60) days prior to the redemption date, to the Owners, as of the Record Date, of each Certificate which is subject to redemption, at the address of such Owner as it appears in the registration books kept by the Trustee, or at such other address as is furnished to the Trustee in writing by such Owner on or prior to the Record Date. Each notice of redemption shall state the name and series of the Certificates, the Record Date, the redemption date, the place of redemption, the principal amount if less than all, the distinctive numbers of the Certificates or portions of Certificates to be redeemed, and also shall state that the interest on the Certificates in such notice designated for redemption shall cease to accrue from and after such redemption date and that, on said date, there will become due and payable on each of said Certificates the principal thereof, interest accrued thereon to the redemption date, and premium, if any. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the Owner or other recipient receives such notice. Failure to mail such notice or any defect therein shall not affect the validity of the proceedings for redemption of the Certificates.

In addition to the foregoing notice, further notice shall be given by the Trustee as set out below, but no defect in said further notice or any failure to give all or any portion of such further notice shall affect in any manner the validity of a call for redemption if notice thereof is given as above described:

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Certificates being redeemed; (ii) the date of issue of the Certificates as originally issued; (iii) the rate of interest borne by each Certificate being redeemed; (iv) the maturity date of each Certificate being redeemed; and (v) the series and any other descriptive information needed to identify accurately the Certificates being redeemed.

(b) Each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date by telecopy, mail (first class, postage prepaid) or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Certificates designated by the Trustee by the City and to any nationally recognized information services designated by the City to the Trustee.

(c) Upon the payment of the redemption price of Certificates being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number or numbers identifying, by issue and maturity, the Certificates being redeemed with the proceeds of such check or other transfer.

If conditional notice of redemption has been given and sufficient funds to pay the redemption price, including accrued interest on the Certificates to be redeemed, shall not have been deposited with the Trustee, such notice of redemption shall be of no force and effect and the Trustee shall not be required to redeem the Certificates on the redemption date.

Funds under the Trust Indenture

The following funds are created under the Trust Indenture:

Debt Service Fund. The Debt Service Fund shall be held by the Trustee for the payment of principal and interest on the Certificates.

Construction Fund. The Construction Fund shall be funded with proceeds from the sale of Certificates, as necessary to pay Costs of Acquisition and Construction of the Improvements. Amounts on deposit in the Construction Fund shall be invested by the Trustee pursuant to written certificates of the City in Permitted Investments that mature not later than such times as shall be necessary to provide moneys when needed to pay such Costs of Acquisition and Construction. The interest, as well as the gain, if any, on such investments shall be deposited into the Construction Fund.

The Trustee shall make disbursements to pay Costs of Acquisition and Construction from the Construction Fund account in the amounts, at the times, in the manner, and on the other terms and conditions set forth in the Trust Indenture and the Appropriation Lease. After completion of the payment of all Costs of Acquisition and Construction of the Improvements, as certified by the City, any balance within the Construction Fund shall be transferred (1) first, to the Rebate Fund in an amount required to comply with the Trust Indenture and (2) second, to the extent of any remaining balance, to the Debt Service Fund, and the Construction Fund shall thereafter be closed and terminated.

Costs of Issuance Fund. The Costs of Issuance Fund for the Certificates shall be held by the Trustee and shall be funded with so much of the Net Certificate Proceeds as shall be required to pay the Costs of Issuance of the Certificates, and from which the Costs of Issuance (except the underwriter's compensation and bond insurance premium, if any) shall be paid by the Trustee pursuant to a written certificate and request of the City. Moneys in the Costs of Issuance Fund shall be invested by the Trustee in Permitted Investments pursuant to written certificates by the City. The interest, as well as the gain, if any, on such investments shall be deposited into the Costs of Issuance Fund. Any balance remaining in the Costs of Issuance Fund after payment of the Costs of Issuance or 90 days after the initial delivery of the Certificates, which ever shall first occur, shall be transferred to the Construction Fund, and the Costs of Issuance Fund shall thereupon be closed.

Rebate Fund. The Rebate Fund shall be held by the Trustee separate and apart from all other funds established under the Trust Indenture. At the time and in the manner required by the Tax Code, the City, using such consultants as it deems necessary, shall calculate the amount, if any, required to be rebated as of such date to the United States Treasury with respect to the Certificates, and shall instruct the Trustee in writing to transfer such amounts from the Debt Service Fund to the Rebate Fund or shall otherwise pay such amounts to the Trustee for deposit into the Rebate Fund. All amounts in the Rebate Fund, including income earned from investment of the Rebate Fund, shall be held by the Trustee free and clear of the lien of the Trust Indenture, and the Trustee shall pay said amounts over to the United States from time to time as the Trustee shall be instructed in writing by the City, in accordance with the Tax Certificate.

Tax Covenant

In the Appropriation Lease, the City covenants for the benefit of the Beneficial Owners (defined below) and the Bank that during the Lease Term it will not take any action or omit to take any action with respect to the Certificates, the proceeds thereof, any other funds of the City or any facilities financed with the proceeds of the Certificates if such action or omission (i) would cause the interest on the Certificates to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (ii) would cause interest on the Certificates to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, or (iii) would cause interest on the Certificates to lose its exclusion from State income taxation under present State law.

The Trustee

The City has appointed Zions Bancorporation, National Association, a national banking association organized under the laws of the United States, to serve as Trustee for the Certificates under the Trust Indenture. The Trustee is to carry out those duties assignable to it under the Trust Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Preliminary Official Statement and does not assume any responsibility for the nature, completeness, contents or accuracy of the Preliminary Official Statement.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the City of any of the Certificates authenticated or delivered pursuant to the Trust Indenture or for the use or application of the proceeds of such Certificates by the City. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Certificates and makes no representation, and has reached no conclusions, regarding the value or condition of any assets pledged or assigned as security for the Certificates, the technical or financial feasibility of the Facilities, or the investment quality of the Certificates, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

The principal of and interest on the Certificates will be payable by the Trustee to DTC, which, in turn, is obligated to remit such principal and interest to its participants ("DTC Participants") for subsequent disbursement to the persons in whose names such Certificates are registered (the "Beneficial Owners"), as further described in APPENDIX C attached hereto. Interest on the Certificates shall be credited to the Beneficial Owners by the DTC Participants.

Additional information about the Trustee and its services may be found at Zions Bank's website at https://www.zionsbank.com/business-banking/other-banking-services/corporate-trust/. The Zions Bank website is not incorporated into this Preliminary Official Statement by such reference and is not a part hereof.

Book-Entry System

The Certificates will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co. as the Beneficial Owner and as nominee for DTC. DTC will act as securities depository for the Certificates. Individual purchases and sales of the Certificates may be made in book-entry form only in minimum denominations of $5,000 within a single maturity and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Certificates. See APPENDIX C attached hereto for additional information.

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SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES

Structure of Primary Lease and Appropriation Lease

Concurrently with the issuance of the Certificates, (a) the City and the Bank will enter into the Primary Lease, pursuant to which the City will lease the Property together with the Improvements to be constructed thereon (the Property and Improvements collectively referred to as the "Facilities" as previously defined) to the Bank for a term ending September 30, 2042 or such earlier date as the Certificates shall have been fully paid or payment provided therefor, or such longer period until the Certificates are no longer Outstanding and shall have been fully paid and retired, but not exceeding thirty (30) years, and (b) the City and the Bank will separately enter into the Appropriation Lease pursuant to which the Bank will lease the Facilities back to the City on an annual basis subject to appropriation and renewal by the City.

During the Term of the Primary Lease (as defined therein), the parties have agreed that the mutual promises and covenants contained therein constitute good and valuable consideration for entering into the Primary Lease and no rent shall be payable from the Bank to the City for the use and enjoyment of the Facilities.

Pledge under Trust Indenture

Under the Trust Indenture, the Bank has assigned, transferred, pledged, and granted a security interest to the Trustee, and its successors in trust and assigns, for the benefit and security of the owners of the Certificates, all of its right, title and interest in (i) the Primary Lease, (ii) the Appropriation Lease including Lease Payments, revenues and rents received or receivable by the Bank thereunder, (iii) all of the right, title and interest of the Bank in and to all funds (other than the Rebate Fund) established under the Trust Indenture, and (iv) all of the right, title and interest of the Bank in and to all furniture, furnishings and equipment acquired with proceeds of the Certificates located and installed in the Facilities or used in the operations of the Facilities, including, without limitation (a) office and conference room furnishings, (b) audio-visual and information technology equipment, and (c) all such other furniture, furnishings and equipment used in the operations of the Facilities (collectively, the "Trust Estate"). The Primary Lease and the Appropriation Lease, or summaries thereof, and a memorandum of assignment of the Primary Lease and the Appropriation Lease by the Bank to the Trustee shall be recorded in the real property records of Twin Falls County, Idaho. A financing statement covering the Trust Estate assigned to the Trustee under the Trust Indenture shall be filed with the Idaho Secretary of State.

Sources of Payment

Lease Payments under the Appropriation Lease are payable, subject to appropriation annually by the City, from the following lawful funds of the City (the "Lawful Funds"):

(i) all operating and nonoperating governmental revenues of the City—see "REVENUE SOURCES OF THE CITY" herein—excluding all revenues that the City is obligated to spend in accordance with restrictions imposed by law or external third parties;

(ii) fire impact fees—see "REVENUE SOURCES OF THE CITY—Fire Impact Fees" herein; and

(iii) unrestricted General Fund reserves of the City.

The Lease Payments are due semiannually on or before each March 1 and September 1, commencing March 1, 2023 and continuing, subject to appropriation annually by the City, through September 1, 2042. No Lease Payment will be made with respect to the Initial Term (as defined below). For any Renewal Term, as applicable, the City shall pay to the Trustee for deposit into the Debt Service Fund on or before each March 1 and September 1 Lease Payment Date, the semiannual Lease Payment amount, which amount shall be used to pay the principal of, premium, if any, and interest on the Certificates in the amount due on the next March 1 and September 1 Interest Payment Date.

The historical Lawful Funds of the City have been estimated in Table 1.

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TABLE 1
HISTORICAL LAWFUL FUNDS OF THE CITY

	Fiscal Year Ending September 30				
	2021	**2020**	**2019**	**2018**	**2017**
Property Taxes; Total Governmental Funds........................	$18,606,019	$23,213,478	$22,047,525	$20,296,182	$19,044,951
Other Revenues – General Fund..	9,682,495	8,263,235	8,102,028	7,295,250	6,596,215
Other – Total Governmental Funds.....................................	2,742,938	5,102,176	4,876,269	5,422,059	2,652,932
Fire Impact Fees…………………………………………	631,682	530,734	331,440	454,866	194,420
Lawful Funds from Revenues...	**$31,663,134**	**$37,109,623**	**$35,357,262**	**$33,468,357**	**$28,488,518**
Assigned and Unassigned Fund Balances – General Fund…	$10,382,728	$10,811,603	$9,177,112	$8,135,374	$9,472,513
Assigned and Unassigned Fund Balances – Capital Funds....	14,525,498	9,829,570	11,570,584	11,258,538	16,800,635
Lawful Funds from Reserves (Prior Year End)................	**$24,908,226**	**$20,641,173**	**$20,747,696**	**$19,393,912**	**$26,273,148**

Source: the City; Information extracted from the City's audited financial statements for the stated Fiscal Years. This summary has not been audited.

Lease Payments Subject to Appropriation

The obligation of the City to make Lease Payments is subject to annual budgeting thereof by the City Council and renewal of the Appropriation Lease at the option of the City. The initial term of the Appropriation Lease extends through September 30, 2022 (the "Initial Term") and is subject to annual renewal by the City for a total of not more than twenty (20) consecutive renewal terms commencing on October 1, 2022, or on any subsequent October 1, and terminating on the following September 30 (each a "Renewal Term"). Each Renewal Term shall be for no more than one year in duration. The final Renewal Term shall commence October 1, 2041 and terminate September 30, 2042 unless the Appropriation Lease shall be sooner terminated as set forth therein. The City has included an appropriation for the Lease Payment relating to the 2022-2023 Renewal Term in its proposed Fiscal Year 2022-23 Budget to be adopted in August 2022.

On or before August 1 of each year, the City shall give notice to the Bank and Trustee of its intent to renew the Appropriation Lease for the next subsequent Renewal Term (the "Notice of Intent to Renew") or, alternatively, notify the Bank and Trustee that the City has elected to not renew the Appropriation Lease. Such Notice of Intent to Renew shall include the City's confirmation that it will consider at an upcoming meeting of the City Council a tentative appropriation of funds sufficient to pay Lease Payments for the next subsequent Renewal Term. See "THE CITY—Budgetary Process" herein. The Notice of Intent to Renew is conditional on the City Council's budgeting of funds therefor and does not constitute a renewal of the Appropriation Lease nor obligate the City to budget funds for the purpose of such renewal. In the event the Bank and Trustee shall not have received the Notice of Intent to Renew by August 1 of each year, the Bank or Trustee will notify the City of such non-receipt, and the City shall then have until August 15 to deliver to the Bank and Trustee its Notice of Intent to Renew.

Provided the Notice of Intent to Renew has been delivered timely, the City may, at its option, renew the Appropriation Lease by budgeting funds therefor and by thereafter providing to the Bank and Trustee a notice of renewal accompanied by a certified copy of the ordinance or other official action of the City Council adopting its budget which includes the expenditure of funds for Lease Payments for said Renewal Term or otherwise evidencing the appropriation of the Lease Payment for the next Renewal Term (collectively, the "Notice of Renewal"). The City typically adopts its budget on or before August 31 of each year. The Notice of Renewal shall be due to the Bank and Trustee promptly following the adoption of the City's budget containing the appropriation for the next Renewal Term and in no event later than September 15 preceding the next Renewal Term. The budgeting of funds as aforesaid shall constitute a valid and enforceable obligation of the City for the payment of such funds for such Renewal Term and shall not be subject to abatement for any cause.

If the City fails to deliver the Notice of Intent to Renew by August 15, after notification of nonreceipt by the Bank or the Trustee, or the Notice of Renewal by September 15, or if the City shall at any time notify the Bank and the Trustee that the City has elected to not renew the Appropriation Lease, an "Event of Nonrenewal" of the Appropriation Lease shall be deemed to have occurred and the Bank may exercise the remedies provided in the Appropriation Lease and the Trust Indenture upon such occurrence. **Upon an Event of Nonrenewal, the City has no further obligation or exposure to penalty or recourse except that it surrenders possession of the Facilities**. See “Remedies on Default or Nonrenewal” below.

At any time during the Initial Term or any Renewal Term, the City may purchase the Bank’s right, title and interest in the Facilities pursuant to certain terms and conditions as set forth in the Appropriation Lease including, but not limited to, providing notice and tendering the purchase price (as described in Article XI of the Appropriation Lease). Upon retirement of the Certificates, the City shall have the option to purchase all of the Bank’s remaining right, title and interest in the Facilities, if any, for nominal consideration ($10). The City’s option to purchase the Bank’s right, title and interest in the Facilities survives an Event of Nonrenewal.

Events of Default under the Appropriation Lease

The following are “events of default” under the Appropriation Lease and the term “event of default” shall mean any one or more of the following events:

1. Failure by the City to pay the Lease Payments required to be paid under the Appropriation Lease when the same shall become due and payable.

2. Failure by the City to pay under the Appropriation Lease when the same shall become due and payable: (i) all taxes and assessments, general or special, concerning the Facilities, or any part thereof, during the Lease Term and any other governmental charges and impositions whatsoever, and all utility and other charges and assessments, or (ii) the reasonable and necessary fees and expenses of Bank thereunder or of the Trustee under the Trust Indenture.

3. Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Appropriation Lease, other than as referred to in subsection 1 or 2 above, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, given to the City by the Bank, provided, however, that in the event that such failure cannot reasonably be remedied within such 30-day period, the City has commenced such remedy during such 30-day period and diligently and continuously prosecutes the same to completion and the City provides the Bank with a certification to such effect.

4. The failure by the City promptly to commence proceedings to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry on its operations at the Facilities or to make any payments under the Appropriation Lease, or the filing by the City of a petition seeking a composition of indebtedness under any applicable law or statute of the United States of America or of the State.

5. The City admits insolvency or bankruptcy or its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee or receiver for the Facilities or if bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors, are instituted by or against the City (other than bankruptcy proceedings instituted by the City against third parties), and if instituted against the City are allowed against the City or are consented to or are not dismissed, stayed or otherwise nullified within ninety days after such institution.

6. An event of default caused by actions of the City under the Trust Indenture shall have occurred and be continuing.

7. Failure by the City to perform any of its obligations under the Primary Lease.

Remedies on Default or Nonrenewal

In addition to other remedies specified in the Trust Indenture—See APPENDIX G—the Trustee has the following remedies:

If an Event of Default shall have happened and shall not have been remedied or if an Event of Nonrenewal shall occur, the Trustee may, in addition to any other remedies provided in the Trust Indenture, terminate the Appropriation Lease, cause the City to vacate, or be evicted from, the Facilities, or any portion thereof, take possession of the Facilities, or any portion thereof, and may lease the Facilities or any portion thereof, subject to the Primary Lease, for the benefit of the Beneficial Owners. Any such lease and sublease shall be conditioned, however, on an agreement by the lessee/sublessee or assignee to use the Facilities in a manner permitted under applicable zoning restrictions and in such a manner as does not unreasonably interfere with maintenance of City's fee interest in the Facilities and, in the event of lease or assignment, result in deterioration in the condition of the Facilities, reasonable wear and tear excepted. Notwithstanding the foregoing, title to all personal property pledged as part of the Trust Estate is technically held in the City's name for convenience purposes only and, upon an Event of Default or an Event of Nonrenewal, the disposition of such personal property shall, to the extent permitted by law, be governed by the Uniform Commercial Code as adopted in the State. The Trustee shall also have the discretion and authority to retain consultants or managers, including the City.

Additionally, if any Event of Default shall have happened and shall not be remedied or if an Event of Nonrenewal shall occur, the Trustee may take whatever action at law or in equity as may appear necessary or desirable to collect the amounts then due and thereafter to become due for the remainder of the Initial Term or the Renewal Term then in effect, or to enforce performance or observance of any obligations, agreements, or covenants of the City under the Appropriation Lease, the Primary Lease or the Trust Indenture; provided that the Trustee may not sell the Bank's leasehold interest in the Facilities without first obtaining a waiver by the City of its reversionary interest under the Primary Lease and provided further that the liability of the City does not extend beyond amounts owed under the Appropriation Lease for the Lease Term and no covenant or agreement contained in the Appropriation Lease, the Primary Lease, the Trust Indenture or the Certificates shall be deemed to be a covenant or agreement of the City, or otherwise obligate the City, to make a future appropriation of funds. Upon retirement of the Certificates, the City shall have the option to purchase all of the Bank's remaining right, title and interest in the Facilities, if any, for nominal consideration ($10). The City's option to purchase the Bank's right, title and interest in the Facilities survives an Event of Nonrenewal.

Covenants under the Appropriation Lease

The City covenants in the Appropriation Lease as follows:

Maintenance of and Modifications to the Facilities. During the Lease Term from funds appropriated therefor, the City agrees that it will at its own expense (i) keep the Facilities in as reasonably safe condition as its operations permit, (ii) to maintain a level of quality and operation of the Facilities that is at least comparable to the level of quality of character and operation of similar property, and (iii) keep the Facilities in good repair and in good operating condition, making from time to time all necessary repairs thereto (including external and structural repairs) and renewals and replacements thereof. The City may also at its own expense make from time to time any additions, modifications or improvements to the Facilities it may deem desirable for its purposes that do not adversely affect the structural integrity of the Facilities or substantially reduce the value or impair the character of the Facilities; provided that all such additions, modifications and improvements to the Facilities shall comply with all applicable building code regulations and ordinances. All such additions, modifications and improvements made by the City shall become a part of the Facilities. During the Lease Term, the City will not permit any mechanics' lien, security interest or other encumbrance to be established or to remain against the Facilities for labor or materials furnished; provided, that if the City first notifies Bank of its intention to do so, the City may in good faith contest any mechanics' or other liens filed or established against the Facilities.

Taxes, Other Governmental Charges and Utility Charges. During the Lease Term from funds appropriated therefor, the City covenants to pay promptly (i) all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against, or with respect to, the Facilities, as and when acquired, or any interest therein or any machinery, equipment or other property installed or brought by any person therein or thereon; (ii) all utility, water, sewer, electrical, license fees and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Facilities; and (iii) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Facilities; provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as may have become due during the Lease Term.

Insurance. During the Lease Term from funds appropriated therefor, the City agrees to insure the Facilities, as and when acquired, in such amounts and in such manner and against such loss, damage and liability, including liability to third parties, as are customary for property of similar function and scope to the Facilities, taking into account liability limits provided by State law, or as may be reasonably requested by Bank and, to the extent not paid by contractors during construction or acquisition of the Improvements, to pay the premiums with respect thereto. Property and casualty insurance must be obtained for the full replacement cost of the Facilities. Such coverage must apply exclusively to the Facilities and must be available to repair/rebuild such facilities under all circumstances after the occurrence of an insured peril. Full payment of insurance proceeds up to the required policy dollar limit in connection with damage to the Facilities shall, under no circumstances, be contingent on the degree of damage sustained at other facilities owned or leased by the City. The policy must explicitly waive any co-insurance penalty. All policies maintained pursuant to the Appropriation Lease (except for workmen's compensation insurance) shall name the City and the Bank as insureds, and the Trustee as an additional insured, as their respective interests may appear.

In the event the City shall fail to maintain the full insurance coverage required by the Appropriation Lease or shall fail to keep the Facilities in good repair and good operating condition, the Bank may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or make the required repairs, renewals and replacements; and all amounts advanced therefor by the Bank during the Lease Term shall become an additional obligation of the City to the Bank, which amounts the City agrees to pay on demand, together with interest thereon, subject to appropriation by the City.

The City is insured through the Idaho Counties Risk Management Program ("ICRMP") and the Bank acknowledges and agrees in the Appropriation Lease that: (i) ICRMP coverage is acceptable and in compliance with the requirements of the Appropriation Lease; and (ii) any insurance requirement or obligation in the Appropriation Lease which is contrary to insurance offered by ICRMP or unavailable through ICRMP is void and inapplicable as to the City, including, without limitation, any disallowance by ICRMP of provisions for additional insureds, indemnity and waiver of subrogation; provided, however, the City shall use commercially reasonable efforts to negotiate terms with ICRMP that deviate as little as possible from the insurance requirements set forth in the Appropriation Lease.

Additional Covenants. The City and the Bank, as applicable, make additional covenants under the Appropriation Lease. See APPENDIX F—FORM OF ANNUAL APPROPRIATION LEASE AGREEMENT, Article 8.

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PURPOSE AND USE OF PROCEEDS

Purpose of the Certificates

The Certificates are being issued to finance (i) the costs of preparing, constructing, furnishing, equipping and improving the Improvements, as well as (ii) the Costs of Issuance of the Certificates. See the "THE IMPROVEMENTS" herein.

Sources and Uses of Funds

The proceeds of the Certificates are estimated to be applied as follows:

TABLE 2
ESTIMATED SOURCES AND USES OF FUNDS

Sources of Funds [1]		
Par Amount of the Certificates	$	
Plus: [Net] Original Issue Premium	$	
Total Sources of Funds	$	
Uses of Funds [1]		
Deposit to Construction Fund	$	
Costs of Issuance [2]	$	
Underwriter's Discount	$	
	$	
Total Uses of Funds	$	

(1) Amounts will be provided in the final Official Statement.

(2) Includes rating agency fees, municipal advisory fees, legal fees, printing costs, title costs, miscellaneous amounts and other costs of issuing the Certificates. Any balance remaining in the Costs of Issuance Fund after payment of the Costs of Issuance, or ninety (90) days after the initial delivery of the Certificates, whichever shall first occur, shall be transferred to the Construction Fund, and the Costs of Issuance Fund shall thereupon be closed.

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THE IMPROVEMENTS

Background

The Twin Falls Fire Department (the "TFFD" or the "Department") operates four (4) fire stations within the City: a main fire station (Station 1), two substations (Station 2 and Station 3) and an airport station (Station 4). The Department employs 48 full-time employees and 1 part-time fire inspector. Services provided by the TFFD include, but are not limited to, fire suppression, motor vehicle accidents (non-injury and injury), vehicle extrication, technical rescue incidents (confined space rescue/high angle rescue), water rescues, aircraft rescue firefighting, emergency medical response (EMS), hazardous materials incidents, as well as ongoing fire prevention activities and fire safety education programs for the public. The Department also conducts fire code inspections as well as pre-plan of local businesses, public and private schools, health care facilities, and retirement centers. The TFFD's coverage encompasses approximately 75 square miles. The TFFD is the only all career fire department in the region. As such, it is the major anchor point for an all-regional approach for all surrounding departments in the Magic Valley.

In the fall of 2017, a planning effort was undertaken to determine the current state of fire facilities in the City and the future needs of the community. A steering committee and program committee worked together to document the existing conditions of each facility while also developing concept designs, cost estimates, and future facility plans for the TFFD. A citizen's committee was then formed to determine the highest needs of the Department and work with staff to develop a plan that was presented to City Council. Ultimately, the committee recommended and the City sought, a general obligation bond to finance the construction of three new fire stations, renovation of Station 1 for police operations, and an initial investment in a fire training center. The total request from voters was $36 million, which would have resulted in an increase of $76.92 in property taxes per $100,000 in value. The bond was presented to City voters on May 21, 2019 and narrowly failed to reach the super majority (66.6%) threshold required to pass—garnering the approval of 64% of voters. As a result, the City is pursuing other financing options to address the needs of the TFFD, including the issuance of the Certificates to finance the Improvements.

The Improvements comprise a replacement fire station for existing City Fire Station No. 2. Existing Station 2 is the oldest station in the TFFD having been built in 1961. It has outdated technology and living standards, and is experiencing decay such as mold and leaky roofs. There are no facilities for female firefighters, the apparatus bays are too small, and the station has apparatus sitting outside—a situation that hinders response capability. The facilities do not meet current building, ADA, essential facility, and life safety code requirements. Further, the existing station has an inefficient floor plan layout and does not support quick 'turn-out' times. Response times can be improved with a more efficient floor plan and station location, which will increase public health and safety. In addition, the station lacks a designated area for dirty equipment—a modern necessity that allows for gear to be properly cleaned and limits exposure to carcinogens and other potential health hazards.

Existing Station 2 is approximately 3,000 square feet, and supports a single engine crew. It includes two apparatus bays—one drive-through and one back-in only—and one outdoor vehicle storage shed. There are sleeping quarters for a crew of three. The building houses one engine and a reserve engine, while other TFFD apparatus are stored outside. The facility is not operationally functional to continue to support emergency services in the future. The apparatus apron front is on Falls Avenue which can be too busy to pull out into traffic in a timely manner. Additionally, the grade change between the street and the station puts extra wear and tear on the engines. The facility lacks appropriate ventilation in the apparatus bay and support spaces. The living quarters only has one toilet and shower room, which is in poor condition.

Existing City Fire Station No. 3 suffers from many of the same shortcomings described above for existing Station 2 including outdated technology and living standards, and building decay. Station 3 provides coverage for the south end of the City and is currently located on the SE corner of Washington and Orchard. This station was built in 1979, is approximately 3,132 square feet, and supports a single engine company with two apparatus bays (back-in only) and one outdoor vehicle storage shed. There are sleeping quarters for a crew of four. No major upgrades or modifications have been made to the building since construction. The current station positioning and layout is not conducive to constructing additional space or improving operational functionality. The station lacks any capacity to add electrical service and currently has no sprinkler or central alarm system. Most of the interior finishes and casework needs to be upgraded or replaced. As part of its efforts to modernize its fire protection infrastructure, the City intends to cash fund the construction of a new City Fire Station No. 3 ("New Station 3"). Construction of New Station 3 is not part of the Improvements and is not being financed by the Certificates. See "Construction Contract—New Station 3" below.

In total, existing Station 2 and existing Station 3 are inadequate to serve the needs of the TFFD and lack the form to fit the function for today's firefighting needs. The deficiencies of the current stations together with recent population and industry growth requires new facilities to maintain public health and safety. As a vital component of this effort, the Improvements will improve operational functionality and safety for the TFFD, provide enhanced community access and visibility, include facilities to accommodate female firefighters, improve response times during emergencies, and bolster the effectiveness of TFFD firefighters allowing them to better serve the community. Standard fire operations will be performed out of the Improvements, including fire protection, fire inspections, and emergency medical response (non-transport).

The Property

On September 21, 2021, the Twin Falls Rural Fire Protection District (the "Fire District") gifted the City an approximately 2-acre parcel of real Property located near the College of Southern Idaho at 214 Cheney Drive in the City to serve as the future home of the Improvements (the "Property" as previously defined). The City has a strong partnership with the Fire District and the TFFD contracts with the Fire District to perform "all-hazards" duties, including fire, EMS, rescue, and hazardous materials management. The Fire District's jurisdiction includes most of the area surrounding the outside of City limits that are not covered by another jurisdiction. Call responses from existing Station 2 are increasing as growth continues west and north of the City outside its corporate boundaries. The donation of the Property by the Fire District, and the subsequent construction of the Improvements by the City, will facilitate better response times to these unincorporated areas by the TFFD on behalf of the Fire District. The City has obtained a special use permit to allow a fire station on the Property.

The City has not yet determined what it will do with existing Station 2 following construction of the Improvements. The property on which existing Station 2 is located (but not the existing Station 2 building) is of strategic importance to the City and the City is still evaluating the best use for this property.

The Improvements

At completion, the Improvements will consist of a new one-story, approximately 12,683 square foot City fire station and related facilities located on the Property. The station will feature, among other things, three (3) drive-through double deep apparatus bays, a gear bunker, a decontamination space, general and EMS storage, a workshop, laundry facilities, restrooms, a dayroom, a fitness center, and kitchen and dining facilities. Also provided will be six (6) firefighter sleep rooms, a battalion chief sleep room, a battalion chief office and captain office. The public will have access to the Improvements through a public lobby area. The City has obtained all necessary building permits for the Improvements.

Once completed, the Improvements will provide enhanced response times to the northwest quadrant of the City and will result in a new City fire station specifically tailored to the needs of the City now and in the future—offering room for the TFFD's current operation, employees, and equipment, as well as future Department and City growth.

The conceptual site plan, floor plan, and renderings for the Improvements are provided on the following pages.

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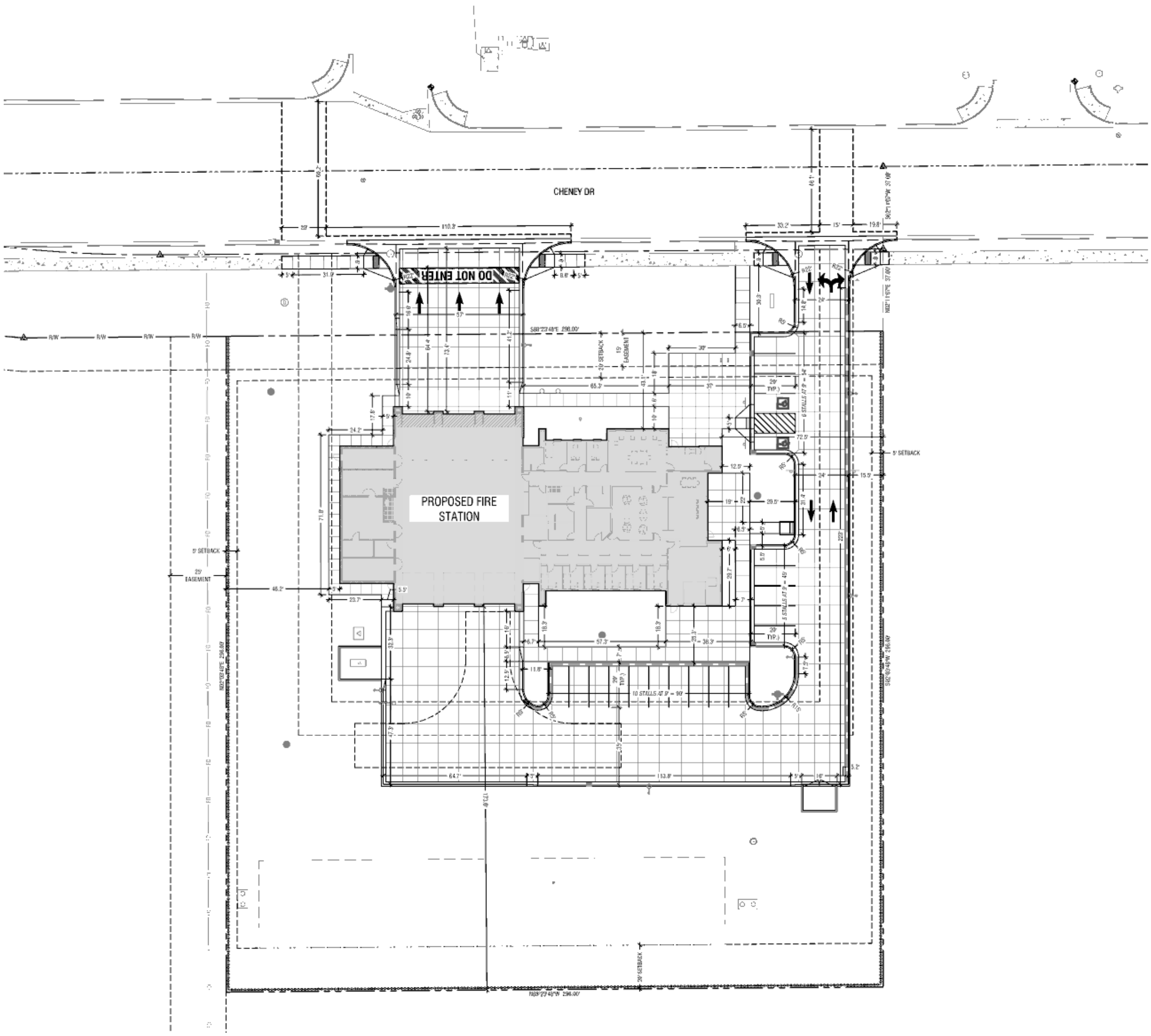
Site Plan

The preliminary concept site plan for the Improvements is shown below.



Source: the City.

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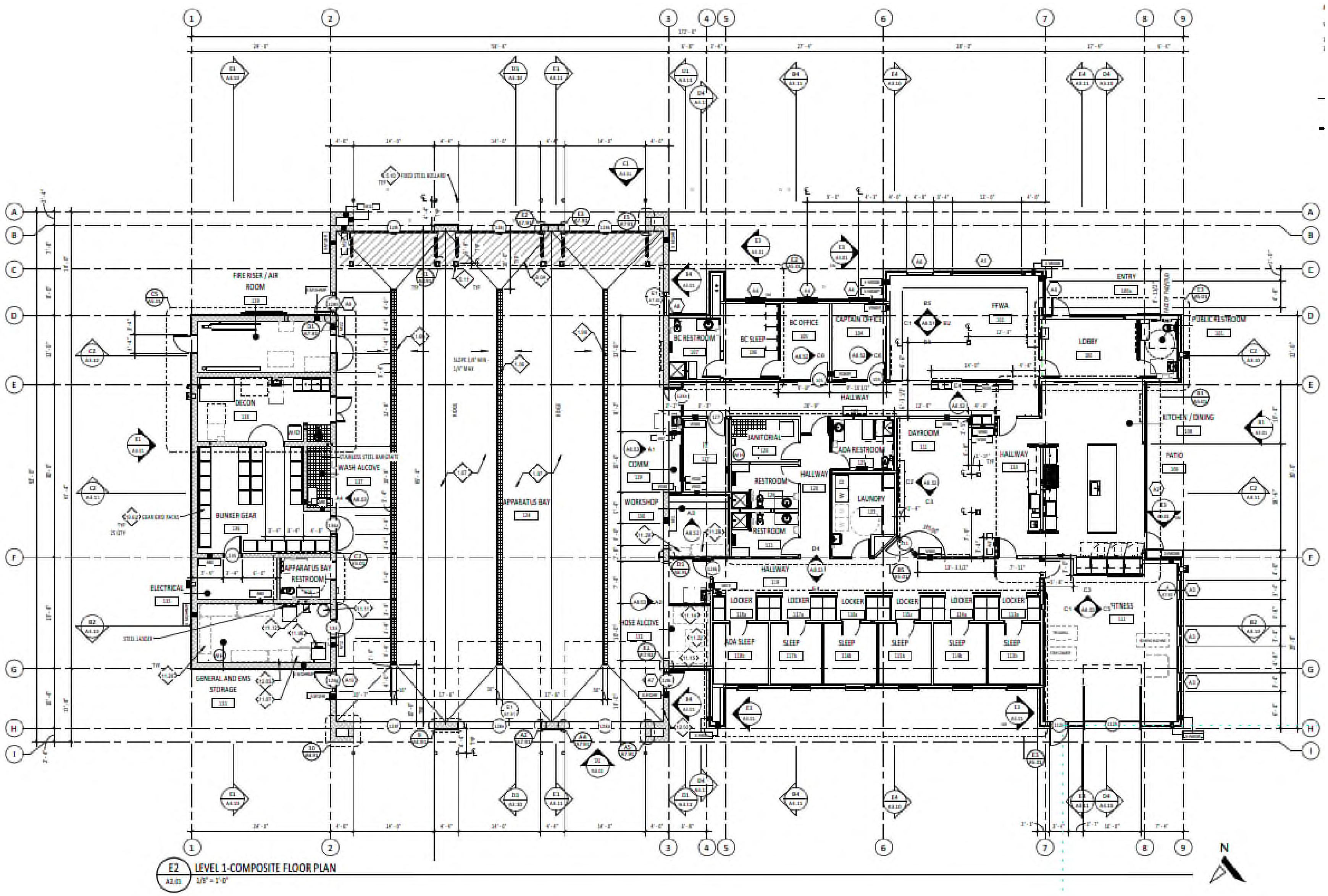
Floor Plan

The floor plan for the Improvements is provided below.



Source: the City.

Renderings

Preliminary renderings of the completed Improvements are provided below. An additional rendering is provided on page viii following the Table of Contents.

Renderings are preliminary and subject to change.

Source: the City.

Environmental

The Idaho Department of Environmental Quality ("DEQ") has reviewed and approved the plans and specifications for the Improvements for general conformance with DEQ rules for wastewater and drinking water. No Phase I Environmental Site Assessment has been obtained by the City relative to the Property.

Construction Contract

The City has entered into a master agreement with Starr Corporation of Twin Falls, Idaho ("Starr Corp.") to serve as construction manager/general contractor (CM/GC) for the Improvements as well as for construction of New Station 3 and a new regional fire training facility in the City (the "Construction Master Agreement"). Construction of the fire training facility is already underway, is not part of the Improvements, and is not being financed by the Certificates. See "Regional Fire Training Center" below. Construction of New Station 3 is not yet underway. Like the Training Center, New Station 3 is not part of the Improvements, and is not being financed by the Certificates. See "New Station 3" below. Pursuant to the Construction Master Agreement, the City and Starr Corp have entered into a guaranteed maximum price amendment relative to the construction of the Improvements (together with the Construction Master Agreement, the "Construction Contract"). See "Construction of the Improvements" below. The City will assign its rights under the Construction Contract to the Trustee as additional security for the payment of the Certificates.

Regional Fire Training Center

As part of much needed updates to its fire protection infrastructure, the City is undertaking the construction of a regional fire training facility located on Victory Avenue in the City (the "Training Center"). The Training Center is not part of the Improvements and is not being funded by the proceeds of the Certificates. Construction of the Training Center is now in the second of three phases, with work being performed on underground utilities, a concrete pad for a training tower, fencing and landscaping. The City Council recently approved an amended guaranteed maximum price of $1,572,783 for the Training Center which is intended to pay for the first two of the three phases of construction. The total budget for the project is $3.25 million, with the bulk of the project's funding coming from the Twin Falls Rural Fire Protection District. The TFFD does not presently have a training facility and the Department currently has to source available buildings for training, often buildings that are being torn down. The Training Center tower will allow firefighters to train for Class A fires, which are ordinary combustibles such as paper or wood. There will also be a propane fire prop that will allow for indoor structure fire simulation. Firefighters will also be able to receive training on search and rescue techniques.

New Station 3

In addition to the construction of the Improvements, the City intends to construct New Station 3 as part of its efforts to modernize its fire protection infrastructure. On April 13, 2021, the City purchased an approximately 8.43 acre parcel of real property located at 1025 Washington Street South in the City to serve as the future home of New Station 3 (the "Station 3 Property"). The Station 3 Property was purchased for $950,000 and the City utilized cash reserves from the Capital Improvement Fund to make the purchase. The Station 3 Property is located down the street from the City's existing Station 3. The City has obtained a special use permit to allow a fire station on the Station 3 Property. Following the construction of New Station 3, the City anticipates selling existing Station 3 to a private entity for another use.

The design of New Station 3 is a smaller footprint of the Improvements. At completion, New Station 3 will consist of a new one-story, approximately 9,951 square foot City fire station and related facilities located on the Station 3 Property. The station will feature, among other things, two (2) drive-through double deep apparatus bays, a gear bunker, a decontamination space, general and EMS storage, a workshop, laundry facilities, restrooms, a dayroom, a fitness center, and kitchen and dining facilities. Also provided will be five (5) firefighter sleep rooms and a captain office. The public will have access to New Station 3 through a public lobby area. Once completed, New Station 3 will service south end of the City and will result in a new City fire station specifically tailored to the needs of the City now and in the future—offering room for the TFFD's current operation, employees, and equipment, as well as future Department and City growth.

The City has not yet entered into a guaranteed maximum price amendment relative to the construction of New Station 3, but anticipates total costs relative to the same to be approximately $8,700,000, including construction, architecture, engineering, testing and inspection and alerting system services. The City intends to utilize cash reserves to fund the construction of New Station 3 and hopes to begin construction of the station in fall 2022.

Architect

The City has entered into a contract (AIA Document B133 – 2019) with Pivot North Architecture of Boise, Idaho ("Pivot North") as architect for the Improvements and New Station 3 (the "Architect Master Agreement"). Pivot North has retained Rice Fergus Miller, Inc. of Bremerton, Washington—a firm specializing in the design of fire stations—as consulting architect. The Architect Master Agreement has been amended to address the scope, schedule and budget for the Improvements (all such amendments together with the Architect Master Agreement collectively, the "Architect Agreement"). The fees under the Architect Agreement, as amended, include the costs of architecture, engineering, testing and inspection and alerting system services. The budget for such fees is $1,351,038 and the City anticipates paying such fees from the proceeds of the Certificates.

The City will assign its rights under the Architect Agreement to the Trustee as additional security for the payment of the Certificates.

Construction of the Improvements

The Improvements will be constructed by the City pursuant to the terms of the Appropriation Lease. Design of the Improvements is complete and construction of the Improvements has been awarded to Starr Corp. See "Construction Contract" above. Construction of the Improvements commenced on May 9, 2022 and is anticipated to take approximately thirteen (13) months with projected completion on or around June 30, 2023. Operations at the Facilities are anticipated to commence in July 2023. Any costs associated with the construction of the Improvements incurred prior to the issuance of the Certificates will be paid by the City and reimbursed to the City with proceeds of the Certificates.

