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05/11/84

RESOLUTION NO. 676

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, APPROVING THE ISSUANCE BY THE REDMOND PUBLIC CORPORATION OF A SUPPLEMENTAL ISSUE OF ITS INDUSTRIAL DEVELOPMENT REVENUE BOND, SERIES 1984, (INTEGRATED CIRCUITS INCORPORATED PROJECT), IN THE AGGREGATE PRINCIPAL AMOUNT OF \$720,000; AND APPROVING THE RESOLUTION OF THE CORPORATION AUTHORIZING SAID BOND, INCLUDING THE SUPPLEMENTAL LOAN AND SECURITY AGREEMENT AND RELATED DOCUMENTS.

WHEREAS, the City of Redmond, Washington, by Ordinance No. 1060, has approved and authorized the creation of the Redmond Public Corporation (the "Public Corporation") as a public corporation of the State of Washington pursuant to the provisions of Chapter 300, Laws of Washington pursuant to the provisions of Chapter 39.84 RCW (the "Act") to act on behalf of the City to issue nonrecourse revenue bonds for the purpose of financing the costs of qualified industrial development facilities within the meaning of the Act, and

WHEREAS, the Public Corporation, by Resolution No. 9 (the "Bond Resolution") adopted on May 3, 1983, authorized the issuance and sale of a certain issue, in the amount of \$3,000,000, of its Industrial Development Revenue Bond (Integrated Circuits Incorporated Project) to be initially issued as a single fully registered Bond No. R-1 (the "Bond") and by the Bond Resolution authorized and approved a Loan Agreement dated as of May 3, 1983, with Integrated Circuits Incorporated (the "Company"), and

WHEREAS, the City Council reviewed the Bond Resolution and by adoption of Resolution No. 647 approved the same and its agreement to issue the Bond upon the terms set

forth therein and in various agreements approved therein in accordance with the Act, and

WHEREAS, the Series 1983 Bond was issued and delivered under date of May 26, 1983, and is now outstanding; and

WHEREAS, the Public Corporation, by Resolution No. 15 (the "Supplemental Bond Resolution") adopted on May 8, 1984, has authorized the issuance and sale of a supplemental issue, in the amount of \$720,000, of its Industrial Development Revenue Bond (Integrated Circuits Incorporated Project) to be initially issued as a single fully registered Bond No. R-1 (the "Bond") and by the Supplemental Bond Resolution has authorized and approved a Supplemental Loan Agreement dated as of May 29, 1984, with Integrated Circuits Incorporated (the "Company"), and

WHEREAS, the Act requires that the governing body of the creating municipality approve the resolution of the Public Corporation authorizing the issuance of bonds approved by the Public Corporation, and

WHEREAS, the City Council has reviewed the Supplemental Bond Resolution and intends, by adoption of this resolution, to approve the same and its agreement to issue the Bond upon the terms set forth therein and in various agreements approved therein in accordance with the Act, and

WHEREAS, the City Council held a public hearing fourteen (14) days after publication of notice in a newspaper in general circulation in the City, and having heard all of those who wished to speak, and having closed said hearing, now, therefore,

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, HEREBY RESOLVE AS FOLLOWS:

Section 1. The issuance of the Bond and the Supplemental Bond Resolution and the agreements and documents

necessary to issue the Bond therein expressed and approved, in the amount and for the purpose therein described and referred to in the preamble of this resolution, are hereby approved in accordance with RCW 39.84.100. A copy of the Supplemental Bond Resolution of the Redmond Public Corporation, Resolution No. 15, is attached hereto and incorporated herein.

Section 2. This resolution shall take effect immediately from and after its adoption and approval as required by law.

RESOLVED this 15th day of May, 1984.

