

## **RESOLUTION**

**RCCC-2019-004**

### **APPROVAL OF BOND PURCHASE AGREEMENT WITH RBC CAPITAL MARKETS, LLC TO PROVIDE FUNDS FOR A PORTION OF THE COST OF ACQUISITION AND CONSTRUCTION OF CERTAIN CAPITAL IMPROVEMENTS OF INTERMOUNTAIN POWER AGENCY**

On motion of Paul Schultz, seconded by Tessa Haagenson, at an Intermountain Power Project (“IPP”) Renewal Contract Coordinating Committee meeting held on November 25, 2019 the following Resolution was duly adopted:

WHEREAS, Intermountain Power Agency (“IPA”) is a party with the Purchasers (as defined in the Renewal Power Sales Contracts) to those certain Renewal Power Sales Contracts, dated as of January 16, 2017 (collectively, the “Renewal Power Sales Contracts”); and

WHEREAS, IPA is a party with the Original Purchasers (as defined in the Renewal Power Sales Contracts) to the Original Power Sales Contracts (as defined in the Renewal Power Sales Contracts); and

WHEREAS, the Original Coordinating Committee (as defined in the Renewal Power Sales Contracts), by its Resolution No. CC-2019-020, the IPP Renewal Contract Coordinating Committee, by its Resolution No. RCCC-2019-003, and the IPA Board of Directors (the “IPA Board”), by its Resolution No. IPA-2019-021, each such resolution being adopted November 25, 2019, have approved a Gas Repowering Plan of Finance (as defined in such resolutions) that contemplates a Gas Repowering Bridge Financing (as defined in the Gas Repowering Plan of Finance) to finance a portion of the Cost of Acquisition and Construction (as defined in the Original Power Sales Contracts) of the Gas Repowering (as defined in the Original Power Sales Contracts) prior to December 31, 2019 (the “2019 Gas Repowering Bridge Financing”); and

WHEREAS, IPA staff has recommended that IPA undertake the 2019 Gas Repowering Bridge Financing pursuant to its Subordinated Power Supply Revenue Bond Resolution, adopted on March 4, 2004, as supplemented and amended, adopted in accordance with its Power Supply Revenue Bond Resolution adopted September 28, 1978, as supplemented, amended and restated (the “Bond Resolution”); and

WHEREAS, IPA staff solicited proposals from various financial institutions for the 2019 Gas Repowering Bridge Financing and, in consultation with the IPA Finance Committee, has determined that the proposal submitted by RBC Capital Markets, LLC (“Underwriter”) provides the most favorable terms and conditions for the 2019 Gas Repowering Bridge Financing and that it is necessary and desirable and in the best interest of IPA and the Purchasers that IPA obtain the 2019 Gas Repowering Bridge Financing from Underwriter; and

WHEREAS, IPA staff has negotiated a draft of a Bond Purchase Agreement (the “Bond Purchase Agreement”) with Underwriter for purchase and sale of the Drawdown Bonds (as defined in the Bond Purchase Agreement) and a draft of a Bondholder’s Agreement with Royal Bank of Canada, as the representative of the owners of the Drawdown Bonds (together with the Bond Purchase Agreement, collectively, the “RBC Agreements”), to provide for the financing of a portion of the Cost of Acquisition and Construction of certain Capital Improvements (as defined in the Original Power Sales Contracts), where the Gas Repowering is a Capital Improvement, the forms of which were presented to the Original Coordinating Committee and have been submitted to this meeting; and

WHEREAS, Section 15.1.2 of the Renewal Power Sales Contracts requires IPA to obtain the prior approval of the IPP Renewal Contract Coordinating Committee for the issuance of Transition Project Indebtedness (as defined in the Renewal Power Sales Contracts) except for Transition Project Indebtedness (as defined in the Renewal Power Sales Contracts) satisfying the conditions of Section 15.1.2(A) or Section 15.1.2(B) of the Renewal Power Sales Contracts; and

WHEREAS, the RBC Agreements provide that IPA’s obligation to repay the principal of and interest on borrowings made under the RBC Agreements will constitute Subordinated Indebtedness (as defined in the Bond Resolution) secured by a pledge of the Subordinated Indebtedness Debt Service Account (as defined in the Bond Resolution) in the Subordinated Indebtedness Fund (as defined in the Bond Resolution) established pursuant to the Bond Resolution; and

WHEREAS, it is necessary and desirable that IPA’s obligation to repay the principal of and interest on borrowings made under the RBC Agreements constitute Subordinated Indebtedness secured by a pledge of the Subordinated Indebtedness Debt Service Account in the Subordinated Indebtedness Fund; and

WHEREAS, IPA staff has recommended that the IPP Renewal Contract Coordinating Committee approve, and recommend that the IPA Board approve, (a) IPA’s issuance and sale of the Drawdown Bonds on such terms and conditions (i) as may be approved by IPA, in substantially the forms of the drafts of the RBC Agreements presented to the IPA Board on the date of this Resolution and (ii) as shall be set forth in the Tenth Supplemental Subordinated Power Supply Revenue Bond Resolution of IPA referred to below, and (b) IPA’s incurring as Subordinated Indebtedness, and pledging the Subordinated Indebtedness Debt Service Account in the Subordinated Indebtedness Fund to secure, IPA’s obligation to repay the principal of and interest on borrowings made under the RBC Agreements; and

WHEREAS, IPA staff has recommended that the Renewal Contract Coordinating Committee condition the foregoing approvals and recommendations of the Renewal Contract Coordinating Committee on the satisfaction of the following (the “Approval Conditions”): (a) that IPA has received opinions of its bond counsel and its outside general counsel stating that the Drawdown Bonds issued on the terms and conditions of the RBC Agreements constitute Transition Project Indebtedness (as defined in the Original Power Sales Contracts), and (b) that the Original Coordinating Committee and the IPA Board shall have approved the Tenth

Supplemental Subordinated Power Supply Revenue Bond Resolution of IPA, authorizing the issuance, and setting forth the terms and provisions, of the Drawdown Bonds and the Fifty-Ninth Supplemental Power Supply Revenue Bond Resolution of IPA, making certain amendments to the Bond Resolution necessary or desirable in connection with the issuance of the Drawdown Bonds; and

WHEREAS, the IPP Renewal Contract Coordinating Committee has reviewed such recommendations and approvals.

NOW THEREFORE, BE IT RESOLVED, effective upon satisfaction of the Approval Conditions, that the IPP Renewal Contract Coordinating Committee hereby approves, and recommends that the IPA Board approve, the following: (a) IPA's issuance and sale of the Drawdown Bonds on such terms and conditions as may be approved by IPA, in substantially the forms of the drafts of the RBC Agreements presented to the Original Coordinating Committee and the IPP Renewal Contract Coordinating Committee, subject to completion of the RBC Agreements, and with such changes in the RBC Agreements as the officer of IPA executing the same may approve as necessary or desirable and in the best interests of IPA and the Purchasers, such approval to be evidenced conclusively by the execution and delivery of such RBC Agreements by such officer, and (b) IPA's incurring as Subordinated Indebtedness, and pledging the Subordinated Indebtedness Debt Service Account in the Subordinated Indebtedness Fund to secure, IPA's obligation to repay the principal of and interest on borrowings made under the RBC Agreements; and

BE IT FURTHER RESOLVED, that the Chairman is hereby authorized and directed by the IPP Renewal Contract Coordinating Committee to execute this Resolution and to do all things necessary to render the same in full force and effect.

INTERMOUNTAIN POWER PROJECT



CHAIRMAN, RENEWAL CONTRACT  
COORDINATING COMMITTEE

ATTEST:



SECRETARY