The Construction Contract has a guaranteed maximum price of $7,123,166 (the "GMP") and is bonded for performance and payment. The GMP includes allowances for the estimated values of certain bid packages—structural steel, rough carpentry, casework, specialties and window coverings—totaling $1,192,957. If the bids for such packages end up being more than the allowances included in the GMP, the packages will have to be re-bid or the GMP will need to be amended. If the bids for such packages end up being less than the allowances included in the GMP, then the GMP will be lower. The GMP also includes additional miscellaneous allowances of $230,740, payment and performance bond costs of $72,000, a contingency amount of $196,872, and a construction management fee to Starr Corp. of $291,913. Notwithstanding the GMP, in the event that the final cost of the Improvements exceeds the proceeds of the Certificates deposited to the Construction Fund—see "PURPOSE AND USE OF PROCEEDS—Sources and Uses of Funds" herein—the City will either scale back the Improvements or contribute City funds towards completion of the same.

The City anticipates additional expenditures totaling approximately $235,000 to be paid from the proceeds of the Certificates which expenditures are not included in the GMP nor reflected in the architect budget. These include the difference in cost estimates versus actual as well as items provided and work performed by the City towards the project including, but not limited to, installation of building access control and fiber to the Improvements.

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DEBT SERVICE REQUIREMENTS

The following table shows the annual debt service on the Certificates to be paid by the City, subject to appropriation and renewal:

TABLE 3
ANNUAL DEBT SERVICE REQUIREMENTS [1]

Period Ending	Principal[2]	Interest	Debt Service	Annual Debt Service
3/1/2023		$	$	$
9/1/2023	$ 220,000			
3/1/2024				
9/1/2024	270,000			
3/1/2025				
9/1/2025	280,000			
3/1/2026				
9/1/2026	295,000			
3/1/2027				
9/1/2027	310,000			
3/1/2028				
9/1/2028	325,000			
3/1/2029				
9/1/2029	345,000			
3/1/2030				
9/1/2030	360,000			
3/1/2031				
9/1/2031	380,000			
3/1/2032				
9/1/2032	395,000			
3/1/2033				
9/1/2033	415,000			
3/1/2034				
9/1/2034	440,000			
3/1/2035				
9/1/2035	460,000			
3/1/2036				
9/1/2036	480,000			
3/1/2037				
9/1/2037	505,000			
3/1/2038				
9/1/2038	530,000			
3/1/2039				
9/1/2039	560,000			
3/1/2040				
9/1/2040	585,000			
3/1/2041				
9/1/2041	615,000			
3/1/2042				
9/1/2042	645,000			
Total	$8,415,000			

(1) Subject to annual renewal and appropriation by the City.

(2) Preliminary, subject to change.

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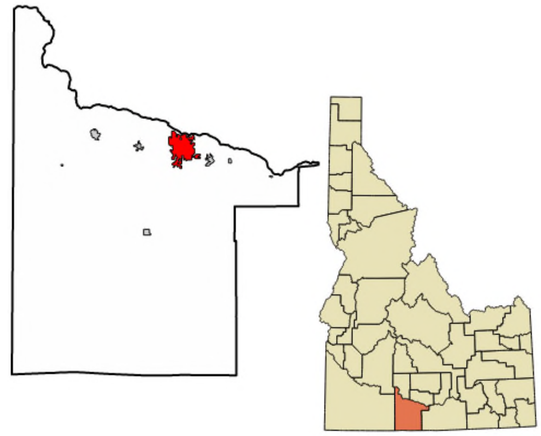
THE CITY

General



The City is a municipal corporation operating and existing under and pursuant to the provisions of the Constitution and laws of the State. Incorporated in 1905, the City is located in south-central Idaho along the Snake River canyon, approximately 135 miles east of Boise and 218 miles north of Salt Lake City, and occupies a land area of approximately 18 square miles. The City began as an agricultural center thanks to the foresight of entrepreneur I.B. Perrine in the early 1900s. Perrine convinced private financiers to build a damn along the Snake River with a corresponding canal system to deliver water to the fertile Snake River Plain. Because of these investments at the beginning of the 20th century, the City and the Magic Valley have grown into one of the world's most productive farming regions and a hub for food and dairy manufacturing.

The City is the County seat and the largest city in the County, with an estimated population of approximately 52,000, making it the eighth largest city in the State. The City serves as the urban, retail, educational, medical and employment center of the Magic Valley—an area in south-central Idaho consisting of Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka, and Twin Falls counties, with a total combined population of over 260,000. As a result, the daytime population of the City often swells by an estimated 50,000 people. Large employers like Chobani, Clif Bar, Glanbia Nutritionals and Amalgamated Sugar have invested billions to expand, create jobs, and take advantage of the region's massive dairy supply and extensive range of agriculture products. See also "ECONOMIC AND DEMOGRAPHIC DATA" herein.

The Magic Valley Regional Airport serves the City and the south-central Idaho region. The airport is served by one commercial airline—Delta—offering flights daily to/from Salt Lake City International Airport via Delta's 50-passenger jets. The City has a joint operation agreement with the County for airport operations.

The Twin Falls School District serves over 9,300 students in the City. It is comprised of nine elementary schools, three middle schools, one alternative middle school, two high schools, and one alternative high school. The district is ranked eighth in size among Idaho's 114 school districts. It is one of the largest employers in an eight-county region, with more than 500 certified and 500 classified staff. The district is governed by a five-member Board of Trustees, whose members are elected by the public and serve without pay. The City is also home to the College of Southern Idaho (CSI), a large community college in the northwestern part of the City. CSI offers college courses, business training classes, and community education opportunities for students and members of the community. The three State universities (Boise State University, Idaho State University, and the University of Idaho) offer classes on the CSI campus. CSI's Applied Technology and Innovation Center has become a powerful tool for economic development in the region.

The City provides the following services to its citizens: planning and community development (building plan reviews, building inspections and economic development); public safety (police, fire, and rescue, emergency communications and emergency management); street improvements and street maintenance; support services (information systems, communications, facilities, financial, fleet, human resources, information, and risk management); parks, recreational and cultural services; airport; utilities (water, sewer, and sanitation); and refuse disposal and environmental remediation.

City Council and City Manager

The City operates under the City Council-City Manager form of government. The City is one of only two cities in the State which has this form of government. Seven (7) City Council members are elected, at-large and on a non-partisan basis, to four-year terms. The Mayor, who holds little executive power, is selected among current City Council members every two years to chair meetings and is considered the official representative of the City. City Council members serve on a part-time basis. City Council members act as legislators and administrators and are responsible for enacting and enforcing City laws and approving the annual budget. The City Council holds regular meetings on Mondays and special meetings as needed. All meetings are open to the public as provided by law and agenda items are posted in advance. A list of current City Council members, their occupations and their terms of office follows.

Name	Position	Occupation	Service Began	Current Term Expires
Ruth Pierce	Mayor	CPA	2016	2023
Christopher Reid	Vice-Mayor	Director of Treasury Management, First Federal Bank	2017	2024
Shawn Barigar	Council Member	President, Twin Falls Chamber of Commerce	2004	2023
Nikki Boyd	Council Member	Realtor	2016	2023
Craig Hawkins	Council Member	Retired	2020	2023
Jason Brown	Council Member	Engineer	2021	2024
Spencer Cutler	Council Member	Plant Facilities Director, College of Southern Idaho	2021	2024

Source: The City.

The day-to-day operations of the City are overseen by a full-time City Manager appointed by the City Council. The City Manager is the chief administrative officer of the City and is responsible to the City Council for the management and coordination of all functions of City government. Among the duties of the City Manager are: advising the City Council on all planning, policy, and operational issues; assessing service delivery needs for citizens; assuring that policies adopted by the City Council are carried out efficiently, fairly, and effectively; managing day-to-day affairs of the City; and developing an annual operational and capital budget.

The current City Council members and City Manager are described below.

Ruth Pierce, Mayor. Ruth Pierce was elected Mayor of the City in January 2022. She has served on the City Council since January 2016. Mayor Pierce received her CPA license in 1980 and has owned and operated her CPA firm, Ruth S Pierce CPA, Chtd. for over 40 years. She is the first recipient of the Outstanding Twin Falls Business Woman's Award and has received the Twin Falls Chamber of Commerce Person of the Year and Lifetime Achievement Awards. Mayor Pierce has a long history of community service including Twin Falls Rotary Club, Twin Falls Chamber of Commerce and the Southern Idaho Economic Development Organization along with many other community nonprofits. In addition, she is currently a member of the Magic Valley Estate Planning Council. She graduated from the University of Idaho with a Bachelor of Science degree in Accounting in 1977.

Christopher Reid, Vice-Mayor. Christopher Reid was appointed to the City Council for one year in January 2017. Later that year he was elected to a four-year term. He was re-elected to another four-year term in 2022 and was also selected to serve as Vice Mayor for a two-year term. Mr. Reid has worked in the banking industry since 2007. He is currently working at First Federal Savings Bank of Twin Falls as the Director of Treasury Management. Mr. Reid is the recipient of the 2021 Excellence in Finance award and the 2018 Accomplished under 40 award by the Idaho Business Review. He also serves on the board of the Twin Falls School District Education Foundation. Mr. Reid has a Bachelor of Science degree in Psychology (2007) and graduated from the Washington Bankers Association's Executive Development Program in 2017.

Shawn Barigar, Council Member. Shawn Barigar is currently in his fourth term as a member of the City Council. He served as Mayor of the City from January 2016 to January 2020. Mr. Barigar is the President and CEO of the Twin Falls Area Chamber of Commerce—a business organization of more than 800 members with a mission to enhance the economic vitality and quality of place throughout Southern Idaho. Over his more than 17-year tenure, the Chamber has strengthened partnerships with local and state governments, economic development organizations, business leaders, and citizens to drive business expansion, industrial recruitment, job creation, and community building. He is fifth-generation native of the southern Idaho and a graduate of the University of Idaho with a bachelor's degree in Telecommunications.

Nikki Boyd, Council Member. Nikki Boyd was elected to the City Council in 2016, having previously served on the Planning and Zoning Commission. She served as Vice Mayor from 2020-2021 and is currently serving her second term on the Council. Ms. Boyd is the broker/owner of Twin Falls Real Estate Co. and has been a licensed REALTOR since 1997. She and her husband also own and operate Weathervane Homes, building quality custom homes for City residents.

Craig Hawkins, Council Member. Craig Hawkins was elected to the City Council in November 2019, after serving on the Planning & Zoning Commission for three years. He is retired, having spent most of his career in the retail grocery business. He worked for Grocery Outlet for 30 years, and was an owner/operator in stores in Pocatello and Twin Falls. Mr. Hawkins was a member of the Utah National Guard and served in the 19th Special Forces for six years. He graduated from Brigham Young University with a degree in Outdoor Recreation Education.

Jason Brown, Council Member. Jason Brown was elected to the City Council in November 2021, and took the oath of office in January 2022. He has worked for the Twin Falls Canal Company since March 2021 as Company Engineer. Prior to joining the Twin Falls Canal Co., Mr. Brown worked for the City as the Environmental Engineer. He is a registered professional engineer in the States of Idaho and Washington. He received a Bachelor's of Science degree in Chemical Engineering from the University of Nevada, Reno in 2007, and a Master's of Science degree in Environmental Engineering from Washington State University in 2013.

Spencer Cutler, Council Member. Spencer Cutler was recently elected to the City Council and began his first term in January of 2022. He grew up in the Magic Valley and has over twenty years' experience in the surveying, engineering, and construction industry including surveying, drafting, and engineering technician work for an engineering and surveying firm; construction estimating and project management for large utility, excavating, and working for a paving company. He is currently the Plant Facilities Director at the College of Southern Idaho. Mr. Cutler earned a Bachelor of Science Degree in Surveying and Geomatics Engineering Technology from Idaho State University (2006).

Travis Rothweiler, City Manager. Mr. Rothweiler was appointed as the City Manager for the City in April 2011. Prior to being appointed City Manager, he served as the Assistant City Manager for the City and, previous to that, as the City Administrator for the City of Jerome. He is recognized as a credentialed manager by the International City/County Manager Association (ICMA). Mr. Rothweiler is the recipient of the International City/County Management Association for Program Excellence and Innovation in the area of economic development, and was the first local government leader to receive "CEO of Influence" by the Idaho Business Review. He earned a Bachelor of Arts degree in Political Science (1996) and Master's Degree in Public Administration (1998) from Montana State University and is a graduate of the University of Virginia's Senior Executive Institute (2007).

Key Administrative Officials

In addition to the City Manager, and for purposes of the Improvements, key administrative officials of the City include the City Finance Director, Assistant to the City Manager, Fire Chief, and City Attorney. All members of the City's Executive Leadership Team are appointed by the City Manager and confirmed by the City Council. The current key administrative officials for the Improvements are described below.

Breanna Howard, City Finance Director. Breanna Howard was hired as the Chief Financial Officer for the City in May 2020. She came to the City with 13 years of experience as a CPA with Cooper Norman. During her time at Cooper Norman, Ms. Howard worked with a variety of clients specializing in tax strategy and planning, a strong technical background in tax planning and preparation, business structuring and estate planning, and an expertise in financial statement preparation. She graduated Magna Cum Laude from Boise State University in 2007 with a Bachelor's degree in accounting. She earned her CPA in 2009.

Mandi Thompson, Assistant to the City Manager. Mandi Thompson has been with the City since 2013, serving as Grant Manager and Community Relations Manager before her current position as Assistant to the City Manager. She oversees Performance Measurement and the budgeting process for the City, as well as grant management and special projects. Ms. Thompson is the Project Manager for the Improvements as well as New Station 3 and, in such role, she has overseen the fire stations from programming to design to bid, and will continue to manage the projects through construction. She earned her B.A. in Political Science and International Studies (1999) and her Masters of Public Administration (2018) from the University of Idaho. She is a graduate of the University of Virginia's Senior Executive Institute (2016) and the International City/County Manager's Association (ICMA) Leadership Institute (2019).

Les Kenworthy, Fire Chief. Les Kenworthy was appointed as Fire Chief for the City in March 2018. Prior to his appointment, he served as the Deputy Fire Chief for the City of Mercer Island, Washington from 1980 until December 2017. He has worked through numerous ranks in the fire department through those years, including Interim Fire Chief, Battalion Chief, Captain, Lieutenant, and firefighter. Chief Kenworthy is a former member of the Washington State Fire Chiefs Association, Norcom Joint Operations Board, King County Zone 1 Operations Chiefs, King County Training Officers, and managed the East Metro Fire Training Consortium consisting of nine cities. He is currently a member of the Idaho State Fire Chiefs Association and is an active member of the nine-member Legislative committee. Chief Kenworthy attended Bates College in Tacoma, Washington, and Bellevue College in Bellevue, Washington. He earned an Associate's degree in 1980 and has earned numerous certifications associated with his fire service profession.

Shayne Nope, City Attorney. Shayne Nope has served as the City Attorney for the City since November 2018. Prior to that he served as the Assistant City Attorney for four years. Shayne earned a Bachelor of Science degree in Business Management (2008) from Brigham Young University's Marriott School of Management. After working as a plant controller in Fruitland, Idaho, he attended and received a juris doctor from the University of Idaho, School of Law.

City Employees

The City has 320 full-time employees budgeted for in the Fiscal Year 2022 budget. As of April 1, 2022, the City had 293 full-time employees and 4 part-time employees, with recruitment efforts underway for the 27 vacancies in the organization. In addition, each year the City hires more than 80 seasonal employees to work in areas that demand seasonal work such parks, recreation, airport and pool. City employees are at-will and are not representing by bargaining units or other organized labor unions.

City Organization

City operations are divided into 22 departments as follows:

Airport. The Airport Department oversees operation of the Magic Valley Regional Airport (the "Airport"). The City has a joint operation agreement with the County for airport operations. The Airport is served by one commercial airline—Delta—offering flights to and from Salt Lake City.

Building Safety. The Building Safety Department's purpose is to protect the public health, safety and welfare in all new and existing structures, residential and commercial, and on all existing premises by enforcing minimum code requirements.

Economic Development. The Economic Development Department is responsible for promoting economic growth and business investment in the City.

Engineering Department. The Engineering Department is responsible for the design and construction of public works projects and provides oversight for development including subdivision and commercial building permits. The department is responsible for environmental permitting of city facilities, traffic signal operations, infrastructure planning, and mapping. Engineering also provides design and contract administration for other City departments and the Agency when they are working on projects such as trails, restrooms, building maintenance projects or public infrastructure development.

Finance. The Finance Department is responsible for all financial administrative functions of the City. The department provides accounting and budget services to all departments. Finance also arranges for annual financial audit services, assists in the preparation of the annual budget, monitors budget compliance, performs necessary state and federal reporting requirements, prepares the City's Comprehensive Annual Financial Report, establishes and ensures compliance with City financial policies, and manages the City's investment portfolio and banking relationships. The department processes utility payments and City accounts receivable and payable.

Fire. The Twin Falls Fire Department (TFFD) consists of four fire stations: a main fire station, two substations and an Airport station, and consists of 47 full-time employees, and 1 part-time fire inspector. Services provided include, but are not limited to, fire suppression, motor vehicle accidents (non-injury and injury), vehicle extrication, technical rescue incidents (confined space rescue/high angle rescue), water rescues, aircraft rescue firefighting, emergency medical response (EMS), hazardous materials incidents, as well as ongoing fire prevention activities and fire safety education programs for the public. TFFD is the only all career fire department in the region. As such, it is the major anchor point for an all-regional approach for all surrounding departments in the Magic Valley. TFFD also conducts fire code inspections as well as pre-plan of local businesses, public and private schools, health care facilities, and retirement centers. This coverage encompasses approximately 75 square miles.

Human Resources. The Human Resources Department is responsible for the development and administration of a comprehensive personnel management system for all City departments. The human resources function includes activities such as benefit administration, classification, compensation, employee relations, recruitment, selection, and training.

Legal. The Legal Department provides legal counsel for the City Council and all City departments. It also handles prosecution of all City misdemeanors and infractions.

Library. The Twin Falls Library serves all patrons of the greater Twin Falls metropolitan area.

Parks Department and Recreation Department. The Parks Department and the Recreation Department oversee more than 1,650 acres of parks and open spaces, in over 80 public areas including parks, urban wilderness space, trails, playgrounds, ball-fields, swimming pool, splash pad, and landscape areas throughout the community.

Planning and Zoning. The Planning and Zoning Department's responsibility is to help plan growth within the community and the City's area of impact and to administer the Comprehensive Plan and Title 10 of City Code. The implementation of these responsibilities includes advising the City Manager, the City Council, the Planning & Zoning Commission and the public regarding the issues relating to land use and planning and zoning regulations of the City. The department reviews building permit requests, holds public hearings, and investigates and seeks resolution of zoning complaints.

Police. The Twin Falls Police Department (TFPD) protects, defends and serves the citizens and visitors of the City and consists of more than 100 employees. The TFPD promotes community-based crime prevention programs, include those that operate within the community and involve community residents actively working with the police department to address issues contributing to crime, delinquency and disorder.

Streets. The Street Department is responsible for the repair and maintenance of all City streets, alleys and rights of way. These responsibilities include: grading and dust guarding of all gravel streets and alleys, major and minor roadway repair, plowing / sanding / deicing, pothole patching, roadway marking, signal, signs, and sweeping of all city streets and blacktop alleys.

Wastewater. The Wastewater Department is responsible for maintaining the City's wastewater collection system and providing wastewater services to customers.

Water. The Water Department is responsible for maintaining the City's water system and providing water services to customers.

Additional departments of the City include the City Council and City Manager—"City Council and City Manager" above—as well as information systems (IT), custodial, pool, and shop. The City's organization chart is set forth on the following page.

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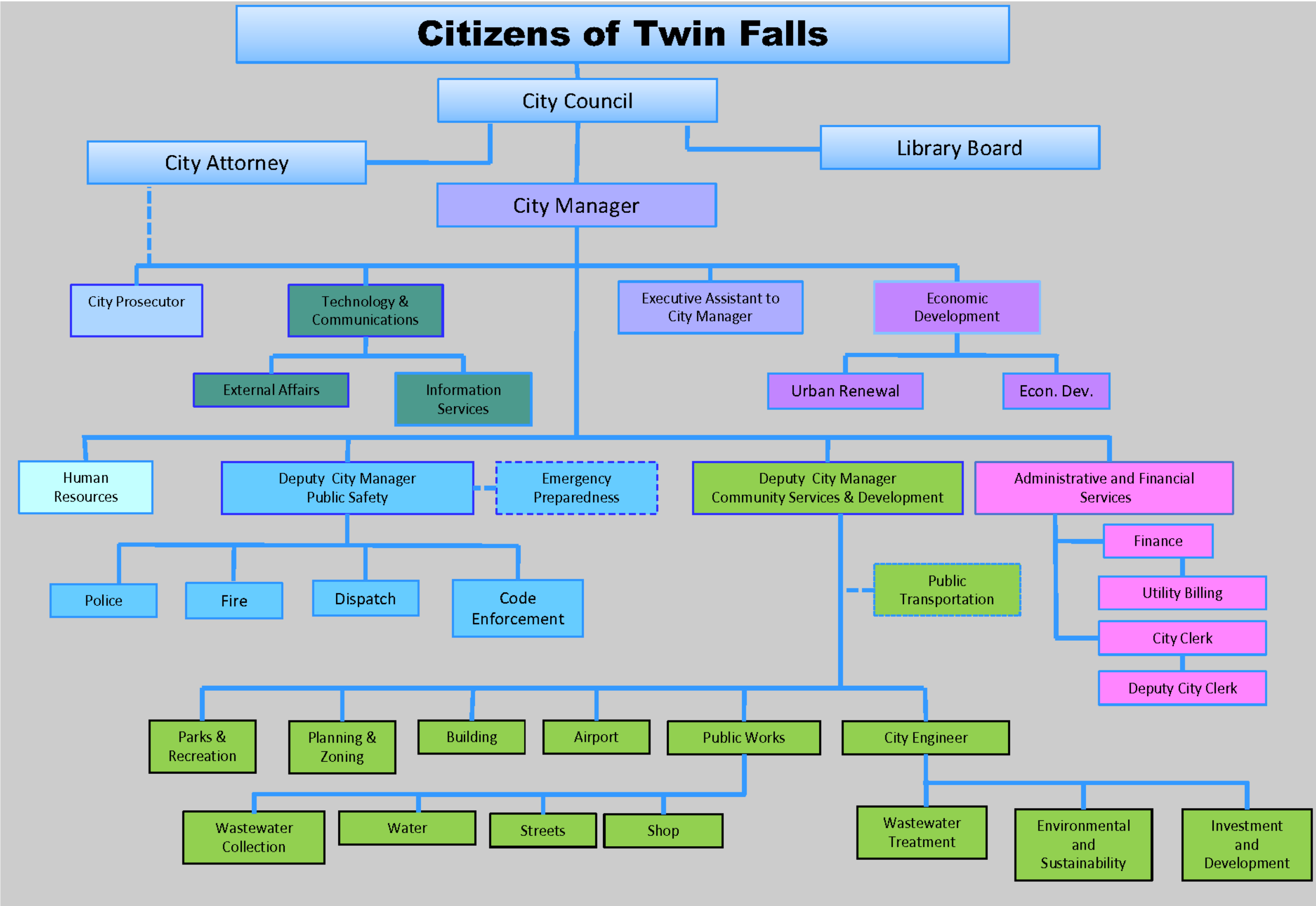

Source: the City

Budgetary Process

The City's fiscal year begins October 1 and ends September 30 of the following year. On or before June 1 of each year, all agencies of the City submit requests for appropriation to the City Manager so that a budget may be prepared. The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. The City Manager's recommended budget is distributed to the City Council, serving as the budget committee, in early July. Discussions are then held at regularly scheduled City Council meetings throughout July and early August. The City Council may add to, subtract from, or change appropriations, but may not change the form of the budget. The City Council holds a public hearing on the annual adoption of the budget in August and, once approved through passage of an appropriation ordinance, the City submits its adopted budget to the County for certification no later than the Thursday before the second Monday in September. Once the budget is approved by the City Council, the funding is available to spend on October 1, the start of the City's Fiscal Year. The annual budget serves as the foundation for the City's financial planning and control.

The City Council, with the assistance of City staff, monitors the budget during the fiscal year to address any changing financial needs and conditions. Any changes in the budget must be within the revenues and reserves estimated as available by the City Manager or the revenue estimates must be changed by the approval of the City Council in a budget amendment, which follows a public notice, public hearing and amended ordinance adoption process similar to the adoption of the original budget. Operating budget control is maintained at the department level by fund. Department heads are given broad authority to control their budgets and to make changes indicated to meet program objectives and to meet performance goals. All capital projects are controlled at the project level. In no case may total expenditures of a particular department or fund exceed that which is appropriated by the City Council without a specific recommendation from the City Manager. The City's department heads may make transfers of appropriations within a department.

Although not required by statute, the City also maintains a Long Term Planning Committee (LTPC) which is charged with making budget recommendations, generally for personnel request and capital items, five years into the future. The LTPC is made up of a cross section of employees, spanning different levels of and departments within the City. The committee comes together annually to discuss the needs of the City, as it relates to the City's Strategic Plan. The LTPC makes recommendations to the City Manager at the outset of the annual budgetary process.

REVENUE SOURCES OF THE CITY

Overview

The City's receives the following revenues:

(i) Revenues from governmental activities consisting principally of property taxes, grants and contributions and charges for services; and

(ii) Revenues from business-type activities consisting principally of charges for services.

The City's revenues can be broken down further into "program revenues" and "general revenues." Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. For additional detail relative to the revenues of the City, see also "FINANCIAL FACTORS—Summary Financial Statements" herein and APPENDIX B—CITY OF TWIN FALLS, IDAHO COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021.

Revenues from Governmental Activities

Due to congressional relief funding connected with COVID-19, the City received an unprecedented amount of Federal and State funding during Fiscal Year 2021, making grants and contributions the largest source (43%) of governmental activities' revenue for the year. The second largest component (39%) of the City's governmental activities' revenue was received from property taxes. Property taxes are historically the largest source of the City's governmental activities' revenue and the City expects this to be the case again in Fiscal Year 2022. Property tax collections are available to the City in January and July of each year. Relative to the General Fund specifically, the City's 2022 Budget projects that property taxes will comprise 67.8% of total General Fund revenue. See "FINANCIAL FACTORS—Fiscal Year 2022 Budget" herein. All of the City's governmental activities require tax support to continue at their current level of service. The primary expenses paid from governmental activities revenues include general government, public safety, streets and culture and recreation. A summary of City governmental activities revenues by source for Fiscal Years 2017 through 2021 is set forth in Table 4 below. Figures within Table 4 are taken from the City's Condensed Statement of Activities derived from the government-wide Statement of Activities. See APPENDIX B—CITY OF TWIN FALLS, IDAHO COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021, p. 7. For a discussion of Lawful Funds available to pay Lease Payments see Table 1.

TABLE 4
SUMMARY OF CITY GOVERNMENTAL ACTIVITIES REVENUES BY SOURCE

	Fiscal Year Ending September 30				
	2021	**2020**	**2019**	**2018**	**2017**
PROGRAM REVENUES					
Charges for services	$ 9,371,119	$8,027,791	$ 7,342,801	$ 8,056,954	$6,329,286
Operating grants and contributions	17,286,215(1)	9,975,484	9,232,149	8,720,614	8,347,517
Capital grants and contributions	8,837,954	2,154,900	3,225,200	6,487,476	1,867,265
Total Program Revenues	$35,495,288	$ 20,158,175	$19,800,150	$23,265,044	$16,544,068
GENERAL REVENUES					
Property Taxes	$18,671,370(2)	$23,386,148	$22,160,886	$20,596,854	$19,334,072
Other taxes	398,503	356,555	369,688	400,950	394,089
Investment Earnings	(56,423)	1,326,248	1,664,320	152,747	365,364
Other Revenues	922,967	821,233	1,001,583	2,031,036	186,076
Total General Revenues	$19,936,417	$25,890,184	$25,196,477	$23,181,587	$20,279,604
TOTAL REVENUES	$55,431,705	$46,048,359	$44,996,627	$46,446,631	$36,823,669

(1) Substantial increase over Fiscal Year 2020 and prior years due to receipt of COVID-19 relief funding.

(2) Idaho created the Public Safety Grant Initiative to leverage CARES Act funds to cover local public safety personnel expenses associated with the coronavirus. To take part in this initiative, local elected officials agreed not to increase the base property tax budgets and not to take the allowable 3% increase. As a result, City property owners received a one-time property tax reduction. The election to take part by the City, and the associated reduction in the levy rate, had the effect of reducing the City's property tax collected in Fiscal Year 2021.

Source: Information extracted from the County's audited financial statements for the stated Fiscal Years. This summary has not been audited.

For additional detail relative to the revenues of the City, see also "FINANCIAL FACTORS—Summary Financial Statements" herein and APPENDIX B—CITY OF TWIN FALLS, IDAHO COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021.

Property Taxes

The City collects ad valorem taxes to support general governmental activities.

Tax Levy Procedure. The County has the responsibility of assessing and collecting all property taxes. The City's tax levy is certified to the board of county commissioners in September, levied in November and taxes are due and payable one–half on December 20th and one–half on June 20th of the following calendar year. Ad valorem taxes, including delinquent taxes and penalties, are collected by the Treasurer of the County and are remitted to the City during the month following collection.

Property Tax Legislation. On May 12, 2021, the Governor signed into law House Bill 389 ("HB 389"), an omnibus property tax bill which makes a number of changes to the property tax provisions of Idaho Code. Many provisions of HB 389 are effective retroactive to January 1, 2021 with other provisions taking effect as of January 1, 2022. As more specifically described herein, HB 389, among other things, increases the homeowner's exemption from $100,000 to $125,000, increases the exemption on business personal property from $100,000 to $250,000, updates the benefits and eligibility for the Circuit Breaker Property Tax Relief Program available to veterans, elderly and low-income populations, and exempts personal transient personal property from taxation. In addition, HB 389 limits local taxing districts' ability to increase their budgets, reduces the amount of valuation available to tax new construction and annexation, reduces the ability of a taxing district to recover forgone revenue, delays the entry of improved property's market value on the new construction roll until after improvements are completed and creates a total budget cap of eight percent (8%) increase in any budget year. The full extent of the impact of HB 389 on the City budget is currently unknown and cannot be reasonably estimated at this time. Nonetheless, the City does not anticipate that HB 389 will materially impact the City's ability to otherwise make Lease Payments.

Ad Valorem Tax Limitation. Effective January 1, 2021, Idaho Code Section 63-802 provides that the City shall not certify a budget request for an amount of ad valorem tax revenues to finance an annual budget that exceeds the highest dollar amount of ad valorem taxes certified for its annual budget for any one (1) of the three (3) tax years preceding the current tax year, which amount may be increased by a growth factor of not to exceed three percent (3%) plus the amount of revenue that would have been generated by applying the levy rate of the previous year to ninety percent (90%) of any increase in market value subject to taxation resulting from new construction or annexation. For dissolving or de-annexing urban renewal revenue allocation areas, only 80% of the difference between the most recent increment and the 2006 increment value can be included on the new construction roll. The City's total budget increase from all sources may not exceed eight percent (8%); provided, however, that, effective January 1, 2022, any increase in new construction market value resulting from a termination, deannexation, or plan modification of an urban renewal revenue allocation area is not limited by this eight percent (8%) cap.

The City may submit to the electors within the City the question of whether the budget from property tax revenues may be increased beyond the amount authorized in Idaho Code Section 63-802, but not beyond the levy authorized by statute. The additional amount must be approved by sixty-six and two-thirds percent (66 2/3%) or more of the voters voting on the question at an election called for that purpose and held on the May or November dates provided by section 34-106, Idaho Code. If approved by the required minimum sixty-six and two-thirds percent (66 2/3%) of the voters voting at the election, the new budget amount shall be the base budget for the purposes of Idaho Code Section 63–802. In addition, the board of county commissioners may set a levy that exceeds the limitation above if it has been approved by a majority of the City's electors voting on the question at an election called for that purpose, provided however, that such voter approval shall be for a period of not to exceed two (2) years.

Once the City has approved its annual budget in accordance with the parameters of Idaho Code Section 63–802, it submits its Budget Dollar Certification Form (L-2 Form) and published budget to the board of county commissioners. Using the completed L-2 Form, the board of county commissioners then submits the City's budget request to the State Tax Commission. The amount of property tax revenues to finance an annual budget does not include revenues from non-property tax sources and does not include revenue from levies that are voter-approved for bonds, plant facilities reserve fund levies, override levies or supplemental levies.

For Fiscal Year 2022, the City increased its annual budget by the maximum permissible growth factor of three percent (3%) plus ninety percent (90%) of the value of new construction and annexation as described above. For Fiscal Year 2021, the City availed itself of the Idaho Governor's Public Safety Grant Initiative—a State program funded by federal CARES Act dollars—which covered the cost for public safety expenses incurred by the City from March 1 through December 30, 2020 in exchange for forgoing the three percent (3%) budgetary growth factor increase permitted by statute. The City did take the then-allowable one hundred percent (100%) of the value of new construction and annexation as described above. The City has not historically experienced a total annual budget increase in excess of eight percent (8%) and is therefore unlikely to be affected by the cap imposed by the HB 389. The City does expect HB 389 to result in reduced ad valorem tax revenues due to the ninety percent (90%) limitation on the value of new construction and annexation and as a result of changes that delay when an improved property's market value appears on the new construction roll. The City does not anticipate that these reduced ad valorem tax revenues will be material within the overall scope of the City budget.

Forgone Taxes. Effective January 1, 2021, Idaho Code Section 63–802(1)(e) provides that, when less than the maximum allowable increase in the dollar amount of property taxes is certified for annual budget purposes in any one (1) year, the City may, in any following year, recover the forgone increase by certifying, in addition to any increase otherwise allowed, any or all of the increase originally forgone. Provided however, that prior to budgeting any forgone increase, the City must provide notice of its intent to do so, hold a public hearing, which may be in conjunction with its annual budget hearing, and certify by resolution the amount of forgone increase to be budgeted and the specific purpose for which the forgone increase is being budgeted. Upon adoption of the resolution, the clerk of the City shall file a copy of the resolution with the County clerk and the State Tax Commission. Said additional amount shall be included in future calculations for increases as allowed, except with respect to capital projects. The City may recover forgone moneys up to three percent (3%) per year for a capital project or projects; however, once the project(s) are paid for, the forgone increase terminates and does not accrue to the base for future levying. In contrast, the City may recover forgone moneys for the purpose of maintenance and operations in perpetuity, but may not increase the City's budget by more than one percent (1%) per year for such purpose. Subject to the foregoing requirements, the balance of the City's forgone taxes as of October 1, 2021 is $1,862,692.

Direct and Overlapping Tax Rates of the City. For typical City taxpayers, the City contains six (6) overlapping taxing districts with the statutory power to levy regular property taxes. Each of these taxing district's tax rates together with the County's direct rate for each of the past ten (10) tax years are provided below.

TABLE 5
DIRECT AND OVERLAPPING TAX RATES

Direct Rates		**Overlapping Rates(1)**						
Year	**City**	**County**	**Twin Falls School District**	**Twin Falls Highway District**	**College of Southern Idaho**	**County Ambulance**	**County Abatement**	**Combined Levy Rates**
2021	0.62%	0.36%	0.31%	0.09%	0.09%	0.01%	0.01%	1.51%
2020	0.53%	0.40%	0.36%	0.11%	0.10%	0.02%	0.01%	1.53%
2019	0.71%	0.42%	0.43%	0.11%	0.09%	0.02%	0.01%	1.79%
2018	0.75%	0.43%	0.48%	0.11%	0.09%	0.02%	0.01%	1.89%
2017	0.74%	0.43%	0.46%	0.12%	0.09%	0.02%	0.01%	1.87%
2016	0.80%	0.46%	0.48%	0.12%	0.10%	0.02%	0.01%	2.00%
2015	0.79%	0.46%	0.48%	0.12%	0.10%	0.02%	0.01%	1.97%
2014	0.77%	0.45%	0.48%	0.12%	0.10%	0.02%	0.01%	1.94%
2013	0.79%	0.46%	0.44%	0.12%	0.10%	0.02%	0.01%	1.94%
2012	0.77%	0.45%	0.38%	0.12%	0.10%	0.02%	0.01%	1.85%

(1) Overlapping rates are those of local and county governments that apply to property owners within the City. The above table is intended to reflect the typical City taxpayer and doesn't reflect every potential overlapping taxing district that could apply to a particular taxpayer.

Source: the City; See also APPENDIX B—CITY OF TWIN FALLS, IDAHO COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021.

Property Values. The County assessor annually assigns a "valuation of market value for assessment purposes" to all taxable real and personal property within the County. The following table shows the history of total property values for the City during the last six years.

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TABLE 6
PROPERTY VALUES

Tax Year	Full Market Value (1)	Percent +/-	Homeowner's Exemption (2)	Net Taxable Assessed Value (3)	Percent +/-	Urban Renewal Values (4)
2021	$5,297,149,197	19.74%	$1,273,161,791	$4,023,987,406	16.93%	$629,156,333
2020	4,423,812,495	6.45%	982,560,171	3,441,252,324	6.96%	604,768,407
2019	4,155,734,859	10.86%	938,326,807	3,217,408,052	11.11%	563,838,636
2018	3,748,655,671	8.48%	852,963,117	2,895,692,554	7.90%	698,414,846
2017	3,455,575,073	13.84%	771,820,807	2,683,754,266	13.71%	695,234,140
2016	3,035,413,581	2.62%	675,221,547	2,360,192,034	2.00%	632,211,347

(1) Each year all taxable property must be assessed at 100 percent of the current market value (the "Full Market Value").

(2) See "Property Tax Exemptions—Homeowner's Property Tax Exemption" below.

(3) Taxable Assessed Value is the Full Market Value less statutory exemptions. Statutory exemptions include a homeowner's exemption and property tax reductions, known as the Circuit Breaker Property Tax Relief Program. The Taxable Assessed Value is the value against which tax levies are applied.

(4) Incremental value assessed to that portion of the urban renewal areas that lie within the City.

Source: Idaho State Tax Commission

Property Tax Collections.

TABLE 7
PROPERTY TAX COLLECTION

Tax Year	Total Taxes Levied	Taxes Collected(1)	Percent Collected
2021	$28,977,846	$17,730,996(2)	61.19%
2020	21,343,063	21,048,715	98.62%
2019	26,777,083	26,608,927	99.37%
2018	25,710,310	25,624,125	99.66%
2017	24,965,013	24,863,758	99.59%

(1) Amounts do not include penalties, back taxes and interest on delinquent taxes collected.

(2) Tax Year 2021 collections as of March 31, 2022. Represents first half collections only. First half tax collections paid December 2021, second half collections will be due in June 2022 for tax year 2021.

Source: Twin Falls County Treasurer, as of September 30, 2021.

Property taxes are levied in November and payable on December 20 and June 20 following the levy date. The taxes are delinquent the day following the due dates. A first-priority, statutory lien automatically attaches to all property to secure the payment of taxes. The County will institute tax deed proceedings on all properties that are delinquent by three (3) years.

Property Tax Exemptions.

Homeowner's Property Tax Exemption: The homeowner's property tax exemption provides a permanent exemption from ad valorem taxation for 50% of the market value for assessment purposes of a homeowner's primary residence including up to one acre of the land value, up to a maximum of $125,000 (the "Homeowner's Exemption"). The Homeowner's Exemption was increased to $125,000 effective January 1, 2021 under HB 389. The prior Homeowner's Exemption maximum was $100,000. The change is revenue neutral for the City.

Business Investment Property Tax Exemption: Under Idaho Code Section 63-602NN local county commissioners can declare that all or a portion of the market value of the improvements of a defined project with investments that meet certain tax incentive criteria can be exempt from property tax for a specified period. The exemption can be up to 100% per year for up to five years for each project. The investment must be in new plant or building facilities that are used for nonretail purposes that are either commercial or industrial valued at a minimum of $500,000 and land is not eligible for the exemption. Approval of the exemption is at the discretion of the local county commissioners.

Use of the business investment property tax exemption ("Business Exemption") only exempts the collection of property taxes on new business investment. Following the expiration of the Business Exemption the value of the business investment property will be included in the City's Taxable Assessed Value for future tax levy certifications.

Personal Property Tax Exemption: Taxable property includes real property and personal property. Idaho currently maintains a $3,000 exemption on a de minimis item of taxable property and, effective as of January 1, 2022, up to a $250,000 exemption on business property. Prior to January 1, 2022, the exemption on business property was capped at $100,000. For taxing districts created prior to January 1, 2013—such as the City—Idaho statute contains a provision for appropriations from the State sales tax receipts to such taxing districts to replace revenues lost through these exemptions. Because of the replacement provision, the City does not expect the partial exemption of personal property to influence the City's finances. However, there is no assurance the State Legislature will appropriate sufficient moneys in future years to replace the lost revenues.

Notwithstanding the foregoing, as of January 1, 2022, all transient personal property (equipment or machinery used for construction, logging or mining) is exempt from taxation. No replacement moneys are provided.

Largest Taxpayers of the City

The following table shows the principal taxpayers of the City for Tax Year 2021.

TABLE 8
PRINCIPAL TAXPAYERS
TAX YEAR 2021

Taxpayer	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Chobani, Inc. (Agro-Farma) (1)	$313,752,654	1	7.80%
Idaho Power (2)	162,509,565	2	4.04%
Idaho Frozen Foods (3)	122,129,924	3	3.04%
Clif Bar Baking Company (4)	107,013,848	4	2.66%
Westrock Longview, LLC	56,504,145	5	1.40%
Glanbia Foods, Inc.	45,812,601	6	1.14%
Jayco	28,792,333	7	0.72%
Magic Valley Mall II, LLC	25,468,345	8	0.63%
Wal-Mart Stores, Inc.	24,684,063	9	0.61%
Canyon Park West, LLC	21,022,372	10	0.52%
Total Top Ten	**$907,689,850**		**22.56%**
All Other City Taxpayers	**3,116,297,556**		**77.44%**
TOTAL CITY	**$4,023,987,406**		**100.00%**

(1) Founded in 2005, Chobani Inc. ("Chobani") is an American food company producing yogurt, oatmilk, dairy and plant-based creamers, ready-to-drink coffee and plant-based probiotic drinks. Chobani manufactures its products in New York, Idaho, and Australia. Chobani products are available throughout North America and distributed in Australia and other select markets. *Source: Chobani.com*

(2) Idaho Power is an energy company engaged in the generation, transmission, delivery, sale and purchase of electricity and is regulated by the Federal Energy Regulatory Commission (FERC) and the state regulatory commissions of Idaho and Oregon. Idaho Power serves more than 570,000 customers in a 24,000 square mile service area. With 17 low-cost hydroelectric projects as the core of its energy mix, Idaho Power's rates for electricity are some of the nation's lowest. Idaho Power has set a goal of providing 100% clean energy by 2045. *Source: idahopower.com*

(3) Idaho Frozen Foods is a food processing and trading company, which exports frozen beef, pork, poultry, fruits, vegetables, and brined products globally. *Source: idahofoods.net*

(4) Clif Bar & Company operates bakeries in Twin Falls, Idaho and Indianapolis, Indiana. The Twin Falls bakery is an award-winning facility featuring on-demand conveyors, LED lighting, a reflective roof and water source heat pump. It is the only bakery or manufacturing facility in the U.S. that intentionally included biophilic design, utilizing windows, vaulted skylights, light-directing solatubes, and glass sliding doors that link an auditorium to an outdoor events space. *Source: clifbar.com.* On June 20, 2022, Mondelēz International, one of the world's largest snack companies, announced an agreement to acquire Clif Bar & Company. This acquisition of Clif Bar and its associated brands including Luna and Clif Kid expands Mondelēz International to a more than $1 billion global snack bar business. Mondelēz International has indicated its intent to continue to work out of Clif Bar & Company's current headquarters and its manufacturing plants located in Indianapolis, Indiana, and Twin Falls, Idaho.