CITY OF REDMOND

Doreen Marchione
MAYOR, DOREEN MARCHIONE

ATTEST/AUTHENTICATED:

Doris A. Schaible
CITY CLERK, DORIS A. SCHAIBLE

FILED WITH THE CITY CLERK: May 15, 1984
PASSED BY THE CITY COUNCIL: May 15, 1984
RESOLUTION NO. 676

REDMOND PUBLIC CORPORATION

RESOLUTION NO. 15

A RESOLUTION of the Board of Directors of the Redmond Public Corporation providing for the issuance and sale by the Redmond Public Corporation of its Industrial Development Revenue Bond, Series 1984 (Integrated Circuits Incorporated Project), in the principal amount of \$720,000, and the loan of the proceeds thereof to Integrated Circuits Incorporated; and authorizing the execution, on behalf of the Redmond Public Corporation of said revenue bond and any documents necessary to its issuance and sale; and amending and supplementing Resolution No. 9 of the Public Corporation.

WHEREAS, the Redmond Public Corporation (the "Public Corporation") by Resolution No. 5 passed on July 27, 1982, declared its intention to issue approximately \$3,700,000 of its bonds for the benefit of Integrated Circuits Incorporated ("ICI"), and to loan the proceeds therefrom to ICI; and

WHEREAS, the Public Corporation by Resolution No. 9, duly adopted on May 3, 1983, and approved by the City of Redmond pursuant to Resolution No. 647, duly adopted on May 24, 1983, authorized the issuance of the \$3,000,000 principal amount Redmond Public Corporation Industrial Development Revenue Bond, Series 1983 (Integrated Circuits Incorporated Project) (the "Series 1983 Bond"); and

WHEREAS, the Series 1983 Bond was issued and delivered under date of May 26, 1983, and is now outstanding; and

WHEREAS, ICI has requested that the remaining \$700,000 in bonds included within the Resolution of Intent and an additional \$20,000 in bonds be issued for the purpose of paying costs of completing the project described in and covered by the Resolution of Intent (the "Project"); and

WHEREAS, ICI has represented to the Public Corporation in the Supplemental Loan Agreement that the scope of the Project has not changed but that additional funds are needed to complete the Project; and

WHEREAS, Section 7 of Resolution No. 9 provides that the Public Corporation may authorize and issue additional series of parity bonds (the "Additional Bonds") pursuant to the terms and conditions set forth therein, and ICI has met all the requirements thereof for issuing Additional Bonds; and

WHEREAS, ICI has met all the requirements of Chapter 300, Laws of 1981 of the Legislature of the State of Washington (Chapter 39.84 RCW) (the "Act"), and the Bylaws and regulations of the Public Corporation to enable the Public Corporation to issue an Additional Bond (the "Series 1984 Bond"), the interest on which will be tax exempt, in the principal amount of \$720,000, to pay the costs of completing the Project; and

WHEREAS, the Public Corporation deems that the proposed Project to be constructed and acquired with the proceeds of the Series 1984 Bond is an "industrial development facility," as defined in the Act, and that the financing of the Project is consistent with the purposes for which this Public Corporation was created; and

WHEREAS, The Idaho First National Bank ("Idaho First," including in such term the assigns thereof), which purchased the Series 1983 Bond, has agreed to purchase the Series 1984 Bond, in the form set forth herein, subject to all the terms and conditions herein and set forth in the Loan Agreement; and

WHEREAS, the Public Corporation has heretofore submitted to the State Department of Commerce and Economic Development a copy of the enabling ordinance and charter of the Public Corporation and a description of the Project and basis for its qualification as an Industrial Development Facility, and the Public Corporation has received notice from said Department that the Project is eligible for financing pursuant to the Act;

NOW, THEREFORE, BE IT RESOLVED BY THE REDMOND PUBLIC CORPORATION, as follows:

Section 1. Definitions. Except as to the term "Public Corporation," which shall be understood herein as referring only to the Redmond Public Corporation, the terms defined in Article I and elsewhere in the Loan and Security Agreement (the "Loan Agreement"), dated as of May 26, 1983 between the Public Corporation and ICI shall, as amended and supplemented by the Supplemental Loan and Security Agreement (the "Supplemental Loan Agreement") dated on or about _____, 1984, between the Public Corporation and ICI, for all purposes of this Supplemental Resolution, be incorporated herein by this reference, and shall have the meanings specified in such places, such definitions to be equally applicable to both the singular and plural forms of any of the defined terms.