Source: APPENDIX B—CITY OF TWIN FALLS, IDAHO COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021—Statistical Section: Schedule 8 (citing Twin Falls County assessor); *Twin Falls County Assessor's Office.*

Fire Impact Fees

The City began collecting development impact fees in August 2009. Development impact fees are fees charged on building permits for the construction of new residential units or new non-residential square footage within the City. These fees are collected so that the City can construct new infrastructure that is needed to provide services to the new developments. The City charges for different types of development impact fees—street, parks, police, and fire. Each type has its own rate and the revenue collected can only be used to provide capital improvements for the category in which it was collected (e.g., fire impact fees can only be spent for fire capital projects). The City evaluates the impact fee rates each year and will generally increase the rates by an amount equal to the municipal cost index for increase for that year. Currently, the fire impact rate for residential construction is $970 per residential unit and the rate for non-residential construction is $0.048 per square foot.

To calculate the impact rate, the City first creates a capital improvement plan for each of the four fee types. These plans include the various capital projects that the City will construct using the impact fee dollars collected. These improvements must be durable capital, lasting longer than 10 years. In addition, they must be growth related—meaning that without growth, the improvements would not otherwise be needed. The City can also only fund new capital projects with impact fees to maintain a level of service, not to improve a level of service.

The City's capital improvement plan for fire impact fees includes the construction of a new Station 2. The recent development pattern in the City has seen the construction of several residential units in the northwest quadrant of the City. Station 2 is the primary response station for that part of town. The City measures its fire level of service in response time. As more and more development has been happening further and further to the northwest, response times to that area of the City have declined. Therefore, the City needs to relocate Station 2 further to the northwest to bring those response times back to where they have traditionally been. The Improvements will accomplish this.

The City is also constructing New Station 3. See "THE IMPROVEMENTS—Construction Contract—New Station 3" herein. However, this station is not moving significantly. Rather, New Station 3 is being rebuilt primarily to replace an outdated and inadequate older station with a modern and better-equipped station. New Station 3 would need to be replaced whether its service area is experiencing new growth or not. Therefore, impact fees are not an appropriate funding mechanism for the construction of New Station 3.

The City's fire capital improvement plan contemplates impact fees collections of up to $7,600,000 for the construction of a new Station 2 (the Improvements). However, the City has not yet collected that amount. Rather, the capital improvement plan is set up to collect the total amount over a ten-year span. To-date, the City has collected approximately $3,000,000. The City anticipates using these collected fire impact fees, and those to be collected in the future, to pay debt service on the Certificates. Notwithstanding this expectation, the Certificates may be paid from any Lawful Funds. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES—Sources of Payment" herein.

Revenues from Business-Type Activities

The vast majority—95% for Fiscal Year Ended September 30, 2021—of the City's business-type activity revenue is received from charges for services. Program revenues generated from business-type activities are generally sufficient to cover most program operational expenses, debt funding, and capital investment. Currently, the City's business-type activities do not use property taxes for any type of funding. All of the City's business-type programs are self-supporting. The City's revenues from business-type activities are not included within Lawful Funds.

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CITY INDEBTEDNESS

General

The following is a description of statutory limitations on various types of debt authorized for municipalities in the State:

(a) *Local Improvement District Bonds*. Local improvement districts may be formed for the purpose of assessing property owners for certain improvements within a defined area. There are no statutory limitations to the par amount of local improvement district bonds that may be issued other than that the amount assessed against any property within the district may not be more than the taxable value of the property. Local improvement district bonds are nonrecourse to the City. Local improvement district bonds are secured by assessments on the property benefitted and not the City's general taxing authority. No City local improvement district bonds are currently outstanding.

(b) *Revenue Bonds*. There are no statutory limitations to the par amount of revenue bonds that can be issued by a municipality provided that the par amount cannot exceed the costs of the project to be financed with proceeds of the bonds. The project must be self-supporting and the par amount of the bonds cannot exceed the amount approved by voters. The City has revenue bond debt for both the Water Fund and the Wastewater Fund as described below.

(c) *General Obligation Debt*. Cities are subject to a constitutional debt limitation in that they cannot incur indebtedness beyond the current Fiscal Year without an approving vote of the electors (two-thirds for general obligation bonds). In addition, Section 50-1019 of the Idaho Code limits voter-approved general obligation debt for cities located in the State to an amount not to exceed 2 percent of the market value for assessment purposes (which includes the tax increment market value of any urban renewal district within the City), less the aggregate outstanding voter-approved general obligation bond indebtedness. The City currently has no general obligation debt.

(d) *Certificates of Participation*. Certificates of participation represent undivided ownership interests in lease payments under financing leases entered into by a municipality. The payments evidenced by the lease are special obligations of the municipality subject to annual appropriation of the lease payments, and not a general obligation of the municipality. These obligations are subject to a municipality's willingness and ability to budget and annually appropriate funding to make the payments. Municipalities are authorized to lease real property pursuant to chapter 14, Title 50, Idaho Code. Not including the Certificates, the City has no certificate of participation indebtedness.

Long-term Obligations

The only outstanding long-term obligations of the City are certain water and sewer revenue bonds. The City's revenue bonds are with the Idaho Bond Bank Authority (the "Authority). The Authority is a State level entity which lends money to local governments within the State, with the goal of providing funds for their infrastructure needs and access to the capital markets at competitive interest rates. That lending is then pooled and placed with public investors. The Authority is currently rated "Aa1" by Moody's. The rating is based on a pledge of the State's sales tax revenues to the repayment of any bonds the Authority has, and reflects the solid, statewide economic base for tax collections.

The City has pledged its water and wastewater revenues, as applicable, to repayment of its revenue bonds with the Authority. If pledged revenues (net of expenditures) during the year are less than 125 percent of required debt service coverage due the following year, then the City is required to increase utility rates or reduce expenses to meet the required level. Additionally, the bonds between the City and the Authority contain a provision that in the event of a payment default, the State can intercept intergovernmental sales tax revenues, property tax revenues, liquor tax money, or any other source of operating money disbursed by the State to the City. The City is in compliance with all Authority bond covenants, including continuing reporting disclosures. The following table sets forth the outstanding revenue bond debt of the City as of April 11, 2022.

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TABLE 9
CITY INDEBTEDNESS

Description	Responsible Fund	Date of Issuance	Date of Maturity	Par Amount	Amount Outstanding
Idaho Bond Bank Authority-Series 2012A	Wastewater	10/1/2012	9/15/2022	$ 4,030,000	$ 475,000
Idaho Bond Bank Authority-Series 2012B	Wastewater	10/1/2012	9/15/2027	7,570,000	3,505,000
Idaho Bond Bank Authority-Series 2012C	Water	10/1/2012	9/15/2022	3,070,000	355,000
Idaho Bond Bank Authority-Series 2014A	Wastewater	2/26/2014	9/15/2033	38,000,000	29,130,000
Idaho Bond Bank Authority-Series 2017A	Water	3/15/2017	9/15/2024	4,905,000	2,300,000
					$35,765,500

Source: the City, as of April 11, 2022; see also APPENDIX B— CITY OF TWIN FALLS, IDAHO COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021—Note 6: Long-term Liabilities.

The Urban Renewal Agency of Twin Falls, a discretely presented component unit of the City—see “FINANCIAL FACTORS—Component Units” herein—has a number of long-term obligations outstanding. See APPENDIX B— CITY OF TWIN FALLS, IDAHO COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021—Note 6: Long-term Liabilities: Urban Renewal Agency. The obligations of the Urban Renewal Agency of Twin Falls are not obligations of the City and the City has no liability therefor.

Short-Term Borrowing

The City does not have any short-term notes outstanding, nor does it have plans to issue any short-term notes at this time.

Debt Payment Record

The City has promptly met all debt service payments on outstanding obligations. Additionally, no refunding bonds have been issued for the purpose of preventing an impending default.

Future Financing

Other than the Certificates, the City does not have any plans to issue indebtedness secured by the Lawful Funds of the City in the next three years.

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FINANCIAL FACTORS

Accounting Policies

The City's financial statements are prepared in conformity with generally accepted accounting principles in the United States ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). The City has implemented the financial reporting model required by GASB Statement No. 34, Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments. The City follows the "business-type activities" reporting requirements of GASB-34 that provides a comprehensive one-column look at the City's financial activities. The City's financial statements are prepared using the accrual basis of accounting, which reports the current year's revenues and expenses regardless of when cash changes hands.

Financial Reporting

The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements.

Government-wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. There are two basic government-wide financial statements presented: (1) the Statement of Net Position, and (2) the Statement of Activities. These statements present a broad overview of the City's finances, in a manner similar to a private-sector business.

(1) Statement of Net Position. This statement presents information on all of the City's assets and liabilities, and deferred outflows/inflows or resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City's is improving or deteriorating.

(2) Statement of Activities. This statement presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event is incurred, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, sanitation, airport, and culture and recreation. The business-type activities of the City include water, wastewater and sanitation. The government-wide financial statements also separately detail the financial position and activities of a legally independent urban renewal agency. See "Component Units" below.

Fund Financial Statements. The City accounts for financial activities using a fund accounting model. A "fund" is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: (1) governmental funds, (2) proprietary funds, and (3) fiduciary funds.

(1) Governmental Funds. The City utilizes governmental funds to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's financial health and near-term financing requirements.

The City maintains thirteen (13) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Fund, Airport Fund, Capital Improvement Fund, and Airport Construction Fund, which are the City's major governmental funds and are described below. Data from the other eight (8) funds are combined into a single, aggregated presentation.

i. *General Fund*. The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

ii. *Street Fund*. The Street Fund is a special revenue fund. It accounts for and reports State tax revenues that are dedicated to maintenance and operation of roads as well as revenues collected from users of roads and streets through a fuel tax. Other revenues which are used to meet the maintenance need and supplement the State revenues include general property taxes and franchise fees collected by the City's electrical utility provider.

iii. *Airport Fund*. The Airport Fund is another reported special revenue fund and accounts for and reports the operational activity of the municipal Airport. Accounting for the activities of the Airport is the responsibility of the City. However, the Airport is jointly funded with the City's use of property tax revenue and an equal contribution from the County. The Fund also receives revenues from landing fees, concession and franchise fees, and hanger and land rentals.

iv. *Capital Improvement Fund*. The Capital Improvement Fund is used to account for the acquisition of capital assets or construction of major capital projects. The Capital Improvement Fund reflects projects other than Airport projects that are not being financed by proprietary or non-expendable trust funds.

v. *Airport Construction Fund*. The Airport Construction Fund is used to account for the acquisition of capital assets or construction of major capital project specific to the Airport.

The City adopts an annual appropriated budget for its General Fund, its major funds, and its non-major funds.

(2) Proprietary Funds. The City also utilizes Proprietary Funds which are used to account for the City's on-going organizations and activities that are similar to those often found in the private sector. Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The City maintains two different types of proprietary funds: (i) enterprise funds and (ii) internal service funds.

i. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the utility services it provides—water, wastewater, and sanitation.

ii. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the management of its risks and insurance and for the maintenance of its fleet of vehicles and heavy equipment. Because these services predominantly benefit governmental rather than business-type functions, they have been included in governmental activities in the government-wide financial statements

The proprietary fund financial statements provide separate information for the water, wastewater, and sanitation functions, which are major funds of the City and are described below. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund's financial statements.

i. *Waterworks Fund*. The Waterworks Fund is used to account for the costs necessary to operate the City's water system and the charges necessary to offset those costs.

ii. *Wastewater Fund*. The Wastewater Fund is used to account for the costs necessary to operate the City's sewer system and the charges necessary to offset those costs.

iii. Sanitation Fund. The Sanitation Fund is used to account for the costs necessary to operate the City's garbage collection and the charges necessary to offset those costs.

The City adopts an annual appropriated budget for its Proprietary Funds.

(3) Fiduciary Funds. Finally, the City uses Fiduciary Funds to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because

the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City currently has no fiduciary funds.

Additional information on the City's financial reporting is available in the City's audited financial statements—See APPENDIX B—CITY OF TWIN FALLS, IDAHO COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021.

General Fund Undesignated Fund Balance Policy

The City has a policy of maintaining a reserve balance in the General Fund of 25% of the annual budgeted base revenues to provide reasonable assurance that the City will pay all general obligations and meet unforeseen emergencies. At the end of each fiscal year, after completion of the annual audit, the amount above the 25%, reduced by any deficit fund balances in other City Funds, will be transferred to the City's Capital Improvement Fund, where it will be available for one-time projects recommended by the City Manager and approved by the City Council. For Fiscal Year 2021, $1,900,000 was transferred under the policy. The balance of the Capital Improvement Fund as of September 30, 2021 was $13,783,315.

Component Units

As defined by GAAP established under GASB, the financial reporting entity consists of the primary government, as well as any component units—entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. Each blended component unit and each discretely presented component unit has a September 30 year end. A brief description of the City's component units follows. See APPENDIX B—CITY OF TWIN FALLS, IDAHO COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021—Note 1: Summary of Significant Accounting Procedures—Financial Reporting Entity.

Twin Falls Public Library (Blended Component Unit).

Blended component units are legally separate organizations but are intertwined enough that they are reported as part of the primary government. The City's relationship with the Library is such that the City Council, the governing body of the City, is also the definitive and final governing body of the Library and there exists a financial benefit and burden between the City and the Library. As such the activity of the Library is presented with the City's.

The Urban Renewal Agency of Twin Falls (Discretely Presented Component).

The Urban Renewal Agency of Twin Falls (the "Agency") is a discretely presented component unit of the City. A discretely presented component unit is legally separate from the City but is financially accountable to the City, or its relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. Component units are reported in a separate column to emphasize that they are legally separate from the primary government.

Organized in 1965 under the Idaho Urban Renewal Law of 1965 (Chapter 20, Title 50, Idaho Code), the Agency is responsible for rehabilitation, conservation, and redevelopment of deteriorated properties in areas within the City's jurisdiction. The seven-member board is appointed by the City Council. The City and the Agency have an agreement that the City will make available certain personnel for administrative, legal, engineering, budgeting, and accounting services and assistance to the Agency to the extent that the City has appropriated necessary funds to provide such assistance. The Agency has agreed to reimburse the City annually for these costs. The City has no responsibility for debt issuance of the Agency. The Agency is presented as a governmental fund type.

Complete financial statements for the Urban Renewal Agency may be obtained at the entity's administrative offices.

Independent Audit Requirement

Each State municipal corporation must obtain an audit and examination of its funds and account groups at least once each year pursuant to Idaho Code 67-450B. Municipalities having annual expenditures of less than $50,000, with the exception of those entities receiving federal assistance, are exempt from this requirement. The required audit may be performed by independent public accountants certified by the State as capable of auditing municipal corporations.

The City audits have been performed by Mahlke Hunsaker & Co., PLLC, Twin Falls, Idaho ("Mahlke Hunsaker") since Fiscal Year 2011 and Mahlke Hunsaker will perform the City's Fiscal Year 2022 audit. The audit report for the year ended September 30, 2021, indicates that the City's financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. Mahlke Hunsaker was not requested to review this Official Statement and has not completed any additional auditing procedures subsequent to the issuance of their report on Fiscal Year 2021.

The Comprehensive Annual Financial Report containing audited financial statements of the City as of September 30, 2021 is attached to this Official Statement as APPENDIX B. Financial statements for years prior to Fiscal Year Ended September 30, 2021 may be ordered by contacting the City.

Timing for Release of Audited Financial Statements

The City expects its Comprehensive Annual Financial Report for Year Ended September 30, 2022 to be available between February 1 and February 28, 2023, which is consistent with the City's past practice.

Summary Financial Statements

Set forth below is certain summary financial information for the City for Fiscal Years 2017 through 2021; more specifically, the City's Statement of Revenues, Expenses and Changes in Fund Balances—General Fund and Balance Sheet—General Fund follow. The information set forth in the summary financial statements has been extracted from the City's audited financial statements for the stated fiscal years. The summaries have not been audited. The full audited financial statements of the City as of September 30, 2021 are attached to this Preliminary Official Statement as APPENDIX B.

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TABLE 10
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
GENERAL FUND

	Fiscal Year Ending September 30				
	2021	2020	2019	2018	2017
REVENUES					
Property Taxes, Including Interest	$14,283,281[(1)]	$19,388,589	$18,313,996	$17,128,029	$15,595,151
Other Taxes	446,312	455,807	463,791	515,719	496,427
Fines and Forfeitures	16,610	16,279	17,869	17,147	12,490
Licenses and Permits	2,277,696	1,882,560	1,563,063	1,478,997	1,206,907
Fees and Services	1,375,335	1,168,201	1,304,886	1,378,336	1,225,890
Intergovernmental	4,496,397	3,459,964	3,363,367	3,142,523	2,818,744
Federal Grants	7,010,952[(2)]	639,674	348,050	189,135	306,522
Investment Income	(41,780)	-	-	-	-
Miscellaneous	1,111,925	1,290,424	1,389,052	762,528	835,757
Total Revenues	30,976,728	28,291,498	26,764,074	24,612,414	22,497,888
EXPENDITURES					
Current:					
General Government	5,972,306	5,485,881	4,722,410	4,922,372	4,421,798
Public Safety	18,615,203	17,702,699	17,258,620	15,896,353	14,687,482
Engineering	1,654,535	1,683,416	1,692,915	1,553,187	1,499,651
Community Development	1,000,023	979,728	1,032,929	911,428	851,205
Culture and Recreation	2,325,736	2,084,267	2,106,825	2,004,770	1,946,534
Total Expenditures	29,564,803	27,935,991	26,813,698	25,288,110	23,406,670
Excess (Deficiency) of Revenues Over Expenditures	1,411,925	355,507	(49,624)	(675,696)	(908,782)
OTHER FINANCING SOURCES (USES)					
Transfers In	2,228,479	2,213,831	2,158,464	2,049,051	1,959,250
Transfers Out	(1,946,103)	(3,516,124)[(4)]	(20,064)	(501,187)	(1,888,730)
Total Other Financing Sources (Uses)	282,376	(1,302,293)	2,138,400	1,547,864	70,520
NET CHANGE IN FUND BALANCES	1,694,301	(946,786)	2,088,776	872,168	(838,262)
FUND BALANCES, BEGINNING	10,232,345[(3)]	11,752,876	9,664,100	8,791,932	9,630,194
FUND BALANCES, END	$11,926,646	$10,806,090	11,752,876	$9,664,100	8,791,932

(1) Idaho created the Public Safety Grant Initiative to leverage CARES Act funds to cover local public safety personnel expenses associated with the coronavirus. To take part in this initiative, local elected officials agreed not to increase the base property tax budgets and not to take the allowable 3% increase. As a result, City property owners received a one-time property tax reduction. The election to take part by the City, and the associated reduction in the levy rate, had the effect of reducing the City's property tax collected in Fiscal Year 2021.

(2) Large year-over-year increase in Federal Grants due to COVID congressional relief funding.

(3) Restated.

(4) Includes transfers for both the 2018-2019 Fiscal Year and the 2019-2020 Fiscal Year under the City's General Fund Undesignated Fund Balance Policy. See "FINANCIAL FACTORS—General Fund Undesignated Fund Balance Policy" herein.

Source: Information extracted from the City's audited financial statements for the stated Fiscal Years. This summary has not been audited.

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TABLE 11
BALANCE SHEET
GENERAL FUND

	Fiscal Year Ending September 30				
	2021	2020	2019	2018	2017
ASSETS					
Cash and Investments	$15,651,516	$9,568,962	$10,920,952	$9,174,725	$7,676,057
Receivables (net of allowances)					
Taxes	445,882	472,270	423,500	379,219	203,184
Intergovernmental	1,347,792	1,327,926	1,211,645	1,101,636	1,029,974
Interest	2,520	2,091	-	4,879	757
Accounts	67,325	56,647	87,057	68,182	93,895
Due from Other funds	321,145	683,166	683,166	683,166	683,166
Total Assets	$17,836,180	$12,111,062	$13,326,319	$11,411,807	$9,687,033
LIABILITIES					
Accounts Payable	$ 320,421	$322,181	$225,384	$817,812	$219,390
Accrued Expenditures	246,645	155,119	63,944	151,687	45,601
Customer Deposits Payable	737,372	408,915	926,951	458,318	482,395
Total Liabilities	1,304,438	866,215	1,216,279	1,427,817	747,386
DEFFERRED INFLOWS OF RESOURCES					
Unavailable Revenues-Property Taxes & Rents	4,605,096	418,757	357,164	319,890	147,715
FUND BALANCES(1)					
Nonspendable Fund Balance	-	-	-	-	-
Restricted, Expendable for					
Law Enforcement Activities	228,760	81,043	73,257	72,601	72,504
Restricted for the Benefit of TFPD	11,826	11,826	11,826	11,826	5,913
Deposits	512,987	330,493	856,190	388,016	-
Committed Fund Balance	-	-	-	-	
Budgeted Surplus Reserved.	-	-	-	-	578,141
Assigned Fund Balance					
General Government	11,173,073	10,382,728	10,811,603	9,177,112	8,135,374
Unassigned Fund Balance	-	-	-	-	-
Total fund balances	11,926,646	10,806,090	11,752,876	9,664,100	8,791,932
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$17,836,180	$12,111,062	$13,326,319	$11,411,807	$9,687,033

(1) Fund balance is classified depending on the relative strength of the spending constraints placed on the purposes for which resources can be used as follows:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are not in spendable form, or they are legally or contractually required to be maintained intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables

Restricted Fund balance – constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or other governments; or are imposed by law (through constitutional provisions or enabling legislation.

Committed Fund Balance – amounts that can only be used for specific purposes because of a formal action by the City's highest level of decision-making authority, the City Council. Formal actions taken by the City Council that are recognized as committed funds are City Ordinances. Ordinances are enacted by a majority vote of Council members.

Assigned fund balance – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. This intent can be expressed by the City Council or through the City Council delegating this responsibility to the City Manager through the budgetary process.

Unassigned fund balance – residual balances in the General Fund that have not been restricted, committed, or assigned.

Source: Information extracted from the City's audited financial statements for the stated Fiscal Years. This summary has not been audited.

Fiscal Year 2022 Budget

On August 23, 2021, the City Council adopted the Fiscal Year 2021-22 Budget for the City (the "2022 Budget"). The 2022 Budget projected total General Fund revenues of $32,011,225, with the largest source of said revenue coming from property taxes (67.8%) as further set forth on the table below. For the General Fund, the 2022 Budget projects zero available revenue, net of expenses. See also "SECURITY AND SOURCES OF PAYMENT—Sources of Payment."

TABLE 12
CITY OF TWIN FALLS, IDAHO
FISCAL YEAR 2022 BUDGET
GENERAL FUND ONLY

	2022	**Percentage of Budget**
REVENUES		
Property Taxes	$21,688,824	67.8%
Shared Revenues – Sales Tax	2,801,674	8.8%
Franchise Taxes	437,000	1.4%
Licenses and Permits	1,386,000	4.3%
Shared Revenue - Liquor	780,000	2.4%
Court	190,000	0.6%
Investment Earnings	128,702	0.4%
Grants	30,000	0.1%
E-911	450,000	1.4%
Fire District	567,733	1.8%
Other	1,120,814	3.5%
Interfund Transfers	2,430,477	7.6%
Existing Fund Balance (Reserves)	-	0.0%
Total Revenues	$32,011,225	100.0%
EXPENDITURES		
City Council	$ 145,027	0.5%
City Manager	1,213,466	3.8%
Finance	879,186	2.7%
Legal	542,330	1.7%
Planning & Zoning	519,867	1.6%
Code Enforcement	396,500	1.2%
Economic Development	317,452	1.0%
Human Resources	660,953	2.1%
Information Technology	2,766,607	8.6%
Police (Invest., Uniform, Admin.)	11,184,271	34.9%
Communications Center	1,320,333	4.1%
Fire	5,923,282	18.5%
Building Safety	971,522	3.0%
Animal Control	481,730	1.5%
Custodial	127,295	0.4%
Engineering	1,868,547	5.8%
Parks	1,680,901	5.3%
Recreation	791,042	2.5%
Golf	-	0.0%
Other	-	0.0%
Interfund Transfers	220,913	0.7%
Total Expenses	$32,011,225	100.0%

Source: Information extracted from the City's adopted 2022 Budget.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Distinguished Budget Presentation Award ("Distinguished Budget Award") to the City for its annual budget for the Fiscal Year beginning October 1, 2020. This was the seventh consecutive year that the City has achieved this prestigious award. In order to be awarded a Distinguished Budget Award, the City must publish an easily readable and efficiently organized budget report, whose contents conform to program standards. A Distinguished Budget Award is valid for a period of one year only. The City believes its current budget report continues to conform to professional requirements and the GFOA's best practices and plans to submit it to GFOA to determine its eligibility for another award.

The GFOA also awarded a Certificate of Achievement for Excellence in Financial Reporting ("Certificate of Achievement") to the City for its annual comprehensive financial report for the fiscal year ended September 30, 2020. This was the sixth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City believes that its current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and plans to submit it to GFOA to determine its eligibility for another certificate.

Investment Policy

The City has a formal investment policy, adopted October 1, 2014. As recognized therein, the City's investment policy is governed by, among other statutes, Idaho Code 50-1013 which provides authorization for the investment of funds as well as specific direction as to what constitutes an allowable investment. City procedures are consistent with the State law. Idaho law, and the City's investment policy, limits investments to the following general types: (a) certain revenue bonds, general obligation bonds, local improvement district bonds and registered warrants of state and local governmental entities; (b) time deposits accounts, tax anticipation and interest-bearing notes; (c) bonds, treasury bills, debentures or other similar obligations of the United States government and the Farm Credit System and (d) repurchase agreements. In addition, the City's investment policy requires that investments within the portfolio be diversified in order to avoid concentration and custodial risks in specific instruments, individual financial institutions, or maturities. As of September 30, 2021, the City did not have investments in any one issuer (other than State investment pools) that represented 5% or more of total City investments. The City's investment policy also requires City investments to have a rating of A- or its equivalent by two or more public rating agencies at the time of purchase.

As of September 30, 2021, the City had $77,472,127 in total investments comprised of $66,239,879 in mortgage/asset backed securities, $5,472,795 in U.S. government and agency obligations, and $5,759,453 in corporate bonds. All investments are guaranteed by the U.S. government except for the corporate obligations. For additional detail regarding the City's investments, see APPENDIX B—CITY OF TWIN FALLS, IDAHO COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021—Note 3: Deposits and Investments.

Pension System

The City's employees are covered under the Public Employee Retirement System of Idaho ("PERSI"), the administrator of a multiple-employer cost-sharing defined benefit public employee retirement system. A retirement board (the "PERSI Board"), appointed by the Governor and confirmed by the State Senate, manages the system which includes selecting investment managers to direct the investment, exchange and liquidation of assets in the managed accounts and to establish policy for asset allocation and other investment guidelines. The PERSI Board is charged with the fiduciary responsibility of administering the plan.

PERSI is the administrator of seven fiduciary funds, including three defined benefit retirement plans, the Public Employee Retirement Fund Base Plan ("Base Plan") and the Firefighters' Retirement Fund ("FRF Plan") and the Judge's Retirement Fund; two defined contribution plans, the Public Employee Retirement Fund Choice Plans 414(k) and 401(k); and two Sick Leave Insurance Reserve Trust Funds, one for State employers and one for school district employers. The FRF Plan covers a closed group of firefighters who were hired before October 1, 1980, and who received benefits in addition to those provided under the Base Plan.

PERSI membership is mandatory for eligible employees of participating employers. Employees must be: (i) working 20 hours per week or more; (ii) teachers working a half-time contract or greater; or (iii) persons who are elected or appointed officials. Membership is mandatory for State agency and local school district employees, and membership by contract is permitted for participating political subdivisions such as cities and counties. As of June 30, 2021, PERSI had 73,563 active members, 45,718 inactive members (of whom 14,539 are entitled to vested benefits), and 50,891 retired members or annuitants. In addition, as of June 30, 2021, there were 835 participating employers in the Base Plan and total membership in PERSI was 170,172.

The net position for all pension and other funds administered by PERSI increased $5.0 billion during Fiscal Year 2021 and increased $0.2 billion during Fiscal Year 2020. The change in the defined benefit plans reflects the total of contributions received and an investment return less benefits paid and administrative expenses. All of the plans experienced investment gains in Fiscal Year 2021 as a result of positive market performance. Net investment income for all of the funds administered by PERSI for the Fiscal Year 2021 and Fiscal Year 2020 was $5.3 billion and $0.5 billion, respectively.

Based on the July 1, 2021 actuarial valuation, PERSI's unfunded actuarial accrued liability decreased by $2,384.2 million, resulting in a change in funding status from a 87.7% funding ration on July 1, 2020 to 99.8% on June 30, 2021. The funding ratio is the ratio of the actuarial value of the assets over the value of the actuarial accrued liability. The higher the funding ratio, the better the plan is funded.

Annual actuarial valuations for PERSI are provided by the private actuarial firm of Milliman, which has provided the actuarial valuations for PERSI since PERSI's inception. As a result of the statutory requirement that the amortization period for the unfunded actuarial accrued liability ("UAAL") be 25 years or less, the PERSI Board must annually analyze contribution rates. The current contribution rates, as listed below, are adequate to amortize the normal cost and UAAL balance over the required 25-year period.

Contribution Rates

Member		**Employer**	
General/ Teacher	**Fire/ Police**	**General/ Teacher**	**Fire/ Police**
7.16%	9.13%	11.94%	12.28%

Source: Financial Statements June 30, 2021 Public Employee Retirement System of Idaho.

The most recent major experience study, completed in June 2018, covered the period July 1, 2011 through June 30, 2017. The next major PERSI experience study to be completed in 2022, will cover the period of July 1, 2017 through June 30, 2021.

Beginning with Fiscal Year 2015, the City is required to record a liability and expense equal to its proportionate share of the collective net pension liability and expense of PERSI due to the implementation of GASB 68. As of September 30, 2021, the City recorded a net pension asset of $406,916, representing its proportional share of asset under the Base Plan and net pension asset of $11,411,063, representing its proportional share of asset under the FRF Plan. See APPENDIX B—CITY OF TWIN FALLS, IDAHO COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021—Note 9: Pension Plans.

PERSI issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at, www.persi.idaho.gov (which website is provided purely for convenience and is not incorporated or made a part of this Official Statement by this reference).

Other Post-Employment Benefits

The City does not participate in other post-employment benefits (OPEB).

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory hours in lieu of overtime hours, and sick pay benefits. Vacation pay and compensatory hours are accrued when incurred in proprietary funds and reported as a fund liability. Vacation pay and compensatory hours for governmental funds are reported as expenditures of the related fund when paid. Accrued vacation pay and compensatory hours of governmental funds are further recorded as liabilities in the government-wide financial statements. No liability is reported for unpaid accumulated sick leave. However, once employees reach a maximum sick leave accrual amount, any excess hours are accumulated in a "Retirement Account" and at retirement may be converted to their dollar equivalent and used exclusively for the purchase of health insurance. Retirement hour accruals and expenditures are treated the same as unused vacation and compensatory hours. For additional information, see APPENDIX B— CITY OF TWIN FALLS, IDAHO COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021—Note 6: Long-term Liabilities.

Insurance Coverage

The City is a member of Idaho Counties Risk Management Program ("ICRMP"). ICRMP is a member-owned local government risk pool which is now the primary source of property and casualty loss protection for Idaho governments including counties, cities, and special purpose districts. All property and liability insurance coverage for the City is obtained from ICRMP. The City is also enrolled in the Workmen's Compensation Insurance Program through the State.

ECONOMIC AND DEMOGRAPHIC DATA

Introduction

Located in south-central Idaho along the Snake River canyon, approximately 135 miles east of Boise and 218 miles north of Salt Lake City, the City serves as the urban, retail, educational, medical and employment center of the Magic Valley—an eight county area in south-central Idaho, with a total combined population of over 260,000. Underlying the City economy is a very strong base in agribusiness including food production, processing, science, research, and related support services. The City began as an agricultural center thanks to the foresight of entrepreneur I.B. Perrine in the early 1900s. Perrine convinced private financiers to build a damn along the Snake River with a corresponding canal system to deliver water to the fertile Snake River Plain. Because of these investments at the beginning of the 20th century, the City and the Magic Valley have grown into one of the world's most productive farming regions and a hub for food and dairy manufacturing.

Chobani, Clif Bar, Glanbia Nutritionals, and Jayco RV chose the City to build and expand because of the excellent quality of life, educated workforce, pro-business environment, and its key western location to reach national and international markets. The City is located at the crossroads of I-84, Highway 30, and Highway 93. Combine this with the Eastern Idaho Railroad that runs through the City and the result is excellent access to markets around the country and west coast ports for international trade. A strong job market, downtown redevelopment and job creation support have further bolstered the City's growth. The City prides itself for moving at the speed of business. Chobani was able to build the world's largest yogurt processing plant in 326 days, due in no small part to City's commitment to helping business partners get up-and-running on their timeline. The City Building Department has a guaranteed 24-hour turn-around time on all commercial inspection requests, and is equally committed to plan review and zoning requests.

In recognition of these economic successes, the City received the prestigious Manufacturing Community Designation by US Department of Commerce and was recognized by the International City Managers Association (ICMA) and the International Economic Development Council (IEDC) for excellence in local government and economic development. For a list of the City's major employers see "Employment" below.

The City provides ample recreational opportunities. Spanning the Snake River canyon is the renowned Perrine Bridge, one of the world's top spots for year-round BASE jumping (the City is the only place in the U.S. where you can BASE jump without a permit year-round). In addition, the City maintains tens of miles of trails along the Snake River canyon rim and through Rock Creek canyon, creating an opportunity to bike, walk, and run in scenic and safe areas. The City also maintains more than 200 acres of parks, trails, wooded, and open areas, as well as multiple overlooks to enjoy the spectacular views. The City has over 30 parks, offering a variety of amenities including open space, playgrounds, tennis and pickle ball courts, baseball and softball fields, a skate park, splash pads, all-accessible playground, a dog park, multiple Frisbee golf courses, BMX track, mountain bike terrain, and more. Two golf courses are located in the Snake River Canyon. There is also a municipal golf course within City limits, as well as a city pool that operates year-round. In the winter, downhill skiing, snowboarding, snowshoeing and cross-country skiing are as close as 30 minutes away, or a little further north to Sun Valley. Snowmobiling can be found as close as 20 minutes away. Just northeast of the City, Shoshone Falls, known as the Niagara of the West, plunges 212 feet into the Snake River, making it the tallest waterfall in the United States. The City also boasts a vibrant arts and culture sector, including a number of annual festivals and multiple youth organizations and opportunities.

Population

The City ranks eighth in population among cities in Idaho. The following table provides historical population information for the City.

TABLE 13
POPULATION

	City of Twin Falls	**% Over Prior Period**
2020 Census	51,807	17.4%
2010 Census	44,125	28.0%
2000 Census	34,469	24.9%
1990 Census	27,591	5.3%
1980 Census	26,209	19.6%
1970 Census(1)	21,914	8.9%

(1) 1970 percent change as compared to 1960 Census.

Source: U.S. Department of Commerce, Bureau of the Census.

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Employment

Historical employment within the County is described in the following tables.

Labor Market and Employment by Industry

TABLE 14
TWIN FALLS COUNTY
ANNUAL AVERAGE LABOR FORCE DATA

Twin Falls County	**Annual Average**				
	2021	**2020**	**2019**	**2018**	**2017**
Civilian Labor Force	42,041	41,544	41,632	40,915	40,399
Unemployed	1,698	2,222	1,183	1,124	1,225
Percent of Labor Force Unemployed	4.0%	5.3%	2.8%	2.7%	3.0%
Total Employment	40,343	39,322	40,449	39,791	39,174

	Annual Average				
By Place of Work	**2021**	**2020**	**2019**	**2018**	**2017**
All Industry Covered Jobs	40,501	38,926	39,993	39,251	38,451
Total Private	35,517	33,972	34,708	34,100	33,438
Goods producing (Including Gov.)	9,102	8,591	8,546	8,433	8,163
Service Producing (Including Gov.)	31,399	30,335	31,387	30,818	30,288
Private Service Producing	26,461	25,424	26,208	25,708	25,317
Natural Resources	2,282	2,218	2,258	2,225	2,188
Construction	1,983	1,774	1,692	1,575	1,448
Manufacturing	4,837	4,599	4,596	4,633	4,527
Trade, Transportation, and Utilities	8,774	8,287	8,378	8,295	8,103
Wholesale Trade	1,636	1,484	1,488	1,463	1,419
Retail Trade	5,253	4,951	5,033	5,062	4,926
Transportation and Warehouse	1,669	1,639	1,641	1,552	1,545
Utilities	213	212	213	216	212
Information	269	272	442	442	442
Financial Services	1,252	1,308	1,369	1,377	1,359
Professional and Business Services	4,621	4,756	4,882	4,935	4,963
Education and Health Services	9,499	9,148	9,287	9,230	9,171
Leisure and Hospitality	4,457	4,042	4,369	3,948	3,724
Other Services	999	986	1,081	1,043	1,060
Government, All	4,975	4,954	5,225	5,151	5,013
Federal	367	385	380	381	370
State	453	450	452	449	448
Local	4,155	4,115	4,389	4,317	4,190

Source: Quarterly Census of Employment & Wages, Idaho Department of Labor, Communications and Research Division, information as of 4Q 2021.

Note: Due to averaging, totals may not reconcile, only approximates.

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Employers. Major employers in the City include the following:

TABLE 15
CITY'S MAJOR EMPLOYERS

Rank	Employer	Industry	Range of Employees
1	St. Luke's Magic Valley Regional Medical Center	Healthcare and Social Assistance	2,000-2,499
2	Twin Falls School District	Education, Local Government	1,000-1,499
3	College of Southern Idaho	Education, Local Government	900-999
4	Chobani LLC	Manufacturing	800-899
5	Lamb Weston Inc	Manufacturing	600-699
6	Personnel Plus Inc.	Administrative and Support	400-499
7	Amalgamated Sugar Company LLC	Manufacturing	400-499
8	C3/ Customer Contact Channels Inc.	Administrative and Support	400-499
9	Twin Falls County	Public Administration, Local Government	400-499
10	Wal-Mart Inc.	Retail Trade	300-399

Source: Idaho Department of Labor, information as of 3Q 2021.

Note: Only employers that have given the Department permission to release employment range data are listed.

Income

Historic per capita income, personal income, and median income for the County and the State are shown below:

TABLE 16
TWIN FALLS COUNTY AND STATE OF IDAHO
PER CAPITA, TOTAL PERSONAL INCOME AND MEDIAN INCOME

	2020	2019	2018	2017	2016
Per Capita Income(1)					
Twin Falls County	$44,112	$41,092	$39,698	$38,457	$37,094
% change from prior year	7.3%	3.5%	3.2%	3.7%	1.1%
State of Idaho	$48,208	$45,261	$43,356	$41,560	$40,098
% change from prior year	6.5%	4.4%	4.3%	3.6%	1.8%
Total Personal Income(1)					
Twin Falls County ($ in thousands)	$3,899,972	$3,580,190	$3,420,591	$3,285,712	$3,110,257
% change from prior year	8.9%	4.7%	4.1%	5.6%	3.0%
State of Idaho ($ in millions)	$89,078	$81,834	$76,681	$72,066	$68,009
% change from prior year	8.9%	6.7%	6.4%	6.0%	3.9%
Median Household Income(2)					
Twin Falls County	$54,995	$56,141	$51,594	$50,909	$49,415
% change from prior year	-2.0%	8.8%	1.3%	3.0%	7.9%
State of Idaho	$62,603	$60,830	$55,524	$52,280	$51,647
% change from prior year	2.9%	9.6%	6.2%	1.2%	6.9%

(1) *Source: Bureau of Economic Analysis, U.S. Department of Commerce.*
(2) *Source: U.S. Census Bureau, Small Area Income and Poverty Estimates.*

RISK FACTORS

In addition to investment considerations and risk factors discussed elsewhere throughout this Preliminary Official Statement, the following section provides a non-exhaustive discussion of risk factors affecting any potential investment in the Certificates, including those affecting the payment of and security for the Certificates, and the rights of the Beneficial Owners of the Certificates. The occurrence of one or more of the events discussed herein could adversely affect the value of the Facilities and the value and creditworthiness of the Certificates. The following discussion does not attempt to list these risks in order of magnitude or importance.

Non Appropriation Clause of the Appropriation Lease

In the Appropriation Lease, the City is obligated to pay Lease Payments only to the extent that funds for Lease Payments are budgeted each year by the City Council and the Appropriation Lease is affirmatively renewed by the City. The City may terminate the Appropriation Lease in any year without penalty if the City Council determines to not budget for Lease Payments and not to affirmatively renew the Appropriation Lease for the next Fiscal Year.

Possible Inadequacy of Remedies Upon an Event of Default or Event of Nonrenewal

Upon occurrence of an Event of Default or an Event of Nonrenewal, the Trustee can re-enter and take possession of the Facilities. However, the Facilities are special purpose facilities, and, thus, could be converted to other uses only with significant additional expense. Accordingly, upon the occurrence of an Event of Default or Event of Nonrenewal, there can be no assurance that the Trustee will be able to realize from the re-leasing of the Facilities an amount sufficient to pay principal of and interest on the Certificates. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES—Remedies on Default or Nonrenewal." In addition, the practical realization of the benefits of such lien and such assignments upon any default will depend on judicial actions, which are often subject to discretion and delay. Furthermore, remedies may be limited by bankruptcy or other similar laws affecting creditors' rights and contractual obligations generally.