Section 2. Authorization and Description of the Series 1984 Bond. The Public Corporation hereby authorizes to be issued, pursuant to the Act, its special obligation revenue bond to be designated as the "Redmond Public Corporation Industrial Development Revenue Bond, Series 1984 (Integrated Circuits Incorporated Project)" (the "Series 1984 Bond"), in the principal amount of \$720,000, dated on or about _____, 1984.

The Series 1984 Bond shall be issued and delivered to Idaho First, as initial Registered Owner, in accordance with the provisions of the Purchase Contract (defined hereafter).

The principal of the Series 1984 Bond shall be payable in quarterly installments on or before the first day of each calendar quarter, commencing July 1, 1984, through July 1, 2003, inclusive, as set forth on the schedule attached as Exhibit C to the Loan Agreement and made a part hereof by this reference. Provided, however, that Idaho First (so long as it is the Registered Owner of the Series 1984 Bond), at its option, may require the payment (a "put") of all of the then unpaid principal of the Series 1984 Bond (without premium or penalty), together with all interest then accrued hereon, on July 1st of the years 1988, 1993 or 1998, upon giving no less than 120 days' advance written notice to the

Public Corporation and to ICI of such put, by registered or certified mail. In the event of such put, ICI may remarket the Series 1984 Bond in accordance with the provisions of Section 4.05 of the Supplemental Loan Agreement.

Interest shall accrue from the date of the Series 1984 Bond on the diminishing principal balance of the Series 1984 Bond, on a fully floating basis (using a 365(6)-day year for the actual number of days outstanding), at a rate equal to 80% of the per annum rate of interest publicly announced from time to time by Seattle-First National Bank as its "prime rate" (the "Prime Rate"), until all principal of and interest on the Series 1984 Bond have been repaid in full; provided, that no such rate of interest shall exceed 15% per annum.

Such accrued interest shall be paid in quarterly installments on or before the 1st day of each calendar quarter, commencing July 1, 1984, until all principal and interest on the Series 1984 Bond have been paid in full. The interest paid on each interest payment date shall be that interest which has accrued for the quarterly period beginning on the sixteenth day of the fourth preceding month through the fifteenth day of the preceding month, except in the case of the final interest payment, which shall include all interest accrued to the date of such final interest payment. The Registered Owner of the Series 1984 Bond shall give oral or written notice to ICI, at least 10 days prior to the date on which any interest payment is due, of the amount of interest which will become due and payable on such date. However, the failure of the Registered Owner of the Series 1984 Bond to give such notice or of ICI to receive such notice shall not excuse ICI from its obligation to make such payment.

The principal of the Series 1984 Bond is subject to prepayment, without prepayment penalty and without limitation as to the minimum amounts paid, at any time at the option of ICI, upon its giving no less than 120 days' advance written notice to the Public Corporation and to the Registered Owner of the Series 1984 Bond by registered or certified mail; provided, however, that any prepayment of principal shall be accompanied by all of the interest then accrued on such principal to the date of prepayment; provided further, that no such advance written notice of prepayment shall be required in certain events described in Section 4.06 of the Supplemental Loan Agreement.

The Series 1984 Bond is transferable only upon execution by the Registered Owner thereof of the assignment appearing thereon and delivery of the Series 1984 Bond by such Registered Owner or his duly authorized attorney to the Public Corporation for entry upon the registry books of the Public Corporation and by surrender of the Series 1984 Bond in exchange for new Series 1984 Bond(s) in the same aggregate principal amount and interest rate, registered as to both principal and interest; provided that the Public Corporation shall not be required to effect, permit or recognize any sale, offer for sale, exchange, transfer, assignment, pledge or hypothecation of the Series 1984 Bond (a) unless it is registered under the Securities Act of 1933 or the Securities Act of Washington; or (b) unless the Registered Owner (or ICI in the event the Series 1984 Bond is remarketed pursuant to Section 4.05 of the Supplemental Loan Agreement) shall have delivered to the Public Corporation an opinion letter of counsel, satisfactory to the Public Corporation in form and substance, to

the effect that such sale, offer for sale, exchange, transfer, assignment, pledge or hypothecation of the Series 1984 Bond does not violate the securities laws of the United States or of any state in which such attempted or effected sale, offer for sale, exchange, transfer, assignment, pledge or hypothecation may have occurred, accompanied by a private placement letter in substantially the same form and containing substantially similar representations as in the private placement letter delivered by Idaho First on the Delivery Date signed by the purchaser, transferee, assignee or pledgee of the Series 1984 Bond.