Uncertainty of Revenues

As noted elsewhere, except to the extent that the Beneficial Owners of the Certificates are secured, under certain circumstances, by the proceeds of insurance or condemnation awards, the Certificates will be payable solely from the Lease Payments to be made by the City under the Appropriation Lease. The ability of the City to make payments under the Appropriation Lease is dependent, in part, upon the generation by the City of revenues in the amounts necessary for the City to pay said Lease Payments, as well as other operating and capital expenses. The realization of future revenues and expenses are subject to, among other things, the capabilities of management, government regulation and future economic and other conditions that are unpredictable and that may affect City revenues and payment of principal of and interest on the Certificates. No representation or assurance can be made that revenues will be realized by the City in amounts sufficient to warrant annual renewal of the Appropriation Lease and appropriation of funds for payment of Lease Payments. In addition, although the City anticipates receiving a property tax exemption with respect to the Facilities, should property taxes be imposed, such taxes would, during the Lease Term, be paid by the City in addition to the Lease Payments. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES—Covenants under the Appropriation Lease—Taxes, Other Governmental Charges and Utility Charges" herein. The City does not expect the imposition of property taxes, should it occur, to materially impact the City's ability to otherwise make Lease Payments. Neither the Underwriter nor the Municipal Advisor (hereinafter defined) has made any independent investigation of the extent to which any such factors may have an adverse effect on the revenues of the City.

Legislative Risk and Property Taxes

The City is heavily reliant on property taxes to support government operations. Substantial appreciation in Idaho home values has shifted the property tax burden in recent years from farms and businesses to residential property. Each legislative session, State legislators propose bills with the aim of reducing that burden and limiting property tax revenue available to local taxing districts, including the City. Local governments, including school districts, counties, and cities, have lobbied State legislators about the effect these proposed reductions would have on the ability to meet the current level of services being provided, especially given the acceleration of growth that is taking place within the State. With the exception HB 389's passage during the 2021 legislative session—see "REVENUE SOURCES OF THE CITY—Property Taxes—Property Tax Legislation" herein—none of the various recent bills aimed at reforming the State property tax system have become law. Nonetheless, future legislative adjustments to the State property tax system, if severe enough, could put the City in a position of cutting services or limiting growth. In such an event, no representation or assurance can be made that property tax revenues will be realized by the City in amounts sufficient to warrant annual renewal of the Appropriation Lease and appropriation of funds for payment of Lease Payments.

Coronavirus Disease 2019

The World Health Organization has classified coronavirus disease 2019 (“COVID-19”) as a pandemic. On March 13, 2020, the Governor of the State of Idaho (the “Governor”) proclaimed a state of emergency throughout the State as a result of the COVID-19 pandemic. On March 25, 2020, the Governor issued an extreme emergency declaration and an Order to Self-Isolate (the “Stay Home Order”), requiring that people in the State cease leaving their home or place of residence except to conduct or participate in essential activities, essential government functions or to operate essential business. The Stay Home Order was in effect through the end of April 2020. In addition to prohibiting all non-essential public and private gatherings, the Stay Home Order directed all businesses and governmental agencies to cease nonessential operations at physical locations in the State and ordered the cessation of all non-essential travel.

On April 23, 2020, the Governor announced a four phased approach to reopening the State beginning on May 1, 2020, following the expiration of the Stay at Home Order (the “Reopening Order”). Under the Reopening Order, certain syndromic, epidemiology and healthcare criteria for each stage must be met before the State advances to the next stage. Each stage of the Reopening Plan contained mitigation protocols aimed at reducing the spread of COVID-19, with the most significant protocols identified in Stage 1 and the fewest protocols identified in Stage 4. The State followed the Reopening Order for nearly two years, navigating the various stages as COVID-19 cases fell and surged. Most recently, the Governor ended the State’s public health emergency declaration effective April 15, 2022.

Additional proclamations, orders or directions intended to address the spread of COVID-19 may be issued in the future.

In response to the COVID-19 pandemic, federal and state legislation was signed into law that provides various forms of financial assistance and other relief to state and local governments. The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) provides an estimated $2 trillion stimulus package to battle the effects of the COVID-19 pandemic. Part of that package estimates $150 billion for state, local and tribal governments. The State received $1,250,000,000 from the Coronavirus Relief Fund. The CARES Act provides that payments from the Coronavirus Relief Fund may only be used to cover costs that (i) are necessary expenditures incurred due to the public health emergency with respect to COVID-19, (ii) were not accounted for in the budget most recently approved as of March 27, 2020 for the State or government, and (iii) were incurred during the period beginning March 1, 2020, and ending on December 30, 2020.

On April 7, 2020, the Governor issued Executive Order 2020-07 which established the Coronavirus 2019 Financial Advisory Committee (CFAC) to make recommendations for prioritizing the use of the funds. CFAC recommended, and the Governor accepted, the following funding allocations:

(1) $44,156,400 for Idaho counties
(2) $42,375,000 for Idaho cities
(3) $7,218,900 for Idaho special purpose taxing districts
(4) $633,900 for Idaho tribal governments
(5) $57,682,760 for Idaho state agencies
(6) $2,000,000 for PPE for small business
(7) $300,000,000 for Idaho Rebound Grants for Small Businesses

The City received a total of $1,714,339.98 in CARES funding through the State in 2020. These funds were used to offset the cost of continued operations during the pandemic. CARES funds were used to make upgrades to City facilities to ensure protection from the virus, the purchase of reusable masks for the community (distributed by the Twin Falls School District and City departments), sterilization equipment for public safety facilities, vehicles and equipment, equipment to live stream youth recreation games, COVID-related insurance costs, grants to small businesses suffering from the impact of COVID-19, supplies purchased in response to the pandemic, and the purchase of radios for public safety employees so that the ratio of employees to radios was 1:1 (eliminate sharing of radios and risk of infection). In addition, the CARES Act includes special provisions to assist airports in response to the Covid-19 pandemic. The Airport had grant expenditures that it was reimbursed for of $6,700,000. Those amounts were designated by the City to assist with operational costs of the Airport.

Another action at the federal level was the American Rescue Plan Act of 2021 (“ARPA”), signed into law on March 11, 2021. Among other provisions, one of the key components of ARPA is the Coronavirus State and Local Fiscal Recovery Fund (“CSLFRF”), which commits $350 billion to state and local governments to support their response to and recovery from the COVID-19 pandemic. A portion of these funds may be used to replace revenues lost or reduced as a result of the pandemic and fund COVID-related costs, among other purposes.

The City was directly allocated $8,465,111 in CSLFRF grant funds; with half of the funds received June 7, 2021 and the other half to be received in Fiscal Year 2022. The City has opted to take advantage of the standard $10 million revenue loss standard allowance that was added to the U.S. Treasury’s Final Rule regulating the expenditure of CSLFRF funds as an alternative to calculating revenue loss. The standard allowance amount of $10 million far exceeds any anticipated revenue loss over the reporting period and covers the entirety of the City’s ARPA funds. CSLFRF funds must be obligated by the end of December 2024 and expended by the end of December 2026. A citizen advisory committee has been formed to determine the use of the City’s ARPA funds. No final determination in this regard has been made.

The City continues to closely monitor the proclamations from federal and State authorities regarding actions the City can take to address COVID-19, as well as continues take advantage of federal and State resources intended to provide relief to the City in its actions and efforts to address COVID-19.

More generally, the current domestic and international financial disruption has had, and is expected to continue to have, negative repercussions upon State, national and global economies. Examples of potential impacts include volatility in the securities markets, significant losses in investment portfolios, a scarcity of credit, lack of confidence in the financial sector, reduced business activity, increased consumer bankruptcies, increased business failures and bankruptcies, supply chain disruptions and increased unemployment rates.

The City cannot predict if any federal, State or local authorities will issue additional proclamations or orders that can be expected to further adversely impact economic activity or the City’s operations or revenue. Although the full effects of COVID-19 cannot be predicted with certainty, the COVID-19 pandemic has had an adverse effect on economic activity within the State and the City. This reality notwithstanding, the City does not anticipate COVID-19 related factors necessitating a budget amendment for City Fiscal Year ending September 30, 2022 and, as of the date of this Preliminary Official Statement, the City’s budget has not suffered material adverse financial impact from the COVID-19 pandemic. Nonetheless, the full extent of the direct and indirect impacts of COVID-19 related financial disruption on the City is currently unknown and the future impact of the COVID-19 pandemic on the City cannot be reasonably estimated at this time.

Development of Improvements and Value of Facilities

The City has entered into a guaranteed maximum price construction contract with respect to the Improvements. See “THE IMPROVEMENTS—Construction of the Improvements” herein. Nonetheless, any changes in design, scope or materials could cause the cost of the Improvements to vary from expectations as a result of raising material costs, COVID-related disruptions, supply chain delays, broad-based labor supply challenges, subcontractor defaults and other issues. In such an event, there may be a limited amount of capital resources to fund cost overruns. If cost overruns cannot be financed on a timely basis, the completion of the Improvements may be delayed until adequate funding is available. The completion date of the Improvements also could differ from expectations as a result of construction issues, COVID-related production issues, broad-based labor supply challenges, supply chain disruptions or other reasons. No assurance can be given that the Improvements will be completed at all, on time or within established budgets. Significant delays, cost overruns or failure of the Improvements to provide expected benefits could result in an Event of Nonrenewal.

Upon any casualty or condemnation of the Facilities or upon an Event of Nonrenewal, there can be no assurance that the proceeds of any insurance or condemnation awards or amounts received by the Trustee upon re-letting of the Facilities will be sufficient to redeem in full or to pay the principal of and interest on the Certificates when due. No appraisal has been made of the Facilities. At any time, the value of such property could be less than the aggregate principal amount of the Certificates then outstanding.

Cybersecurity

The City, like many other public and private entities, relies on a technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the City is subject to multiple cyber threats including, but not limited to, hacking, viruses, malware, and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the City's digital systems for the purpose of misappropriating assets or information or causing operational disruption and damage. The City has taken certain affirmative steps to mitigate cybersecurity risk, including the following: regular monitoring of the City network and firewall; limiting physical access to the facilities with access control, cameras, and recorder; training users on possible phishing threats using KnowBe4 and granting limited permissions and minimum rights; hardware and software firewalls are in place at the server and workstation levels with policies and alerting software to notify the IT department of potential issues; mobile device management software is used with the ability to remotely wipe the devices; SSL certificates are used for all websites; unused ports are disconnected; e-mail scanning takes place off site before emails are allowed into the City network; devices are in place that monitor data traffic and patterns and stops access for unusual events; network monitoring software is in place that notifies the IT department of active directory changes; backup and replication take place at specified intervals; electronic use policies are in place; and active system monitoring to verify payment card industry (PCI) compliance. Nonetheless, no assurances can be given that the City's efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the City. The City's insurance coverage through ICRMP includes an endorsement for cyber privacy and security events with a $1,000,000 limit of liability as well as various sublimits including coverage for cyber extortion as well as electronic equipment, electronic data and network interruption costs.

Investment Rating and Secondary Market

The lowering or withdrawal of the investment rating initially assigned to the Certificates could adversely affect the market price for and the marketability of the Certificates. The Underwriter will not be obligated to repurchase any of the Certificates, and no representation is made concerning the existence of any secondary market for the Certificates. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and changes in operating performance of the entities operating the facilities subject to the municipal securities. From time to time the secondary market trading in selected issues of municipal securities decreases as a result of the financial condition or market position of the Underwriter, prevailing market conditions, or a material adverse change in the operations of that entity, whether or not the subject securities are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices. Municipal securities are generally viewed as long-term investments, subject to material unforeseen changes in the investor's circumstances, and may require commitment of the investor's funds for an indefinite period of time, perhaps until maturity.

No Reserve Fund or Credit Enhancement

No debt service reserve fund will be funded and no financial guaranty insurance policy, letter of credit or other credit enhancement will be issued to insure payment of the Certificates. Accordingly, any potential purchaser of the Certificates should consider the financial ability of the City to pay the Certificates.

Other Factors

One or more of the following factors or events could adversely affect the City's operations and financial performance to an extent that cannot be determined at this time:

1. *Changes in Administration*. Changes in key management personnel could affect the capability of the management of the City.

2. *Future Economic Conditions*. Adverse economic conditions or changes in demographics in the City, including increased unemployment and inability to control expenses in periods of inflation, could adversely impact payment of taxes by taxpayers in the City and, therefore, the City's financial condition.

3. *Insurance Claims*. Increases in the cost of general liability insurance coverage and the amounts paid in settlement of liability claims not covered by insurance could adversely impact the City's financial performance.

4. *Environmental Hazards*. The City has covenanted in the Appropriation Lease to comply with all applicable environmental laws. No Phase I Environmental Site Assessments have been obtained by the City on the Property. See "THE IMPROVEMENTS—Environmental" herein. The discovery of existing recognized environmental conditions on the Property may adversely affect the City's willingness to renew the Appropriation Lease after the expiration of the Initial Term or any Renewal Term.

CONTINUING DISCLOSURE

Upon delivery of the Certificates, the City will enter into a Continuing Disclosure Agreement (the "Undertaking") for the benefit of the Beneficial Owners of the Certificates. Pursuant to the Undertaking, the City will agree to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board pursuant to the requirements of Section (b)(5) of Rule 15c2–12 (the "Rule") adopted by the Securities and Exchange Commission. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis, and a summary of other terms of the Undertaking, including termination, amendment, and remedies, are set forth in the Undertaking, the proposed form of which is attached as APPENDIX D to this Official Statement.

A failure by the City to comply with the Undertaking will not constitute a default under the Trust Indenture and Beneficial Owners of the Certificates are limited to the remedies described in the Undertaking. A failure by the City to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Certificates in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Certificates and their market price.

The City does not currently have, and has not had in the past five years, any continuing disclosure obligations under the Rule. The City does have certain continuing disclosure obligations relative to its revenue bonds with the Authority, which obligations are not subject to the Rule. See "CITY INDEBTEDNESS—Long-term Obligations." The City has timely complied with such obligations during the past five years.

TAX MATTERS

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Certificates is excluded from gross income under federal income tax laws pursuant to Section 103 of the Tax Code, interest on the Certificates is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, and interest on the Certificates is excluded from gross income for purposes of income taxation by the State of Idaho. For purposes of this paragraph and the succeeding discussion, "interest" includes the original issue discount on certain of the Certificates only to the extent such original issue discount is accrued as described herein.

The Tax Code imposes several requirements which must be met with respect to the Certificates in order for the interest thereon to be excluded from gross income and alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the Certificates. These requirements include: (a) limitations as to the use of proceeds of the Certificates; (b) limitations on the extent to which proceeds of the Certificates may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Certificates above the yield on the Certificates to be paid to the United States Treasury. The City covenants and represents in the Trust Indenture that it will take all steps to comply with the requirements of the Tax Code to the extent necessary to maintain the exclusion of interest on the Certificates from gross income and alternative minimum taxable income under federal income tax laws in effect when the Certificates are delivered. Bond Counsel's opinion as to the exclusion of interest on the Certificates from gross income and alternative minimum taxable income is rendered in reliance on these covenants and assumes continuous compliance therewith. The failure or inability of the City to comply with these requirements could cause the interest on the Certificates to be included in gross income, alternative minimum taxable income, or both from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the City and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

[With respect to the Certificates that were sold in the initial offering at a discount (the "Discount Certificates"), the difference between the stated redemption price of the Discount Certificates at maturity and the initial offering price of those bonds to the public (as defined in Section 1273 of the Tax Code) will be treated as "original issue discount" for federal income tax purposes and will, to the extent accrued as described below, constitute interest which is excluded from gross income or alternative minimum taxable income under the conditions described in the preceding paragraphs. The original issue discount on the Discount Certificates is treated as accruing over the respective terms of such Discount Certificates on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on March 1 and September 1 with straight line interpolation between compounding dates. The amount of original issue discount accruing each period (calculated as described in the preceding sentence) constitutes interest which is excluded from gross income or alternative minimum taxable income under the conditions described in the preceding paragraphs and will be added to the owner's basis in the Discount Certificates. Such adjusted basis will be used to determine taxable gain or loss upon disposition of the Discount Certificates (including sale or payment at maturity). Owners should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Certificates.

Owners who purchase Discount Certificates after the initial offering or who purchase Discount Certificates in the initial offering at a price other than the initial offering price (as defined in Section 1273 of the Tax Code) should consult their own tax advisors with respect to the federal tax consequences of the ownership of the Discount Certificates. Owners who are subject to state or local income taxation should consult their tax advisor with respect to the state and local income tax consequences of ownership of the Discount Certificates. It is possible that, under the applicable provisions governing determination of state and local taxes, accrued original issue discount on the Discount Certificates may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.]

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the Certificates. Owners of the Certificates should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and state tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Certificates made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406 or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. [Certain of the Certificates were sold at a premium, representing a difference between the original offering price of those Certificates and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such certificates (if any) may realize a taxable gain upon their disposition, even though such certificates are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest (and, to the extent described above for the Discount Certificates, original issue discount) on the Certificates from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the Certificates. Owners of the Certificates should consult their own tax advisors as to the applicability of these consequences.]

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the Certificates. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Certificates, the exclusion of interest (and, to the extent described above for the Discount Certificates, original issue discount) on the Certificates from gross income or alternative minimum taxable income or both from the date of issuance of the Certificates or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Certificates. Owners of the Certificates are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Certificates. If an audit is commenced, the market value of the Certificates may be adversely affected. Under current audit procedures the Service will treat the City as the taxpayer and the Certificate owners may have no right to participate in such procedures. The City has covenanted in the Trust Indenture not to take any action that would cause the interest on the Certificates to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income for the owners thereof for federal income tax purposes. None of the City, the Municipal Advisor, the Underwriter, Bond Counsel or any other person is responsible for paying or reimbursing any Certificate holder with respect to any audit or litigation costs relating to the Certificates.

PROSPECTIVE PURCHASERS OF THE CERTIFICATES SHOULD CONSULT THEIR TAX ADVISORS AS TO THE FEDERAL, STATE AND LOCAL, AND FOREIGN TAX CONSEQUENCES OF THEIR ACQUISITION, OWNERSHIP AND DISPOSITION OF THE CERTIFICATES.

RATINGS

As noted on the cover page of this Preliminary Official Statement, Moody's Investors Service ("Moody's") has assigned its municipal bond rating of "___" to the Certificates. The rating reflects only the views of the rating agency and an explanation of the significance of the rating may be obtained from the rating agency. There is no assurance that the rating will be retained for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating will be likely to have an adverse effect on the market price of the Certificates.

UNDERWRITING

The Certificates are being purchased by Piper Sandler & Co., acting as the Underwriter. The Underwriter has agreed, subject to certain conditions, to purchase the Certificates at an aggregate price of $__________, which reflects the principal amount of the Certificates, plus [net] original issue premium of $________, less an Underwriter's discount of $______. The Underwriter may offer and sell the Certificates to certain dealers (including dealers depositing Certificates into investment trusts) and others at prices lower than the initial offering prices set forth on the inside cover page hereof, and such initial offering prices may be changed, from time to time, by the Underwriter.

The Underwriter has entered into a separate agreement with Charles Schwab & Co., Inc. that enables Charles Schwab & Co., Inc. to distribute certain new issue municipal securities underwritten by or allocated to the Underwriter which could include the Certificates. Under that agreement, the Underwriter will share with Charles Schwab & Co., a portion of the fee or commission paid to the Underwriter.

INDEPENDENT AUDITORS

The financial statements of the City as of and for the year ended September 30, 2021, which appear in APPENDIX B to this Preliminary Official Statement, have been audited by Mahlke Hunsaker & Co., PLLC, Twin Falls, Idaho, independent auditors.

LEGAL MATTERS

Approval

All legal matters incidental to the authorization, issuance and sale of the Certificates by the City are subject to the approving legal opinion of Bond Counsel, substantially in the form attached hereto as APPENDIX A. Certain legal matters will be passed on for the Underwriter by its legal counsel, Hawley Troxell Ennis & Hawley LLP. Certain disclosure matters will be passed upon by Hawley Troxell Ennis & Hawley LLP, as disclosure counsel.

Laws Relating to Municipal Reorganization

Idaho Code Section 67-3903 permits taxing districts of the State of Idaho, to file a petition for federal bankruptcy relief, in accordance with Title IX of the United States Bankruptcy Code (the "Bankruptcy Code"). Prior to filing such petition, the taxing district is required to adopt a resolution authorizing the filing. The statute authorizes the taxing district to take any of the following actions to consummate a plan of readjustment pursuant to its bankruptcy proceedings, including cancellation and remission of money payable under bonds, warrants or other obligations issued by the district; issuance of refunding bonds on certain conditions, adoption of necessary ordinances, assessment, levy and collection of taxes to enforce collections necessary pursuant to the plan of readjustment, cancellation and reduction of taxes or special assessments for bonds refunded under the plan as a result of reduction in debt service accomplished by such refunding and to take any other actions necessary for accomplishment of the plan. Prior to refunding bonds or levying any taxes or special assessments, the taxing district is required to provide notice and hold a hearing prior to the adoption of the plan for readjustment requiring such actions.

PENDING AND THREATENED LITIGATION

No litigation is pending or, to the knowledge of the City, threatened in any court or before any administrative body (1) to restrain or enjoin the issuance or delivery of the Certificates; (2) in any way contesting or affecting the validity of the Certificates, the Primary Lease, the Appropriation Lease, the Trust Indenture, or the related documents; or (3) that would otherwise affect the ability of the City to pay the principal of or interest on the Certificates when due. The City is a defendant in various lawsuits arising in the ordinary course of its operation. Currently, there are no lawsuits against the City that are expected to materially affect the financial condition or results of operations of the City.

MUNICIPAL ADVISOR

The City has utilized the services of Zions Public Finance, Inc. as municipal advisor to the City (the "Municipal Advisor"). The City has entered into an agreement with the Municipal Advisor whereunder the Municipal Advisor provides financial recommendations and guidance to the City with respect to preparation for sale of the Certificates, timing of sale, tax–exempt bond market conditions, costs of issuance and other factors related to the sale of the Certificates. The Municipal Advisor has read and participated in the drafting of certain portions of this Preliminary Official Statement. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the Preliminary Official Statement, or any other related information available to the City, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the Preliminary Official Statement or any other matter related to the Preliminary Official Statement.

ADDITIONAL INFORMATION

The references herein to the Primary Lease, the Appropriation Lease, the Trust Indenture and other documents referred to in this Preliminary Official Statement are brief summaries of certain provisions. Such outlines do not purport to be complete, and, for full and complete statements of the provisions of the Primary Lease, the Appropriation Lease, and the Trust Indenture, reference is made to the Primary Lease, the Appropriation Lease, and the Trust Indenture attached as APPENDIX E, APPENDIX F, and APPENDIX G, respectively, to this Preliminary Official Statement and such other documents.

The agreement of the City with the Owners of the Certificates is fully set forth in the Trust Indenture, and neither any advertisement of the Certificates nor this Preliminary Official Statement is to be construed as constituting an agreement with the purchasers of the Certificates. So far as any statements are made in this Preliminary Official Statement involving matters of opinion, estimates or projections, whether or not expressly stated as such, they are intended as such and are not representations of fact. CUSIP identification numbers will be printed on the Certificates, but no error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for any Certificates. Section headings, table headings and captions are included for convenience only and should not be construed as modifying the text of this Preliminary Official Statement.

APPROVAL OF OFFICIAL STATEMENT

The City, through a duly authorized official, has deemed this Preliminary Official Statement "final" as of its date except for the omission of information dependent on the pricing of this issue and completion of the underwriting agreement, for purposes of compliance with Securities and Exchange Commission Rule 15c2-12.

CITY OF TWIN FALLS, IDAHO

/s/________________________________
Ruth Pierce, Mayor

Appendix A

Form of Bond Counsel Opinion

(attached)

Appendix B

Financial Statements

The City's Auditor has not performed any further review of the City's general purpose financial statements since the date of the audit contained herein.

(attached)

Appendix C

Book-Entry Only System

(attached)

SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC--bracketed material may apply only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with

respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

Appendix D

Form of Continuing Disclosure Agreement

(attached)

Appendix E

Form of Primary Lease

(attached)

Appendix F

Form of Annual Appropriation Lease Agreement

(attached)

Appendix G

Form of Annual Appropriation Trust Indenture

(attached)

ANNUAL APPROPRIATION TRUST INDENTURE

by and among

CITY OF TWIN FALLS, IDAHO

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, AS LESSOR

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, AS TRUSTEE, PAYING AGENT AND REGISTRAR

Securing

$________________

City of Twin Falls, Idaho Annual Appropriation Certificates of Participation, Series 2022 (Fire Station No. 2 Project)

Dated as of July __, 2022

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ANNUAL APPROPRIATION TRUST INDENTURE

THIS ANNUAL APPROPRIATION TRUST INDENTURE dated as of July __, 2022 (this "Trust Indenture"), is entered into by and among CITY OF TWIN FALLS, IDAHO, a municipal corporation operating and existing under and pursuant to the provisions of the Constitution and laws of the state of Idaho ("City"), ZIONS BANCORPORATION, NATIONAL ASSOCIATION, a national banking association existing under the laws of the United States of America, having a corporate trust office in Boise, Idaho, as Trustee, paying agent and registrar (collectively referred to herein as the "Trustee"), and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, a national banking association existing under the laws of the United States of America, as lessor under the Appropriation Lease hereinafter described (the "Bank"), for the benefit of the Owners from time to time of the certificates of participation to be issued hereunder.

RECITALS:

WHEREAS, the Bank has determined, at the request of City, to cause the Trustee to issue certificates of participation under and pursuant to this Trust Indenture to provide funds to City to finance the costs associated with a project to be undertaken by City as described below, which certificates shall be designated "City of Twin Falls, Idaho Annual Appropriation Certificates of Participation, Series 2022 (Fire Station No. 2 Project)" in the aggregate principal amount of $7,090,000 (the "Certificates"); and

WHEREAS, the proceeds of the Certificates will be used to finance (i) the costs of preparing, constructing, furnishing, equipping and improving certain real and personal property comprising a new City fire station (Fire Station No. 2) and related facilities on certain real property currently owned by the City (the "Property") for use by the City (the "Improvements"), as well as (ii) the Costs of Issuance of the Certificates; and

WHEREAS, the Property is specifically described on the attached Exhibit A; and

WHEREAS, City and the Bank have agreed to enter into a Primary Lease dated as of the date hereof (the "Primary Lease"), under the terms of which City, as lessor, will lease the Property together with the Improvements to be constructed thereon (the Property and the Improvements collectively referred to herein as the "Facilities") to the Bank, as lessee; and

WHEREAS, City and the Bank have agreed to enter into an Annual Appropriation Lease Agreement dated as of the date hereof (the "Appropriation Lease"), under the terms of which the Bank, as lessor, will lease the Facilities back to City, as lessee, and City will pay lease payments to the Bank in the aggregate amount sufficient to pay the principal, premium, if any, and interest on the Certificates as the same become due and payable (collectively, the "Lease Payments"); and

WHEREAS, the Bank wishes to direct the authentication and delivery of the Certificates by the Trustee under this Trust Indenture, each evidencing an ownership interest in the Lease Payments to be made by City to the Bank or its assigns pursuant to the Appropriation Lease, the proceeds of which will be deposited with the Trustee under this Trust Indenture and used by City to finance the Improvements and to pay the Costs of Issuance of the Certificates; and

WHEREAS, the Certificates shall be secured by, among other things, the Trust Estate, as that term is defined in this Trust Indenture; and

WHEREAS, the Certificates are to be substantially in the form attached hereto as Exhibit B; and

WHEREAS, the execution, authentication and delivery of the Certificates and of this Trust Indenture have been duly authorized by the Bank, and authorized by an ordinance duly adopted by City in accordance with its authority, and all things necessary to make the Certificates, when executed and authenticated by the Trustee, valid and binding legal obligations and to make this Trust Indenture a valid and binding agreement and pledge of the Trust Estate to the payment of the principal of, premium, if any, and interest on the Certificates, have been done.

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

That the Bank, in consideration of the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Certificates by the Owners thereof in order to secure the payment of the principal of, premium, if any, and interest on the Certificates according to their tenor and effect and the performance and observance by the Bank of all the covenants expressed or implied herein and in the Certificates, intending to be legally bound, does hereby assign, transfer and pledge, and grant therein a security interest as set forth below unto the Trustee and unto its successors in trust and its assigns forever:

A. The Primary Lease and all right, title and interest (but not the obligations) of the Bank under and pursuant to the terms thereof; and

B. The Appropriation Lease and all right, title and interest (but not the obligations) of the Bank under and pursuant to the terms thereof, and all payments including Lease Payments, revenues, rents and receipts received or receivable by the Bank under the Appropriation Lease; and

C. All of the right, title and interest of the Bank in and to all Funds (other than the Rebate Fund) and accounts established under this Trust Indenture and all moneys and investments now or hereafter held therein; and

D. All of the right, title and interest of the Bank in and to all furniture, furnishings and equipment acquired with proceeds of the Certificates located and installed in the Facilities or used in the operations of the Facilities, including, without limitation (i) office and conference room furnishings; (ii) audio-visual and information technology equipment; and (iii) all such other furniture, furnishings and equipment used in the operations of the Facilities;

TO HAVE AND TO HOLD, the Primary Lease, Appropriation Lease, Lease Payments, funds, accounts, furniture, furnishings and equipment, and other right, title and interest hereby assigned and pledged or agreed or intended so to be (collectively the “Trust Estate”) to the Trustee and its successors in said trust as herein provided;

IN TRUST NEVERTHELESS, upon the terms herein set forth, for the equal and proportionate benefit, security and protection of all present and future Owners of the Certificates issued under and secured by this Trust Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Certificates over any other of the Certificates except as provided herein;

PROVIDED, HOWEVER, that upon final payment of the principal or redemption price of the Certificates and the interest due or to become due thereon, or in the event payment thereof shall be made, as permitted hereby, by deposit with the Trustee of the entire amount due or to become due on the Certificates, and all sums of money due or to become due the Trustee shall be paid to the Trustee in accordance with the terms and provisions hereof, then, upon such final payments and subject to the provisions of Article VI, this Trust Indenture and the rights hereby granted shall cease, terminate and be void, and the Trustee shall forthwith release, surrender and otherwise cancel any interest it may have in the Trust Estate; otherwise this Trust Indenture shall be and remain in full force and effect;

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Certificates issued and secured hereunder are to be issued, authenticated and delivered and the Trust Estate, including all said payments, revenues, rents and receipts hereby pledged, is to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and City and the Bank have agreed and covenanted, and do hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Certificates, or any part thereof, as follows:

ARTICLE I.
DEFINITIONS

Section 1.1 Definitions. In this Trust Indenture, any indenture supplemental hereto (except as otherwise expressly provided for or unless the context otherwise requires), in addition to the terms defined in the recitals hereto, the following terms shall have the meanings specified in this section:

"Appropriation Lease" means the Annual Appropriation Lease Agreement between City, as lessee, and the Bank, as lessor, dated as of July __, 2022, with respect to the lease of the Facilities by City from the Bank.

"Authorized Denominations" means $5,000 and any integral multiple thereof.

"Authorized Representative" means, when used with reference to the performance of any act, the discharge of any duty or the execution of any certificate or other document, any officer, employee or other person authorized to perform such act, discharge such duty or execute such certificate or other document on behalf of the Bank or City.

"Bank" means Zions Bancorporation, National Association, a national banking association organized and existing under the laws of the United States of America with a principal corporate office in Boise, Idaho, and its successors and assigns, as lessor under the Appropriation Lease.

"Beneficial Owner" means the beneficial owner of a Certificate.

"Business Day" means any day other than (i) a Saturday or Sunday, (ii) a day on which banking institutions in Boise, Idaho or in any other city in which the Office of the Trustee is located are required or authorized by law (including executive order) to close or on which the Office of the Trustee is closed for reasons not related to financial condition or (iii) a day on which the New York Stock Exchange is closed.

"Cash" means (i) balances in demand and checking accounts (net of outstanding drafts), and (ii) funds restricted by the Council to the extent that such funds are available for payment of debt service on the Certificates.

"Certificates" means the City of Twin Falls, Idaho Annual Appropriation Certificates of Participation, Series 2022 (Fire Station No. 2 Project).

"Certificate Register" shall have the meaning specified in Section 2.6 hereof.

"Certificate Year" means, in the case of the first Certificate Year, the period ending September 30, 2022, and in the case of each successive Certificate Year thereafter, the one-year period beginning each October 1 and ending each September 30.

"City" means the City of Twin Falls, Idaho, a municipal corporation operating and existing under and pursuant to the provisions of the Constitution and laws of the State of Idaho.

"Code" means the Internal Revenue Code of 1986, as amended, and all regulations thereunder as they may exist from time to time, and all rulings and judicial decisions interpreting or construing it. A reference to any specific section of the Code shall be deemed also to be a reference to the comparable provisions of any enactment which supersedes or replaces the Code.

"Consultant" shall mean a Person which is not, and no member, stockholder, director, officer or employee of which is, an officer, director or employee of City or the Bank, and which is a nationally recognized professional consultant having the skill and experience necessary to render the particular report required by the provisions hereof in which such requirement appears, and which is acceptable to the Trustee.

"Consulting Architect" shall mean a Person which is not, and no member, stockholder, director, officer or employee of which is, an officer, director or employee of City or the Bank, and which is a nationally recognized architect or engineer selected by City having the skill and experience necessary to render the particular report required by the provisions hereof in which such requirement appears.

"Consulting Architect's Certificate" means an opinion or report signed by the Consulting Architect.

"Continuing Disclosure Agreement" means the written agreement executed by City for the benefit of the Owners of the Certificates and dated the date of delivery of the Certificates pursuant to which City agrees to file the information and notices required by Securities and Exchange Commission Rule 15c2-12 (or any successor provision).

"Corporate Trust Office" means, with respect to the Trustee, the Office of the Trustee at 800 W Main St, Suite 700, Boise, ID 83702.

"Costs of Acquisition and Construction" with respect to the Improvements shall include, together with any other proper item of cost not specifically mentioned herein, the cost of acquisition and construction of the Improvements and the financing thereof, the cost of field surveys, testing and advance planning undertaken in connection with the Improvements, the cost of acquisition by City of real property or any or interest therein required for use in connection with the Improvements, the cost of preparation of sites thereof and of any land to be used in connection with the Improvements, the cost of any indemnity and surety bonds and insurance premiums, allocable administrative and general expenses of the Bank and City, allocable portions of inspection expenses, financing charges, legal fees, and fees and expenses of financial advisors and Consultants in connection with the Improvements, the cost of audits in connection with the Improvements, the cost of all machinery, apparatus and equipment, the cost of engineering, the cost of utilities, architectural services, design, plans, specifications and surveys in connection with the Improvements, estimates of cost, and all other expenses not specified herein necessary or incidental to determining the feasibility or practicability of the Improvements, or necessary or incidental to the acquisition and construction of the Improvements, the financing of the Improvements, and the placing of the Facilities into use and operation, and, to the extent permissible under the Code, the reimbursement of City for any moneys advanced to pay the foregoing costs.

"Costs of Issuance" shall mean the costs of issuance, sale and delivery of any Certificates, including but not limited to the following:

(a) Expenses incurred by City and the Bank in connection with the issuance, sale and delivery of the Certificates and in connection with the preparation and execution of this Trust Indenture, the Appropriation Lease, the Primary Lease and all related documents, title insurance, printing, photocopying and engraving expenses, mortgage taxes and recording fees, Trustee and Rating Service fees, and legal, underwriting, municipal advisory, consulting and accounting fees and expenses; and

(b) Any sums required to reimburse the Bank and City for advances made by either for any of the above items.

"Costs of Issuance Fund" means the fund so designated and established pursuant to Section 3.2 hereof.

"Council" means the City Council of City.

"Counsel" means an attorney at law or law firm (who may be counsel for the Bank or City) not unsatisfactory to the Trustee.

"Debt Service Fund" means the fund so designated and established pursuant to Section 4.1 hereof.

"DTC" means The Depository Trust Company and Clearing Corporation (a limited purpose trust company), New York, New York.

"Environmental Law" means any federal, state or local environmental statute, regulation, or ordinance presently in effect or that may be promulgated in the future as such statutes, regulations and ordinances may be amended from time to time, including but not limited to the statutes listed below:

(a) Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq.;

(b) Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601 et seq.;

(c) Clean Air Act, 42 U.S.C. § 7401 et seq.;

(d) Federal Water Pollution Control Act (Clean Water Act of 1977), 33 U.S.C. § 1251 et seq.;

(e) Federal Insecticide, Fungicide, and Rodenticide Act (Federal Pesticide Act of 1978), 7 U.S.C. § 136 et seq.;

(f) Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; and

(g) Safe Drinking Water Act, 42 U.S.C. § 300f et seq.

"Event of Default" means any of the events specified in Section 7.1 hereof to be an Event of Default.

"Event of Nonrenewal" means the election by City to not renew the Appropriation Lease for the next Renewal Term as provided in Section 5.1(b) of the Appropriation Lease, provided that an election by City not to enter into a Renewal Term subsequent to the exercise of an Option to Purchase shall not constitute an Event of Nonrenewal. An Event of Nonrenewal shall be effective upon expiration of the current Lease Term.

"Facilities" means the Property and the Improvements collectively, as defined herein.

"Favorable Opinion" means an opinion of Special Counsel addressed to the Bank and the Trustee to the effect that (i) the action proposed to be taken is authorized or permitted by the law of the State and this Trust Indenture and (ii) such action will not adversely affect the exclusion from gross income of interest on the Certificates for purposes of federal income taxation.

"Fiscal Year" means that period adopted by City as its annual accounting period, October 1 through September 30.

"Funds" mean the Construction Fund, the Costs of Issuance Fund, the Debt Service Fund, and the Rebate Fund, and any and all subaccounts established thereunder.

"Government Obligations" means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed as to full and timely payment by, the United States of America.

“Hazardous Substances” means any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous, toxic or radioactive substance, or other similar term, by any Environmental Law.

“Holder”, “Certificate Holder” or “Owner” means the registered owner of a Certificate.

“Improvements” means the preparation, construction, furnishing, equipping and improving of certain real and personal property comprising a new City fire station (Fire Station No. 2) and related facilities on the Property, as defined herein, for use by the City.

“Indemnitees” shall have the meaning set forth in Section 8.10(c) of the Appropriation Lease.

“Initial Term” means the initial term of the Appropriation Lease commencing on the date of issuance of the Certificates and terminating on September 30, 2022.

“Insurance Consultant” shall mean a Person which is not, and no member, stockholder, director, officer or employee of which is, an officer, director or employee of City or the Bank, and which is a nationally recognized insurance consultant selected by City having the skill and experience necessary to render the particular report required by the provisions hereof in which such requirement appears.

“Interest Payment Date” means each March 1 and September 1, commencing March 1, 2023.

“Lease Payments” means the installment payments received or receivable by the Bank from City with respect to the Certificates pursuant to Section 5.3 of the Appropriation Lease. Exhibit B attached to the Appropriation Lease is a schedule of the Lease Payments attributable to the Appropriation Lease, subject to annual appropriation and renewal of the Appropriation Lease.

“Lease Payment Date” means each February 15 and August 15 during the Lease Term, commencing February 15, 2023.

“Lease Term” means the period beginning on the effective date of the Appropriation Lease and ending on September 30, 2022, constituting the Initial Term, and subject to the provisions of the Appropriation Lease, any Renewal Terms, none of which shall exceed one Fiscal Year in length.

“Maturity Date” means, with respect to the Certificates, September 1 of the years reflected on Exhibit C hereto, with the final maturity on September 1, 2042.

“Moody’s” means Moody’s Investors Service Inc., a corporation organized and existing under the laws of the State of Deleware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated in writing by City.

"Net Certificate Proceeds" means the gross proceeds of the sale of the Certificates less the amount of underwriter's discount, plus the amount of any net original issue premium or less the amount of any original issue discount.

"Net Proceeds" means proceeds (net of all expenses, including all attorneys' fees, incurred in the collection thereof) from insurance, condemnation awards (or other similar amounts) received as a result of any damage to, destruction or taking under the power of eminent domain of the Facilities.

"Notice of Intent to Renew" means a written notice authorized and provided to the Bank and Trustee by the Council on or before August 1 and no later than August 15 of each year stating that City intends to renew the Appropriation Lease for an additional Renewal Term beginning on the following October 1 conditioned upon appropriation by the Council of the Lease Payments for such Renewal Term.

"Notice of Renewal" means a written notice delivered to the Bank and Trustee by City promptly following the adoption of City's budget containing the appropriation of the Lease Payments for an additional Renewal Term and in no event later than September 15 preceding the next Renewal Term, accompanied by a certified copy of the resolution or other official action of the Council adopting its budget which includes the expenditure of funds for Lease Payments for said Renewal Term.

"Office" of an entity means its office at the address set forth in Section 12.3, or any other office designated in writing by such entity to City, the Bank and the Trustee as the Office of such entity for purposes of this Trust Indenture; provided that, for the purposes of the definition of "Business Day" herein, the Office of the Trustee shall be its designated office in Boise, Idaho, as set forth in Section 12.3.

"Opinion of Special Counsel" shall mean an opinion in writing signed by Special Counsel.

"Opinion of Counsel" shall mean an opinion in writing signed by an attorney or firm of attorneys who may be counsel for the Bank or City, or other counsel acceptable to the Trustee.

"Options to Purchase" mean the options described in Article XI of the Appropriation Lease pursuant to which City is granted options to purchase Bank's right, title and interest in the Facilities.

"Outstanding," in connection with the Certificates means, as of any particular date, all Certificates issued, sold and delivered under this Trust Indenture, except:

(a) Certificates (or portions thereof) canceled or required to be canceled under Section 2.12;

(b) Certificates which are deemed paid in accordance with Article XI; and

(c) Certificates in substitution for which other Certificates have been authenticated and delivered pursuant to Article II.

In determining whether the Owners of a requisite aggregate principal amount of Certificates Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions hereof or of the Appropriation Lease, any Certificates which the Trustee knows to be owned by City shall be disregarded for the purpose of any such determination.

"Owner" or "Holder" means the registered owner of a Certificate.

"Permitted Encumbrances" shall be those liens and encumbrances set forth in Exhibit C to the Appropriation Lease.

"Permitted Investments" means such investments as shall be legal investments for such funds under Section 67-1210, Idaho Code, or Idaho law as then in effect.

"Person" shall include an individual, association, unincorporated organization, a corporation, partnership, joint venture, business trust or a government or an agency or a political subdivision thereof, or any other entity.

"Primary Lease" means the Primary Lease dated as of July __, 2022, between City, as lessor, and the Bank, as lessee, pursuant to which the Facilities are leased by City to the Bank, and any amendments and supplements thereto.

"Property" means that certain real property owned by City and described in Exhibit A hereto, and all existing improvements thereon.

"Rating Service" means Moody's Investors Service Inc. ("Moody's") and its successors and assigns, or if Moody's shall be dissolved or no longer assigning credit ratings to long-term debt, then any other nationally recognized entity assigning credit ratings to long-term debt designated in writing by City.

"Rebate Fund" means the fund so designated which is established pursuant to Section 4.3.

"Rebate Requirement" shall have the meaning designated in Section 4.3(a) hereof.

"Record Date" means, as the case may be, the 15th day of the month preceding an Interest Payment Date, or the Special Record Date.

"Renewal Term" means any renewal of the Appropriation Lease by City commencing on October 1, 2022, or on any subsequent October 1, and terminating on the following September 30. Each Renewal Term shall be for no more than one year in duration. The final Renewal Term shall commence October 1, 2041, and terminate September 30, 2042, unless the Appropriation Lease shall be earlier terminated as provided therein.

"Representation Letter" means the representation letter from City to DTC or any blanket issuer letter of representation executed by City in favor of DTC.

"Responsible Officer" means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Trust Indenture.

"Special Counsel" means an attorney or firm of attorneys of nationally recognized standing in matters pertaining to obligations issued by states and their political subdivisions and the exclusion of interest thereon from gross income for federal income tax purposes, appointed by City.

"Special Record Date" means such date as may be fixed for the payment of defaulted interest in accordance with Section 2.8(c).

"State" means the State of Idaho.

"Supplemental Indenture" shall mean an indenture supplemental to and authorized and executed pursuant to the terms of this Trust Indenture.

"Tax Certificate" means the Tax Certificate dated as of the date of issuance of the Certificates executed by City and delivered to the Trustee.

"Trust Estate" means the property pledged and assigned to the Trustee pursuant to the granting clauses of this Trust Indenture.

"Trust Indenture" means this Annual Appropriation Trust Indenture as amended or supplemented at the time in question.

"Trustee" means Zions Bancorporation, National Association, a national banking association, acting as a fiduciary under this Trust Indenture, being the registrar, paying agent and trustee under this Trust Indenture for the benefit of the Certificate Holders, and its successor or successors and any corporation or association resulting from or surviving any consolidation or merger to which it or its successor(s) may be a part and any other corporation or association which may at any time be substituted in its place as successor trustee pursuant to Article VIII or otherwise (in each case including collectively each separate trustee and each co-trustee (if any), acting jointly or separately, appointed and acting pursuant to Section 8.17). The "Office of the Trustee" shall mean the designated Corporate Trust Office of the Trustee in Boise, Idaho, at which at any particular time its corporate trust business shall be administered (which office at the time of the execution of this Trust Indenture is located at 800 W Main St, Suite 700, Boise, Idaho); provided, however, that with respect to payments on the Certificates and any exchange, transfer, or other surrender of the Certificates, the Office of the Trustee shall mean the corporate trust operations office of the Trustee in Salt Lake City, Utah, or such other office or location designated by the Trustee by written notice and shall include such office of any successor Trustee.

Section 1.2 Rules of Construction; Time of Day. In this Trust Indenture, unless otherwise indicated, (i) defined terms may be used in the singular or the plural, (ii) the use of any gender includes all genders, (iii) the words "hereof," "herein," "hereto," "hereby" and "hereunder" (except in the forms of Certificates) refer to this entire Trust Indenture, and (iv) all references to particular Articles or Sections are references to the Articles or Sections of this Trust Indenture. References to any time of the day in this Trust Indenture shall refer to Mountain Standard Time or Mountain Daylight Saving Time, as in effect in the City of Twin Falls, Idaho on such day. Unless the context clearly indicates otherwise, no covenant or provision herein shall extend beyond the Lease Term. All obligations of City hereunder shall cease upon an Event of Nonrenewal, unless otherwise set forth herein.

ARTICLE II.
THE CERTIFICATES

Section 2.1 Amount, Form and Issuance of Certificates.

(a) The Certificates shall, except as provided in Section 2.10, be limited in aggregate principal amount to $_______________, and shall contain substantially the terms recited in the form of the Certificates attached hereto as Exhibit B. All Certificates shall provide that principal (or redemption price) and interest in respect thereof shall be payable only out of the Lease Payments. Pursuant to recommendations promulgated by the Committee on Uniform Security Identification Procedures, "CUSIP" numbers may be printed on the Certificates. The Certificates may bear such endorsement or legend satisfactory to the Trustee as may be required to conform to usage or law with respect thereto.

(b) Upon the execution and delivery hereof, the Bank shall cause the Trustee to execute and authenticate the Certificates in the aggregate principal amount of $______________. At the written direction of the Bank, after authentication, the Trustee shall deliver the Certificates to the purchasers thereof as identified in such written direction.

Section 2.2 Designation, Denominations, Maturity, Dates, and Interest Rates.

(a) The Certificates shall be designated as the "City of Twin Falls, Idaho Annual Appropriation Certificates of Participation, Series 2022 (Fire Station No. 2 Project)".

(b) The Certificates shall be issuable only in Authorized Denominations.

(c) The Certificates shall mature as provided in Exhibit C, subject to prior redemption as provided in Article VI, and shall be in the form attached to this Trust Indenture as Exhibit B. Certificates may be issued at a premium above, or at a discount below, the original purchase price thereof.

(d) The Certificates shall bear interest at the rates per annum set forth on Exhibit C from and including the date of issuance thereof until payment of the principal or redemption price thereof shall have been made or provided for in accordance with the provisions hereof, whether at maturity, upon redemption or otherwise. Payment of interest on each Certificate shall be made on each Interest Payment Date for such Certificate for unpaid interest accrued during the interest accrual period to the Owner of record of such Certificate on the applicable Record Date.

(e) The Trustee will promptly pay or cause to be paid the principal of, redemption price, if any, and interest on all Certificates issued hereunder according to the terms hereof. The principal, redemption price, if any and interest payments are payable solely from the Trust Estate, which is hereby specifically pledged to the payment thereof in the manner and to the extent herein specified. Nothing in the Certificates or in this Indenture shall be considered or construed as pledging any funds or assets of the Trustee other than those pledged hereby or creating any liability of the Trustee's directors, employees or other agents.

Section 2.3 Execution. The Certificates shall be executed and authenticated by the manual or facsimile signature of an authorized officer of the Trustee. Certificates executed as above provided may be issued and shall, upon the written request of the Bank, be authenticated by the Trustee, notwithstanding that any officer signing such Certificates or whose facsimile signature appears thereon shall have ceased to hold office at the time of issuance or authentication.

Section 2.4 Delivery of Certificates. Upon the execution and delivery of this Trust Indenture, the Bank shall request the Trustee to execute and authenticate the Certificates and deliver them to the initial purchaser thereof as directed by the Bank.

Prior to the delivery by the Trustee of any of the Certificates, there shall have been filed with or delivered to the Trustee the following:

1. Ordinance of City duly adopted by its Council and certified by the City Clerk, authorizing the execution of the Primary Lease, the Appropriation Lease, and this Trust Indenture, and approving the issuance of the Certificates;

2. A duly executed copy of this Trust Indenture;

3. A duly executed copy of the Primary Lease;

4. A duly executed copy of the Appropriation Lease; and

5. A written request and authorization to the Trustee by the Bank to authenticate and deliver the Certificates to the initial purchaser(s) thereof upon payment to the Trustee for the account of the Bank of a sum specified in such written request and authorization plus accrued interest, if any, to the date of delivery of the Certificates.

Section 2.5 Authentication. No Certificate shall be valid for any purpose until authenticated and duly executed and dated by the Trustee as provided in this Trust Indenture, and such authentication shall be conclusive proof that such Certificate has been duly authenticated and delivered under this Trust Indenture and that the Owner thereof is entitled to the benefit of the trust hereby created.

Section 2.6 Registration, Transfer and Exchange.

(a) All Certificates shall be issued in fully registered form. The Certificates shall be registered upon original issuance and upon subsequent transfer or exchange as provided in this Trust Indenture. The Trustee shall act as registrar and transfer agent for the Certificates. The Trustee shall keep at its Office a register (herein sometimes referred to as the "Certificate Register") in which, subject to such reasonable regulations as it or the Bank may prescribe, the Bank shall provide for the registration of the Certificates and for the registration of transfers of the Certificates. The Trustee shall, at any time as reasonably requested by the Bank, certify and furnish to the Bank the names, addresses and holdings of Certificate Holders and any other relevant information reflected in the Certificate Register, and the Bank shall for all purposes be fully entitled to rely upon the information so furnished to it and shall have no liability or responsibility in connection with the preparation thereof.

(b) Certificates may be transferred only on the Certificate Register. Upon surrender for transfer of any Certificate at the Office of the Trustee, the Trustee shall issue and authenticate and deliver in the name of the transferee or transferees, one or more new fully registered Certificates of like series and maturity of Authorized Denominations for the aggregate principal amount which the Owner is entitled to receive.

(c) At the option of an Owner, Certificates may be exchanged for other Certificates of any other Authorized Denomination, of like series and of a like aggregate principal amount, upon surrender of the Certificates to be exchanged at the Office of the Trustee. Whenever any Certificates are so surrendered for exchange, the Bank shall cause to be issued and the Trustee shall authenticate and deliver the Certificates which the Owner making the exchange is entitled to receive.

(d) All Certificates presented for transfer or exchange, redemption or payment (if so required by the Bank or the Trustee), shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signatures satisfactory to the Trustee, duly executed by the Owner or by his attorney duly authorized in writing.

(e) No service charge shall be made for any transfer or exchange of Certificates, but the Bank may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

(f) The Bank shall not be required to transfer or exchange any Certificates selected, called or being called for redemption in whole or in part until the applicable redemption date.

(g) New Certificates delivered upon any transfer or exchange shall be valid obligations of City, evidencing the same debt as the Certificates surrendered, shall be secured by this Trust Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Certificates surrendered.

Section 2.7 Persons Deemed Owners. The Bank and the Trustee may deem and treat the person in whose name ownership of any Certificate is registered as the absolute Owner thereof (whether or not such Certificate shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Trustee) for the purpose of receiving payment of or on account of the principal of (and premium, if any, on), and (subject to Section 2.8) interest on, such Certificate, and for all other purposes, and neither the Bank nor the Trustee shall be affected by any notice to the contrary. All such payments so made to any such Owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Certificate.

Section 2.8 Payment of Principal and Interest; Record Dates.

(a) The principal and redemption price of any Certificate shall be payable upon presentation and surrender of such Certificate at the Office of the Trustee. Interest on any Certificate on each Interest Payment Date in respect thereof shall be payable by check mailed on the applicable Interest Payment Date to the address of the person entitled thereto as such address shall appear in the Certificate Register; provided that at the written request of the Owner of at least $1,000,000 aggregate principal amount of Certificates received by the Trustee at least one Business Day before the corresponding Record Date, interest accrued on the Certificates will be payable by wire transfer within the continental United States in immediately available funds to the bank account number of such Owner specified in such request and entered by the Trustee on the Certificate Register. The principal or redemption price becoming due with respect to Certificates shall, at the written request of the Owner of at least $1,000,000 aggregate principal amount of such Certificates, be paid by wire transfer within the continental United States in immediately available funds to the bank account number of such Owner appearing on the Certificate Register, but only upon presentation and surrender of such Certificates. The principal, redemption price of and interest on the Certificates shall be paid in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

(b) Interest on any Certificate which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the person in whose name the Certificate is registered at the close of business on the Record Date for such interest.

(c) Any interest on any Certificate which is payable on any Interest Payment Date but is not paid or provided for on such date or within three Business Days thereafter (herein called "Defaulted Interest") shall forthwith cease to be payable to the Owner on the relevant Record Date by virtue of having been such Owner, and such Defaulted Interest shall be paid, pursuant to Section 7.4, to the Owner in whose name the Certificate is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than five (5) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Certificate Holders, at his address as it appears in the Certificate Register, not less than ten (10) days prior to such Special Record Date.

(d) Subject to the foregoing provisions of this Section, each Certificate delivered under this Trust Indenture upon transfer of or exchange for or in lieu of any other Certificate shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Certificate.

Section 2.9 Book-Entry Certificates.

(a) Except as provided in subparagraph (c) of this Section 2.9, the registered Owner of all of the Certificates shall be DTC and the Certificates shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest on any Certificate registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer of immediately available funds to the account of Cede & Co. on the Interest Payment Date for the Certificates at the address indicated on the Record Date or Special Record Date for Cede & Co. in the Certificate Register kept by the Trustee.

(b) The Certificates shall be initially issued in the form of separate single fully registered Certificates, authenticated by the Trustee in the amount of each separately stated maturity of each series of the Certificates. Upon initial issuance, the ownership of such Certificates shall be registered in the registry books of the Bank kept by the Trustee in the name of Cede & Co., as nominee of DTC. The Trustee and the Bank shall treat DTC (or its nominee) as the sole and exclusive owner of the Certificates registered in its name for the purposes of payment of the principal or redemption price of or interest on the Certificates, selecting the Certificates or portions thereof to be redeemed, giving any notice permitted or required to be given to Certificate Holders under this Trust Indenture, registering the transfer of Certificates, obtaining any consent or other action to be taken by Certificate Holders and for all other purposes whatsoever, and neither the Trustee nor the Bank shall be affected by any notice to the contrary. Neither the Trustee nor the Bank shall have any responsibility or obligation to any DTC participant, any person claiming a beneficial ownership interest in the Certificates under or through DTC or any DTC participant, or any other person which is not shown on the registration books of the Trustee as being a Certificate Holder, with respect to: (i) the accuracy of any records maintained by DTC or any DTC participant; (ii) the payment of DTC or any DTC participant of any amount in respect of the principal or redemption price of or interest on the Certificates; (iii) any notice which is permitted or required to be given to Certificate Holders under this Trust Indenture; (iv) the selection by DTC or any DTC participant of any person to receive payment in the event of a partial redemption of the Certificates; or (v) any consent given or other action taken by DTC as Certificate Holders. The Trustee shall pay all principal or premium, if any, and interest on the Certificates only to or "upon the order of" (as that term is used in the Uniform Commercial Code as adopted in the State) DTC and all such payments shall be valid and effective to fully satisfy and discharge the Bank's obligations with respect to the principal of and premium, if any, and interest on the Certificates to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Certificate for each separately stated maturity of the respective series evidencing the obligation of the Bank to make payments of principal of and premium, if any, and interest pursuant to this Trust Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the word "Cede & Co." in this Trust Indenture shall be deemed to be changed to reflect such new nominee of DTC.

(c) In the event the Trustee (at the direction of the Bank) determines that it is in the best interest of the Beneficial Owners of the Certificates that they be able to obtain Certificates, the Bank may notify in writing DTC and the Trustee, whereupon DTC will notify the DTC participants of the availability through DTC of Certificates. In such event, the Trustee, at the expense of the Bank, shall deliver, transfer and exchange Certificates as directed in writing by DTC as the Certificate Holders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Certificates at any time by giving written notice to the Bank and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Bank and the Trustee, at the expense of the Bank, shall be obligated to deliver Certificates in the form of fully registered Certificates without coupons in Authorized Denominations of $5,000, or any integral multiple thereof. The Trustee shall treat any Certificate of a denomination greater than $5,000 as representing that number of separate Certificates each of the denomination of $5,000 as can be obtained by dividing the actual principal amount of such Certificate by $5,000. In the event Certificates are issued, the provisions of this Trust Indenture shall apply to, among other things, the transfer and exchange of such Certificates and the method of payment of principal of and interest on such Certificates. Whenever DTC requests the Bank and the Trustee to do so, the Trustee and the Bank will cooperate with DTC in taking appropriate action after reasonable written notice (i) to make available one or more separate Certificates evidencing the Certificates to any DTC participant having Certificates credited to its DTC account, or (ii) to arrange for another securities depository to maintain custody of Certificates evidencing the Certificates.

(d) Notwithstanding any other provision of this Trust Indenture to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Certificate Holders pursuant to this Trust Indenture by the Bank or the Trustee with respect to any consent or other action to be taken by Certificate Holders, the Bank or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC as sole Certificates Holder notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Notice to DTC shall be given only when DTC is the sole Certificates Holder.

Section 2.10 Mutilated, Destroyed, Lost or Stolen Certificates.

(a) If any Certificate shall become mutilated, lost, stolen or destroyed, the affected Certificate Holders shall be entitled to the issuance of a substitute Certificate only as follows:

(i) in the case of a lost, stolen or destroyed Certificate, the Certificate Holders shall (i) provide notice of the loss, theft or destruction to the Trustee within a reasonable time after the Certificate Holders receives notice of the loss, theft or destruction, (ii) request the issuance of a substitute Certificate, and (iii) provide evidence satisfactory to the Trustee of the ownership and the loss, theft or destruction of the affected Certificate;

(ii) in the case of a mutilated Certificate, the Certificate Holders shall surrender the Certificate to the Trustee for cancellation; and

(iii) in all cases, the Certificate Holders shall provide indemnity against any and all claims arising out of or otherwise related to the issuance of substitute Certificates pursuant to this Section 2.10 satisfactory to the Trustee and the Bank.

Upon compliance with the foregoing, a new Certificate of like tenor and denomination, including the same series, issued by the Trustee, shall be authenticated by the Trustee and delivered to the Certificate Holders, all at the expense of the Certificate Holders to whom the substitute Certificate is delivered. Notwithstanding the foregoing, the Trustee shall not be required to authenticate and deliver any substitute Certificate for a Certificate which has been called for redemption or which has matured or is about to mature and, in any such case, the principal or redemption price and interest then due or becoming due shall be paid by the Trustee with funds available under this Trust Indenture for such purpose in accordance with the terms of the mutilated, lost, stolen or destroyed Certificate without substitution therefor.

(b) Every substituted Certificate issued pursuant to this Section 2.10 shall be entitled to all the benefits of this Trust Indenture equally and proportionately with any and all other Certificates duly issued hereunder unless the Certificate alleged to have been destroyed, lost or stolen shall be at any time enforceable by a bona fide purchaser for value without notice. In the event the Certificate alleged to have been destroyed, lost or stolen shall be enforceable by anyone, the Bank may recover the substitute Certificate from the Certificate Holders to whom it was issued or from anyone taking under the Certificate Holders except a bona fide purchaser for value without notice.

(c) All Certificates shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Certificates, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or investment or other securities without their surrender.

Section 2.11 Temporary Certificates. Pending preparation of definitive Certificates, or by agreement with the purchasers of all the Certificates, upon request of the Bank, the Trustee may issue and authenticate, in lieu of definitive Certificates, one or more temporary printed or typewritten Certificates in Authorized Denominations of substantially the tenor recited above. Upon request of the Bank, the Trustee shall authenticate definitive Certificates of the same series and maturity in exchange for and upon surrender of an equal principal amount of temporary

Certificates. Until so exchanged, temporary Certificates shall have the same rights, remedies, and security hereunder as definitive Certificates.

Section 2.12 Cancellation and Destruction of Surrendered Certificates. Certificates surrendered for payment, redemption, transfer or exchange and Certificates surrendered to the Trustee by the Bank for cancellation shall be canceled and destroyed by the Trustee in accordance with applicable law. Upon request, the Trustee shall deliver to the Bank certificates of destruction in respect of all Certificates so destroyed.

Section 2.13 Disposition of Proceeds of Certificates. Upon the issuance and sale of the Certificates, the Bank shall cause the proceeds thereof to be delivered to the Trustee, and the Trustee shall forthwith deposit such proceeds as provided in Section 4.2 of the Appropriation Lease.

ARTICLE III.
CONSTRUCTION FUND AND COSTS OF ISSUANCE FUND

Section 3.1 Construction Fund.

(a) There is hereby established with the Trustee, as described in this Article III, a fund designated as the "Construction Fund."

(b) Except as otherwise provided herein, moneys on deposit in the Construction Fund shall be used to pay Costs of Acquisition and Construction of the Improvements.

(c) Upon delivery to the Trustee of a written request of City, in the form provided under the Appropriation Lease, provided no Event of Default has occurred and is continuing, moneys on deposit in or allocated to the Construction Fund shall be disbursed to pay Costs of Acquisition and Construction of the Improvements. The Trustee shall be fully protected in making such requested disbursements and has no duty or obligation to confirm that such requested disbursements constitute Costs of Acquisition and Construction of the Improvements.

(d) Amounts on deposit in the Construction Fund may be invested by the Trustee, if applicable, pursuant to a written certificate of City in Permitted Investments that mature not later than such times as shall be necessary to provide moneys when needed to pay such Costs of Acquisition and Construction. The interest, as well as the gain, if any, on such investments shall be deposited into the Construction Fund.

(e) After the payment of the Costs of Acquisition and Construction of the Improvements, as certified by City, any moneys remaining in the Construction Fund shall be transferred (1) first, to the Rebate Fund in an amount required to comply with this Trust Indenture, and (2) second, to the extent of any remaining balance, to the Debt Service Fund, and the Construction Fund shall thereafter be closed and terminated.

Section 3.2 Costs of Issuance Fund.

(a) There is hereby established with the Trustee, as described in this Section 3.2, a fund designated as the "Costs of Issuance Fund" into which shall be deposited so much of the Net Certificate Proceeds as shall be required to pay the Costs of Issuance of the Certificates, which amount is stated in Section 4.2 of the Appropriation Lease, and from which the Costs of Issuance (except the underwriter's compensation) shall be paid by the Trustee pursuant to a written certificate and request of City. Such amounts shall be paid by the Trustee upon receipt of such written certificate and request of City and the Trustee has no duty or obligation to confirm that such requested amounts constitute Costs of Issuance.

(b) Moneys in the Costs of Issuance Fund shall be invested by the Trustee in Permitted Investments pursuant to a written certificate by City. The interest, as well as the gain, if any, on such investments shall be deposited into the Costs of Issuance Fund.

(c) Any balance remaining in the Costs of Issuance Fund after payment of the Costs of Issuance, or ninety (90) days after the initial delivery of the Certificates, whichever shall first occur, shall be transferred to the Construction Fund, and the Costs of Issuance Fund shall thereupon be closed.

(d) Upon an occurrence of an Event of Default hereunder and the exercise by the Trustee of the remedy specified in Section 7.1 hereof, any moneys in the Costs of Issuance Fund, after any transfer to the Rebate Fund, shall be transferred by the Trustee to the Debt Service Fund and applied in accordance with Section 7.4 hereof.

ARTICLE IV.
DEBT SERVICE FUND AND REBATE FUND

Section 4.1 Debt Service Fund.

(a) <u>Establishment of Debt Service Fund</u>. There is hereby established with the Trustee, as described in this Section 4.1, a fund designated as the "Debt Service Fund," for the payment of principal of, premium, if any, and interest on the Certificates.

(b) <u>Deposits into the Debt Service Fund</u>. Upon receipt of Lease Payments, the Bank shall cause the Trustee to deposit such amounts into the Debt Service Fund to be used to pay principal of, premium, if any, and interest on the Certificates pursuant to the Appropriation Lease.

(c) <u>Application of Debt Service Fund</u>. Except as otherwise provided in Section 7.4 herein, moneys in the Debt Service Fund shall be applied to the following in the order of priority indicated:

(1) the payment when due of principal of, premium, if any, and interest on the Certificates, other than Certificates then owned by City;

(2) the payment when due of principal of, premium, if any, and interest on Certificates owned by City.

(d) Credits. If at any time the Trustee has funds, which under the provisions of this Trust Indenture are to be applied to pay the principal or redemption price of or interest on the Certificates, the Bank, to the extent that such funds are to be so applied, shall reduce the payments due from City under the Appropriation Lease, equal to the amount of such funds.

Section 4.2 Moneys To Be Held for All Certificate Holders; Certain Exceptions. Moneys and investments thereon in the Debt Service Fund shall, until applied as provided in this Trust Indenture, be held by the Trustee for the benefit of the Owners of all Outstanding Certificates as provided herein, except that any portion of the moneys on deposit therein representing principal or redemption price of, and interest on, any Certificates previously matured or called for redemption in accordance with Article VI shall be held for the benefit of the Owners of such Certificates only.

Section 4.3 Rebate Fund.

(a) There is hereby established with the Trustee a fund designated as the "Rebate Fund" which shall be held separate and apart from all other Funds established under this Trust Indenture. During the Lease Term and promptly after the end of each fifth Certificate Year (and not later than 30 days after the redemption, payment at maturity or other retirement of the last Certificate), City, using such Consultants as it deems necessary, shall calculate the amount, if any, required to be rebated as of such date to the United States Treasury with respect to the Certificates (the "Rebate Requirement"), and shall instruct the Trustee in writing to transfer such amounts from the Debt Service Fund to the Rebate Fund or shall otherwise pay such amounts to the Trustee for deposit into the Rebate Fund from funds appropriated therefor. All amounts in the Rebate Fund, including income earned from investment of the Rebate Fund, shall be held by the Trustee free and clear of the lien of this Trust Indenture, and the Trustee shall pay said amounts over to the United States from time to time as the Trustee shall be instructed in writing by City, in accordance with the Tax Certificate.

(b) The Trustee shall retain records of the determinations of the amount required to be deposited in the Rebate Fund that it receives from City or City's Consultants, of the proceeds of any investments of moneys in the Rebate Fund, and of the amounts paid to the United States until the date six years after the discharge of the last of the Certificates.

(c) Notwithstanding anything in this Section 4.3 or this Trust Indenture to the contrary, the Trustee shall not have any obligation to calculate the Rebate Requirement, review or ascertain the accuracy of the information contained in any instruction or calculation provided to the Trustee by City or its Consultants in connection with the Rebate Requirement determination and the deposits into or disbursements from the Rebate Fund, but shall be entitled to rely on such statements and the information contained therein in all respects for all purposes.

ARTICLE V.
INVESTMENT OR DEPOSIT OF FUNDS

Section 5.1 Deposits and Security Therefor. All moneys received by the Trustee under this Trust Indenture shall be considered trust funds, shall not be subject to lien or attachment and shall, except as hereinafter provided, be deposited with the Trustee until or unless invested or deposited as provided in Section 5.2. The Rebate Fund is held solely for the benefit of the United States Government and not for the benefit of the Certificate Holders or the Trustee. All deposits with the Trustee (whether original deposits under this Section or deposits or redeposits in time accounts under Section 5.2) shall be secured as required by applicable law for such trust deposits.

Section 5.2 Investment or Deposit of Funds.

(a) Pending their use under this Trust Indenture, moneys in all Funds held by the Trustee shall be invested by the Trustee at the written direction of City in Permitted Investments maturing or redeemable at the option of the holder at or before the time when such moneys are expected to be needed. Moneys in all Funds other than the Rebate Fund held by the Trustee shall be held in trust solely for Owners of the Certificates who shall have a first lien thereon. Any investments pursuant to this subsection shall be held by the Trustee as a part of the applicable Fund and shall be sold or redeemed to the extent necessary to make payments or transfers or anticipated payments or transfers from such fund.

(b) Except as set forth below, any interest realized on investments in any Fund and any profit realized upon the sale or other disposition thereof shall be credited to the Fund with respect to which they were earned and any loss shall be charged thereto. Earnings (which for such purposes include net profit and are after deduction of net loss) on moneys deposited in the Debt Service Fund shall be deposited or retained, as appropriate, in the Debt Service Fund.

(c) The Trustee may hold undivided interests in Permitted Investments for more than one fund (for which they are eligible) and may make interfund transfers in kind.

(d) Investments in all funds other than the Rebate Fund shall be valued by the Trustee as of the end of each Fiscal Year in accordance with pricing services and sources relied upon by the Trustee. Investments in the Rebate Fund shall be valued at amortized cost or market value, whichever is less. Valuations of all funds shall be made at such other times as shall be reasonably requested by City and at the expense of City. City acknowledges and agrees that the Trustee shall (i) only be required to report the value of any assets on statements, books, and records according to the price provided by pricing services and sources relied upon by the Trustee, and (ii) not have any duty to independently value any asset or an obligation to report a value other than the price provided by pricing services and sources relied upon by Trustee.

(e) If at any time City fails to direct the investment of amounts held by the Trustee, the Trustee shall hold such amounts uninvested in Cash, with no liability for interest. The Trustee may conclusively rely upon City's written investment instructions as to both the suitability and legality of the directed investments and such written direction shall be deemed to be a certification that such directed investments constitute Permitted Investments. The Trustee shall be permitted to charge to City its standard fees and all expenses in connection with any services performed in accordance with this Section 5.2. The Trustee shall not make any representation as to the accuracy of any quotation of market price of any security or investment (or the accrued interest thereon) in any Fund, and City, during the Lease Term and from funds appropriated therefor, hereby agrees to indemnify and hold harmless the Trustee, its officers, employees, agents and attorneys from and against any and all liabilities, claims and charges, etc. in connection with or resulting from the Trustee's valuation of the investments in any Funds or accounts as provided in this Trust Indenture.

(f) City acknowledges that to the extent regulations of the Comptroller of the Currency or any other regulatory entity grant City the right to receive brokerage confirmations of the security transactions as they occur, City specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish City periodic cash transaction statements that include the detail for all investment transactions made by the Trustee hereunder.

(g) The Trustee shall be entitled to assume that any investment that, at the time of purchase, is a Permitted Investment remains a Permitted Investment thereafter, including at the time of reinvestment of earnings thereof in the same type of investment.

(h) The Trustee may elect, but shall not be obligated, to credit the funds and accounts held by it with moneys representing income or principal payments due on, or sales proceeds due in respect of, Permitted Investments in such funds and accounts, or to credit to Permitted Investments intended to be purchased with such moneys, in each case before actually receiving the requisite moneys from the payment source, or to otherwise advance funds for account transactions. City acknowledges that the legal obligation to pay the purchase price of any Permitted Investments arises immediately at the time of the purchase. Notwithstanding anything else in this Trust Indenture, (i) any such crediting of funds or assets shall be provisional in nature, and the Trustee shall be authorized to reverse any such transactions or advances of funds in the event that it does not receive good funds with respect thereto, and (ii) nothing in this Trust Indenture shall constitute a waiver of any of the Trustee's rights as a securities intermediary under Uniform Commercial Code § 9-206.

ARTICLE VI.
REDEMPTION OF CERTIFICATES

Section 6.1 Certificates Subject to Redemption; Selection of Certificates to be Called for Redemption. The Certificates are subject to redemption prior to maturity as provided below and in the form of Certificates attached hereto as Exhibit B. Except as otherwise provided herein or in the Certificates, if less than all of the Certificates of a particular maturity are to be redeemed, the particular Certificates to be called for redemption shall be selected by lot or by such other method as the Trustee deems fair and appropriate. The Trustee shall treat any Certificate of a denomination greater than $5,000 as representing that number of separate Certificates each of the denomination of $5,000 as can be obtained by dividing the actual principal amount of such Certificate by $5,000.

Section 6.2 Notice of Redemption. Notice of redemption may be conditional or unconditional and shall be given by the Trustee by mail (first class, postage prepaid), not less than thirty (30) or more than sixty (60) days prior to the redemption date, to the Owners, as of the Record Date, of each Certificate which is subject to redemption, at the address of such Owner as it appears in the registration books of the Bank kept by the Trustee, or at such other address as is furnished to the Trustee in writing by such Owner on or prior to the Record Date. Each notice of redemption shall state the name and series of the Certificates, the Record Date, the redemption date, the place of redemption, the principal amount if less than all, the distinctive numbers of the Certificates or portions of Certificates to be redeemed, and also shall state that the interest on the Certificates in such notice designated for redemption shall cease to accrue from and after such redemption date and that, on said date, there will become due and payable on each of said Certificates the principal thereof, interest accrued thereon to the redemption date, and premium, if any. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner or other recipient receives such notice. Failure to mail such notice or any defect therein shall not affect the validity of the proceedings for redemption of the Certificates.

In addition to the foregoing notice, further notice shall be given by the Trustee as set out below, but no defect in said further notice or any failure to give all or any portion of such further notice shall affect in any manner the validity of a call for redemption if notice thereof is given as above prescribed.

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Certificates being redeemed; (ii) the date of issue of the Certificates as originally issued; (iii) the rate of interest borne by each Certificates being redeemed; (iv) the Maturity Date of each Certificates being redeemed; and (v) the series and any other descriptive information needed to identify accurately the Certificates being redeemed.

(b) Each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date by telecopy, mail (first class, postage prepaid) or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Certificates designated to the Trustee by City and to any nationally recognized information services designated by City to the Trustee.

(c) Upon the payment of the redemption price of Certificates being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number or numbers identifying, by issue and maturity, the Certificates being redeemed with the proceeds of such check or other transfer.

Section 6.3 Payment of Redemption Price. If (a) unconditional notice of redemption has been duly given or duly waived by the Owners of all Certificates of a series called for redemption or (b) conditional notice of redemption has been so given or waived and the moneys have been duly deposited with the Trustee sufficient to make such redemption, then in either such case the Certificates called for redemption shall be payable on the redemption date at the applicable redemption price. Payment of the redemption price together with accrued interest shall be made by the Trustee, out of revenues or other funds deposited for such purpose, to or upon the order of the Owners of the Certificates called for redemption upon surrender of such Certificates to the Office of the Trustee. Upon the payment of the redemption price of Certificates being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number, if any, identifying by issue and maturity, the Certificates being redeemed with the proceeds of such check or other transfer.

If conditional notice of redemption has been given and sufficient funds to pay the redemption price, including accrued interest on the Certificates to be redeemed, shall not have been deposited with the Trustee, such notice of redemption shall be of no force and effect and the Trustee shall not be required to redeem the Certificates on the redemption date.

Section 6.4 Certificates Redeemed in Part. Any Certificate which is to be redeemed only in part shall be surrendered at a place stated for the surrender of Certificates called for redemption in the notice provided for in Section 6.2 (with due endorsement by, or a written instrument of transfer in form satisfactory to the Trustee duly executed by, the Owner thereof or his attorney duly authorized in writing and with guaranty of signatures satisfactory to the Trustee) and the Bank shall cause the Trustee to authenticate and deliver to the Owner of such Certificate without service charge, a new Certificate or Certificates, of the same series in any authorized denomination as requested by such Owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Certificate so surrendered.

Section 6.5 Redemption of Certificates. The Certificates are subject to optional and mandatory sinking fund redemption as follows:

(a) The Certificates maturing on September 1 in the years 2023 through 2029, inclusive, are not subject to optional redemption prior to their stated dates of maturity. The Certificates maturing on or after September 1, 2030, are subject to redemption prior to their stated dates of maturity at the election of City at any time on or after September 1, 2029, in whole or in part (maturities to be selected by City and randomly within a maturity in such manner as the Trustee shall determine). Such optional redemption of the Certificates shall be at a price of 100% of the principal amount of the Certificates to be so redeemed, plus accrued interest to the date fixed for redemption.

(b) The Certificates maturing on September 1, 20__, are subject to mandatory sinking fund redemption prior to their stated maturity, at a price of 100% of the principal amount of the Certificates to be so redeemed, plus accrued interest to the date fixed for redemption, on September 1 of the years, and in the amounts, shown below:

SEPTEMBER 1 OF THE YEAR	MANDATORY REDEMPTION AMOUNT
	$
*	

*stated maturity

(c) The Certificates maturing on September 1, 20__, are subject to mandatory sinking fund redemption prior to their stated maturity, at a price of 100% of the principal amount of the Certificates to be so redeemed, plus accrued interest to the date fixed for redemption, on September 1 of the years, and in the amounts, shown below:

SEPTEMBER 1 OF THE YEAR	MANDATORY REDEMPTION AMOUNT
	$
*	

*stated maturity

Section 6.6 Redemption of Certificates upon Occurrence of Certain Events. The Certificates are also redeemable at the option of City in whole at any time at a redemption price equal to 100% of the principal amount of each Certificate redeemed plus accrued interest to but not including the redemption date upon the occurrence of any of the following events:

(a) The Facilities shall have been damaged or destroyed to such extent that, as expressed in a Consulting Architect's Certificate filed with City, the Bank and the Trustee, (i) the Facilities cannot be reasonably restored within a period of twelve (12) consecutive months to the condition thereof immediately preceding such damage or destruction, or (ii) City is thereby prevented from carrying on its normal operations with respect to the Facilities for a period of twelve (12) consecutive months.

(b) Title to, or the temporary use of, all or substantially all the Facilities shall have been taken under the exercise of the power of eminent domain by any governmental authority, or person, firm or corporation acting under governmental authority, including such a taking or takings as results, as evidenced in a Consulting Architect's Certificate filed with City, the Bank and the Trustee, in City being thereby prevented from carrying on its normal operations at the Facilities for a period of twelve (12) consecutive months.

(c) A defect in title shall have occurred that results in a complete loss of the City's title to the Facilities.

The Certificates are also redeemable by City in part at any time at a redemption price equal to 100% of the principal amount of each Certificate redeemed plus accrued interest to but not including the redemption date in the manner and upon compliance with the provisions of Sections 6.4, 7.1 and 7.2 of the Appropriation Lease, as applicable. Only Net Proceeds of insurance or a condemnation award shall be used for a partial redemption of Certificates pursuant to this paragraph. Any redemption pursuant to this paragraph shall be a pro rata redemption of the Certificates then outstanding, based upon the original principal amounts thereof.

ARTICLE VII.
EVENTS OF DEFAULT AND EVENT OF NONRENEWAL

Section 7.1 Events of Default. In the Event of Nonrenewal or if any one or more of the following Events of Default shall occur:

(a) if default shall be made in the due and punctual payment of the principal or redemption price of the Certificates when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise.

(b) if default shall be made in the due and punctual payment of any installment of interest on the Certificates, when and as such interest installment shall become due and payable;

(c) if default shall be made in the performance or observance of any other of the covenants, agreements, or conditions on the part of the Bank or City under this Trust Indenture or in the Certificates contained, and such default shall continue for a period of thirty (30) days after written notice thereof to City and the Bank by the Trustee;

(d) if an order or decree shall be entered, with the consent or acquiescence of City and/or the Bank, appointing a receiver or receivers of the Facilities, or any part thereof, or if such order or decree, having been entered without the consent and acquiescence of City and/or the Bank, shall not be vacated or discharged or stayed within sixty (60) days after the entry thereof; or

(e) if an "event of default" as defined in Section 10.1 of the Appropriation Lease shall have occurred under the Appropriation Lease and is not remedied within the time provided for remedy of default under the Appropriation Lease;

then, upon such Event of Nonrenewal or so long as such Event of Default shall not have been remedied, unless the Outstanding Certificates shall have already become due and payable, the Trustee (by thirty (30) days' written notice to the Bank and City), or the Beneficial Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Certificates then Outstanding (by notice in writing to the Bank, City and the Trustee) may declare the amount Outstanding under the Certificates, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in this Trust Indenture or in the Certificates contained to the contrary notwithstanding; provided however, City's liability shall not extend beyond the amounts owed under the Appropriation Lease for the Lease Term. The right of the Trustee or the Beneficial Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Certificates then Outstanding to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Certificates shall have matured by their terms, all overdue installments of principal and interest on the Certificates, together with interest on such overdue installments of principal and interest, to the extent permitted by law and reasonable and proper charges, if any, and all other sums then payable by the Bank under this Trust Indenture shall either be paid by or for the account of the Bank or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Certificates or under this Trust

Indenture (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Beneficial Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Certificates then Outstanding, by written notice to City, the Bank and the Trustee, may rescind such declaration and annul such default in its entirety or, if the Trustee shall have acted itself without direction of the Beneficial Owners of the Certificates it may rescind such declaration and annul such default in its entirety, or if the Trustee shall have acted upon the direction of the Beneficial Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Certificates then Outstanding, unless there shall have been delivered to the Trustee written direction to the contrary by the Beneficial Owners of a majority in aggregate principal amount of the Certificates then Outstanding, the Trustee may rescind such declaration and annul such default in its entirety. No such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

Section 7.2 Examination of Records After Default or Nonrenewal. The Bank covenants that, if an Event of Default shall have happened and shall not have been remedied or if an Event of Nonrenewal shall occur, the books of record and account of the Bank and all other records relating to the Facilities shall at all reasonable times be subject to the inspection and use of the Trustee and of its agents and attorneys.

Section 7.3 Disposition; Other Remedies.

(a) If an Event of Default shall have happened and shall not have been remedied or if an Event of Nonrenewal shall occur, the Trustee may, in addition to any other remedies provided in this Trust Indenture, terminate the Appropriation Lease, cause City to vacate or be evicted from the Facilities, or any portion thereof, take possession of the Facilities, or any portion thereof, and may lease or sell the leasehold interest in the Facilities, as applicable; provided that the Trustee may not sell the Bank's leasehold interest in the Facilities without first obtaining a waiver by City of its reversionary interest under the Primary Lease. Any such lease, sale and assignment shall be conditioned, however, on an agreement by the lessee or assignee to use the Facilities in a manner permitted under applicable zoning restrictions and in such a manner as does not unreasonably interfere with maintenance of City's fee interest in the Facilities and, in the event of lease or assignment, result in deterioration in the condition of the Facilities, reasonable wear and tear excepted. Notwithstanding the foregoing, title to all personal property pledged as part of the Trust Estate is technically held in the City's name for convenience purposes only and, upon an Event of Default or an Event of Nonrenewal, the disposition of such personal property shall, to the extent permitted by law, be governed by the Uniform Commercial Code as adopted in the State. The Trustee shall also have the discretion and authority to retain Consultants or managers, including the Bank or City.

(b) If any Event of Default shall have happened and shall not be remedied or if an Event of Nonrenewal shall occur, the Trustee may take whatever action at law or in equity as may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance or observance of any obligations, agreements, or covenants of the Bank and City under the Appropriation Lease and Primary Lease or this Trust Indenture; provided however, City's liability shall not extend beyond the amounts owed under the Appropriation Lease for the Lease Term.

Section 7.4 Application of Funds and Moneys after Default.

(a) Application of Funds. During the continuance of an Event of Default or upon the occurrence of an Event of Nonrenewal, the Trustee shall apply all moneys held by the Trustee pursuant to any right given or action taken under the provisions of this Section 7.4 as follows and in the following order:

(1) To the payment of the reasonable and proper charges, expenses and liabilities of the Trustee and the creation of a reasonable reserve for anticipated fees, costs and expenses;

(2) To the payment of rent due pursuant to the Primary Lease;

(3) To the payment of the amounts required for reasonable and necessary costs of operating and maintaining the Facilities as necessary, in the judgment of the Trustee, to prevent deterioration of the Facilities or loss of moneys therefrom. For this purpose, the Bank shall review and make available the books of record and account relating to the Facilities;

(4) To the payment of the interest and principal or redemption price then due on the Certificates as follows:

(i) unless the principal of all of the Certificates shall have become or have been declared due and payable,

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Certificates theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal or redemption price of the Certificates which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and if the amount available shall not be sufficient to pay in full all the Certificates due on any date, then to the payment thereof ratably, according to the amounts of principal or redemption price due on such date, to the persons entitled thereto, without any discrimination or preference;

(ii) if the principal of all of the Certificates shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Certificates without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Certificate over any other Certificate, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Certificates;

(b) Terms of Application of Moneys. Whenever moneys are to be applied pursuant to the provisions of this Section 7.4, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of the Special Record Date and the date for payment, and shall not be required to make payment to the Registered Owner of any Certificate until such Certificate shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

(c) Effect of Cure. If and whenever all overdue installments of interest on the Certificates, together with the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums payable by the Bank under this Trust Indenture, including the principal and redemption price of and accrued unpaid interest on the Certificates which shall then be payable by declaration or otherwise, shall either be paid by the Trustee for the account of the Bank, or provision satisfactory to the Trustee shall be made for such payment, and all Events of Default under this Trust Indenture shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Bank and the Trustee shall be restored, respectively, to their former positions and rights under this Trust Indenture. No such restoration of the Bank and the Trustee to their former positions and rights shall extend to or affect any subsequent Events of Default under this Trust Indenture or impair any right consequent thereon.