Section 3. Source of Payment of and Security for the Series 1984 Bond. The principal of and the interest on the Series 1984 Bond shall be payable solely from the sources specified in the Loan Agreement and the Supplemental Loan Agreement, including, but not limited to, the Loan Repayments made by ICI.

The Series 1984 Bond shall not constitute an obligation, either general or special, of the City, nor a general obligation of the Public Corporation. The Registered Owner of the Series 1984 Bond has no right to require the City or the Public Corporation, nor has the City or the Public Corporation any obligation or legal authorization, to levy any taxes or appropriate or expend any of its funds for the payment of the principal thereof or the interest thereon. Said principal and interest are payable solely and only from the sources specified in the Loan Agreement.

The Series 1984 Bond shall be secured in the manner set forth in the Loan Agreement and the Supplemental Loan Agreement.

Section 4. Execution of the Series 1984 Bond. The Series 1984 Bond shall be executed on behalf of the Public Corporation with the manual signatures of its Chairman and Secretary.

In the event that either of the officers who shall have signed the Series 1984 Bond shall cease to be officers of the Public Corporation before such Series 1984 Bond shall have been issued by the Public Corporation, such Series 1984 Bond may, nevertheless, be delivered and issued, and upon such delivery and issue, shall be binding upon the Public Corporation as though those officers who signed the same had continued to be such officers of the Public Corporation. The Series 1984 Bond may be signed on behalf of the Public Corporation by such officer who, at the actual date of execution of such Series 1984 Bond, shall be the proper officer of the Public Corporation, although on the date borne by the Series 1984 Bond such officer shall not have held such office.

Section 5. Ownership of the Series 1984 Bond. The Public Corporation and ICI may deem and treat the Registered Owner of the Series 1984 Bond as the absolute owner of the Series 1984 Bond for the purpose of receiving payment thereof and for all other purposes whatsoever.

Section 6. Form of the Series 1984 Bond. The form of the Series 1984 Bond shall be substantially as follows:

TRANSFER OF THIS BOND IS RESTRICTED AS PROVIDED HEREIN

REGISTERED

REGISTERED

UNITED STATES OF AMERICA

STATE OF WASHINGTON

\$720,000

REDMOND PUBLIC CORPORATION INDUSTRIAL DEVELOPMENT
REVENUE BOND, SERIES 1984

(Integrated Circuits Incorporated Project)

Number:
R-1

Principal Amount:
\$720,000

Registered Owner:

The REDMOND PUBLIC CORPORATION (the "Public Corporation," an authority and instrumentality of and created by the City of Redmond, Washington (the "City"), acknowledges itself indebted and, for value received, promises to pay, solely from the sources described herein, to the Registered Owner set forth above, or registered assigns as herein provided, the principal sum of

SEVEN HUNDRED TWENTY THOUSAND DOLLARS (\$720,000)

and interest thereon, in lawful money of the United States, as set forth hereafter.

The principal of this Series 1984 Bond is payable in quarterly installments on the 1st day of each calendar quarter, commencing July 1, 1984, through July 1, 2003, inclusive, as set forth hereto in Schedule A and incorporated herein by this reference. Provided, however, that Idaho First (so long as it is the Registered Owner of this Series 1984 Bond), at its option, may require the payment (a "put") of all of the then unpaid principal of this Series 1984 Bond (without premium or penalty), together with all interest then accrued hereon, on July 1st of the years 1988, 1993 or 1998, upon giving no less than 120 days' advance written notice to the Public Corporation and to ICI of such put, by registered or certified mail. In the event of such put, ICI may remarket the Series 1984 Bond in accordance with the provisions of Section 4.05 of the Supplemental Loan Agreement.

Interest shall accrue from the date hereof on the diminishing principal balance of this Series 1984 Bond, on a fully floating basis (using a 365(6)-day year for the actual number of days outstanding), at a rate equal to 80% of the per annum rate of interest publicly announced from time to time by Seattle-First National Bank as its "prime rate" (the "Prime Rate"), until all principal of and interest on this Series 1984 Bond have been repaid in full; provided, that no such rate of interest shall exceed 15% per annum.

Such accrued interest shall be paid in quarterly installments on or before the 1st day of each calendar quarter, commencing July 1, 1984, until all principal and interest on this Series 1984 Bond have been paid in full. The interest paid on each

interest payment date shall be that interest which has accrued for the quarterly period beginning on the sixteenth day of the fourth preceding month through the fifteenth day of the preceding month, except in the case of the final interest payment, which shall include all interest accrued to the date of such final interest payment. The Registered Owner of this Series 1984 Bond shall give oral or written notice to ICI, at least 10 days prior to the date on which any interest payment is due, of the amount of interest which will become due and payable on such date. However, the failure of the Registered Owner of this Series 1984 Bond to give such notice or of ICI to receive such notice shall not excuse ICI from its obligation to make such payment.

Notwithstanding the foregoing, in the event of a Determination of Taxability (defined in the Loan Agreement), interest on this Series 1984 Bond shall accrue on the diminishing principal balance of this Series 1984 Bond at a rate equal to the Prime Rate plus 1%, in the same manner, and shall be paid in the same manner and times, as provided herein for accrual and payment of interest prior to a Determination of Taxability.

Principal of and interest on this Series 1984 Bond shall be payable at the principal office of the Registered Owner of this Series 1984 Bond or at such other place as such owner shall designate in written notice given to the Public Corporation and ICI.

The principal of this Series 1984 Bond is subject to prepayment, without prepayment penalty and without limitation as to the maximum amounts paid, at any time at the option of ICI upon its giving no less than 120 days' advance written notice to the Public Corporation and to the Registered Owner of this Series 1984 Bond by registered or certified mail; provided, however, that any prepayment of principal shall be accompanied by all of the interest then accrued on such principal to the date of prepayment; provided further, that no such advance written notice of prepayment shall be required in certain events described in Section 4.06 of the Supplemental Loan Agreement.

In certain events and in the manner set forth in the Loan Agreement, the entire principal amount of this Series 1984 Bond may be declared to be due and payable immediately.

This Series 1984 Bond is a duly authorized special obligation revenue bond of the Public Corporation designated as the "REDMOND PUBLIC CORPORATION INDUSTRIAL DEVELOPMENT REVENUE BOND, SERIES 1984 (Integrated Circuits Incorporated Project)" (the "Series 1984 Bond"), in the principal amount of \$720,000, dated as of _____, 1984.

This Series 1984 Bond is issued pursuant to and in full compliance with Chapter 300, Laws of 1981 of the Legislature of the State of Washington (Chapter 39.84 RCW) (the "Act"), pursuant to Resolution No. ___ of the Public Corporation (the "Resolution"), duly adopted on _____, 1984, approved by Resolution No. _____ of the City, duly adopted on _____, 1984, and other proceedings duly had and taken in conformity therewith. As authorized by the Act, this Series 1984 Bond is issued for the purpose of completing ICI's financing of the industrial development project described in the Series 1983 Bond (defined hereafter).

The Series 1984 Bond is issued as an Additional Bond (defined in the Loan Agreement) on a parity with the \$3,000,000 principal amount "REDMOND PUBLIC CORPORATION INDUSTRIAL DEVELOP-

MENT REVENUE BOND, SERIES 1983 (Integrated Circuits Incorporated Project)," dated as of May 26, 1983 (the "Series 1983 Bond"), issued pursuant to Resolution No. 9 of the Redmond Public Corporation, as amended ("Resolution No. 9"), and any Additional Bonds later issued pursuant to Resolution No. 9.

The principal of and the interest on this Series 1984 Bond are payable solely from the sources specified in that certain Loan and Security Agreement dated as of May 26, 1983 (the "Loan Agreement"), as supplemented and amended by that certain Supplemental Loan and Security Agreement (the Supplemental Loan Agreement") dated as of _____, 1984, between the Public Corporation and ICI, including, but not limited to, the Loan Repayments (defined in the Loan Agreement) of ICI.

This Series 1984 Bond is secured by the nonrecourse assignment of the Public Corporation's rights, title and interests (with certain reservations and exceptions described in the Loan Agreement and the Supplemental Loan Agreement) in, and delegation of the Public Corporation's duties (with certain exceptions) under, the Loan Agreement and the Supplemental Loan Agreement to the Registered Owner of this Series 1984 Bond. Among the interests assigned are a lien on the Project Fund (defined in the Loan Agreement) and a first deed of trust (the "Mortgage") against the Facilities (defined in the Loan Agreement), subject to the parity lien and claim of any Additional Bonds and/or any Parity Debt (defined in the Loan Agreement) later incurred pursuant to Resolution No. 9 and the Loan Agreement and subject only to Permitted Encumbrances (defined in the Loan Agreement). Reference is hereby made to Resolution No. 9 and Resolution No. ___ of the Redmond Public Corporation, the Loan Agreement and the Supplemental Loan Agreement for a description of the representations and the obligations of ICI, the security interests granted by ICI and the remedies of the Registered Owner of this Series 1984 Bond.

This Series 1984 Bond is transferable only upon execution by the Registered Owner hereof of the assignment appearing hereon and delivery of this Series 1984 Bond by such Registered Owner or his duly authorized attorney to the Public Corporation for entry upon the registry books of the Public Corporation, and by surrender of this Series 1984 Bond in exchange for new Series 1984 Bond(s) in the same aggregate principal amount and interest rate, registered as to both principal and interest; provided, that the Public Corporation shall not be required to effect, permit or recognize any sale, offer for sale, exchange, transfer, assignment, pledge or hypothecation of this Series 1984 Bond (a) unless it is registered under the Securities Act of 1933 or the Securities Act of Washington; or (b) unless the Registered Owner (or ICI in the event this Series 1984 Bond is remarketed pursuant to Section 4.05 of the Supplemental Loan Agreement) shall have delivered to the Public Corporation an opinion letter of counsel, satisfactory to the Public Corporation in form and substance, to the effect that such sale, offer for sale, exchange, transfer, assignment, pledge or hypothecation of this Series 1984 Bond does not violate the securities laws of the United States or of any state in which such attempted or effected sale, offer for sale, exchange, transfer, assignment, pledge or hypothecation may have occurred, accompanied by a private placement letter in substantially the same form and containing substantially similar representations as in the private placement letter delivered by the initial Registered Owner of this Series 1984 Bond on the Delivery Date signed by the purchaser, transferee, assignee or pledgee of this Series 1984 Bond.

In case an Event of Default (defined in the Loan Agreement) occurs, the principal of this Series 1984 Bond, the Series 1983 Bond and any Additional Bonds and Parity Debt then outstanding may be declared or may become due and payable prior to the stated maturity hereof and thereof in the manner, with the effect and subject to the conditions provided in the Loan Agreement, but no owner of this Series 1984 Bond, the Series 1983 Bond or any Additional Bond or Parity Debt shall have any right to enforce the provisions of the Loan Agreement or Supplemental Loan Agreement except as provided in the Loan Agreement or Supplemental Loan Agreement.

This Series 1984 Bond does not constitute an obligation, either general or special, of the City, nor a general obligation of the Public Corporation. The Registered Owner of this Series 1984 Bond has no right to require the City or the Public Corporation, nor has the City or the Public Corporation any obligation or legal authorization, to levy any taxes or appropriate or expend any of its funds for the payment of the principal hereof or the interest hereon. Said principal and interest are payable solely and only from the sources specified in the Loan Agreement.

No recourse shall be had for the payment of the principal or the interest on this Series 1984 Bond, or for any claim based thereon or on the Loan Agreement or Supplemental Loan Agreement, against any member or officer, past, present or future, of the City, the City Council or the Public Corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty, or otherwise. All such liability, whether at common law, in equity, by any constitution, statute or otherwise, of members or officers, as such, is hereby released as a condition of and consideration for the execution and delivery of the Supplemental Loan Agreement and the issuance of this Series 1984 Bond.

It is hereby certified that all acts, conditions and things required by the constitution and statutes of the State and required by ordinances of the City to be done, to have happened and to have been performed precedent to and in the issuance of this Series 1984 Bond have been done, have happened and have been performed as required by law, and that the issuance of this Series 1984 Bond and the Bonds does not violate any State, constitutional or statutory limitation, or City limitation, on bonded indebtedness.

IN WITNESS WHEREOF, the Redmond Public Corporation has caused this Series 1984 Bond to be duly executed as of the _____ day of _____, 1984.

REDMOND PUBLIC CORPORATION

By _____
Chairman

By _____
Secretary

ASSIGNMENT

For value received, the undersigned Registered Owner does hereby sell, assign and transfer, without recourse, unto _____ the within mentioned Series 1984 Bond and hereby irrevocably constitutes and appoints _____ to transfer the same on the books of the Redmond Public Corporation, with full power of substitution in the premises.

Dated: _____

Registered Owner

Section 7. Acceleration Prior to Maturity. Upon the occurrence of an Event of Default and in accordance with the provisions of Section 9.02 of the Loan Agreement, the principal amount of the Series 1984 Bond may be declared due and payable immediately.

Section 8. Delivery of the Proceeds of the Series 1984 Bond. The proceeds received from the sale of the Series 1984 Bond shall be lent by the Public Corporation to ICI as provided in Section 4.02 of the Supplemental Loan Agreement, shall be deposited with the Depository Bank pursuant to Section 6.01 of the Supplemental Loan Agreement, to be disbursed solely at the times and in the manner set forth in the Depository Agreement (as supplemented by the Supplemental Depository Agreement among ICI, Idaho First and Seattle-First National Bank, as Depository Bank, which Supplemental Depository Agreement shall be substantially in the form of Exhibit B to the Supplemental Loan Agreement).

Section 9. Nonarbitrage Covenant. The Public Corporation hereby covenants that no part of the proceeds of the Series 1984 Bond or other funds shall be used directly or indirectly to acquire securities or obligations the acquisition of which would cause the Series 1984 Bond to become an "arbitrage bond," as defined in Section 103 of the Internal Revenue Code.

Section 10. Finding as to Tax Exemption. The Public Corporation hereby finds, as required by the Act, that the interest to be paid on the Series 1984 Bond will be, in its opinion, exempt from taxation by the federal government. The finding is made in reliance upon the opinion of Riddell, Williams, Bullitt & Walkinshaw, bond counsel.

Section 11. Finding as to Requirements for Additional Bonds. The Public Corporation hereby finds that ICI has satisfied all of the requirements of Section 7 and Section 8 of Resolution No. 9, as amended for issuing Additional Bonds. This finding is made in reliance upon the Certificate of the Authorized ICI Representative to the effect that ICI has met the requirements set forth in Section 7 and Section 8 of Resolution No. 9, as amended, for the issuance of Additional Bonds, upon the written opinion of Arthur Young & Co. regarding ICI's debt service coverage and upon the Supplemental ALTA extended coverage title insurance policy issued by Transamerica Title Insurance Company.

Section 12. Sale of the Series 1984 Bond. The Series 1984 Bond herein authorized to be issued shall be sold to The Idaho First National Bank in a negotiated sale at a price of 100% of the principal amount thereof on such other terms, in such manner, as set forth in the Purchase Contract, on such date as shall be determined by the Secretary of the Public Corporation.

Section 13. Approval of Documents. The Public Corporation hereby accepts, approves and agrees to all the terms and conditions of the following documents, in substantially the form provided to the Public Corporation on this date, with such additions, deletions and modifications as are deemed by the Secretary of the Public Corporation to be in the best interests of the Public Corporation, which documents authorize, inter alia, the issuance, sale, execution and delivery of the Series 1984 Bond, the loan of the proceeds thereof to ICI for the purpose of providing financing for the Project, and the assignment to the Registered Owner of the Series 1984 Bond of the Public Corporation's rights in various documents as security for the Series 1984 Bond:

(a) The Supplemental Loan Agreement, including the Supplemental Depository Agreement, attached as Exhibit B thereto; the Supplemental Deed of Trust attached as Exhibit A thereto;

(b) The Purchase Contract, dated May 15, 1984, among the Public Corporation, Idaho First and ICI; and

(c) All other certificates, documents and other papers which, in the judgment of the Secretary of the Public Corporation, are necessary to the issuance, sale, execution and delivery of the Series 1984 Bond, the loan of the proceeds thereof to ICI, the completion of the Project and the payment of expenses incurred by the Public Corporation and ICI (from the proceeds of the Series 1984 Bond or otherwise) in issuing the Series 1984 Bond.

Section 14. Authorization to Execute and Deliver Documents and the Series 1984 Bond. The Chairman, the Secretary or any other member of the Public Corporation are hereby authorized and directed to execute, for and on behalf of the Public Corporation, to affix a date thereto and to deliver to the parties entitled thereto executed copies of the same, all of the documents described in Section 11 hereof, with such additions, deletions and modifications as are deemed by such Secretary to be in the best interests of the Public Corporation. The Chairman, the Secretary or any other member of the Public Corporation are further authorized to endorse, for and on behalf of the Public Corporation, to the order of Seattle-First National Bank, in trust, as Depository Bank, without recourse, any and all negotiable instruments made payable to the Public Corporation in payment for the Series 1984 Bond. The Chairman and the Secretary or any other member of the Public Corporation are hereby authorized and directed to execute, for and on behalf of the Public Corporation, the Series 1984 Bond, in substantially the form set forth in this Resolution and in the manner set forth in this Resolution.

Section 15. Amendments to Resolution No. 9.

(a) The third paragraph of Section 2 of Resolution No. 9 is hereby amended to read as follows:

"The principal of the Series 1983 Bond shall be payable in quarterly installments on or before the first day of each calendar quarter, commencing July 1, 1984, through July 1, 2003, inclusive, as set forth on the schedule attached hereto and made a part hereof by this reference. Provided, however, that Idaho First (so long as it is the registered owner of the Series 1983 Bond), at its option, may require the payment (a "put") of all of the then unpaid principal of the Series 1983 Bond (without premium or penalty), together with all interest then accrued hereon, on July 1st of the years 1988, 1993 or 1998, upon giving no less than 120 days' advance written notice to the Public Corporation and to ICI of such put by registered or certified mail. In the event of such put, ICI may remarket the Series 1983 Bond in accordance with the provisions of Section 3.07 of the Loan Agreement."

(b) Subsection (a) of Section 7 of Resolution No. 9 is hereby amended to read as follows:

"(a) To finance or refinance the costs of making Improvements to or acquiring new Industrial Development Facilities (unless the costs to be refinanced were originally paid from the proceeds of a series of Additional Bonds issued and then Outstanding under this Resolution or Parity Debt incurred and then Outstanding as permitted under the Loan Agreement, either of which may only be refinanced pursuant to Section 7(b) hereof) or for completion purposes described in Section 7(c) hereof, where the principal amount of the Additional Bonds for completion purposes exceeds the limitations described in Section 7(c);"

(c) The penultimate paragraph of Section 7 of Resolution No. 9 is hereby amended to read as follows:

"All such Additional Bonds shall have a lien equal in rank to that of the Series 1983 Bond against the Facilities and the Equipment, without preference, priority or distinction because of date of issue. The Series 1984 Bond (but not other Additional Bonds) shall also have a lien equal in rank to the Series 1983 Bond against the Project Fund, without preference, priority or distinction because of date of issue."

Section 16. Severability of Invalid Provisions. If any one or more of the covenants or agreements, or portions thereof, provided in this Resolution shall be contrary to law, then such covenant or covenants, such agreement or agreements or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of the remaining provisions of this Resolution or of the Series 1984 Bond.

Section 17. Section Headings. Any headings preceding the texts of the several sections hereof shall be solely for convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect.

Section 18. Immediate Effect. This Resolution shall take effect immediately on its adoption.

ADOPTED at an open public meeting, held upon notice duly given as required by law, this 8th day of May, 1984.

REDMOND PUBLIC CORPORATION

By (Absent from Meeting)

ROGER I. TREPANIER
Chairman and Director

By

Arnold J. Tomac
ARNOLD J. TOMAC
Director

By

John P. Vache
JOHN P. VACHE
Director

ATTEST:

John D. Wallace
John D. Wallace, Secretary

119Bond:d/jl
5/2/84