Section 7.5 Proceedings Brought by Trustee.

(a) Institution of Proceedings. If an Event of Default shall happen and shall not have been remedied or if an Event of Nonrenewal shall occur, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Beneficial Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Certificates then Outstanding shall proceed to protect and enforce its rights and the rights of the Beneficial Owners of the Certificates under this Trust Indenture forthwith by a suit or suits in equity or at law, whether for the specified performance of any covenant herein contained, or in aid of the execution of any power herein granted, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Trust Indenture.

(b) No Possession of Certificates. All rights of action under this Trust Indenture may be enforced by the Trustee without the possession of any of the Certificates or the production thereof at the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

(c) Majority May Control. The Beneficial Owners of not less than a majority in aggregate principal amount of the Certificates at the time Outstanding may direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by its counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Beneficial Owners of the Certificates not parties to such direction.

(d) Trustee Powers. Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under this Trust Indenture the Trustee shall be entitled to exercise any and all rights and powers conferred in this Trust Indenture and provided to be exercised by the Trustee upon the occurrence of any Event of Default or an Event of Nonrenewal.

(e) Protection of Security. Regardless of the happening of an Event of Default or an Event of Nonrenewal, the Trustee shall have power to, but unless requested in writing by the Beneficial Owners of a majority in aggregate principal amount of the Certificates then Outstanding, and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Trust Indenture by any acts which may be unlawful or in violation of this Trust Indenture, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interest and the interests of the Beneficial Owners.

Section 7.6 Restrictions on Action of Owners. Except as otherwise provided herein, no Beneficial Owner of any Certificate shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Trust Indenture or the execution of any trust under this Trust Indenture or for any remedy under this Trust Indenture, unless such Beneficial Owner shall have previously given to the Trustee written notice of the happening of an Event of Default or an Event of Nonrenewal, as provided in this Trust Indenture, and the Beneficial Owners of at least twenty-five percent (25%) in aggregate principal amount of the Certificates then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, either to exercise the powers granted in this Trust Indenture or by the laws of the State or to institute such action, suit, or proceeding in its own name, and unless such Beneficial Owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Beneficial Owners of Certificates shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by this Trust Indenture, or to enforce any right under this

Trust Indenture, except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Trust Indenture shall be instituted, had, and maintained in the manner provided in this Trust Indenture and for the equal benefit of all Beneficial Owners of the Certificates Outstanding.

Section 7.7 Remedies Not Exclusive. No remedy by the terms of this Trust Indenture conferred upon or reserved to the Trustee or the Beneficial Owners of the Certificates is intended to be exclusive of any other remedy, but each and every such remedy given under this Trust Indenture or existing at law or in equity or by statute on or after the date of adoption of this Trust Indenture shall be available to the Trustee and the Beneficial Owners.

Section 7.8 Effect of Waiver and Other Circumstances.

(a) Delay or Omission No Waiver. No delay or omission of the Trustee or any Beneficial Owner to exercise any right or power arising upon the happening of an Event of Default or an Event of Nonrenewal shall impair any right or power or shall be construed to be a waiver of any such Event of Default or an Event of Nonrenewal or be an acquiescence therein; and every power and remedy given by this Article VII to the Trustee or to the Beneficial Owners may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Beneficial Owners.

(b) Waiver. Prior to the declaration of maturity of the Certificates as provided in this Trust Indenture, the Beneficial Owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Certificates at the time Outstanding, or their attorney-in-fact duly authorized, may on behalf of the Beneficial Owners of all of the Certificates waive any past default under this Trust Indenture and its consequences, except a default in the payment of interest on, principal of, or premium (if any) on any of the Certificates. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 7.9 Notice of Default and Nonrenewal. The Trustee shall promptly mail to City, the Bank and the Owners of the Certificates then Outstanding written notice of the occurrence of any Event of Default of which a Responsible Officer of the Trustee has notice of, as provided in Section 8.5. The Trustee shall promptly mail to the Owners of the Certificates then Outstanding written notice of the occurrence of any Event of Nonrenewal of which a Responsible Officer of the Trustee has notice of.

ARTICLE VIII.
THE TRUSTEE

Section 8.1 Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article VIII, to all of which the parties hereto and the Certificate Holders agree. The Trustee is hereby appointed the paying agent with respect to the Certificates. Prior to the occurrence of an event of default and after the curing of all events of default that may have occurred, the Trustee undertakes to perform such duties and only such duties of the Trustee and the paying agent specifically provided for herein and no imputed duties, covenants or obligations shall be read into this Trust Indenture against the Trustee.

Section 8.2 No Responsibility for Recitals, Etc. The recitals, statements and representations in this Trust Indenture or in the Certificates have been made by the Bank and not by the Trustee; and the Trustee shall be under no responsibility for the correctness thereof. The Trustee shall not be responsible for the validity, priority, recording or filing of this Trust Indenture, the Appropriation Lease, the Primary Lease or any financing statements, amendments or modifications thereto or continuation statements, or for insuring, or monitoring the insuring of, the Facilities of City or collecting any insurance moneys, or for the validity of the execution by the Bank of this Trust Indenture or of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Certificates issued hereunder or intended to be secured hereby, or for the value or title of the Facilities of City or as to the maintenance of the security hereof. The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Certificates. The Trustee shall not be bound to ascertain or inquire as to the performance of the obligations of the Bank under the Appropriation Lease or this Trust Indenture.

Section 8.3 Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Gross Negligence. The Trustee may exercise any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of Counsel concerning all questions hereunder. The Trustee shall not be responsible for any loss or damage resulting from any action or inaction taken in good faith in reliance upon an Opinion of Counsel. Except as otherwise provided herein, the Trustee shall not be answerable for the exercise of any discretion or power under this Trust Indenture nor for anything whatsoever in connection with the trust hereunder, except only its own willful misconduct or gross negligence.

Section 8.4 Compensation and Indemnity. Pursuant to Sections 5.3(f) and 8.9 of the Appropriation Lease, City shall, during the Lease Term from funds appropriated therefor, (i) pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses, including attorneys' fees and expenses and disbursements, including reasonable compensation for all attorneys and agents engaged by it, and, to the extent permitted by law and subject to appropriation therefor, (ii) indemnify the Trustee, including its officers, directors, employees and agents, against liabilities which it may incur in the exercise and performance of its powers and duties hereunder or under the Appropriation Lease, except with respect to its willful misconduct or gross negligence, provided, however, that the Trustee shall not have waived or released, or be deemed to have waived or released its right to indemnification from City by its actions taken in accordance with Section 7.1.

Section 8.5 Notice of Default; Right to Investigate. The Trustee shall, within 20 days after the occurrence thereof, give written notice by first-class mail to the Owners of the Certificates of all Events of Default known to a Responsible Officer of the Trustee, unless such Events of Default have been remedied; provided that, in the case of an Event of Default under Section 7.1(c), the Trustee may withhold such notice so long as it determines that such withholding does not adversely affect the interests of the Certificate Holders. The Trustee shall not be deemed to have notice of any Event of Default under Section 7.1(c) unless notified in writing of such Event of Default by City, the Bank or Owners of at least a majority in principal amount of all Certificates then Outstanding. The Trustee may, however, at any time require of the Bank full information as to the performance of any covenant hereunder and, if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the Bank, an investigation into the affairs of the Bank related to this Trust Indenture. Nothing in this Section 8.5 shall limit the Trustee's obligation under Section 7.1 to declare the principal of all Certificates, together with interest accrued thereon, immediately due and payable when required by the terms of such Section 7.1; provided however, City's liability shall not extend beyond amounts owed under the Appropriation Lease for the Lease Term.

Section 8.6 Obligation to Act on Defaults. The Trustee shall not be deemed to have knowledge of an Event of Default unless it has actual knowledge or received written notice thereof pursuant to Section 8.5. If any Event of Default shall have occurred and be continuing, the Trustee shall exercise such of the rights and remedies vested in it by this Trust Indenture and shall use the same degree of care in its exercise as a prudent person would exercise or use in the circumstances in the conduct of his own affairs; provided that if in the opinion of the Trustee such action may tend to involve expense or liability, it shall not be obligated to take such action unless it is furnished with indemnity satisfactory to it. Nothing in this Section shall limit the Trustee's obligations to accelerate payment of the Certificates when required by the terms of Section 7.1.

Section 8.7 Reliance. The Trustee may rely, shall be free of all liability for so relying, act on any requisition, resolution, ordinance, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, Opinion of Counsel or other paper or document which it in good faith believes to be genuine and to have been passed or signed by the proper persons or to have been prepared and furnished pursuant to any of the provisions of this Trust Indenture; and the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement. The permissive rights of the Trustee to do things enumerated in this Trust Indenture shall not be construed as a duty. Any request or direction of the Bank mentioned herein shall be sufficiently evidenced by an officer's certificate. Whenever in the administration of this Trust Indenture, the Trustee deems it desirable that a matter be proved or established before it takes, suffers or omits any action, the Trustee may rely upon a certificate from an officer of the Bank as applicable. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Indenture at the request or direction of any Owner pursuant to this Trust Indenture, unless such Owner shall offer the Trustee indemnity acceptable to the Trustee against the costs, expenses and liabilities which might be incurred in complying with such request or direction. Except as otherwise expressly provided hereunder the Trustee shall not be required to give or furnish any notice, demand, report, reply, statement advice or opinion to any Owner, the Bank or any other person or entity, and the Trustee shall not incur any liability for its failure or refusal to give or furnish the same unless obligated or required to do so by express provisions hereof. The Trustee shall not be liable with respect to any action taken or omitted to be taken at the direction of the Owners of a majority in aggregate principal amount of the Certificates Outstanding permitted to be given by them under this Trust Indenture subject to the provisions of Section 7.1. The Trustee shall have no responsibility with respect to any information in any offering memorandum or other disclosure material distributed with respect to the Certificates or for compliance with securities laws in connection with the issuance and sale of the Certificates. The Trustee shall not be required to give a bond or surety to act under this Trust Indenture. No provision of this Trust Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties. The Trustee shall not be accountable for the application by the Bank of the proceeds of the Certificates authenticated and delivered hereunder.

Section 8.8 Trustee May Deal in Certificates. The Trustee may in good faith buy, sell, own, hold and deal in any of the Certificates and may join in any action which any Certificate Holders may be entitled to take with like effect as if the Trustee were not a party to this Trust Indenture. The Trustee may also engage in or be interested in any financial or other transaction with City or any related party; provided that if the Trustee determines that any such relation is in conflict with its duties under this Trust Indenture, it shall eliminate the conflict or resign as Trustee.

Section 8.9 Construction of Ambiguity or Inconsistency. The Trustee may construe any ambiguous or inconsistent provisions of this Trust Indenture, and any construction of such provisions by the Trustee shall be binding upon the Certificate Holders.

Section 8.10 Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by this Trust Indenture by written resignation filed with City and the Bank not less than 60 days before the date when it is to take effect. Such resignation shall take effect only upon the appointment of a successor Trustee. If a successor Trustee is not named within 45 days, the Trustee may, at the Bank's expense, petition the court to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a Successor Trustee or grant such other legal or equitable release as such court may deem appropriate.

Section 8.11 Removal of Trustee. Any Trustee hereunder may be removed at any time upon 30 days' prior notice by an instrument appointing a successor to the Trustee so removed, executed by (a) City and (b) Owners of a majority in principal amount of the Certificates then Outstanding. Such removal shall take effect only upon the appointment of a successor trustee.

Section 8.12 Appointment of Successor Trustee. If the Trustee or any successor Trustee is removed or 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 Trustee and City shall appoint a successor and shall cause notice of such appointment to be mailed promptly to the Owners of the Certificates and to the Rating Service. If City fails to make such appointment promptly, the Owners of a majority in principal amount of the Certificates then Outstanding may do so.

Section 8.13 Qualification of Successor Trustee. Any successor Trustee shall be a national banking association with trust powers or a bank and trust company or a trust company having capital and surplus of at least $50,000,000 if there be such an institution willing, able and legally qualified to perform the duties of the Trustee hereunder upon reasonable or customary terms.

Section 8.14 Instruments of Succession. Any successor trustee shall execute, acknowledge and deliver to City and the Bank an instrument accepting such appointment hereunder; and thereupon such successor trustee, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in the trust hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder shall pay over to the successor trustee all moneys held by it hereunder; and, upon request of the successor trustee, the Trustee ceasing to act and City and the Bank shall execute and deliver an instrument transferring to the successor trustee all the estates, properties, rights, powers and trusts hereunder of the Trustee ceasing to act.

Section 8.15 Merger of Trustee. Any corporation or association into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which any Trustee hereunder shall be a party, or any corporation or association to which the Trustee shall sell or otherwise transfer all or substantially all of its municipal corporate trust business, shall be the successor trustee under this Trust Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding, provided that the Trustee shall give written notice of the proposed merger or consolidation or other transaction to City and the Bank.

Section 8.16 Intervention by Trustee. The Trustee may intervene, and upon the written request of Owners of at least a majority in aggregate principal amount of Certificates then Outstanding and receipt of indemnity satisfactory to the Trustee shall intervene, on behalf of Certificate Holders in any judicial proceeding to which City and/or the Bank is a party and which in the opinion of the Trustee and its attorneys has a substantial bearing on the interests of holders of the Certificates. The rights and obligations of the Trustee under this Section 8.16 are subject to the approval of a court of competent jurisdiction.

Section 8.17 Appointment of Co-Trustee and Paying Agent.

(a) It is the purpose of this Trust Indenture that there shall be no violation of the law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Trust Indenture, and in particular in case of the enforcement thereof on any default or Event of Default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee or as a separate paying agent. The following provisions of this Section 8.17 are adopted to these ends:

(b) In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee or a separate paying agent, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Trust Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee or paying agent but only to the extent necessary to enable such separate or co-trustee or paying agent to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee or paying agent shall run to and be enforceable by either of them; provided that notwithstanding any contrary provision hereof, the written consent of City and the Bank shall be required for the appointment of any co-trustee or separate paying agent hereunder.

(c) Should any instrument in writing from City be required by the separate or co-trustee or separate paying agent so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by City. In case any separate or co-trustee, or a separate paying agent, or a successor to the separate or co-trustee or paying agent shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or co-trustee or paying agent, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new paying agent or trustee or successor to such separate or co-trustee.

Section 8.18 Limitation on Trustee's Responsibilities Respecting Arbitrage. Notwithstanding any provision of this Trust Indenture to the contrary, the Trustee shall not be liable or responsible for any calculation or determination which may be required in connection with or for the purpose of complying with Section 148 of the Code including, without limitation, the calculation of amounts required to be paid to the United States under the provisions of such Section 148 of the Code, the maximum amount which may be invested in "nonpurpose obligations" as defined in the Code and the fair market value of any investments made hereunder; and the sole obligation of the Trustee with respect to investments of funds hereunder shall be to invest the moneys received by the Trustee as provided herein pursuant to the written instructions of City and to provide reports with respect to such investments.

Section 8.19 Enforcement of Appropriation Lease; Notice of Default. The Trustee shall require the Bank to perform its obligations under the Appropriation Lease. The Trustee shall take no action and shall not omit to take any action which action or omission might release the Bank or City from its liabilities or obligations under the Appropriation Lease or result in the surrender, termination, amendment or modification of, or impair the validity of, the Appropriation Lease, except as specifically provided therein.

ARTICLE IX.
ACTS OF CERTIFICATE HOLDERS, EVIDENCE OF OWNERSHIP OF CERTIFICATES

Section 9.1 Acts of Certificate Holders, Evidence of Ownership of Certificates. Any action to be taken by Certificate Holders may be evidenced by one or more concurrent written instruments of similar tenor signed or executed by such Certificate Holders in person or by agent appointed in writing. The fact and date of the execution by any person of any such instrument may be proved by acknowledgment before a notary public or other officer empowered to take acknowledgments or by an affidavit of a witness to such execution. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the person executing the same, may also be proved in any other manner which the Trustee deems sufficient. The ownership of Certificates shall be proved by the Certificate Register. Any action by the Owner of any Certificate shall bind all future owners of the same Certificate in respect of anything done or suffered by the Bank or the Trustee in pursuance thereof.

ARTICLE X.
AMENDMENTS AND SUPPLEMENTS

Section 10.1 Amendments and Supplements Without Certificate Holders' Consent.

(a) Without the consent of Certificate Holders, this Indenture may be amended or supplemented at any time and from time to time by a Supplemental Indenture authorized by the Bank and authorized by a resolution or ordinance of City filed with the Trustee for one or more of the following purposes:

(1) to cure any ambiguity or formal defect or omission in this Trust Indenture;

(2) to grant to or confer upon the Trustee for the benefit of the Certificate Holders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Certificate Holders and the Trustee, or either of them;

(3) to assign and pledge under or subject to this Trust Indenture additional revenues, properties or collateral;

(4) to evidence the appointment of a separate Trustee or the succession of a new Trustee hereunder;

(5) to permit the qualification of this Trust Indenture under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Certificates for sale under the securities laws of any state of the United States;

(6) to effect changes to obtain or maintain a rating on any Certificates;

(7) to permit continued compliance with the Tax Certificate;

(8) to provide for uncertificated Certificates and a book-entry only system of registration for any series of Certificates;

(9) to provide for refunding of any Certificates, including the right to establish and administer an escrow fund and to take related action in connection therewith;

(10) to amend Section 4.3 as stipulated in a Favorable Opinion delivered by the Bank to the Trustee;

(11) to provide for delivery of a form of credit enhancement for the Certificates; and

(12) to make any change that does not materially adversely affect the rights of any Certificate Holders or the Trustee.

(b) Before City, the Bank and the Trustee shall enter into any Supplemental Indenture pursuant to this Section 10.1, there shall have been delivered to City, the Bank and the Trustee an Opinion of Special Counsel stating that such Supplemental Indenture is authorized or permitted by this Trust Indenture and the laws of the State, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon City, the Bank and the Trustee in accordance with its terms and will not adversely affect the exemption from federal income taxation of interest on the Certificates.

Section 10.2 Amendments and Supplements With Certificate Holders' Consent. This Indenture may be amended or supplemented from time to time, except with respect to (1) the principal, redemption price or interest payable upon any Certificates, (2) the Interest Payment Dates, the dates of maturity or the redemption provisions of any Certificates, and (3) this Article X, by a Supplemental Indenture consented to by City and the Bank and approved by Owners of a majority in aggregate principal amount of the Certificates then Outstanding. This Indenture may be amended with respect to the matters enumerated in clauses (1) to (3) of the preceding sentence only with the unanimous consent of all affected Certificate Holders. Before City, the Bank and the Trustee may enter into such Supplemental Indenture, there shall have first been delivered to the Trustee (i) the required consents, in writing, of Certificate Holders and (ii) a Favorable Opinion with respect to such Supplemental Indenture, including an Opinion of Counsel that, upon the execution and delivery thereof, such Supplemental Indenture will be valid and binding upon City, the Bank and the Trustee in accordance with its terms.

Section 10.3 Amendment of Appropriation Lease.

(a) The Bank and City may, without the consent of or notice to the Owners of the Certificates, consent to any amendment, change or modification of the Appropriation Lease as may be required:

(1) by the provisions of this Trust Indenture or the Appropriation Lease;

(2) for the purpose of curing any ambiguity or formal defect or omission;

(3) for the purpose of permitting continued compliance with the Tax Certificate;

(4) to effect changes to obtain or maintain a rating on any Certificates; or

(5) to make any change that does not materially adversely affect the rights of any Certificate Holders, the Bank or the Trustee;

provided, however, that nothing in this Section 10.3 shall permit, or be construed as permitting, any amendment, change or modification of the Appropriation Lease that may result in anything described in clauses (i) through (iii) below, without the consent of each Certificate Holders affected.

(b) If the Bank proposes to make amendments to any or all of the Appropriation Lease other than amendments described in clauses (1) through (5) above, the Trustee shall notify Certificate Holders of the proposed amendment and may consent thereto with the consent of Owners of a majority in aggregate principal amount of the Certificates then Outstanding; provided that no amendment shall be consented to by the Trustee without the unanimous consent of all Certificate Holders which would (i) decrease the amounts payable under the subject Appropriation Lease(s), (ii) change the date of payment or prepayment provisions under the Appropriation Lease(s), or (iii) change any provisions with respect to amendment. Before City and the Bank shall enter into, any modification, alteration, amendment or supplement to the Appropriation Lease(s), pursuant to this Section 10.3, there shall have been delivered to City, the Bank and the Trustee a Favorable Opinion with respect thereto and any required consents of Certificate Holders.

Section 10.4 Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel. The Trustee is authorized to join with City and the Bank in the execution and delivery of any Supplemental Indenture or amendment permitted by this Article X and in so doing shall be fully protected by an Opinion of Counsel that such Supplemental Indenture or amendment is so permitted and has been duly authorized by City, if required, and that all things necessary to make it a valid and binding agreement have been done.

ARTICLE XI.
DEFEASANCE

Section 11.1 Defeasance. When the principal or redemption price (as the case may be) of, and interest on, all Certificates issued hereunder have been paid, or provision has been made for payment of the same, together with the compensation and expenses of the Trustee and all other sums payable hereunder by the Bank, the right, title and interest of the Trustee in and to the Trust Estate shall thereupon cease and the Trustee, on demand of the Bank, shall release this Trust Indenture and shall execute such documents to evidence such release as may be reasonably required by the Bank and shall turn over to the City or to such person, body or authority as may be entitled to receive the same all balances then held by it hereunder not required for the payment of the Certificates and such other sums. If payment or provision therefor is made with respect to less than all of the Certificates, the particular Certificates (or portions thereof) for which provision for payment shall have been made shall be selected by lot or by such other method as the Trustee deems fair and appropriate, and thereupon the Trustee shall take similar action for the release of this Trust Indenture with respect to such Certificates.

Section 11.2 Provision for Payment.

(a) Provision for the payment of Certificates shall be deemed to have been made when the Trustee holds in the Debt Service Fund (1) Cash in an amount sufficient to make all payments (including principal, premium, if any, and interest payments) specified above with respect to such Certificates, or (2) noncallable Government Obligations maturing on or before the date or dates when the payments specified above shall become due, the principal amount of which and the interest thereon, when due, is or will be, in the aggregate, sufficient without reinvestment to make all such payments, or (3) any combination of Cash and obligations described in clause (2) above the amounts of which and interest thereon, when due, are or will be, in the aggregate, sufficient without reinvestment to make all such payments; provided that the Trustee shall have received an Opinion of Special Counsel to the effect that a deposit of obligations described in clause (2) or (3) above will not affect the exclusion from gross income for federal income tax purposes of the interest on any of the Certificates or cause any of the Certificates to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code. City shall cause a report to be prepared by a firm nationally recognized for providing verification services regarding the sufficiency of funds for such payment and satisfaction, upon which report the Trustee and Special Counsel may rely.

(b) Neither the Cash nor the obligations deposited with the Trustee pursuant to this Article shall be withdrawn or used for any purpose other than, and such obligations and Cash shall be segregated and held in trust for, the payment of the principal or redemption price of, premium, if any, on and interest on, the Certificates (or portions thereof), which Certificates shall cease to be entitled to any lien, benefit or security under this Trust Indenture; provided that such Cash, if not then needed for such purpose, shall, to the extent practicable, be invested and reinvested at the written direction of City in Government Obligations maturing on or prior to the Interest Payment Date next succeeding the date of investment or reinvestment.

(c) Whenever Cash or obligations shall be deposited with the Trustee for the payment or redemption of Certificates more than 60 days prior to the date that such Certificates are to mature or be redeemed, the Trustee shall mail a notice to the Owners of Certificates for the payment of which such Cash or obligations are being held at their registered addresses stating that such Cash or obligations have been deposited. Such notice shall also be sent by the Trustee to the Rating Service. Notwithstanding the foregoing, no provision for payment under this Section shall be deemed to have been made with respect to any Certificates which are to be redeemed prior to their stated maturity until such Certificates shall have been irrevocably called or designated for redemption on a date thereafter on which such Certificates may be redeemed in accordance with the provisions of this Trust Indenture and proper notice of such redemption shall have been given in accordance with Article VI or the Bank shall have given the Trustee in form satisfactory to the Trustee, irrevocable instructions to give, in the manner and at the times prescribed by Article VI, notice of such redemption.

Section 11.3 Deposit of Funds for Payment of Certificates. If the principal or redemption price of any Certificates becoming due, either at maturity, by call for redemption, upon acceleration or otherwise, together with all interest accruing thereon to the due date has been paid or provision therefor made in accordance with Section 11.2, all interest on such Certificates shall cease to accrue on the due date and all liability of City with respect to such Certificates shall likewise cease, except as hereinafter provided. Thereafter, the Owners of such Certificates shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Certificates, and the Trustee shall hold such funds in trust for such Owners uninvested and without liability for interest thereon. Cash so deposited with the Trustee which remains unclaimed five years after the date payment thereof becomes due shall from time to time be treated by the Trustee pursuant to and in accordance with applicable unclaimed property laws, rules or regulations. Any such delivery shall be in accordance with the customary practices and procedures of the Trustee and the escheat authority. All Cash held by the Trustee and subject to this Section 11.3 shall be held uninvested and without liability for interest thereon.

ARTICLE XII.
MISCELLANEOUS PROVISIONS

Section 12.1 No Rights Conferred on Others. Nothing herein contained shall confer any right upon any person other than the parties hereto and the Owners of the Certificates.

Section 12.2 Severability. In case any provision in this Trust Indenture or the Certificates shall for any reason be held invalid, illegal or unenforceable in any respect, this Trust Indenture shall be construed as if such provision had never been contained herein.

Section 12.3 Notices. Any notice required or permitted to be given under this Appropriation Lease shall be in writing and (i) personally delivered, (ii) sent by United States registered or certified mail, postage prepaid, return receipt requested, (iii) sent by Federal Express or similar nationally recognized overnight courier service, or (iv) transmitted by electronic mail with a hard copy sent within one (1) Business Day by any of the foregoing means. Such notice shall be deemed to have been given upon the date of actual receipt or delivery (or refusal to accept delivery), as evidenced by the notifying party's receipt of written or electronic confirmation of such delivery or refusal, if received by the party to be notified between the hours of 8:00 A.M. and 5:00 P.M. Mountain time on any Business Day, with delivery made after such hours to be deemed received the following Business Day; provided, however, notices to the Trustee shall be deemed given only upon receipt by the Trustee. For purposes of notice, the addresses of the parties shall be as follows:

If to City:	City of Twin Falls, Idaho 203 Main Avenue East Twin Falls, ID 83301 Attention: City Manager Email: trothweiler@tfid.org
With a copy to:	John McDevitt Skinner Fawcett LLP 250 W. Bobwhite Court, Suite 240 P.O. Box 700 Boise, ID 83701-700 Email: jmcdevitt@skinnerfawcett.com
If to Bank:	Zions Bancorporation, National Association, as Lessor Attention: Jennifer Mabbott, Vice President 800 W Main St, Suite 700 Boise, ID 83702 Email: jennifer.mabbott@zionsbancorp.com

If to Trustee: Zions Bancorporation, National Association, as Trustee
Attention: Jennifer Mabbott, Vice President
800 W Main St, Suite 700
Boise, ID 83702
Email: jennifer.mabbott@zionsbancorp.com

Section 12.4 Successors and Assigns. All the covenants, promises and agreements in this Trust Indenture contained by or on behalf of the Bank, or by or on behalf of the Trustee, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 12.5 Headings for Convenience Only. The descriptive headings in this Trust Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 12.6 Counterparts. This Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

Section 12.7 Financing Statements. City shall cause a financing statement under the Uniform Commercial Code of the State of Idaho to be filed, in such manner and at such places as may be required by law to protect the security of the Owners of the Certificates and the right, title and interest of the Trustee in and to the Trust Estate. The following information is stated in order to facilitate filings under the Uniform Commercial Code:

> The secured party is Zions Bancorporation, National Association, Trustee. Its address from which information concerning the security interest may be obtained is set forth in Section 12.3. The debtor is Zions Bancorporation, National Association, as Lessor. Its mailing address is set forth in Section 12.3.

The Trustee shall not be responsible for filing or for the sufficiency or accuracy of any financing statements initially filed to perfect security interests granted under this Trust Indenture. The Trustee shall file continuation statements with respect to each UCC financing statement relating to the Trust Estate filed by City at the time of the issuance of the Certificates; provided that a copy of the filed initial financing statement is timely delivered to the Trustee. In addition, unless the Trustee shall have been notified in writing by City or the Bank that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in (a) relying on such initial filing and descriptions in filing any financing or continuation statements or modifications thereto pursuant to this section, and (b) filing any continuation statements in the same filing offices as the initial filings were made. City shall be responsible, during the Lease Term, for the customary fees charged by the Trustee for the preparation and filing of continuation statements and for the reasonable costs incurred by the Trustee in the preparation and filing of all continuation statements hereunder, including attorneys' fees and expenses, subject to appropriation by City. These fees shall be considered "extraordinary services" fees.

Section 12.8 Applicable Law. This Trust Indenture shall be governed by and construed in accordance with the laws of the State.

Section 12.9 Certifications of Compliance with Anti-Boycott Against Israel Act.

(a) The Bank hereby certifies, pursuant to Section 67-2346, Idaho Code, that the Bank, including any wholly owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates of Bank, is not currently engaged in, and will not for the duration of this Trust Indenture, engage in, a boycott of goods or services from Israel or territories under its control.

(b) The Trustee hereby certifies, pursuant to Section 67-2346, Idaho Code, that the Trustee, including any wholly owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates of the Trustee, is not currently engaged in, and will not for the duration of this Trust Indenture, engage in, a boycott of goods or services from Israel or territories under its control.

Section 12.10 Limitation of City Liability. No covenant or agreement contained in this Trust Indenture, the Primary Lease, the Appropriation Lease or the Certificates shall be deemed to be a covenant or agreement of City, or otherwise obligate City, to make a future appropriation of funds. Any provision for payment or indemnification by City made subject to appropriation of funds recognizes that the act of budgeting funds is solely within the discretion of the Board and that no claim may be had against City in excess of the amounts appropriated by City during the then current Lease Term to make payments hereunder.

Section 12.11 Notice to Rating Service. The Trustee shall, at least fifteen (15) Business Days prior to the execution or happening thereof, notify the Rating Service of (a) any amendment or supplement to this Trust Indenture, the Appropriation Lease, or the Primary Lease, in each case of which it has received notice; (b) any change in the Trustee; and (c) upon the defeasance or payment in full of all the Certificates. The Trustee's agreement to provide such information is made as a matter of courtesy and accommodation only and the Trustee shall have no liability to any person for any failure to comply therewith. In addition, for purposes of this Section 12.11 and other Sections of this Trust Indenture which require the Trustee to notify or provide the Rating Service with notice, the Trustee shall only be required to do so if it is provided written notice from City as to the appropriate Rating Service.

[The following page is the signature page.]

IN WITNESS WHEREOF, City has caused this Trust Indenture to be executed by City's authorized officers, and the Bank and the Trustee have caused this Trust Indenture to be executed by one of their authorized officers all as of the day and year first above written.

CITY:

CITY OF TWIN FALLS, IDAHO

By: ______________________________
Ruth Pierce, Mayor

Attest:

____
City Clerk

BANK:

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Lessor

By: ______________________________
Vice President, Zions Bank Division

TRUSTEE:

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Trustee

By: ______________________________
Vice President, Zions Bank Division

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT B

FORM OF CERTIFICATES

R-1 **$_____**

UNITED STATES OF AMERICA
STATE OF IDAHO

CITY OF TWIN FALLS, IDAHO

ANNUAL APPROPRIATION CERTIFICATE OF PARTICIPATION, SERIES 2022
(FIRE STATION NO. 2 PROJECT)

Evidencing an Undivided Proportionate Ownership Interest in the Lease Payments due under that certain Annual Appropriation Lease Agreement between City of Twin Falls, Idaho, as Lessee, and Zions Bancorporation, National Association, as Lessor

DATED DATE:	INTEREST RATE:	MATURITY DATE:	CUSIP:
_________, 2022	____%	September 1, _____	__________

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ________________________ AND NO/100 DOLLARS

THIS CERTIFICATE EVIDENCES that the Registered Owner shown above, or registered assigns (the "Registered Owner") is the Registered Owner of an undivided, proportionate ownership interest in certain lease payments aggregating the Principal Amount hereof (the "Lease Payments") paid or to be paid under the Annual Appropriation Lease Agreement dated July __, 2022 (the "Appropriation Lease Agreement"), between the City of Twin Falls, Idaho, as lessee ("City"), and Zions Bancorporation, National Association, as lessor (the "Bank"), and is issued pursuant to and in accordance with the terms of an Annual Appropriation Trust Indenture dated as of July __, 2022 (the "Trust Indenture"), by and among City, the Bank and Zions Bancorporation, National Association, as Trustee, paying agent and bond registrar (the "Trustee").

The Registered Owner of this Certificate is entitled to receive, subject to the terms of the Appropriation Lease Agreement and the Trust Indenture, on the Maturity Date shown above, the Principal Amount shown above, representing a portion of the Lease Payments designated as principal, together with a proportionate share of the interest component of the Lease Payments which is allocable to the Principal Amount shown above, from the Dated Date hereof, or the most recent date to which interest has been paid or duly provided for, at the rate per annum specified above, payable on March 1, 2023, and semiannually on each March 1 and September 1 thereafter (the "Interest Payment Date(s)") until the date of maturity or prior redemption of this Certificate. Interest on this Certificate shall be calculated on the basis of a 360-day year and twelve 30-day months.

Both principal of and interest on this Certificate are payable in lawful money of the United States of America to the Registered Owner hereof whose name and address shall appear on the registration books maintained by the Corporate Trust Department of the Trustee (the "Certificates Register") in Boise, Idaho. Interest shall be paid to the Registered Owner whose name appears on the Certificates Register on the fifteenth (15^{th}) day of the calendar month preceding the Interest Payment Date, at the address appearing on the Certificates Register. Principal and interest payments shall be received by the Registered Owner, as nominee of The Depository Trust Company, New York, New York ("DTC"), or its registered assigns, on each payment date as provided in the Trust Indenture.

THE LEASE PAYMENTS EVIDENCED BY THIS CERTIFICATE ARE NOT GENERAL OBLIGATIONS OF THE BANK, THE TRUSTEE, THE STATE OF IDAHO, OR ANY OTHER MUNICIPALITY OR POLITICAL SUBDIVISION (OTHER THAN CITY). THE OBLIGATION OF CITY TO MAKE LEASE PAYMENTS EVIDENCED BY THIS CERTIFICATE IS SUBJECT TO ANNUAL BUDGETING AND APPROPRIATION THEREOF BY THE CITY COUNCIL OF CITY AND ANNUAL RENEWAL OF THE APPROPRIATION LEASE AGREEMENT AT THE OPTION OF CITY.

This Certificate is secured by, among other things, the Trust Estate pledged under the Trust Indenture, including all right, title and interest (but not the obligations) of the Bank under and pursuant to the terms of the Primary Lease (as defined in the Trust Indenture), the Appropriation Lease Agreement, all payments, including Lease Payments, revenues, rents and receipts received or receivable by the Bank under the Appropriation Lease Agreement; all of the right, title and interest of the Bank in and to all funds (other than the Rebate Fund) and accounts established under the Trust Indenture and all moneys and investments now or hereafter held therein. This Certificate is authorized under the Trust Indenture for the purpose of financing the Improvements (as defined in the Trust Indenture).

This Certificate is secured by the lien of the Trust Indenture equally and ratably with all other annual appropriation certificates of participation issued or to be issued thereunder, and is payable as to principal and interest solely from the Debt Service Fund and subaccounts thereunder created by the Trust Indenture. For a more particular description of said Debt Service Fund, subaccounts thereunder, the revenues to be deposited therein, and the nature and extent of the security afforded thereby, reference is made to the provisions of the Trust Indenture pursuant to which this Certificate is issued.

This Certificate is issued with one maturity representing certificates of participation authorized under the Trust Indenture designated as the "City of Twin Falls, Idaho Annual Appropriation of Participation, Series 2022 (Fire Station No. 2 Project)" (hereinafter sometimes referred to as a "Certificate" or the "Certificates") and is fully registered in the name of Cede & Co., as nominee of DTC.

The Certificates are initially issued as a book-entry-only security issue with no certificates provided to the Registered Owners. Records of certificate ownership will be maintained by the Trustee and DTC and its participants. Should the book-entry-only security system be discontinued, the Certificates shall be issued in the form of fully registered Certificates without coupons in denominations of $5,000, or any integral multiple thereof (the "Authorized Denominations"). The Trustee shall treat any Certificate of a denomination greater than $5,000 as representing that number of separate Certificates each of the denomination of $5,000 as can be obtained by dividing the actual principal amount of such Certificate by $5,000.

The Certificates maturing on September 1 in the years 2023 through 2029, inclusive, are not subject to optional redemption prior to their stated dates of maturity. The Certificates maturing on or after September 1, 2030, are subject to redemption prior to their stated dates of maturity at the election of City at any time on or after September 1, 2029, in whole or in part (maturities to be selected by City and randomly within a maturity in such manner as the Trustee shall determine). Such optional redemption of the Certificates shall be at a price of 100% of the principal amount of the Certificates to be so redeemed, plus accrued interest to the date fixed for redemption.

The Certificates maturing on September 1, 20__, are subject to mandatory sinking fund redemption prior to their stated maturity at a price of 100% of the principal amount of the Certificates to be so redeemed, plus accrued interest to the date fixed for redemption, on September 1 of the years, and in the amounts, shown below:

SEPTEMBER 1 OF THE YEAR	MANDATORY REDEMPTION AMOUNT
	$
*	

*stated maturity

Notice of any call for redemption shall be given as required by the Trust Indenture and DTC. Interest on any Certificate so called for redemption shall cease to accrue on the redemption date designated in the notice. The Trustee will notify DTC promptly of any Certificate called for redemption.

Any transfer of the Certificates must be registered, as provided in the Trust Indenture, upon the Certificates Register kept for that purpose at the principal corporate trust office of the Trustee. Upon registration, a new registered Certificate or Certificates, of the same series and maturity and in the same aggregate Principal Amount, shall be issued to the transferee as provided in the Trust Indenture. The Trustee may treat the persons in whose name the are registered on the Certificates Register as the absolute owners thereof for all purposes, as provided in the Trust Indenture.

The Registered Owner may exchange or transfer the Certificates only by surrendering the Certificates, together with a written instrument of exchange or transfer which is satisfactory to the Trustee and which is duly executed by the Registered Owner or its duly authorized attorney, at the principal corporate trust office of the Trustee in the manner and subject to the conditions set forth in the Trust Indenture. The Certificates shall not be transferable or exchangeable except as set forth in the Trust Indenture.

Unless this Certificate is presented by an authorized representative of DTC to the Trustee or its agent for registration of transfer, exchange or payment, and any Certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

Notwithstanding any other provision of the Trust Indenture to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, to DTC as provided in City's Blanket Issuer Representations Letter on file with DTC.

Reference is hereby made to the Appropriation Lease Agreement and the Trust Indenture for the covenants, declarations, and other terms and conditions under which this Certificate has been issued. The covenants, contained herein and in the Trust Indenture may be discharged by making provision at any time for the payment of the principal of and interest on this Certificate in the manner provided in the Trust Indenture.

THE TRUSTEE HAS NO OBLIGATION OR LIABILITY TO THE REGISTERED OWNER OF THIS CERTIFICATE FOR THE PAYMENT OF THE PRINCIPAL AMOUNT HEREOF OR INTEREST HEREON; THE TRUSTEE'S ONLY OBLIGATIONS ARE TO ADMINISTER, FOR THE BENEFIT OF THE REGISTERED

OWNERS OF THE CERTIFICATES, THE LEASE PAYMENTS AND VARIOUS FUNDS AND ACCOUNTS ESTABLISHED UNDER THE TRUST INDENTURE.

THIS CERTIFICATE SHALL NOT BE VALID OR BECOME OBLIGATORY FOR ANY PURPOSE OR BE ENTITLED TO ANY SECURITY OR BENEFIT UNDER THE TRUST INDENTURE UNTIL PROPERLY EXECUTED BY THE TRUSTEE IN THE SPACE INDICATED BELOW.

IN WITNESS WHEREOF, this Certificate has been duly executed, authenticated, and issued by Zions Bancorporation, National Association, in Boise, Idaho, as Trustee.

Date of Authentication:

____

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Trustee

By ____
Authorized Signature

* * * * *

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

____

(Transferee's Name and Address)

____

(Tax Identification or Social Security Number)

this Certificate and all rights thereunder, and does hereby irrevocably constitute and appoint

____

(name and address)

as attorney to transfer this Certificate on the books kept for registration thereof with full power of substitution in the premises.

Dated: ______________________

____

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of this Certificate in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED:

____

NOTICE: Signature(s) must be guaranteed by an "eligible guarantor institution" that is a member of or a participant in a "signature guarantee program" (e.g., the Securities Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program).

EXHIBIT C
DEBT SERVICE SCHEDULE

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service[(1)]
3/1/2023					
9/1/2023					
3/1/2024					
9/1/2024					
3/1/2025					
9/1/2025					
3/1/2026					
9/1/2026					
3/1/2027					
9/1/2027					
3/1/2028					
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9/1/2038					
3/1/2039					
9/1/2039					
3/1/2040					
9/1/2040					
3/1/2041					
9/1/2041					

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service[(1)]
3/1/2042					
9/1/2042					
Total					

(1) Subject to annual renewal and appropriation by City.

ANNUAL APPROPRIATION LEASE AGREEMENT

Between

ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
AS LESSOR

And

CITY OF TWIN FALLS, IDAHO,
AS LESSEE

Relating to

$________________
City of Twin Falls, Idaho Annual Appropriation Certificates of Participation
Series 2022 (Fire Station No. 2 Project)

Dated as of July__ , 2022

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ANNUAL APPROPRIATION LEASE AGREEMENT

THIS ANNUAL APPROPRIATION LEASE AGREEMENT (this "Lease"), dated as of July __, 2022 (the "Effective Date"), between ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Lessor (hereinafter, "Bank"), and the CITY OF TWIN FALLS, IDAHO, as Lessee ("City").

WITNESSETH:

WHEREAS, City is a municipal corporation operating and existing under and pursuant to the provisions of the Constitution and laws of the State of Idaho (the "State"); and

WHEREAS, Bank is a national banking association, and is entering into this instrument for the purpose of assisting City in obtaining financing for costs associated with a project to be undertaken by City as described below; and

WHEREAS, pursuant to Section 50-301, Idaho Code, City is authorized to acquire, hold, lease, and convey property, real and personal, and to erect buildings or structures of any kind, needful for the uses or purposes of City; and

WHEREAS, City is the owner of that certain real property located in Twin Falls County, Idaho, described in Exhibit A hereto (the "Property"), and all existing improvements thereon and, in furtherance of the project described below, has agreed to enter into the Primary Lease dated as of the date hereof (the "Primary Lease") as further described below; and

WHEREAS, under and pursuant to the Annual Appropriation Trust Indenture dated as of the date hereof (the "Trust Indenture") by and among City, Bank, and Zions Bancorporation, National Association, as trustee (the "Trustee"), the Trustee has determined, at the request of City and the direction of Bank, to issue certain certificates of participation to finance the costs associated with a project to be undertaken by City as described below, which certificates shall be designated the "City of Twin Falls, Idaho Annual Appropriation Certificates of Participation, Series (Fire Station No. 2 Project)," and shall be issued in the aggregate principal amount of $________________ (the "Certificates"); and

WHEREAS, the proceeds of the Certificates will be used to finance (i) the costs of preparing, constructing, furnishing, equipping and improving certain real and personal property comprising a new City fire station (Fire Station No. 2) and related facilities on the Property for use by the City (the "Improvements"), as well as (ii) the Costs of Issuance of the Certificates; and

WHEREAS, pursuant to the Primary Lease, City will lease to Bank the Property together with the Improvements to be constructed thereon (the Property and Improvements collectively referred to herein as the "Facilities"); and

WHEREAS, City and Bank hereby agree to enter into this Lease under the terms of which Bank, as lessor, will lease the Facilities back to City and City will pay lease payments in an amount sufficient to pay the principal, premium, if any, and interest on the Certificates as the same become due and payable (the "Lease Payments"); and

WHEREAS, the Certificates shall be secured by, among other things, the Trust Estate, as that term is defined in the Trust Indenture; and

WHEREAS, the execution and delivery of the Certificates and the execution and delivery of this Lease has been in all respects duly and validly authorized by an ordinance or other official action duly adopted by City, and all things necessary to make the Certificates, when executed and authenticated by the Trustee, valid and binding legal obligations of City and to make this Lease a valid and binding agreement and pledge of the revenues made in the Trust Indenture to the payment of the principal of, premium, if any, and interest on the Certificates, have been done.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto formally covenant, agree and bind themselves as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. Capitalized terms herein, unless defined herein, shall have the meanings set forth in the Trust Indenture, except where the context indicates otherwise.

ARTICLE II
REPRESENTATIONS

Section 2.1 Representations by City. City represents and warrants that:

(a) City is a municipal corporation operating and existing under and pursuant to the provisions of the Constitution and laws of the State and is authorized to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder.

(b) Neither the execution and delivery of this Lease, the Primary Lease or the Trust Indenture, the consummation of the transactions contemplated in each, nor the fulfillment of or compliance with the terms and conditions of this Lease, the Primary Lease or the Trust Indenture, conflicts with or results in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which City is now a party or by which it is bound or constitutes a default under any of the foregoing or results in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of City under the terms of any instrument or agreement.

(c) City is authorized to enter into the transactions contemplated by this Lease, the Primary Lease and the Trust Indenture, and to carry out its obligations thereunder, and has duly authorized the execution and delivery of this Lease, the Primary Lease and the Trust Indenture.

(d) City will cause to be obtained and will cause to be maintained all necessary governmental approvals for the Facilities and is or will be in compliance with all planning, zoning, parking, sanitary and building laws, ordinances and regulations applicable to the Facilities.

(e) All utility services necessary for the Facilities, and the operation thereof for the intended purposes, are either available or City will cause all necessary steps to be taken to assure the complete construction and installation thereof as a part of the Improvements.

(f) City has not made and will not make any contract or arrangement of any kind, the performance of which by the other party would give rise to a lien (other than a Permitted Encumbrance) on the Facilities; provided, however, nothing herein shall prevent City from entering into contracts or arrangements relative to the design, acquisition, preparation, construction, and improvement of the Facilities.

(g) City acknowledges and recognizes that this Lease will terminate at the end of the Initial Term or any Renewal Term in the event that sufficient funds are not budgeted by City or available to pay the Lease Payments under this Lease during the next occurring Renewal Term, and that the act of budgeting funds is solely within the discretion of the City Council of City (the "City Council").

(h) The financing of the Improvements is necessary and in furtherance of City's lawful purposes and will allow City to provide adequate fire department facilities.

(i) City will lawfully operate the Improvements as part of its Facilities, free of unlawful discrimination, and will comply with Title VII of the Civil Rights Act prohibiting discrimination based on race, religion, creed, color, sex, age or national origin.

(j) Subject to City's determination to annually renew this Lease pursuant to Section 5.1 hereof, City will duly and punctually pay the amounts and satisfy its obligations required under this Lease, recognizing that time is of the essence.

(k) There is no fact that materially adversely affects or that will materially adversely affect the properties, activities, prospects or condition (financial or otherwise) of City or the ability of City to make all payments required and otherwise perform its obligations under this Lease.

(l) There are no proceedings pending, or to the knowledge of City threatened, against or affecting City in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially adversely affect the properties, activities, prospects, or condition (financial or otherwise) of City or the ability of City to make all payments required and otherwise perform its obligations under this Lease.

(m) The consummation of the transactions provided for in this Lease and compliance by City with the provisions of this Lease are within City's lawful powers and have been duly authorized by all necessary action on the part of City.

(n) No event has occurred, and no condition exists that, upon execution of this Lease, would constitute an event of default hereunder. City is not in violation in any material respect, and has not received notice of any claimed violation, of any term of any agreement or other instrument to which it is a party or by which it or its property may be bound.

(o) To the best of its knowledge, City is in compliance with all laws, ordinances, governmental rules and regulations to which it is subject, and has obtained all licenses, permits, franchises or other governmental authorizations necessary to the ownership of its property or to the conduct of its activities.

(p) (i) Neither City nor, to the best knowledge of City, any other person, has stored, disposed or released in, on or about the Facilities any Hazardous Substances the removal or remediation of which is or could be required, or the maintenance of which is prohibited or penalized, by any applicable Environmental Laws, and the Facilities are free from all such Hazardous Substances; (ii) City has not at any time disposed or caused to be disposed on the Facilities any Hazardous Substances generated or existing as a result of City's ownership of the Facilities in a manner which will or could cause City to be or become liable for a fine or penalty or a monetary or performance obligation arising from or related to such disposal; (iii) to the best knowledge of City in connection with its ownership of the Facilities, City has no contingent liability in connection with the release of any Hazardous Substances into the environment, except as has been previously disclosed in writing to Bank; (iv) City has not given any release or waiver of liability that would waive or impair any claim based on Hazardous Substances to (a) a prior owner or occupant of the

Facilities, or (b) any party who may be potentially responsible for the presence of Hazardous Substances on the Facilities; and (v) no in-service underground storage tanks are located on the Facilities.

(q) Nothing in this Lease shall be construed to require City to exercise its Options to Purchase Bank's interest in the Facilities as provided in Article XI hereof.

Section 2.2 Representations and Warranties of Bank. Bank represents and warrants for the benefit of City as follows:

(a) Bank is a national banking association duly organized and existing under the laws of the United States and duly qualified to transact business of the type contemplated by this Lease, the Primary Lease and the Trust Indenture, and has all necessary power to own its properties and assets and to carry on its business as now conducted.

(b) The consummation of the transactions contemplated by this Lease, the Primary Lease, and the Trust Indenture will not violate the provisions of, or constitute a breach or default under, the articles of incorporation, charter or bylaws of Bank or any agreement to which Bank is a party.

ARTICLE III
DEMISING CLAUSE

Section 3.1 Demise of the Facilities. Bank will retain a leasehold interest in the Facilities until such time as City may have exercised one of its Options to Purchase pursuant to Article XI hereof or until the expiration of the Primary Lease, whichever shall first occur. Bank demises and leases to City, and City leases from Bank, the Facilities during the Initial Term, subject to annual renewal thereafter in accordance with the provisions of this Lease, and subject to Permitted Encumbrances set forth on Exhibit C to this Lease. Unless the context of the provisions in this Lease clearly indicate otherwise, all provisions herein are in effect during the Lease Term, which includes the Effective Date of this Lease and ending on September 30, 2022, constituting the Initial Term, and any Renewal Terms, none of which shall exceed one Fiscal Year in length. All obligations of City hereunder shall cease upon an Event of Nonrenewal, unless otherwise set forth herein.

ARTICLE IV
COMMENCEMENT AND COMPLETION OF THE IMPROVEMENTS; ISSUANCE OF THE CERTIFICATES; TAX COVENANTS

Section 4.1 Agreement to Construct Improvements; Assignments. Bank hereby appoints City as its agent for the construction of the Improvements, for so long as this Lease shall be in effect.

(a) City agrees that:

(1) It will cause the Improvements to be constructed, acquired and installed for use as municipal facilities and improvements thereto; provided, however, City shall have no obligation to pay for the Costs of Acquisition and Construction, including all obligations under the construction contract to be entered into by the City relative to the same, except from Net Certificate Proceeds on deposit in the Construction Fund and any appropriation made by City in that year for said purpose; and

(2) It will construct, acquire and install the Improvements with all reasonable dispatch, subject only to delays caused by acts beyond its reasonable control.

(b) City hereby assigns and transfers to Bank all of City's present and future rights, title, and interest in and to any and all construction contracts related to the Improvements to be constructed, including without limitation, all subcontracts, rights and amendments relating thereto and all related substitute or replacement contracts (collectively, the "Assigned Rights"). Neither this assignment nor any action by Bank shall constitute an assumption by Bank of any obligations under the Assigned Rights, and City shall, subject to the terms thereof, continue to be liable for all obligations thereunder; provided, however, nothing herein shall (i) obligate the City for any expenditure or liability in excess of a budget appropriation relative to the same, or (ii) prevent Bank or Trustee from utilizing Certificate proceeds to pay any obligations accruing under the Assigned Rights. This assignment shall survive an Event of Nonrenewal.

(c) City shall in connection with the Improvements, secure from the contractor or any subcontractor, performance and payment bonds satisfactory to the Trustee, executed by a responsible surety company authorized to do business in the State in a penal sum equal to the entire amount to become payable under the contract with such contractor, naming Bank and the Trustee as additional obligees. Each such bond shall be delivered by City to the Trustee promptly upon receipt thereof by City and must be kept in force until the Final Completion Date (as defined under Section 4.3 herein). In the event of default by the Contractor or any subcontractor or supplier under any contract in connection with the Improvements or in the event of breach of warranty with respect to any material, workmanship or performance guarantee, City will promptly proceed to exhaust any remedies against the contractor, subcontractor or supplier in default and against any surety for the performance of such contract or failure to make required payments. City shall advise Bank and the Trustee of the steps it intends to take in connection with any such default. Any net amounts (gross recovery less expenses of litigation) recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing shall be used by City to complete the Improvements if received prior to the Final Completion Date and otherwise shall be used by City to pay its obligations hereunder, unless the Trustee and Bank give approval for some other use of such net amounts.

Section 4.2 Agreement to Issue Certificates. Pursuant to the Trust Indenture in order to provide funds to finance the Costs of Acquisition and Construction of the Improvements and to pay the Costs of Issuance of the Certificates, the Trustee shall cause to be issued and delivered the Certificates to the initial purchasers thereof and will deposit the Net Certificate Proceeds as follows:

(a) In the Costs of Issuance Fund, the sum of $__________, representing total Costs of Issuance of the Certificates, net of the underwriter's discount of $_________; and

(b) In the Construction Fund, the amount of $_____________.

Section 4.3 Disbursements; **Final Completion Date.** City is authorized, pursuant to Section 3.1(c) of the Trust Indenture, to request payment from the Construction Fund to pay Costs of Acquisition and Construction of the Improvements. Such payment shall be made upon receipt by the Trustee of a requisition (in the form set forth in Exhibit D hereto) signed by an Authorized Representative of City. The Trustee shall only make or allow payments for which it has received a signed requisition.

Prior to the last disbursement for payment of Costs of Acquisition and Construction of the Improvements, City shall furnish to the Trustee a certificate of an Authorized Representative(s) that the Improvements have been completed, that the City has obtained a Certificate of Commercial Occupancy, from, and as defined by, the City's Building Safety Department for the Facilities, and that the Facilities are free of all mechanics' and materialmen's liens (the date of such certificate shall constitute the "Final Completion Date").

Section 4.4 Tax Covenant. City covenants for the benefit of the Holders of the Certificates and Bank that during the Lease Term it will not take any action or omit to take any action with respect to the Certificates, the proceeds thereof, any other funds of City or any improvements financed or refinanced with the proceeds of the Certificates if such action or omission (i) would cause the interest on the Certificates to be included in gross income for federal income tax purposes under Section 103 of the Code, (ii) would cause interest on the Certificates to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code, or (iii) would cause interest on the Certificates to lose its exclusion from State taxable income under present State law.

ARTICLE V
EFFECTIVE DATE OF THIS LEASE; DURATION OF TERM; RENTAL PROVISIONS

Section 5.1 Effective Date of this Lease; Duration of Term.

(a) This Lease shall become effective on the Effective Date, and the Initial Term shall then begin, and, subject to the provisions of this Lease (including particularly subsection (c) below), shall expire on September 30, 2022, or as otherwise provided in this Lease, or on such sooner date as the Certificates shall have been fully paid and retired or provision for such payment shall have been made as provided in the Trust Indenture and all other expenses or sums to which Bank and Trustee are entitled, both under this Lease and the Trust Indenture, have been paid.

(b) On or before August 1 of each year, City shall deliver to Bank and Trustee its Notice of Intent to Renew, in the form attached as Exhibit E hereto, together with confirmation that the City Council shall consider at a meeting an appropriation of funds sufficient to pay Lease Payments for the next subsequent Renewal Term or, alternatively, notify Bank and Trustee that City has elected not to renew this Lease. The Notice of Intent to Renew shall be conditional on the City Council's budgeting of funds therefor and shall not constitute a renewal of this Lease nor obligate City to budget funds for the purpose of such renewal. In the event Bank and Trustee shall not have received the Notice of Intent to Renew by August 1 of each year, Bank or Trustee will notify City of such non-receipt, and City shall then have until August 15 to deliver to Bank and Trustee its Notice of Intent to Renew.

Provided the Notice of Intent to Renew has been delivered timely, City may, at its option, renew this Lease by budgeting funds therefor and by thereafter providing to Bank and Trustee a Notice of Renewal, in the form attached hereto as Exhibit F, accompanied by a certified copy of the ordinance or other official action of the City Council adopting its budget which includes the expenditure of funds for the Lease Payment for said Renewal Term or otherwise evidencing the appropriation of the Lease Payment for the next Renewal Term. The Notice of Renewal shall be due to Bank and Trustee promptly following the adoption of City's budget containing the appropriation for the next Renewal Term and in no event later than September 15 preceding the next Renewal Term. The budgeting of funds as aforesaid shall constitute a valid and enforceable obligation of City for the payment of such funds for such Renewal Term and shall not be subject to abatement for any cause.

If City fails to deliver the Notice of Intent to Renew by August 15, after notification of nonreceipt by Bank or Trustee, or the Notice of Renewal by September 15, or if City shall at any time notify Bank and Trustee that City has elected to not renew this Lease for an additional Renewal Term, an Event of Nonrenewal shall be deemed to have occurred and Bank may exercise the remedies provided herein and the Trustee may exercise the remedies provided under the Trust Indenture upon such occurrence.

(c) Subject to the preceding sections, this Lease may be renewed for a total of not more than twenty (20) consecutive Renewal Terms commencing on October 1, 2022, or on any subsequent October 1, and terminating on the following September 30. Each Renewal Term shall be for no more than one year in duration. The final Renewal Term shall commence October 1, 2041 and terminate September 30, 2042, unless this Lease shall be sooner terminated as set forth herein.

(d) It is the intention of the City that the decision to renew or not to renew this Lease and to budget or not budget funds for Lease Payments shall be made solely by the City Council and not by any other officer or official of City. The appropriate City officers or officials charged with the responsibility of formulating budget proposals are hereby directed to include in the budget proposals submitted to the City Council, in any year in which this Lease is in effect, the Lease Payment required for the ensuing Renewal Term. The inclusion of such ensuing Renewal Term Lease Payments in budget proposals shall not limit the sole discretion of the City Council whether to budget such funds and whether to renew this Lease.

Section 5.2 Delivery and Acceptance of Possession. Bank shall deliver to City sole and exclusive possession of the Facilities (subject to the right of Bank to enter thereon and have access thereto pursuant to Section 8.1 hereof) on the date of commencement of the Initial Term, and City agrees to accept possession of the Facilities upon such date. Bank covenants and agrees that after the date of commencement of the Initial Term it will not take any action, other than pursuant to Article X of this Lease or Article VII of the Trust Indenture, to prevent City from having quiet and peaceable possession and enjoyment of the Facilities during the Lease Term (subject to the right of Bank to enter thereon and have access thereto pursuant to Section 8.1 hereof) and will cooperate with City for that purpose. This Lease constitutes a "triple net" lease, requiring City, as lessee, to pay all expenses, taxes, fees, insurance premiums, rebate payments with respect to the Certificates and costs associated with the Facilities, subject to appropriation by City therefor, and without the right of offset, as provided herein.

Section 5.3 Lease Payments and Other Amounts Payable by City; Source of Payments.

City shall pay Lease Payments during the Lease Term as provided in this Section 5.3:

(a) The obligation of City to make Lease Payments extends only through the Initial Term, and any Renewal Term. Such obligation terminates at the expiration of the Initial Term or any Renewal Term, as applicable. City shall make Lease Payments for the Initial Term, and any Renewal Term then in effect, until the principal of, premium, if any, and interest on the Certificates in the amount of the Lease Payments due hereunder shall have been paid or provision for the payment thereof shall have been made in accordance with the Trust Indenture.

(b) Notwithstanding the provisions of Section 5.3(a) above, no Lease Payment shall be made with respect to the Initial Term. For any Renewal Term, as applicable, City shall pay to the Trustee for deposit into the Debt Service Fund on or before each February 15 and August 15 Lease Payment Date, the semiannual Lease Payment amount set forth on Exhibit B hereto, which amount shall be used to pay the principal of, premium, if any, and interest on the Certificates in the amount due on the next March 1 and September 1 payment dates for the Certificates; provided, however, that any amount in the Debt Service Fund on a Lease Payment Date in excess of the aggregate amount then required to be held pursuant to this Section 5.3 shall be credited against the Lease Payments due on such date.

(c) Bank or Trustee shall provide City with written notice at least 15 calendar days prior to each February 15 and August 15 of each Renewal Term specifying (i) the amount of moneys in the Debt Service Fund, and (ii) the amount City must deposit in the Debt Service Fund as Lease Payments. On or before the fifth (5th) day next preceding any redemption date, for which a notice of redemption has been given pursuant to Article VI of the Trust Indenture (other than pursuant to Section 6.5 of the Trust Indenture), City shall pay as rent for deposit in the Debt Service Fund an amount of money which, together with other moneys available therefor in the Debt Service Fund, is sufficient to pay the interest, principal of and premium, if any, on the Certificates to be redeemed. If on any Lease Payment Date the amount held in the Debt Service Fund is insufficient to make the required payments of principal, premium, if any, and interest on the Certificates for the Lease Term, City shall forthwith pay such deficiency as rent hereunder for deposit in the Debt Service Fund.

The schedule set forth in Exhibit B attached hereto describes the Lease Payments to be made by City during each Lease Term, if annually renewed. Exhibit B shall be automatically modified by the Trustee, and the Lease Payments reduced, to reflect reduced amounts of interest and principal that will become due on the Certificates as a result of a partial redemption or defeasance of the Certificates pursuant to the Trust Indenture.

At the option of City, to be exercised by delivery of a written certificate to Bank, in its capacities as Lessor and Trustee, on or before the forty-fifth (45th) day next preceding any Lease Payment Date, City may deliver Certificates owned by City to the Trustee for cancellation. Each Certificate so delivered shall be credited at 100% of the principal amount thereof against the obligation of City to make Lease Payments on such Lease Payment Date.

(d) City may pay the Lease Payments from any lawful source of funds.

(e) City shall pay all taxes and assessments, general or special, concerning the Facilities, or any part thereof, during the Lease Term and any other governmental charges and impositions whatsoever, and all utility and other charges and assessments, in the manner, at the times and under the conditions more specifically provided in Section 6.2 hereof.

(f) City agrees to pay to Bank the reasonable and necessary fees and expenses of Bank hereunder and of the Trustee under the Trust Indenture during the Lease Term from funds appropriated therefor.

(g) City agrees to pay to Trustee during the Lease Term from funds appropriated therefor any amount required to be paid to the United States of America pursuant to Section 148(f) of the Code to the extent amounts on deposit in the Rebate Fund are insufficient for such purpose.

In the event City should fail to make any of the payments required by this Section 5.3, the item or installment in default shall continue as an obligation of City until the amount in default shall have been fully paid, and City agrees to pay the same, and except with respect to payments required by subsections (e), (f) and (g) of this Section 5.3, with interest thereon at Bank's base rate or other index used by Bank when engaging in lending activities (the "Advance Rate").

Section 5.4 Deposit Payments. The Lease Payments provided for in Section 5.3(a) and Section 5.3(b) hereof shall be paid to the Trustee and shall be deposited in the Debt Service Fund. The payments to be made under Section 5.3(f) hereof shall be paid directly to Bank, for use in its applicable capacity. The payments to be made pursuant to Section 5.3(g) hereof shall be paid to the Trustee for deposit in the Rebate Fund.

Section 5.5 Obligations of City Hereunder Unconditional. During the Lease Term, the obligation of City to make the payments required in Section 5.3 hereof and to maintain the Facilities and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional; and City will not discontinue such payments for any cause including, without limiting the generality of the foregoing, delay or failure to acquire and complete the Improvements, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction from the Facilities, destruction of or damage to the Facilities, commercial frustration of purpose, or change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State or any political subdivision of either.

ARTICLE VI
MAINTENANCE, TAXES AND INSURANCE

Section 6.1 Maintenance and Modifications of Improvements. During the Lease Term from funds appropriated therefor, City agrees that it will at its own expense (i) keep the Facilities in as reasonably safe condition as its operations permit, (ii) to maintain a level of quality and operation of the Facilities that is at least comparable to the level of quality of character and operation of similar property, and (iii) keep the Facilities in good repair and in good operating condition, making from time to time all necessary repairs thereto (including external and structural repairs) and renewals and replacements thereof. City may also at its own expense make from time to time any additions, modifications, or improvements to the Facilities it may deem desirable for its purposes that do not adversely affect the structural integrity of the Facilities or substantially reduce the value or impair the character of the Facilities; provided that all such additions, modifications, and improvements to the Facilities shall comply with all applicable building code regulations and ordinances. All such additions, modifications, and improvements made by City shall become a part of the Facilities. During the Lease Term, City will not permit any mechanics' lien, security interest or other encumbrance to be established or to remain against the Facilities for labor or materials furnished; provided, that if City first notifies Bank of its intention to do so, City may in good faith contest any mechanics or other liens filed or established against the Facilities if City furnishes the Trustee with a bond or cash deposit equal to at least the amount so contested or with an Opinion of Counsel stating that by nonpayment of any such items the lien of this Lease or the Trust Indenture will not be materially endangered or the Facilities or any part thereof will not be subject to loss or forfeiture. The proceeds of the bond or the cash deposit may be used by the Trustee to satisfy the lien if action is taken to enforce the lien and such action is not stayed. The bond or cash deposit shall be returned to City if the lien is successfully contested. If City is unable or otherwise fails to obtain such a bond or provide such a cash deposit or such an Opinion of Counsel, City shall cause such liens to be paid promptly subject to appropriation by City.

Section 6.2 Taxes, Other Governmental Charges and Utility Charges. During the Lease Term from funds appropriated therefor, City will pay promptly (i) all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against, or with respect to, the Facilities or any interest therein or any machinery, equipment or other property installed or brought by any person therein or thereon; (ii) all utility, water, sewer, electrical, license fees and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Facilities; and (iii) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Facilities; provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, City shall be obligated to pay only such installments as may have become due during the Lease Term.

City may, at its expense, in good faith, contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges contested to remain unpaid during the period of such contest and any appeal therefrom if City furnishes the Trustee with a bond or cash deposit equal to at least the amount so contested or with an Opinion of Counsel stating that by nonpayment of any such items the lien of this Lease or the Trust Indenture will not be materially endangered or the Facilities or any part thereof will not be subject to loss or forfeiture. The proceeds of the bond or the cash deposit may be used by the Trustee to satisfy the lien if action is taken to enforce the lien and such action is not stayed. The bond or cash deposit shall be returned to City if the lien is successfully contested. If City is unable or otherwise fails to obtain such a bond or provide such a cash deposit or such an Opinion of Counsel, City shall cause such taxes, assessments, and other charges to be paid promptly. In the event that City shall fail to pay any of the foregoing items required by this Section 6.2 to be paid by City, Bank may (but shall be under no obligation to) pay the same, and any amounts so advanced therefor by Bank shall become an additional obligation of City during the Lease Term, which amounts, together with interest thereon at the Advance Rate, City agrees to pay on demand subject to appropriation by City.

Section 6.3 Insurance Required. During the Lease Term from funds appropriated therefor, City agrees to insure the Facilities, as and when acquired, in such amounts and in such manner and against such loss, damage and liability, including liability to third parties, as are customary for property of similar function and scope to the Facilities, taking into account liability limits provided by State law, or as may be reasonably requested by Bank and, to the extent not paid by contractors during construction or acquisition of the Improvements, to pay the premiums with respect thereto, including, but not limited to:

(a) Until the Final Completion Date, builder's risk insurance to the extent of the full insurable value of the Improvements, unless some lesser amount is approved by Bank.

(b) Insurance against loss or damage to the Facilities by fire, lightning, vandalism and malicious mischief, with uniform standard extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at the time in use in the State of Idaho, to such extent as is necessary to provide for not less than full replacement cost of the Facilities. Such coverage must apply exclusively to the Facilities and must be available to repair/rebuild such Facilities under all circumstances after the occurrence of an insured peril. Full payment of insurance proceeds up to the required policy dollar limit in connection with damage to the Facilities shall, under no circumstances, be contingent on the degree of damage sustained at other facilities owned or leased by City. The policy must explicitly waive any co-insurance penalty.

(c) Insurance against liability for bodily injury to or death of persons and for damage to or loss of property occurring on or about the Facilities or in any way related to the operation of the Facilities, in the maximum amount of $500,000 for the death of or bodily injury in connection with each occurrence; and $500,000 for property damage in connection with each occurrence.

(d) Use and occupancy insurance to such extent as is necessary to cover loss of revenues resulting from any damage to or destruction of the Facilities or any part thereof.

(e) Workmen's compensation insurance, disability benefits insurance and such other forms of insurance as City is required by law to provide with respect to the Facilities.

(f) Vehicular public liability insurance with limits of no more than $500,000 per occurrence to protect City from claims from bodily injury and/or death, and no more than $500,000 against claims for damage to property of others which may arise from City's operation of vehicles.

(g) Boiler and machinery coverage with respect to any steam and pressure boilers and similar apparatus located in the Facilities in such amounts as industry standards would dictate.

(h) As required by the Primary Lease, an original leasehold owner's policy of title insurance (extended coverage) in an amount not less than $_________________showing that Bank, in its capacity of Lessee thereunder and the Trustee, as assignee of Bank's leasehold interest therein, have valid leasehold interests in the Facilities, as their interests may appear of record, subject only to Permitted Encumbrances.

All policies maintained pursuant to this Section 6.3 (except for workers'compensation insurance) shall name City and Bank as insureds, and the Trustee as an additional insured, as their respective interests may appear. Such policies or certificates of insurance shall (i) provide that any losses shall be payable notwithstanding any act or negligence of City, Bank, or Trustee, and (ii) provide that no cancellation, reduction in amount or material change in coverage thereof shall be effective until at least 30 days after receipt of written notice thereof by City, Bank and Trustee. Upon recommendations of an Insurance Consultant who is familiar with the Facilities and the provisions of this Lease, City may agree to any reduction, increase or modification, including providing for coverage of additional perils, of the insurance requirements hereunder to such as are adequate and customary for similar institutions and similar projects of like size and operation, and is reasonably obtainable. City shall provide written notice to Bank and Trustee of any such reduction, increase or modification.

City will deliver to Bank and Trustee promptly upon request, but in any case within 60 days after the end of each calendar year, a certificate of an Authorized Representative of City setting forth the particulars as to all insurance policies maintained by City pursuant to this Section 6.3 and certifying that such insurance policies comply with the provisions of this Section 6.3 and that all premiums then due thereon have been paid. Upon request City shall provide Bank and Trustee with a report of an Insurance Consultant who is familiar with the Facilities and the provisions of this Lease that the insurance maintained by City meets industry standards.

Notwithstanding anything to the contrary in this Section 6.3 or elsewhere in this Lease, Bank acknowledges that City is insured through the Idaho Counties Risk Management Program ("ICRMP") and Bank agrees that: (i) ICRMP coverage is acceptable and in compliance with the requirements of this Lease; and (ii) any insurance requirement or obligation in this Lease which is contrary to insurance offered by ICRMP or unavailable through ICRMP is void and inapplicable as to City, including, without limitation, any disallowance by ICRMP of provisions for additional insureds, indemnity and waiver of subrogation; provided, however, City shall use commercially reasonable efforts to negotiate terms with ICRMP that deviate as little as possible from the insurance requirements set forth in this Lease.

Section 6.4 Application of Net Proceeds of Insurance. The Net Proceeds of the insurance with respect to the Facilities carried pursuant to subparagraphs (b), (d) and (g) of the first paragraph of Section 6.3 hereof shall be applied as provided in Section 7.1 hereof. The Net Proceeds of insurance with respect to the Facilities carried pursuant to subparagraphs (c), (e) and (f) of the first paragraph of Section 6.3 hereof shall be applied toward extinguishment or satisfaction of the liability or loss with respect to which such insurance proceeds have been paid. The Net Proceeds of the title insurance carried pursuant to paragraph (h) of the first paragraph of Section 6.3 shall be applied in the same manner as other Net Proceeds both under this Lease and the Trust Indenture, as applicable.

Section 6.5 Advances by Bank. In the event City shall fail to maintain the full insurance coverage required by this Lease or shall fail to keep the Facilities in as reasonably safe condition as its operating condition will permit, or shall fail to keep the Facilities in good repair and good operating condition, Bank may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or make the required repairs, renewals and replacements; and all amounts advanced therefor by Bank during the Lease Term shall become an additional obligation of City to Bank, which amounts, together with interest thereon at the Advance Rate, City agrees to pay on demand, subject to appropriation by City.

ARTICLE VII
DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.1 Damage and Destruction. If the Facilities are destroyed or damaged by fire or other casualty to such extent that the claim for loss under the insurance policies resulting from such destruction or damage is less than $500,000, the Net Proceeds of insurance shall be paid to City and shall be held or used by City for such purposes as City may deem appropriate. City shall not by reason of the payment with respect to such destruction or damage be entitled to any reimbursement from Bank or the

Holders of the Certificates or any postponement, abatement or diminution of the Lease Payments and other payments required to be made under Section 5.3 hereof.

If the Facilities are destroyed or damaged (in whole or in part) by fire or other casualty to such extent that the claim for loss under the insurance policies resulting from such destruction or damage is $500,000 or more, City shall promptly give written notice thereof to Bank and the Trustee. Except as provided in the next paragraph, all Net Proceeds of insurance resulting from such claims for losses of $500,000 or more shall be paid to and held by the Trustee in a separate trust account, whereupon (i) during the Lease Term, City will promptly repair, rebuild or restore the Facilities damaged or destroyed to substantially the same value and condition as it existed prior to such damage or destruction, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by City, and will not impair operating unity, or the value of the Facilities, and (ii) the Trustee, upon receipt of a written requisition of City, will apply so much as may be necessary of the Net Proceeds of such insurance to payment of the costs of such repair, rebuilding or restoration, either on completion thereof or as the work progresses. Any balance of such Net Proceeds remaining after City notifies the Trustee in writing that the payment of all the costs of such repair, rebuilding or restoration have been made shall be transferred by the Trustee to the Debt Service Fund and applied to the payment of the principal of the Certificates on the next payment date or dates thereof. In the event such Net Proceeds are not sufficient to pay in full the costs of such repair, rebuilding or restoration, City will, during the Lease Term and subject to appropriation therefor, nonetheless complete the work thereof and will pay any costs thereof in excess of the amount of said Net Proceeds. City shall not by reason of the payment of such excess costs be entitled to any reimbursement from Bank or the Holders of the Certificates or any postponement, abatement or diminution of the Lease Payments and other payments required to be paid under Section 5.3 hereof.

All Net Proceeds of insurance resulting from claims for losses specified in the first sentence of the preceding paragraph of $500,000 or more may be used to redeem the Certificates; provided (1) all of the Certificates are to be redeemed in accordance with the Trust Indenture upon exercise of the Options to Purchase, or (2) in the event that less than all of the Certificates are to be redeemed, City shall furnish to Bank and the Trustee a Consulting Architect's Certificate stating (i) that the portion of the Facilities damaged or destroyed is not essential to City's use or occupancy of the Facilities, or (ii) that the Facilities have been restored to a condition substantially equivalent to their value and condition prior to the damage or destruction.

Section 7.2 Condemnation. In the event that title to, or the temporary use of, the Facilities or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, City shall be obligated during the Lease Term to continue to make the Lease Payments and other payments specified in Section 5.3 hereof. In the event the Net Proceeds from any award made in such eminent domain proceedings is less than $500,000, all of such Net Proceeds shall be paid to City and shall be held or used by City for such purposes as City may deem appropriate. In the event the Net Proceeds from any award in such eminent domain proceedings is $500,000 or more, City will cause the Net Proceeds received by it from such award to be paid to and held by the Trustee in a separate trust account, to be applied in one or more of the following ways as shall be directed in writing by City:

(a) The restoration of the Facilities to substantially the same value and condition as they existed prior to such condemnation.

(b) The financing of other capital costs of City.

(c) The acquisition, by construction or otherwise, of other improvements suitable for operation as public facilities. Such other improvements shall together with the remaining Improvements after eminent domain be of substantially the same value as the Facilities prior to the taking.

(d) The redemption of the Certificates; provided that no part of any such condemnation award may be applied for such redemption unless (1) all of the Certificates are to be redeemed in accordance with the Trust Indenture upon exercise of the Options to Purchase, or (2) in the event that less than all of the Certificates are to be redeemed, City shall furnish to Bank and the Trustee a Consulting Architect's Certificate stating (i) that the portion of the Facilities taken by such condemnation proceedings is not essential to City's use or occupancy of the Facilities, or (ii) that the Facilities have been restored to a condition substantially equivalent to their value and condition prior to the taking by such condemnation proceedings, or (iii) that improvements have been acquired which are suitable for City's operations at the Facilities as contemplated by the foregoing subparagraph (c) of this Section 7.2.

In the event City elects any of the options set forth in subparagraph (a), (b) or (c) above, the Trustee, upon receipt of a written requisition of City, will apply so much as may be necessary of the Net Proceeds of such condemnation award to payment of the costs of such restoration, acquisition, or construction, either on completion or as the work progresses.

In the event City elects any of the options set forth in subparagraph (a), (b) or (c) above, and Net Proceeds received from such condemnation award are insufficient to restore, acquire or construct improvements of substantially the same value as the Facilities prior to the taking, City shall, subject to appropriation therefor, nonetheless complete the work thereof and will pay any costs thereof in excess of such Net Proceeds. City shall not by reason of the payment of such excess costs be entitled to any reimbursement from Bank or the Holders of the Certificates or any postponement, abatement or diminution of the Lease Payments and other payments required to be made under Section 5.3 hereof.

In the event the Net Proceeds from any award made in any eminent domain proceedings is $500,000 or more, within 30 days from the date of a final order in any eminent domain proceedings granting condemnation, City shall direct Bank in writing which of the ways specified in this Section 7.2 City elects to have the condemnation award applied. Any balance of the Net Proceeds of the award in such eminent domain proceedings remaining after written notice to Trustee from City that all the costs of such restoration, acquisition, construction or redemption of Certificates have been paid shall be transferred to the Debt Service Fund to be applied by the Trustee to the payment of the principal of the Certificates on the next payment date or dates thereof.

Section 7.3 No Liens. All items acquired in the repair, rebuilding or restoration of the Facilities shall be deemed a part of the Facilities. City shall confirm the interests of Bank in order to put Bank in a position equivalent to its position prior to the damage, destruction or condemnation. City hereby warrants such acquired property shall have no liens or encumbrances other than Permitted Encumbrances.

Section 7.4 Investment of Net Proceeds. Any Net Proceeds of insurance or a condemnation award held by the Trustee pending restoration, repair or rebuilding of the Facilities shall be invested in the same manner as provided in Section 5.2 of the Trust Indenture. The earnings or profits on such investments shall be considered part of the Net Proceeds except to the extent required to be deposited into the Rebate Fund.

ARTICLE VIII
SPECIAL COVENANTS AND PROVISIONS

Section 8.1 Right of Access. City agrees that Bank and any of its duly authorized agents shall, subject to City security procedures, have the right at all reasonable times to enter, examine and inspect the Facilities for any reasonable purpose. City further agrees that Bank and its duly authorized agents shall, subject to City security procedures, have such rights of access to the Facilities as may be reasonably necessary for the proper maintenance thereof.

Section 8.2 City to Maintain Existence; Environmental Covenants.

(a) General. City will take no action to cause its existence to be abolished. City shall not sell or otherwise dispose of any part of the Facilities without the prior written consent of Special Counsel and as provided in Section 9.1(e) hereof. The Facilities shall be leased by City from Bank and operated by City and no other person or entity shall be responsible for such management. Any agreement with an independent management firm to operate or provide management services to City shall require the prior written approval of Special Counsel. No disposition of the Facilities or agreement with regard to the Facilities shall be approved by Special Counsel if such disposition or agreement will adversely affect the validity of the Certificates, or the exclusion from gross income of interest on the Certificates for federal income tax purposes.

(b) Environmental Covenants.

(1) City will not cause or permit any Hazardous Substance to be brought upon, kept, used or generated by City, its agents, employees, contractors or invitees, upon the Facilities or in the operation of the Facilities, unless the use or generation of the Hazardous Substance is necessary for the prudent operation of the Facilities and no functional and reasonably economic nonhazardous substance or process which does not generate Hazardous Substances can be used in place of the Hazardous Substance or the process which generates the Hazardous Substances.

(2) City will, with respect to the Facilities, at all times and in all respects comply with all Environmental Laws. City's duty of compliance with Environmental Laws includes, without limitation, the duty to undertake the following specific actions: (i) City will, from funds appropriated therefor, at its own expense, procure, maintain in effect, and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required by all Environmental Laws, including, without limitation, permits required for discharge of (appropriately treated) Hazardous Substances into the ambient air or any sanitary sewers serving the Facilities; and (ii) except as discharged into the ambient air or a sanitary sewer in strict compliance with all applicable Environmental Laws, any and all Hazardous Substances to be treated and/or disposed by City from the Facilities will be removed and transported solely by duly licensed transporters to a duly licensed treatment and/or disposal facility for final treatment and/or disposal (except when applicable Environmental Laws permit on-premises treatment or disposal in a sanitary landfill).

Section 8.3 Further Assurances. City agrees that it will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention of or facilitating the performance of this Lease.

Section 8.4 Authority of Authorized Representative of City. Whenever under the provisions of this Lease the approval of City is required, or Bank is required to take some action at the request of City, such approval or such request shall be made by the Authorized Representative of City unless otherwise specified in this Lease and City or Bank shall be authorized to act on any such approval or request and City shall have no complaint against Bank as a result of any such action taken.

Section 8.5 Covenant as to Litigation. City and Bank shall keep each other fully informed of any threats, claims or pending litigation relating to this Lease.

Section 8.6 City Covenant as to Encumbrances. City covenants that, during the Lease Term, it will not permit any lien or encumbrance against the Facilities other than Permitted Encumbrances.

Section 8.7 No Third-Party Beneficiaries. This Lease is made for the sole benefit of City and Bank, and no other person or persons shall have rights or remedies hereunder except to the extent specifically provided herein and in the Trust Indenture. City and Bank shall owe no duty under this Lease to any claimant for labor performed or material furnished with respect to the Facilities.

Section 8.8 Continuing Disclosure. City agrees to execute and comply with the terms of the Continuing Disclosure Agreement with respect to the Certificates, dated the date of delivery of the Certificates.

Section 8.9 Indemnification. During the Lease Term, to the extent permitted by law and subject to appropriation therefor, City shall indemnify, save and hold harmless Bank and its agents against any and all claims asserted by or on behalf of any person, firm, corporation, private or public, arising or resulting from, or in any way connected with:

(a) any act, failure to act, misrepresentation or omission by any person, firm, corporation or governmental authority, including Bank or its agents (other than willful misrepresentations knowingly made by Bank or its agents and willful or wanton misconduct on the part of any of them) in connection with the issuance, sale or delivery of the Certificates, including without limitation any material misrepresentation or omission, or alleged material misrepresentation or omission, in any materials used in connection with the offering or sale of the Certificates; provided that the foregoing indemnity and hold harmless agreement shall not apply with respect to any information contained in any such offering materials which describes Bank and was provided or otherwise approved by Bank; and

(b) any act, failure to act or misrepresentation by Bank or its agents (other than willful misrepresentations knowingly made by Bank or its agents and willful or wanton misconduct on the part of Bank or its agents) in connection with, or in the performance of, any obligation under this Lease or the Trust Indenture.

Any indemnification payable hereunder shall include all liabilities, costs and expenses (including reasonable attorneys' fees and reasonable attorneys' fees and expenses on appeal) incurred in any action or proceeding brought by reason of any such claim.

In the event that any action or proceeding is brought against Bank or its agents by reason of any such claim, City, upon notice from Bank or its agents, shall resist and defend such action or proceeding. Bank may, however, retain its own counsel and still be indemnified against the cost of employing counsel and all other reasonable expenses despite an assumption of the defense by City if Bank believes in good faith that there are defenses available to it which are adverse to or in conflict with those available to City or which Bank believes in good faith cannot be effectively asserted by common counsel. Bank always has the right to employ separate legal counsel but, subject to the preceding sentence, the fees and expenses of its separate legal counsel must be paid by Bank unless City and Bank have mutually agreed to the employment of Bank's counsel. City is not liable for any settlement of a suit, claim, demand, action or proceeding effected without its written consent and City agrees that it will not settle any claim or action without the consent of Bank.

Section 8.10 Environmental Representations, Warranties, Covenants and Indemnifications. City represents, warrants and covenants as follows:

(a) To the best of City's knowledge, after due inquiry and investigation, all Hazardous Substances on or in the Facilities have been used, generated, manufactured, refined, transported, treated, stored, handled and disposed of only in strict compliance with all Environmental Laws. City has no knowledge of any action, citation, directive, letter or other communication from any person or governmental authority concerning any intentional or unintentional action or omission which has resulted in the releasing, spilling, leaking, pumping, pouring, omitting, emptying or dumping of Hazardous Substances on the Facilities, or from the Facilities to other property.

(b) City shall exercise due care in handling Hazardous Substances and shall undertake any and all preventive, investigatory or remedial action (including, without limitation, emergency response, removal, containment and other remedial action):

(1) required by any applicable Environmental Laws or orders by any governmental authority having jurisdiction under Environmental Laws; or

(2) necessary to prevent or minimize property damage (including, without limitation, damage to City's own property), personal injury or damage to the environment or threat of any such damage or injury, by release of or exposure to Hazardous Substances in connection with the Facilities, or operations thereon. In the event City fails to perform any of its obligations under this Section 8.10, then after written notice to City from Bank and reasonable opportunity to cure, Bank may perform (but shall not be required to perform) such obligations at City's reasonable expense, subject to appropriation by City therefor. In performing any such obligations of City, Bank shall at all times be deemed to be the agent of City and shall not by reason of any such performance be deemed to be assuming any responsibility of City under any Environmental Laws or to any other person.

(c) During the Lease Term, to the extent permitted by law and subject to appropriation therefor, City shall indemnify and hold harmless the following (collectively the "Indemnitees"): Bank and its officers, directors, employees, agents, affiliates and all of their successors and assigns against any and all claims, demands, losses, liabilities, costs and expenses (including, without limitation, reasonable attorney fees at trial, on any appeal or petition for review) in any bankruptcy or arbitration proceeding or otherwise incurred by any of the Indemnitees:

(1) arising out of or relating to any investigatory or remedial action involving the Facilities, or the operations conducted thereon, and required by Environmental Laws or by orders of any governmental authority having jurisdiction under any Environmental Laws; or

(2) on account of injury to any person or damage to any property arising out of or in connection with or in any way relating to:

(i) any applicable laws or regulations, including, without limitation, Environmental Laws; or

(ii) the use, treatment, storage, generation, manufacture, transport, release, spill, disposal or other handling of Hazardous Substances on the Facilities, or in connection with operations conducted thereon; or

(iii) the contamination of the Facilities by Hazardous Substances.

Section 8.11 Additional Covenants. City covenants that during the Lease Term, it will:

(a) promptly and with due diligence acquire and construct the Improvements to be financed with proceeds of the Certificates;

(b) subject to the provisions of the Primary Lease and this Lease, continue to operate the Facilities in good repair and in an efficient and economical manner, making necessary and proper repairs and replacements;

(c) take no action to change its corporate identity and make no attempt to cause its corporate existence to be abolished;

(d) maintain proper accounts in accordance with generally accepted accounting principles of transactions relating to the revenues of City; and

(e) keep or cause to be kept proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of, or in relation to, the business and affairs of City in accordance with generally accepted accounting principles.

ARTICLE IX
ASSIGNMENT, SUBLEASING, PLEDGING AND SELLING

Section 9.1 Assignment and Subleasing. City may not assign, transfer, encumber or sublease its rights to the Facilities or this Lease except as provided in this Section 9.1, and subject to each of the following conditions:

(a) No assignment or subleasing shall relieve City from primary liability for any of its obligations hereunder, and in the event of any such assignment or subleasing, and subject to appropriation by City, City shall continue to remain primarily liable for payment of the payments specified in Section 5.3 hereof and for performance and observance of the other covenants and agreements on its part herein provided.

(b) No assignment or subleasing shall impair the status of interest on the Certificates for federal or state income purposes or the validity of the Certificates, as evidenced by delivery to Bank and Trustee of an Opinion of Special Counsel.

(c) The assignee or sublessee shall assume in writing the obligations of City hereunder to the extent of the interest assigned or subleased.

(d) City shall, within 30 days after the delivery thereof, furnish or cause to be furnished to Bank a true and complete copy of each such assumption of obligations and assignment or sublease, as the case may be.

(e) City may not sell or encumber the Facilities without the consent of the Certificate Holders, which consent shall be subject to the requirements of Section 10.3(b) of the Trust Indenture.

Section 9.2 Restrictions on Sale by Bank. Bank agrees that, except as set forth in Article XI hereof or Article VII of the Trust Indenture, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of its interest in the Facilities, so long as there is no event of default that has not been cured or an Event of Nonrenewal has not occurred.

ARTICLE X
EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default Defined. The following shall be "events of default" under this Lease, and the term "event of default" shall mean, whenever it is used in this Lease, any one or more of the following events:

(a) Failure by City to pay the Lease Payments required to be paid under Section 5.3(a) or Section 5.3(b) hereof when the same shall become due and payable.

(b) Failure by City to make the payments required by Section 5.3(e) or Section 5.3(f) hereof.

(c) Failure by City to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Lease, other than as referred to in subsections (a) or (b) of this Section, for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, given to City by Bank, provided, however, that in the event that such failure cannot reasonably be remedied within such 30-day period, City has commenced such remedy during such 30-day period and diligently and continuously prosecutes the same to completion and City provides Bank with a certification to such effect.

(d) The failure by City promptly to commence proceedings to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry on its operations at the Facilities or to make any payments under this Lease, or the filing by City of a petition seeking a composition of indebtedness under any applicable law or statute of the United States of America or of the State.

(e) City admits insolvency or bankruptcy or its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee or receiver for the Facilities or if bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors, are instituted by or against City (other than bankruptcy proceedings instituted by City against third parties), and if instituted against City are allowed against City or are consented to or are not dismissed, stayed or otherwise nullified within ninety (90) days after such institution.

(f) An event of default caused by actions of City under the Trust Indenture shall have occurred and be continuing.

(g) Failure by City to perform any of its obligations under the Primary Lease.

Section 10.2 Remedies on Default or Event of Nonrenewal. Whenever any event of default referred to in Section 10.1 hereof or an Event of Nonrenewal shall have occurred and is continuing, Bank may take any one or more of the following remedial steps:

(a) Bank may declare the Lease Payments payable hereunder for the remainder of the Initial Term or the Renewal Term then in effect to be immediately due and payable, whereupon the same shall become due and payable.

(b) Bank may terminate this Lease and provide City notice to vacate the Facilities, or any portion thereof.

(c) Bank may reenter, repossess, lease or sell part or all of its leasehold interest in the Facilities to the extent permitted by law and as provided by Section 7.3 of the Trust Indenture, and apply the proceeds thereof to City's obligations hereunder.

(d) Bank may assume the rights of City under the Assigned Rights.

(e) Bank may take whatever action at law or in equity as may appear necessary or desirable to collect the amounts then due and thereafter to become due for the remainder of the Initial Term or the Renewal Term then in effect, or to enforce performance or observance of any obligations, agreements, or covenants of City under this Lease.

In the event that City fails to make any payment required hereby for which it has appropriated funds, the payment so in default shall continue as an obligation of City until the amount in default shall have been fully paid.

Any moneys received by Bank from the exercise of any of the above remedies, after reimbursement of any costs incurred by Bank in connection therewith, shall be applied to satisfy City's obligations hereunder.

Notwithstanding the exercise of any remedy, Bank may make any disbursements after the happening of any one or more events of default without thereby waiving its right to accelerate the Lease Payments pursuant to Section 10.2(a) hereof and without liability to make other or further disbursements. The provisions under this Section shall survive the termination of the Lease Term and this Lease for so long as Certificates remain Outstanding.

Section 10.3 No Duty of Bank to Mitigate Damages. Bank shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to City if an event of default shall occur hereunder.

Section 10.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to Bank is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

Section 10.5 Agreement to Pay Attorneys' Fees and Expenses. In the event City should default under any of the provisions of this Lease and Bank shall employ attorneys or incur other expenses for the collection of payments or the enforcement of performance or observance of any obligation or agreement on the part of City, City agrees that it will on demand therefor pay to Bank the reasonable fees of such attorneys and such other reasonable expenses incurred, subject to appropriation by City.

Section 10.6 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XI
OPTIONS TO PURCHASE

Section 11.1 General Option to Purchase Facilities. City shall have and is hereby granted the Option to Purchase Bank's right, title, and interest in the Facilities and to terminate the Lease Term at any time prior to, or concurrently with, the expiration of the Lease Term. This Option to Purchase may also survive the termination of the Lease Term, as provided in Section 11.6 below. To exercise such Option to Purchase City shall give written notice to Bank, which shall specify the date of closing such purchase, which date shall be not less than ninety (90) nor more than one hundred eighty (180) days from the date such notice is mailed. City shall make arrangements satisfactory to Bank and Trustee for giving any required notice of redemption relating to the Certificates.

Section 11.2 Purchase Price. The purchase price payable by City in the event of its exercise of the Option to Purchase granted in Section 11.1 shall be the sum of the following:

(a) An amount of money or Government Obligations which will be sufficient to redeem the then Outstanding Certificates under the Trust Indenture on the Maturity Dates thereof or on the date(s) of earlier optional call for redemption of the Certificates, including, without limitation, principal, premium, if any, and interest on the Outstanding Certificates to the Maturity Dates thereof or on the date(s) of earlier optional call for redemption of the Certificates.

(b) An amount equal to fees and expenses due Bank or Trustee under the Trust Indenture accrued and to accrue until the final payment of the Outstanding Certificates.

(c) The sum of $10 for the Facilities.

Upon the exercise of the Option to Purchase, City shall pay the sums required under this Section 11.2.

Section 11.3 Options to Purchase Facilities in Certain Events. City shall also have and is hereby granted an Option to Purchase Bank's right, title and interest in the Facilities and to terminate the Lease Term at any time prior to, or concurrently with, the expiration of the Lease Term if any of the following shall have occurred:

(a) The Facilities shall have been damaged or destroyed as set forth in Section 7.1 hereof to such extent that, as evidenced by a Consulting Architect's Certificate filed with City, Bank and the Trustee, (i) the Facilities cannot be reasonably restored within a period of twelve (12) consecutive months to the condition thereof immediately preceding such damage or destruction, or (ii) City is thereby prevented from carrying on its normal operations at the Facilities for a period of twelve (12) consecutive months.

(b) Title to, or the temporary use of, all or substantially all the Facilities shall have been taken under the exercise of the power of eminent domain by any governmental authority, or person, firm or corporation acting under governmental authority, including such a taking or takings as results, as evidenced in a Consulting Architect's Certificate filed with City, Bank and the Trustee, in City being thereby prevented from carrying on its normal operations at the Facilities for a period of twelve (12) consecutive months.

To exercise any such Option to Purchase, City shall within six (6) months following the event authorizing the exercise of such Option to Purchase give written notice to Bank and shall specify therein the date of closing such purchase, which date shall be not less than forty-five (45) nor more than ninety (90) days from the date such notice is mailed. The purchase price payable by City in the event of its exercise of any Options to Purchase granted in this Section 11.3 shall be the sum of the following:

(1) An amount of money or Government Obligations which, when added to the amount of other moneys which may be used for this purpose, will be sufficient to pay the Outstanding Certificates on the Maturity Dates thereof and all interest to accrue to said Maturity Dates or on the date(s) of earlier optional call for redemption of the Certificates.

(2) An amount equal to the Trustee's fees and expenses under the Trust Indenture.

(3) The sum of $10 for the Facilities.

Section 11.4 Option to Purchase Upon Expiration of the Lease Term. Provided that no Certificates shall be Outstanding, City shall have the Option to Purchase Bank's remaining right, title and interest in the Facilities, if any, upon expiration of the Lease Term. The purchase price payable by City shall be the sum of the following:

(a) An amount equal to the unpaid Trustee's fees and expenses under the Trust Indenture.

(b) The sum of $10 for the Facilities.

Section 11.5 Conveyance on Purchase. At the closing of any purchase pursuant to this Article XI, Bank will, upon receipt of the purchase price, deliver to City documents conveying its right, title and interest in the Facilities being purchased by terminating the Primary Lease and this Lease.

City and Bank shall cooperate in executing such documents as are reasonably necessary to accomplish the purpose of this paragraph.

Section 11.6 Survival of Options to Purchase. The Options to Purchase Bank's right, title and interest in the Facilities shall survive the termination of the Lease Term and this Lease for so long as Certificates remain Outstanding.

ARTICLE XII
MISCELLANEOUS

Section 12.1 Notices. Any notice required or permitted to be given under this Lease shall be in writing and (i) personally delivered, (ii) sent by United States registered or certified mail, postage prepaid, return receipt requested, (iii) sent by Federal Express or similar nationally recognized overnight courier service, or (iv) transmitted by electronic mail with a hard copy sent within one (1) Business Day by any of the foregoing means. Such notice shall be deemed to have been given upon the date of actual receipt or delivery (or refusal to accept delivery), as evidenced by the notifying party's receipt of written or electronic confirmation of such delivery or refusal, if received by the party to be notified between the hours of 8:00 A.M. and 5:00 P.M. Mountain time on any Business Day, with delivery made after such hours to be deemed received the following Business Day; provided, however, notices to the Trustee and Bank shall be deemed given only upon receipt by the Trustee or Bank. For purposes of notice, the addresses of the parties shall be as follows:

If to City:

City of Twin Falls, Idaho
203 Main Avenue East
Twin Falls, ID 83301
Attention: City Manager
Email: trothweiler@tfid.org

With a copy to:	John McDevitt Skinner Fawcett LLP 250 W. Bobwhite Court, Suite 240 P.O. Box 700 Boise, ID 83701-700 Email: jmcdevitt@skinnerfawcett.com
If to Bank:	Zions Bancorporation, National Association, as Lessor Attention: Jennifer Mabbott, Vice President 800 W Main St, Suite 700 Boise, ID 83702 Email: jennifer.mabbott@zionsbancorp.com
If to Trustee:	Zions Bancorporation, National Association, as Lessor Attention: Jennifer Mabbott, Vice President 800 W Main St, Suite 700 Boise, ID 83702 Email: jennifer.mabbott@zionsbancorp.com

Section 12.2 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon City and Bank and their respective successors and assigns, subject, however, to the limitations contained herein.

Section 12.3 Certification of Compliance with Anti-Boycott Against Israel Act. Bank hereby certifies, pursuant to Section 67-2346, Idaho Code, that Bank, including any wholly owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates of Bank, is not currently engaged in, and will not for the duration of this Lease, engage in, a boycott of goods or services from Israel or territories under its control.

Section 12.4 Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.5 Amendments, Changes and Modifications. Except as otherwise provided in this Lease or in the Trust Indenture, this Lease may not be effectively amended, changed, modified, altered or terminated without the written consent of City and Bank and in no manner that creates a liability of the City beyond the Lease Term.

Section 12.6 Execution in Counterparts. This Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.7 No Offsets. City shall pay all payments required hereunder, without abatement, deduction, offset or setoff other than those herein expressly provided. City waives any and all existing and future claims and offsets against any payments required hereunder.

Section 12.8 Recording. City shall cause this Lease and every assignment and modification hereof or an appropriate and sufficient memorandum thereof to be recorded in the office of the recorder of Twin Falls County, Idaho, and shall provide a copy thereof to Bank.

Section 12.9 Governing Law. This Lease shall be governed and construed in accordance with the laws of the State.

Section 12.10 Surrender and Holding Over. In the event Certificates remain outstanding at the end of, or at the termination of, the Lease Term, unless the Options to Purchase are exercised, City shall surrender and deliver to Bank the possession of the Facilities, together with all improvements, free and clear of all liens and encumbrances other than Permitted Encumbrances, and in good condition subject to reasonable wear and tear.

Concurrently with the surrender of the Facilities as herein provided, City agrees, if requested by Bank and for the benefit of Bank, to execute, acknowledge and deliver to Bank documentation evidencing Bank's leasehold interest in the Facilities.

To the extent allowed by law, City shall indemnify and hold Bank harmless from any loss or liability resulting from delay by City in surrendering the Facilities, including, without limitation, any claims made by any succeeding tenant founded on such delay only from amounts then appropriated therefor. City shall be only a tenant at sufferance, whether or not Bank accepts any Lease Payments from City while City is holding over without Bank's written consent.

Section 12.11 Limitation of Liability. No covenant or agreement contained in this Lease, the Primary Lease, the Trust Indenture or the Certificates shall be deemed to be a covenant or agreement of any City Council member, director, officer or employee of City in an individual capacity. No recourse shall be had for any claim based on this Lease, the Primary Lease, the Trust Indenture or the Certificates against any City Council member, director, commissioner, officer or employee, past, present or future, of City or of any successor body as such, either directly or through City or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

No covenant or agreement contained in this Lease, the Primary Lease, the Trust Indenture or the Certificates shall be deemed to be a covenant or agreement of City, or otherwise obligate City, to make a future appropriation of funds. Any provision for payment or indemnification by City made subject to appropriation of funds recognizes that the act of budgeting funds is solely within the discretion of the City Council and that no claim may be had against City in excess of the amounts appropriated by City during the then current Lease Term to make payments hereunder.

[The following page is the signature page.]

IN WITNESS WHEREOF, Bank and City have caused this Lease to be executed in their respective corporate names as of the date first above written.

BANK:

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Lessor

By: ______________________________
Jennifer Mabbott, Vice President

CITY:

CITY OF TWIN FALLS, IDAHO, as Lessee

By: ______________________________
Ruth Pierce, Mayor

Attest: ______________________________
City Clerk

STATE OF IDAHO)
) ss.
County of Ada)

On this _____ day of July, 2022, before me, a Notary Public in and for said State, personally appeared Jennifer Mabbott, known or identified to me to be a Vice President, Zions Bank Division, Zions Bancorporation, National Association, the entity that executed the within instrument, or the person that executed the within instrument on behalf of said entity, and acknowledged to me that such entity executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

____

Notary Public for Idaho
Residing at ______________________________
My commission expires _____________________

STATE OF IDAHO)
) ss.
County of Twin Falls)

On this _____ day of July, 2022, before me, a Notary Public in and for said State, personally appeared Ruth Pierce and_______________, known or identified to me to be the Mayor and City Clerk, respectively, of the City of Twin Falls, Idaho, the entity that executed the within instrument or the persons who executed the instrument on behalf of said entity, and acknowledged to me that such entity executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

____

Notary Public for Idaho
Residing at ______________________________
My commission expires _____________________

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT B

LEASE PAYMENTS(1)

LEASE TERM	LEASE PAYMENT DATE	LEASE PAYMENT PRINCIPAL	LEASE PAYMENT INTEREST	LEASE PAYMENT TOTAL	TOTAL ANNUAL LEASE PAYMENT
INITIAL TERM					
Effective Date – 9/30/22	N/A	-	-	-	-
RENEWAL TERMS(1)					
10/1/22 – 9/30/23	2/15/23	$	$	$	
	8/15/23				
10/1/23 – 9/30/24	2/15/24				
	8/15/24				
10/1/24 – 9/30/25	2/15/25				
	8/15/25				
10/1/25 – 9/30/26	2/15/26				
	8/15/26				
10/1/26 – 9/30/27	2/15/27				
	8/15/27				
10/1/27 – 9/30/28	2/15/28				
	8/15/28				
10/1/28 – 9/30/29	2/15/29				
	8/15/29				
10/1/29 – 9/30/30	2/15/30				
	8/15/30				
10/1/30 – 9/30/31	2/15/31				
	8/15/31				
10/1/31 – 9/30/32	2/15/32				
	8/15/32				
10/1/32 – 9/30/33	2/15/33				
	8/15/33				

10/1/33 – 9/30/34	2/15/34				
	8/15/34				
10/1/34 – 9/30/35	2/15/35				
	8/15/35				
10/1/35 – 9/30/36	2/15/36				
	8/15/36				
10/1/36 – 9/30/37	2/15/37				
	8/15/37				
10/1/37 – 9/30/38	2/15/38				
	8/15/38				
10/1/38 – 9/30/39	2/15/39				
	8/15/39				
10/1/39 – 9/30/40	2/15/40				
	8/15/40				
10/1/40 – 9/30/41	2/15/41				
	8/15/41				
10/1/41 – 9/30/42	2/15/42				
	8/15/42				
		$			
			$	$	$

(1) Subject to annual renewal and appropriation by City.

(2) Final Maturity of the Certificates is September 1, 2042. The Lease Term will automatically terminate at such time as no Certificates are Outstanding.

EXHIBIT C

PERMITTED ENCUMBRANCES

All taxes and assessments, together with any and all existing easements, rights-of-way, reservations, restrictions and encumbrances of record or visible on the Property.

EXHIBIT D
FORM OF REQUISITION

DISBURSEMENT REQUEST NO. __
(Construction Fund)

Zions Bancorporation, National Association, as Trustee
Attention: Jennifer Mabbott, Vice President
800 W Main St, Suite 700
Boise, ID 83702
Email: jennifer.mabbott@zionsbancorp.com

Re: ***$______________ City of Twin Falls, Idaho Annual Appropriation Certificates of Participation, Series 2022 (Fire Station No. 2 Project) (the "Certificates")***

Pursuant to the provisions of Section 4.3 of the Annual Appropriation Lease Agreement dated as of July __, 2022 (the "Appropriation Lease"), by and between City of Twin Falls, Idaho, as lessee ("City") and Zions Bancorporation, National Association, as lessor ("Bank"), and pursuant to the provisions of Section 3.1 of the Annual Appropriation Trust Indenture among City, Bank and the above Trustee dated as of July 1, 2022 (the "Trust Indenture"), the undersigned, as an Authorized Representative of City, hereby requests the Trustee to make a disbursement from the Construction Fund in the amount of $______________ ("Requested Amount"), which Requested Amount is due and payable in accordance with the attached Schedule.

The undersigned certifies that the Schedule states: (i) the description for which payment or reimbursement is requested, (ii) that the Requested Amount has been incurred by City and has been paid or is to be paid by City, (iii) that all necessary permits and approvals presently required for the Facilities have been issued and are in full force and effect, and (iv) that such withdrawal is being made to reimburse City or to pay a third party for the payment of the Costs of Acquisition and Construction of the Improvements. The undersigned certify that the purpose for which the Requested Amount was incurred is permitted as Costs of Acquisition and Construction under the terms of the Trust Indenture; that such is a proper charge against the Construction Fund; and that such Requested Amount has not been previously paid from the Construction Fund.

To the best of our knowledge, after due investigation, there is no lien, right to lien or attachment upon, or other claim affecting the right of City or the party or parties listed on the Schedule to receive payment or reimbursement of the Requested Amount, which has not been released or will not be released simultaneously with the payment of the Requested Amount, other than labor liens, materialmen's liens or mechanic's liens accruing by operation of law.

No Event of Default (as defined in the Trust Indenture) or other event which, with the giving of notice or the passage of time or both, would constitute such Event of Default, has occurred.

Dated this ____ day of __________, 20__.

CITY OF TWIN FALLS, IDAHO, as Lessee

By______________________________________

SCHEDULE TO DISBURSEMENT REQUEST NO. 1
(Construction Fund)

AMOUNT: $xx.xx

PAYEE:
Name: ____
Address: ____
____
Telephone: _______________________________________
Facsimile: _______________________________________
E-mail: ____

Improvements Description/Purpose: Costs of Acquisition and Construction of the Improvements.

Costs have been incurred by City: ________________X______________________________

Costs are to be paid by City: ____________________X______________________________

All necessary permits and approval presently required have been issued and are in full force and effect:
_______X___________

Reimburse City _____________; Pay third party ________X___.

EXHIBIT E

FORM OF NOTICE OF INTENT TO RENEW

TO: Zions Bancorporation, National Association, as Lessor ("Bank")

Zions Bancorporation, National Association, as Trustee ("Trustee")

DATE: ________, 20__

RE: Annual Appropriation Lease Agreement dated July __, 2022 (the "Appropriation Lease"), between City of Twin Falls, Idaho, as lessee ("City"), and Bank, as lessor, related to the City of Twin Falls, Idaho Annual Appropriation Certificates of Participation, Series 2022 (Fire Station No. 2 Project), dated July __, 2022, issued pursuant to the Annual Appropriation Trust Indenture dated as of July 1, 2022 (the "Trust Indenture"), among City, Bank, and Trustee

NOTICE IS HEREBY GIVEN pursuant to Section 5.1 of the Appropriation Lease of City's intent to renew the Appropriation Lease for the one-year period commencing October 1, 20__, through September 30, 20__ (the "Renewal Term"), conditioned upon appropriation by City's Council of funds in the amount of the Lease Payments due under the Appropriation Lease during the Renewal Term. Upon such appropriation, no later than September 15, 20__, City shall deliver its Notice of Renewal to Bank and Trustee, together with a copy of the City Council's official action appropriating sufficient funds to pay the Lease Payments due for the Renewal Period.

In the event funds to renew the Appropriation Lease are not appropriated by City's Council as set forth above, the obligation of City to make Lease Payments extends only through the current Lease Term; such obligation terminates at the expiration of the current Lease Term. In such event, City shall timely notify Bank and Trustee that City has elected to not renew the Appropriation Lease for an additional Renewal Term, and an Event of Nonrenewal shall be deemed to have occurred and Bank may exercise the remedies provided under the Appropriation Lease, and the Trustee, as provided under the Trust Indenture.

By execution of the applicable Acknowledgment and Consent below, City requests Bank and Trustee to acknowledge timely receipt of this Notice of Intent to Renew and consent to the renewal of the Appropriation Lease conditioned upon timely receipt from City of the Notice of Renewal.

Capitalized terms used in this notice and not defined herein shall have the meanings assigned to such terms in the Trust Indenture.

CITY OF TWIN FALLS, IDAHO

By: ________________________________

Title: ________________________________

BANK’S ACKNOWLEDGMENT AND CONSENT

The undersigned, on behalf of Bank, acknowledges timely receipt of City’s Notice of Intent to Renew the Appropriation Lease, and consents to the renewal of the Appropriation Lease conditioned upon receipt from City of its Notice of Renewal no later than September 15, 20__.

Effective the ____ day of _____, 20__.

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Lessor

By: ____________________________________
Title: ____________________________________

TRUSTEE’S ACKNOWLEDGMENT AND CONSENT

The undersigned, on behalf of the Trustee, acknowledges timely receipt of City’s Notice of Intent to Renew the Appropriation Lease, and consents to the renewal of the Appropriation Lease conditioned upon receipt from City of its Notice of Renewal no later than September 15, 20__.

Effective the ____ day of _____, 20__.

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Trustee

By: ____________________________________
Title: ____________________________________

EXHIBIT F

FORM OF NOTICE OF RENEWAL

TO: Zions Bancorporation, National Association, as Lessor ("Bank")

Zions Bancorporation, National Association, as Trustee ("Trustee")

DATE: ____________, 20__

RE: Annual Appropriation Lease Agreement dated July __, 2022 (the "Appropriation Lease"), between City of Twin Falls, Idaho, as lessee ("City"), and Bank, as lessor, related to the City of Twin Falls, Idaho Annual Appropriation Certificates of Participation, Series 2022 (Fire Station No. 2 Project), dated July __, 2022, issued pursuant to the Annual Appropriation Trust Indenture dated as of July 1, 2022 (the "Trust Indenture"), among City, Bank, and Trustee

NOTICE IS HEREBY GIVEN pursuant to Section 5.1 of the Appropriation Lease of City's renewal of the Appropriation Lease for the one-year period commencing October 1, 20__, through September 30, 20__ (the "Renewal Term"). Delivered herewith is a copy of the City Council's official action with evidence of appropriation of funds sufficient to pay the Lease Payments due for the Renewal Term.

The obligation of City to make Lease Payments extends only through the Renewal Term; such obligation terminates at the expiration of the Renewal Term.

By execution of the applicable Acknowledgment and Consent below, City requests Bank and Trustee to acknowledge timely receipt of this Notice of Renewal and consent to the Renewal Term.

Capitalized terms used in this notice and not defined herein shall have the meanings assigned to such terms in the Trust Indenture.

CITY OF TWIN FALLS, IDAHO

By: ___________________________________
Title: ___________________________________

BANK'S ACKNOWLEDGMENT AND CONSENT

The undersigned, on behalf of Bank, acknowledges timely receipt of City's Notice of Renewal of the Appropriation Lease, and consents to the renewal of the Appropriation Lease for Renewal Term commencing October 1, 20__, through September 30, 20__.

Effective the ____ day of __________, 20__.

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Lessor

By: ______________________________________
Title: ______________________________________

TRUSTEE'S ACKNOWLEDGMENT AND CONSENT

The undersigned, on behalf of the Trustee, acknowledges timely receipt of City's Notice of Renewal of the Appropriation Lease, and consents to the renewal of the Appropriation Lease for Renewal Term commencing October 1, 20__, through September 30, 20__.

Effective the ____ day of __________, 20__.

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Trustee

By: ______________________________________
Title: ______________________________________

PRIMARY LEASE

between

CITY OF TWIN FALLS, IDAHO
AS LESSOR

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
AS LESSEE

Relating to

$[______]
City of Twin Falls, Idaho Annual Appropriation Certificates of Participation
Series 2022 (Fire Station No. 2 Project)

Dated as of July__, 2022

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PRIMARY LEASE

DATED:	July__, 2022 ("Effective Date")	
BETWEEN:	**CITY OF TWIN FALLS, IDAHO, as Lessor** 203 Main Avenue East Twin Falls, ID 83301	("City")
AND:	**ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Lessee** 800 W Main St, Suite 700 Boise, ID 83702	("Bank")

WHEREAS, City is a municipal corporation operating and existing under and pursuant to the provisions of the Constitution and laws of the state of Idaho (the "State"); and

WHEREAS, Bank is a national banking association, and is entering into this instrument for the purpose of assisting City in obtaining financing for costs associated with a project to be undertaken by City as described below; and

WHEREAS, pursuant to Section 50-301, Idaho Code, City is authorized to acquire, hold, lease, and convey property, real and personal, and to erect buildings or structures of any kind, needful for the uses or purposes of City; and

WHEREAS, City is the owner of that certain real property located in Twin Falls County, Idaho, described in Exhibit A hereto (the "Property"), and all existing improvements thereon and, in furtherance of the project described below, desires to lease the Property to Bank pursuant to the terms of this Primary Lease (this "Primary Lease"); and

WHEREAS, under and pursuant to the Annual Appropriation Trust Indenture dated as of the date hereof (the "Trust Indenture") by and among City, Bank, and Zions Bancorporation, National Association, as trustee (the "Trustee"), the Trustee has determined, at the request of City and the direction of Bank, to issue certificates of participation to finance the costs associated with a project to be undertaken by City as described below, which certificates shall be designated the "City of Twin Falls, Idaho Annual Appropriation Certificates of Participation, Series 2022 (Fire Station No. 2 Project)" and issued in the aggregate principal amount of $___________ (the "Certificates"); and

WHEREAS, the proceeds of the Certificates will be used to finance (i) the costs of preparing, constructing, furnishing, equipping and improving certain real and personal property comprising a new City fire station (Fire Station No. 2) and related facilities on the Property for use by the City (the "Improvements"), as well as (ii) the Costs of Issuance of the Certificates; and

WHEREAS, City and Bank hereby agree to enter into this Primary Lease under the terms of which City leases to Bank and Bank leases from City the Property together with the Improvements to be constructed thereon (the Property and the Improvements collectively referred to herein as the "Facilities"); and

WHEREAS, City and Bank hereby agree to enter into an Annual Appropriation Lease Agreement of even date herewith (the "Appropriation Lease") under the terms of which Bank, as lessor, will lease the Facilities back to City, as lessee, and City will pay lease payments to Bank in an amount sufficient to pay the principal amount of the Certificates plus interest accrued thereon, and premium, if applicable, as the same become due and payable; and

WHEREAS, the Certificates shall be secured by, among other things, the Trust Estate under and as that term is defined in the Trust Indenture; and

WHEREAS, the issuance and delivery of the Certificates and the execution and delivery of this Primary Lease, the Appropriation Lease and the Trust Indenture have been in all respects duly and validly authorized by an ordinance or other official action duly adopted by the City Council of City; and all things necessary to make the Certificates, when authenticated by the Trustee, valid and binding legal obligations and to make this Primary Lease a valid and binding agreement and the pledge of the Trust Estate and revenues made in the Trust Indenture to the payment of the principal of, premium, if any, and interest on the Certificates, have been done.

NOW, THEREFORE, for valuable consideration, including the mutual promises of City and Bank set forth in this Primary Lease, City and Bank agree as follows:

1. Contemporaneous Trust Indenture and Appropriation Lease. This Primary Lease is made and executed contemporaneously with the Trust Indenture and the Appropriation Lease. City and Bank acknowledge that City will be subleasing the Facilities from Bank on an annual basis subject to appropriation and renewal by City pursuant to the Appropriation Lease and Bank and City intend that there be no merger of City's leasehold interest under the Appropriation Lease and its ownership interest so as to cause the cancellation of this Primary Lease. City and Bank further acknowledge that all right, title, and interest (but not the obligations) of Bank under and pursuant to this Primary Lease will be part of the Trust Estate pledged and assigned to the Trustee pursuant to the Trust Indenture and that this Primary Lease shall be subject to the Trust Indenture to the extent, and in the manner, set forth therein.

2. Definitions. Any capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Trust Indenture.

3. Primary Lease. City has fee simple title to the Property, subject only to the Permitted Encumbrances as described in Exhibit C of the Appropriation Lease (hereinafter referred to as "Permitted Encumbrances"). In addition, fee title to the Improvements to be constructed on the Property pursuant to Section 5 hereof, and all additions, alterations and improvements thereto, shall, once constructed, become a part of the Property and shall be and remain in City during the term of this Primary Lease, subject to the leasehold interest granted to Bank hereunder. Title to all personal property pledged as part of the Trust Estate shall be technically held in the City's name for convenience purposes only and, upon an Event of Default or an Event of Nonrenewal, the disposition of such personal property shall, to the extent permitted by law, be governed by the Uniform Commercial Code as adopted in the State.

On the terms and conditions of this Primary Lease, City hereby leases the Facilities to Bank and Bank hereby leases the Facilities from City, subject to any Permitted Encumbrances.

4. Term, Possession and Disposition.

4.1 Term. This Primary Lease has a term commencing on the Effective Date and ending September 30, 2042, unless sooner terminated in accordance with Section 4.3 hereof, or for such longer period until the Certificates are no longer Outstanding and shall have been fully paid and retired, but not exceeding thirty (30) years (the "Term").

4.2 Possession. Subject to the Appropriation Lease, Bank shall have quiet and peaceable possession and enjoyment of the Facilities during the Term.

4.3 Disposition. If the Certificates shall have been fully paid and retired or provision for such payment shall have been made as provided in the Trust Indenture, and all other expenses or sums to which Bank is entitled under this Primary Lease, the Appropriation Lease and the Trust Indenture have been paid, this Primary Lease shall automatically expire without action of the parties; however, Bank agrees to execute an instrument evidencing expiration and/or termination of this Primary Lease. If the Appropriation Lease is terminated based on an Event of Default or an Event of Nonrenewal, Bank shall be entitled to exclusive possession and use of the Facilities until the remaining Term of this Primary Lease expires. Upon completion of any Option to Purchase and notice to Bank as provided for in Article XI of the Appropriation Lease, and so long as the Certificates are no longer Outstanding, this Primary Lease shall automatically expire without further action of the parties.

5. Authority to Develop. City shall, in accordance with its appointment pursuant to Section 4.1 of the Appropriation Lease, undertake the design and construction of the Improvements. City may raze, demolish and remove, in whole or in part, any existing improvements on the Property and construct the Improvements thereon, and make such repair, addition, alteration and improvement thereto as City may deem desirable. City shall not permit any lien to stand against the Facilities for work done or materials furnished by or on behalf of Bank, provided that City may contest the validity of such lien, but upon a final determination of the validity thereof, City shall cause the lien to be satisfied and released of record.

6. Leasehold Interest in the Facilities. Until termination or expiration of this Primary Lease, a leasehold interest in the Facilities shall be vested in Bank and as such leasehold interest is assigned by Bank to the Trustee under the Trust Indenture. City shall, at its own expense, furnish to Bank an original leasehold owner's policy of title insurance (extended coverage) issued of even date herewith in an amount not less than $[. . .] showing that "Zions Bancorporation, National Association, as Lessee, and Zions Bancorporation, National Association, as Trustee under the Trust Indenture," have valid leasehold interests in the Facilities, as their interests may appear of record, subject only to Permitted Encumbrances, with the title policy endorsements required by the Trustee, if any, in connection with the issuance and sale of the Certificates.

7. Rent. During the Initial Term and all Renewal Terms of the Appropriation Lease, no rent shall be payable from Bank to City for the use and enjoyment of the Facilities pursuant to this Primary Lease. Bank and City acknowledge and agree that the mutual promises and covenants contained herein constitute good and valuable consideration for entering into this Primary Lease.

8. Use; Quiet Enjoyment. So long as City's rights of use and enjoyment of the Facilities under the Appropriation Lease are not diminished or adversely affected, Bank may use the Facilities for lawful purposes and, subject to the Permitted Encumbrances and City's interests under the Appropriation Lease, City covenants that Bank shall have the peaceful and quiet enjoyment of the Facilities for the Term of this Primary Lease.

9. Representations by City. City represents and warrants that:

9.1 Authority. City is a municipal corporation organized and operating under the laws of the State and is authorized to enter into the transactions contemplated by this Primary Lease and to carry out its obligations hereunder, and has duly authorized the execution and delivery of this Primary Lease.

9.2 Breach of Terms. Neither the execution and delivery of this Primary Lease, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Primary Lease, conflicts with or results in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which City is now a party or by which it is bound or constitutes a default under any of the foregoing or results in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of City under the terms of any instrument or agreement.

10. Zoning; Building Restrictions. This Primary Lease is subject to all applicable zoning ordinances and restrictions and all limitations of record and is subject to any and all easements for public utilities which may be of record. City warrants that, to the best knowledge of City, such ordinances, restrictions, limitations, and easements do not prevent the use of the Facilities as provided for in the Appropriation Lease.

11. Waste and Nuisance Prohibited. Bank shall not commit, or suffer to be committed, any nuisance or waste on the Facilities.

12. Amendment; Release of Portions of Facilities.

A. Notwithstanding any other provision of this Primary Lease, and subject to the terms of the Trust Indenture, the parties hereto reserve the right at any time and from time to time to amend this Primary Lease for the purpose of effecting the release of and removal from this Primary Lease and the leasehold estate created hereby (i) any part (or interest in such part) of the Facilities with respect to which City proposes to grant an easement to a railroad, public utility or public body in order that railroad, utility services or roads may be provided for the Facilities, or (ii) any unimproved part of the Facilities which City requests to be released from this Primary Lease and the leasehold estate created hereby; provided that there shall be deposited with the Trustee the following:

1. A copy of the said amendment as executed; and

2. A resolution or other official action of the City Council of City (i) stating that City is not in default under any of the provisions of the Trust Indenture, (ii) giving an adequate legal description of that portion of the Facilities to be released, (iii) stating the purpose for which City desires the release, (iv) requesting such release and approving the amendment of this Primary Lease, and (v) stating that City is not in default under this Primary Lease or the Appropriation Lease; and

3. If applicable, a copy of the instrument granting the easement; and

4. A certificate of the Consulting Architect, dated not more than sixty (60) days prior to the date of the release stating that (i) the portion of the Facilities proposed to be released is necessary or desirable in order to obtain railroad, utility services or roads to benefit the Facilities or is not otherwise needed for the operation of the Facilities for the purposes hereinabove stated and (ii) the release proposed to be made will not impair the usefulness of the Facilities and will not destroy the means of ingress thereto or egress therefrom.

Any consideration received by City in connection with the foregoing shall be retained by City. No conveyance or release effected under the provisions of this section shall entitle City to any abatement, postponement, or diminution of the amounts payable under Section 5.3 of the Appropriation Lease.

B. Except as provided by this Section 12, the Appropriation Lease or the Trust Indenture, this Primary Lease may not be amended, changed, modified or altered without the written consent of Bank and City, or terminated prior to the expiration of the Term hereof unless the Lease Payments under the Appropriation Lease have been paid in full or provision has been made for payment thereof in accordance with the provisions of the Trust Indenture.

13. Remedies and Forbearance; Waivers. No delay or omission on the part of City or Bank to exercise any right or power granted herein shall impair any such right or power nor shall such delay or omission be construed as a waiver thereof, and every such right or power may nevertheless be exercised.

14. Costs and Attorney Fees. To the extent allowed by law, in the event a suit, action, arbitration, or other proceeding of any nature whatsoever, including, without limitation, any proceeding under the United States Bankruptcy Code, is instituted, or the services of an attorney are retained, to interpret or enforce any provision of this Primary Lease or with respect to any dispute relating to this Primary Lease, the prevailing party shall be entitled to recover from the losing party its reasonable attorney, paralegal, accountant, and other expert fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith; provided, however, that the Bank shall in no event be liable for any attorneys' fees under this Primary Lease except to the extent such attorneys' fees are incurred as a result of the Bank's willful misconduct or gross negligence. In the event of suit, action, arbitration, or other proceeding, the amount thereof shall be determined by the judge or arbitrator, shall include fees and expenses incurred on any appeal or review, and shall be in addition to all other amounts provided by law.

15. Certification of Compliance with Anti-Boycott Against Israel Act. Bank hereby certifies, pursuant to Section 67-2346, Idaho Code, that Bank, including any wholly owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates of Bank, is not currently engaged in, and will not for the duration of this Primary Lease, engage in, a boycott of goods or services from Israel or territories under its control.

16. Applicable Law. This Primary Lease shall be governed by, and construed in accordance with, the laws of the State.

17. Severability. In the event any provision of this Primary Lease shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Primary Lease.

18. Time is of the Essence. The time of the performance of all of the covenants, conditions, and agreements of this Primary Lease is of the essence.

19. Relationship of Parties. Nothing herein shall be construed so as to constitute a joint venture, partnership or loan between City and Bank.

20. Execution in Counterparts. This Primary Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

21. Recording. City shall cause this Primary Lease and every assignment and modification hereof or an appropriate and sufficient memorandum thereof to be recorded in the office of the recorder of Twin Falls County, Idaho.

[The following page is the signature page.]

IN WITNESS WHEREOF, City and Bank have caused this Primary Lease to be executed by their duly authorized officers effective the date first above written.

CITY:

TWIN FALLS, IDAHO, as Lessor

By: ______________________________
Ruth Pierce, Mayor

Attest: ______________________________
City Clerk

BANK:

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Lessee

By: ______________________________
Vice President, Zions Bank Division

STATE OF IDAHO)
) ss.
County of Twin Falls)

On this _____ day of July, 2022, before me, a Notary Public in and for said State, personally appeared Ruth Pierce and _____________, known or identified to me to be the Mayor and City Clerk, respectively, of the City of Twin Falls, Idaho, the entity that executed the within instrument or the persons who executed the instrument on behalf of said entity, and acknowledged to me that such entity executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

____
Notary Public for Idaho
Residing at _______________________
My commission expires _______________

STATE OF IDAHO)
)ss.
County of Ada)

On this _____ day of July, 2022, before me, a Notary Public in and for said State, personally appeared Jennifer Mabbott, known or identified to me to be a Vice President, Zions Bank Division, Zions Bancorporation, National Association, the entity that executed the within instrument, or the person who executed the instrument on behalf of said entity, and acknowledged to me that such entity executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

____
Notary Public for Idaho
Residing at __________________________
My Commission Expires: ____________________

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY