

## RESOLUTION NO. 1512

**A RESOLUTION** of Public Utility District No. 1 of Okanogan County, Washington, authorizing the issuance of the District's Electric System Revenue Note in the aggregate principal amount of \$3,667,855 to finance improvements to the District's Electric System; authorizing the funding of the reserve requirement, the execution of the Note and certain documents, and the carrying out of other actions to be taken in connection therewith; and providing the terms of the Note; and approving the sale of the Note to the United States Department of Agriculture, Rural Utilities System in connection with the Broadband Initiatives Program.

**WHEREAS**, Public Utility District No. 1 of Okanogan County, Washington (the "District") owns and operates an electric utility system for the generation, transmission and distribution of electric energy and telecommunications (the "Electric System"); and

**WHEREAS**, the District now has outstanding its Electric System Revenue Bonds, 2002, in the principal amount of \$6,090,000, issued pursuant to Resolution No. 1236 (the "2002 Bonds"); and

**WHEREAS**, the District now has outstanding its Electric System Revenue Bonds, 2003 Series A, in the principal amount of \$4,030,000, issued pursuant to Resolution No. 1253 (the "2003A Bonds"); and

**WHEREAS**, the District now has outstanding its Electric System Revenue Bonds, 2003 Series B (Taxable), in the principal amount of \$4,360,000, issued pursuant to Resolution No. 1253 (the "2003B Bonds"); and

**WHEREAS**, it is in the best interest of the District that the District undertake certain capital improvements to facilities of the Electric System relating to its telecommunications services (the "Broadband Project"); and

**WHEREAS**, to finance costs of the Broadband Project, it is hereby found advisable that the District accept a Broadband Initiatives Program ("BIP") Loan and Grant from the United States Department of Agriculture Rural Utilities Service ("RUS"), issue its electric system revenue note (the "Note"), deliver such Note to RUS, and enter into the Loan/Grant and Security Agreement (as defined in this resolution), all as provided in this resolution; and

**WHEREAS**, the provisions of Resolutions No. 1236 and 1253 permit the District to issue the Note on a parity of lien with the 2002 Bonds, 2003A Bonds and 2003B Bonds if certain conditions are met;

**NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF PUBLIC UTILITY DISTRICT NO. 1 OF OKANOGAN COUNTY, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:**

Section 1. Definitions. As used in this resolution the following words and phrases shall have the meanings set forth below unless the context clearly indicates that another meaning is intended.

“Accreted Value” means, with respect to any Capital Appreciation Bond, as of the time of calculation, the sum of the amounts set forth in the resolution authorizing such bonds as the amounts representing the initial principal amount of such bond plus interest accrued, compounded and unpaid thereon as of the most recent compounding date.

“Annual Debt Service” for any Fiscal Year means the sum of the amounts required to be paid into the Bond Account, in such Fiscal Year, to pay:

- (a) the interest due in such Fiscal Year on all outstanding Parity Bonds, excluding interest to be paid from the proceeds of the sale of bonds and less the federal credit for a portion of interest on any Future Parity Bonds if permitted to be deducted as provided in Sections 10B and 18B; and
- (b) the principal of all outstanding Serial Bonds due in such Fiscal Year; and
- (c) the Sinking Fund Requirement, if any, for such Fiscal Year.

For purposes of this definition, the principal and interest portions of the Accreted Value of Capital Appreciation Bonds becoming due at maturity or by virtue of a sinking fund installment shall be included in the calculation of interest or principal in such manner and during such period as is specified in the resolution authorizing such Capital Appreciation Bonds. In calculating Annual Debt Service for purposes of this subparagraph, if the interest rate on any Parity Bond is other than a fixed rate, the rate used shall be any rate published as The Bond Buyer’s Revenue Bond Index for municipal revenue bonds within the 30 day period prior to the date of such calculation. If such index is no longer published, another nationally recognized index for municipal revenue bonds maturing in 20 to 30 years may be used.

With the consent of the appropriate percentage of Outstanding Parity Bond owners, the District may pass a supplemental resolution supplementing this resolution for the purpose of providing that in calculating the Annual Debt Service, the District may exclude the direct payment the District is expected to receive in respect of any Future Parity Bond for which the federal government will provide the District with a direct payment of a portion of the interest from the interest portion of Annual Debt Service. The owner of the Note by taking and holding the same shall be deemed to have consented to the adoption by the District of such supplemental resolution.

“Bond Account” means the Electric Revenue Bond Account created by Resolution No. 1236.

“Broadband Project” means the capital improvements to the Electric System approved pursuant to Section 2 hereof and financed with proceeds of the Loan and Grant secured by the Note.

“Capital Appreciation Bonds” means Parity Bonds, the interest on which accrues and compounds, payable at maturity or earlier redemption.

“Costs of Maintenance and Operation” means all ordinary operating expenses, and including, but not limited to, costs of purchasing energy, capacity, reserves and services, including from the Wells Project, municipal taxes, and payments by the District in lieu of taxes, and current maintenance expenses, but excluding depreciation, payments for debt service or into reserve accounts, costs of capital additions to or replacements of the Electric System, or any extraordinary operating expenses including but not limited to tort claim judgments or settlements arising from the operation of the Electric System.

“Commission” means the Board of Commissioners as the general legislative authority of the District.

“Construction Account” shall mean the Pledged Deposit Account, as that term is used in the Security Agreement, which is created pursuant to Section 7 of this resolution.

“District” means Public Utility District No. 1 of Okanogan County, Washington, a municipal corporation duly organized and existing under the laws of the State.

“Electric System” or “System” means the generation, distribution and transmission facilities, telecommunications facilities of the District, and any facilities hereafter acquired by the District, but such Electric System shall not include any property and facilities as may hereafter be acquired or constructed and established as a separate utility system not financed from the Gross Revenues except on a basis junior and inferior to the lien on Gross Revenue pledged to pay and secure the Note, the revenue of which separate utility system may be pledged to the payment of revenue obligations issued to purchase, construct, condemn or otherwise acquire such separate utility system.

“Event or Events of Default” means those events described as Events of Default in Section 12.

“Fiscal Year” means the Fiscal Year used by the District at any time. At the time of the adoption of this resolution, the Fiscal Year is the 12 month period beginning January 1 of each year.

“Future Parity Bonds” means any bonds, notes or other obligations of the District issued after the date of issuance of the Note that will have a lien upon the Gross Revenues of the System for the payment of the principal thereof and interest thereon equal to the lien upon the Gross Revenues of the Electric System for the payment of the principal of and interest on the Note.

“Government Obligations” has the meaning given to such term in chapter 39.53 RCW, as the same may be amended from time to time.

“Gross Revenue” means all income and revenues received by the District from the sale of electric energy through the ownership or operation of the Electric System and all other commodities, services and facilities sold, furnished or supplied by the District through the

ownership or operation of the Electric System, together with the investment income earned on money held in any fund or account of the District, including any bond redemption funds and the accounts therein, in connection with the ownership and operation of the Electric System (but exclusive of income derived from investments irrevocably pledged to the payment of any specific revenue bonds of the District, such as bonds refunded or defeased, investment income earned on money in any arbitrage rebate account, grants for capital purposes, assessments in any local utility district and any ad valorem tax revenues).

“Grant” means a grant in the amount of \$5,501,782, described in Section 3.1 of the Security Agreement, compliance with certain grant conditions of which are secured by the Note.

“Loan” means the loan in the amount of \$3,667,855, described in Section 3.1 of the Security Agreement, the repayment of which is secured by the Note.

“Net Revenue” means the excess of Gross Revenue over Costs of Maintenance and Operation, excluding from the computation of Net Revenue (a) any profit or loss derived from the sale or other disposition, not in the ordinary course of business, of properties, rights or facilities of the Electric System and (b) insurance proceeds other than proceeds to replace lost revenue.

“Note” means the \$3,667,855 Electric Revenue Note, 2010 (RUS Broadband Initiatives Project – Washington 1106-A40), which is authorized to be issued by this resolution.

“Outstanding Parity Bonds” means the 2002 Bonds, 2003A Bonds and 2003B Bonds.

“Parity Bonds” means the Outstanding Parity Bonds, the Note and all Future Parity Bonds.

“Permitted Investments” means any investments or investment agreements permitted under the laws of the State as amended from time to time.

“Pledged Deposit Account” means the Construction Account.

“Professional Utility Consultant” means the independent person(s) or firm(s) selected by the District having a favorable reputation for skill and experience with electric systems of comparable size and character to the Electric System in such of the following as are relevant to the purposes for which they are retained: (a) engineering and operations and (b) the design of rates.

“Qualified Insurance” means any noncancelable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies), which insurance company or companies, as of the time of issuance of such policy or surety bond, are rated in one of two highest rating categories by Moody’s and S&P or their comparably recognized business successors.

“Qualified Letter of Credit” means any irrevocable letter of credit issued by a financial institution for the account of the District on behalf of the owners of any Parity Bond, which

institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit, is rated in one of the two highest rating categories by Moody's and S&P or their comparably recognized business successors.

“RUS” means the Rural Utilities Service of the United States Department of Agriculture.

“Registered Owner” means the person in whose name the Note is registered on the Note Register.

“Reserve Account” means the subaccount in the Bond Account created by Section 6.

“Reserve Account Requirement” means with respect to all outstanding Parity Bonds on any date the lesser of (a) 125% of average Annual Debt Service or (b) maximum Annual Debt Service; provided, that at the time of issuance of any series of Parity Bond, the Reserve Account Requirement allocable to a series of Parity Bond shall not exceed 10% of the initial principal amount of that series of Parity Bond. In the case of Capital Appreciation Bonds, the maximum amount of interest thereon shall be calculated to be the maximum annual accretion in value of such Capital Appreciation Bonds from the date of calculation until the final maturity thereof.

“Resource Obligation” means an obligation of the District to pay the following costs associated with a resource from Gross Revenues as (a) Costs of Maintenance and Operation for any month in which any power and energy or other goods and services from such resource were made available to the Electric System during such month (regardless of whether or not the System actually scheduled or received energy from such resource during such month) and (b) at all other times as an indebtedness of the Electric System payable from Gross Revenue on a parity of lien with Parity Bond:

(i) costs associated with the Electric System and any facilities or resources for the generation of power and energy or for the conservation, transformation, transmission or distribution of power and energy or telecommunication services (including any common undivided interest therein) hereafter acquired, purchased or constructed by the District and declared by the Commission to be a separate system, which such costs shall include but are not limited to costs of normal operation and maintenance, renewals and replacements, additions and betterments and debt service on the bonds or other obligations of such separate system but shall exclude costs paid or to be paid from the proceeds of the sale of bonds or other obligations of such separate system, and

(ii) costs associated with the purchase of energy, capacity, capability, reserves, conservation or services under a contract.

“Revenue Fund” means the Electric System Fund of the District.

“S&P” means Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc. or its successor.

“Security Agreement” means the Broadband Initiatives Program Loan/Grant and Security Agreement (Project Designation: Washington 1106-A40), by and between the District and the United States of America, acting through the Administrator of RUS.

“Serial Bonds” means Parity Bonds other than Term Bonds.

“Sinking Fund Requirement” means, for any Fiscal Year, the principal amount and premium, if any, of Term Bonds required to be purchased, redeemed or paid at maturity in such Fiscal Year as established by the resolution of the District authorizing the issuance of such Term Bonds.

“State” means the State of Washington.

“Term Bonds” means Parity Bond the payment of principal of which will be made from mandatory sinking fund redemptions prior to their stated maturity.

“2002 Bonds” mean the District’s Electric System Revenue Bonds, 2002, issued pursuant to Resolution No. 1236 and currently outstanding in the principal amount of \$6,090,000.

“2003A Bonds” mean the District’s Electric System Revenue Bonds, 2003 Series A, issued pursuant to Resolution No. 1253 and currently outstanding in the principal amount of \$4,030,000.

“2003B Bonds” mean the District’s Electric System Revenue Bonds, 2003 Series B (Taxable), issued pursuant to Resolution No. 1253 and currently outstanding in the principal amount of \$4,360,000.

Section 2.     The Broadband Project; Compliance with Parity Conditions.

A.     *Plan and System.* The Commission hereby authorizes the acquisition, development and construction of the improvements and betterments described in Exhibit A, the cost of which will be financed or reimbursed with Loan and Grant proceeds (collectively, the “Broadband Project”). The District may modify details of the Broadband Project as necessary or advisable in the judgment of the Commission, consistent with Broadband Initiatives Program guidelines. Should any part or provision of the Broadband Project be held to be invalid, such holding shall not affect the validity of any other part of the Broadband Project. The estimated cost of the Broadband Project is \$9,169,637, of which approximately \$9,169,637 will be paid from proceeds of the Loan and/or Grant. The Commission hereby finds that it is in the best interests of the District and the users of the Electric System that the District issue the Note for the purpose of providing funds to finance a portion of the costs of the Broadband Project and pay the costs of issuing the Note.

B.     *Compliance with Parity Conditions.* As required by Section 16 of Resolutions No. 1236 and 1253, the Commission hereby finds that on or before the date of issuance of the Note there shall be on file with the District a certificate of the Finance Director demonstrating that during any 12 consecutive calendar months out of the immediately preceding 24 calendar months Net Revenue was at least equal to 1.25 times the maximum Annual Debt Service for the Outstanding Parity Bonds and the Note.

Section 3.     Authorization and Description of Note. The District shall issue and sell the Note in the principal amount of \$3,667,855 to finance a portion of the costs of the Broadband Project and pay costs of issuing the Note. The Note shall be called the Electric Revenue Note,

2010 (RUS Broadband Initiatives Project – Washington 1106-A40). The Note shall be dated its date of delivery to RUS, shall mature, shall bear interest at the rate, shall be payable at the times and under the conditions (including any prepayment or provisions for redemption prior to maturity), all as set forth in the Security Agreement. Both principal of and interest on the Note shall be payable in lawful money of the United States of America by check, warrant, wire transfer or automatic clearinghouse funds, to USDA as provided in the Security Agreement.

Section 4. Form and Execution of Note. The Note shall be in substantially the form described in the Security Agreement and shall be executed on behalf of the District by the President of the Board or General Manager.

Section 5. Revenue Fund. The District covenants that so long as any of the Parity Bonds are outstanding, it will continue to pay into the Revenue Fund all Gross Revenue (exclusive of earnings on money in any arbitrage rebate account or any bond account, which may be retained in such funds and account or transferred to other funds as required by this resolution or other bond resolution).

A. The amounts in the Revenue Fund shall be used only for the following purposes and in the following order of priority:

(i) to pay Costs of Maintenance and Operation and costs associated with a Resource Obligation (to the extent payable as Costs of Maintenance and Operation);

(ii) to make all payments required to be made into the Bond Account for the payment of accrued interest on the next interest payment date;

(iii) to make all payments required to be made into the Bond Account for the payment of the principal amount of Serial Bonds next coming due, and into the Bond Account for the optional redemption of bonds or mandatory redemption of Term Bonds;

(iv) to make all payments required to be made into the Reserve Account in the Bond Account, or to meet a reimbursement obligation with respect to any Qualified Insurance or Qualified Letter of Credit or other credit enhancement device, if so required by resolution of the Commission; and

(v) to make all payments required to be made into any special fund or account created to pay or secure the payment of the principal of and interest on any revenue bonds or other revenue obligations of the District having a lien upon Gross Revenue and money in the Revenue Fund and Bond Account junior to the lien thereon for the payment of the principal of and interest on the Parity Bonds.

B. The principal of and interest on Resource Obligations, not payable as Costs of Maintenance and Operation, shall be paid on a parity with outstanding Parity Bonds as provided in subsections (ii) and (iii) above.

C. After all of the above payments and credits have been made, amounts remaining in the Revenue Fund may be used for any other lawful purpose of the District.

D. The District may create a Rate Stabilization Account within the Revenue Fund. For purposes of calculating the coverage requirement in Section 11B and the Future Parity Bond test in Section 12A(2), there may be added to Net Revenues collected in any Fiscal Year any amount withdrawn from the Rate Stabilization Account in such year and deposited into the Revenue Fund and there shall be subtracted from Net Revenue collected in any Fiscal Year any amount withdrawn from the Revenue Fund and deposited into the Rate Stabilization Account in such year.

Section 6. Bond Account. A special fund of the District, known as the "Electric Revenue Bond Account" (the "Bond Account") has been established by Resolution No. 1236 for the purpose of paying and securing the payment of the principal of, premium, if any, and interest on all Parity Bonds, and for the purpose of retiring such bonds prior to maturity. The Bond Account contains two accounts: the Debt Service Account and the Reserve Account. At the option of the District, separate accounts may be created in the Bond Account for the purpose of paying or securing the payment of the Note or any Future Parity Bonds. The District hereby obligates itself to pay into the Bond Account out of the Gross Revenue certain fixed amounts, without regard to any fixed proportion of such Gross Revenue, sufficient (together with other available funds on hand into the Bond Account) to pay the principal of, premium, if any, and interest on the outstanding Parity Bonds as the same become due and payable.

A. On or prior to the date upon which an installment of interest or principal falls due the District will pay into the Debt Service Account an amount (together with such other money as is on hand and available in such account) equal to the installment of interest, principal or Sinking Fund Requirement then falling due on all outstanding Parity Bonds.

The District may apply the money paid into the Bond Account for credit to the Debt Service Account for the purpose of retiring Term Bonds by the purchase of such bonds at a purchase price (including any brokerage charge) not in excess of the principal amount thereof, in which event the principal amount of such bonds so purchased shall be credited against the next ensuing Sinking Fund Requirement. If, as of any Term Bond maturity date, the principal amount of Term Bonds retired by purchase or redemption exceeds the cumulative amount required to have been redeemed by sinking fund installments on or before such date, then such excess may be credited against the Sinking Fund Requirement for Term Bonds for the following Fiscal Year, or, if determined by resolution of the Commission, may be credited against the Sinking Fund Requirement for any succeeding Fiscal Year.

B. The District hereby covenants that it will calculate the Reserve Account Requirement as of the issuance of the Note, and will, on or before the date of the first draw drawn on the Note, deposit amounts into the Reserve Account sufficient to meet the Reserve Account Requirement. The Reserve Account Requirement may also, at the District's option, be recalculated as of the date of the defeasance of any Parity Bond pursuant to any parity bond resolution, or at any other time. Upon the issuance of any series of Parity Bonds, the District shall recalculate the Reserve Account Requirement, which recalculated Reserve Account Requirement shall become effective as of such date of calculation. The Reserve Account Requirement shall be maintained by such additional payments into the Reserve Account as are hereinafter described until such time as all of the Parity Bonds and the interest thereon are retired and paid. Notwithstanding the provisions of this subsection B, the Commission may provide by



resolution for the District to obtain Qualified Insurance or a Qualified Letter of Credit for specific amounts required to be maintained in the Reserve Account. The face amount of any such Qualified Insurance or Qualified Letter of Credit shall be credited against the amounts required to be maintained in the Reserve Account to the extent that such payments and credits to be made are insured by an insurance company, or guaranteed by a letter of credit from a financial institution. Such Qualified Letter of Credit shall not be cancelable on less than five years' notice. In the event of any cancellation, the Debt Service Reserve Account shall be funded in accordance with the provisions of subsection C hereof providing for payment to the Reserve Account in the event of a deficiency.

Money in the Bond Account may, at the option of the District, be invested as permitted by law in Permitted Investments maturing, or which are retireable at the option of the Registered Owner, prior to the maturity date of the final installment of principal of the bonds payable out of the Bond Account. For the purpose of determining the amount credited to the Reserve Account, obligations in which money in the Reserve Account shall have been invested shall be valued at the market value thereof, plus accrued interest to the date of calculation. The term "market value" shall mean, in the case of securities which are not then currently redeemable at the option of the owner, the current bid quotation for such securities, as reported in any nationally circulated financial journal, and the current redemption value in the case of securities that are then redeemable at the option of the owner. For obligations that mature within six months, the market value shall be the par value thereof. The valuation of the amount in the Reserve Account shall be made by the District as of the close of business on each December 31 (or on the next preceding business day if December 31 does not fall on a business day) and may be made on any other date.

If the valuation of the amount in the Reserve Account shall be less than the Reserve Account Requirement as in effect on such date of valuation, the District shall credit to the Reserve Account on or before the 25<sup>th</sup> day of each of the six succeeding calendar months one-sixth of the amount necessary to make the valuation of the amount in the Reserve Account equal to 100% of the Reserve Account Requirement. If the valuation of the amount in the Reserve Account shall be greater than 100% of the Reserve Account Requirement, the District may withdraw the interest earned on the amounts credited to the Reserve Account and the difference between the amount in the Reserve Account and the Reserve Account Requirement and deposit it into the Revenue Fund.

C. In the event there shall be insufficient funds in the Debt Service Account for the purpose of meeting the next maturing installments of principal and interest and premiums, if any, at or prior to the time upon which any interest, principal or premium, if any, is to become due with respect to the Note and any then outstanding Parity Bonds, the District shall make up any such deficiency from the Reserve Account by the withdrawal of cash, and, if necessary, by sale or redemption of any authorized investments in such amount as will provide cash in the Reserve Account sufficient to make up any such deficiency. Any reduction in the Reserve Account by reason of any such withdrawal shall be made up from money in the Revenue Fund first available after making the current specified payments into the Debt Service Account and after paying and making necessary provision for the payment of Costs of Maintenance and Operation. If a deficiency still exists immediately prior to an interest payment date and after the withdrawal of cash, the District shall then draw from any Qualified Letter of Credit or Qualified

Insurance. Such draw shall be made at such times and under such conditions as the agreement for Qualified Letter of Credit or Qualified Insurance shall provide. The District shall pay any reimbursement obligation as a result of a draw under a Qualified Letter of Credit or Qualified Insurance from the Revenue Fund.

Whenever the assets of the Bond Account, including the Reserve Account, are sufficient to provide money to pay any Parity Bonds then outstanding, no payments need be made into the Bond Account during any period in which such excess continues.

Section 7. Pledged Deposit Account. There is hereby created a special account of the District within the Revenue Fund to be known as the "Pledged Deposit Account, 2010 (BIP)" (the "Construction Account"). All proceeds of the Loan and Grant shall be deposited into the Construction Account and shall remain in the Construction Account and be used only for the acquisition, installation and construction of the Broadband Project. Costs of issuing the Note may be paid out of the Construction Account if permitted by BIP guidelines and, if not, shall be paid from other funds of the District available for such purpose.

Section 8. Security for Parity Bonds; Additional Security for the Note. All Parity Bonds are special limited obligations of the District payable from and secured solely by Net Revenue, and by other money and assets specifically pledged hereunder for the payment thereof. There are hereby pledged as security for the payment of the principal of, premium, if any, and interest on all Parity Bonds: (i) the Net Revenue and (ii) the money and investments, if any, credited to the Revenue Fund, the Bond Account, and the income therefrom.

In addition, the amounts on deposit in the Construction Account, until needed to pay costs of the Broadband Project and costs of issuance of the Note, is hereby pledged as security for the payment of the principal of and interest on and for performance of obligations under the Security Agreement. The pledge of the amounts held in the Construction Account, pending their expenditure as described above, is declared to be a prior lien and charge on such account, superior to all other liens and charges of any kind or nature whatsoever.

The Net Revenue and other money hereby pledged shall be subject immediately to the lien of this pledge without any physical delivery or further act, and the lien of this pledge shall be binding as against all parties having claims of any kind in tort, contract or otherwise against the District regardless of whether such parties have notice thereof.

The pledge of the Gross Revenue to pay Parity Bonds is hereby declared to be a prior lien and charge on the Gross Revenue superior to all other liens and charges of any kind or nature, subject to prior application for the payment of Costs of Maintenance and Operation and payments associated with Resource Obligations in any month in which any power and energy or other goods and services from such resources were made available to the System during such month (regardless of whether or not the Electric System actually scheduled or received energy from such resource during such month). At all other times such Resource Obligation shall be an obligation payable from Gross Revenue on a parity of lien with any Parity Bond.

Neither the Note nor any Parity Bonds shall in any manner or to any extent constitute general obligations of the District or of the State, or any political subdivision of the State, or a

charge upon any general fund or upon any money or other property of the District or of the State, or of any political subdivision of the State, not specifically pledged thereto by this resolution.

Section 9. General Covenants. The District covenants with the owner of the Note as follows:

A. The District shall establish, maintain and collect rates or charges for electric energy sold through the ownership or operation of the Electric System, and all other commodities, services and facilities sold, furnished or supplied by the District in connection with the ownership or operation of the Electric System that shall be fair and nondiscriminatory and adequate to provide Gross Revenue sufficient for the payment of the principal of and interest on all outstanding Parity Bonds and all payments that the District is obligated to set aside in the Bond Account, and for the proper operation and maintenance of the Electric System, and all necessary repairs, replacements and renewals thereof, the working capital necessary for the operation thereof, and for the payment of all amounts that the District may now or hereafter become obligated to pay from the Gross Revenue.

B. Such rates or charges shall be sufficient to provide Net Revenue in any Fiscal Year hereafter in an amount equal to at least 1.25 times the Annual Debt Service in such Fiscal Year on all outstanding Parity Bonds (the "Coverage Requirement"). The failure to collect Net Revenue in any Fiscal Year sufficient to comply with this covenant shall not constitute an Event of Default if the District, before the 90<sup>th</sup> day of the following Fiscal Year, both (1) employs a Professional Utility Consultant to recommend changes in the District's rates that are estimated to produce Gross Revenue sufficient (once the rates recommended by the Professional Utility Consultant have been imposed by the District) to meet the requirements of this section; and (2) imposes rates at least as high as those recommended by such Professional Utility Consultant at the time or times so recommended.

C. The District will maintain the Electric System in good repair, working order and condition, and will make all necessary and proper repairs, renewals, replacements, extensions and betterments thereto so that at all times the business carried on in connection therewith shall be properly and advantageously conducted, and the District will at all times operate the Electric System and the business in connection therewith in an efficient manner and at reasonable cost.

D. The District will not sell, mortgage, lease or otherwise dispose of or encumber all or any portion of the Electric System properties, or permit the sale, mortgage, lease or other disposition thereof, except as hereinafter provided in this subsection D:

(1) The District may sell, lease or otherwise dispose of all or substantially all of the Electric System, provided that simultaneously with such sale, lease or other disposition, the District shall cause the Note to be, or deemed to be, no longer outstanding.

(2) Except as provided in the last paragraph of this subsection (2), the District will not sell, mortgage, lease or otherwise dispose of any part of the System with a book value in excess of 5% of the book value of the Electric System in service unless prior to such sale, mortgage, lease or other disposition:

(i) there shall have been filed with the District a certificate of a Professional Utility Consultant stating that such sale, mortgage, lease or other disposition will not impair the ability of the District to comply with the covenants set forth in subsections A and B; or

(ii) provision is made for the payment, redemption, retirement or defeasance of a principal amount of Parity Bond equal to the greater of the following amounts:

(A) an amount that will be in the same proportion of the net principal amount of Parity Bond then outstanding (defined as the total principal amount of such bonds then outstanding less the amount of cash and investments in the Bond Account) that the Gross Revenues attributable to the part of the Electric System sold or disposed of for the 12 preceding months bear to the total Gross Revenues for such period; or

(B) an amount which will be in the same proportion to the net principal amount of Parity Bond then outstanding that the book value of the part of the System sold or disposed of bears to the book value of the entire Electric System immediately prior to such sale or disposition.

The District may dispose of any part of the Electric System that shall have become unserviceable, inadequate, obsolete or unfit to be used in the operation of the Electric System, or no longer necessary, material to or useful in such operation. The proceeds of any such sale or disposition pursuant to this section shall be paid into the Bond Account for credit to the Reserve Account to the extent of any deficiency in such Reserve Account, and the balance of such proceeds, if any, shall be deposited in the Revenue Fund. This covenant shall not apply to sales of output of the Electric System.

E. The District will keep the works, plants, properties and facilities comprising the Electric System insured, and will carry such other insurance, with responsible insurers, with policies payable to the District, against risks, accidents or casualties, at least to the extent that insurance is usually carried by municipal corporations operating like properties; provided, however, that the District may, if deemed necessary and advisable by the Commission, institute or continue a self-insurance program with respect to any or all of the aforementioned risks.

F. The District shall keep proper books of account in accordance with the rules and regulations prescribed by the Division of Municipal Corporations of the State Auditor's Office, or other State department or agency succeeding to such duties of the State Auditor's office.

G. Except as permitted or required by law, the District will not furnish or supply or permit the furnishing or supplying of electric energy in connection with the operation of the Electric System, free of charge to any person, firm or corporation, public or private, so long as any Parity Bonds are outstanding and unpaid; provided, that, to the extent permitted by law, the District may lend money and may provide commodities, services or facilities free of charge or at a reduced charge in connection with a plan of conservation of electric energy adopted by the Commission or to aid the poor, infirm or elderly.

Section 10. Future Parity Bonds. The District covenants with the owner of the Note for as long as the same remains outstanding as follows:

A. It will not issue any bonds or other obligations on a parity of lien with the Note, except, upon the conditions hereinafter provided, the District reserves the right to issue Future Parity Bond and to incur Resource Obligations and obligations under reimbursement agreements. Future Parity Bonds may be issued for any lawful purpose of the District, including but not limited to, acquiring, constructing and installing additions, betterments and improvements to and extensions of, acquiring necessary equipment for, or making necessary renewals, replacements or repairs and capital improvements to the System.

The District covenants that Future Parity Bonds shall be issued only upon compliance with the following conditions:

(1) That at the times of the issuance of such Future Parity Bonds there is no deficiency in the Bond Account or in any of the accounts therein.

(2) That the annual average of the Net Revenue of the Electric System for any 12 consecutive months out of the 24 months next preceding the issuance of the Future Parity Bonds will equal at least 1.25 times the maximum Annual Debt Service required to be paid in any Fiscal Year thereafter on all Parity Bonds.

For the purposes of this subparagraph (2), the "Net Revenue of the Electric System" may be adjusted as follows:

(i) To include a full 12 months of Net Revenue from any customers added during the 12-month period being considered.

(ii) To include the annual estimated Net Revenue to be received from existing dwelling units and commercial establishments as a result of any additions, betterments and improvements to and extensions of the Electric System to be acquired, constructed or installed by the District from the proceeds of the Future Parity Bonds to be issued.

(iii) To include the additional Net Revenue that would have been received by the District if any rate change adopted prior to the delivery of the Future Parity Bonds, but subsequent to the beginning of the 12-month period being considered, had been in force during the full 12-month period.

(3) That at or prior to the time of the issuance of such Future Parity Bonds the District shall obtain and have on file a certificate from a Professional Utility Consultant which shall certify full compliance with condition (2) of this subsection A, and such certificate shall be conclusive of compliance with the conditions required therein. Such certificate shall have attached thereto financial statements of the District for the period upon which the same is based and audits by the Division of Municipal Corporations of the State Auditor's Office or from an independent certified public accountant for as many fiscal years, if any, within such period as such audits have been made and completed.

If the requirements of condition 2 of this subsection A can be met without making any adjustment pursuant to subparagraphs (i) and (ii) above, such certificate may, at the District's option, be provided by the District's Director of Finance or Treasurer.

(4) That the resolution authorizing the issuance of the Future Parity Bonds shall require that there shall be paid into the Reserve Account in the Bond Account either:

(i) at the time of issuance of such Future Parity Bonds from the proceeds of such Future Parity Bond, or

(ii) at the time of issuance of such Future Parity Bonds, at the election of the District, out of any other funds of the District available for such purpose and paid into the Reserve Account, an amount such that the balance in the Reserve Account will (together with funds in the account or to be paid therein pursuant to any resolution authorizing other Parity Bonds) equal the Reserve Account Requirement. The amounts required to be deposited in the Reserve Account shall be maintained and recalculated in the same fashion as provided in Section 6B.

B. In the event that any Future Parity Bonds are issued for the sole purpose of exchanging with or providing funds to purchase or refund or redeem and retire at or prior to their maturity any or all outstanding Parity Bonds and the issuance of such refunding Future Parity Bonds and retirement of outstanding bonds and such refunding Future Parity Bonds will not require a greater amount (except as necessary to round out maturities to the nearest \$5,000) to be paid in any Fiscal Year thereafter as Annual Debt Service than would have been required to be paid in the same Fiscal Year for Annual Debt Service on the bonds being refunded, then subsections A(2) and A(3) need not be complied with to permit such refunding Future Parity Bonds to be issued, although the provisions of subsections A(1) and A(4) must still be complied with.

C. Nothing in this resolution shall prevent the District from entering into contracts to purchase energy, capacity, capability, reserves, conservation or services or from authorizing and issuing bonds, notes, certificates or other obligations or evidences of indebtedness other than bonds, to acquire or construct facilities or resources for the generation of power and energy, or for the conservation, transformation or transmission of power and energy, and any incidental properties to be constructed or acquired in connection therewith, which facilities or resources shall be a separate system and which contractual obligations, bonds or other obligations or evidences of indebtedness shall be payable solely from the revenues or other income derived from the ownership or operation of such separate system. Costs associated with any such contracts or separate system may be declared by resolution of the Commission to be a Resource Obligation of the Electric System provided that the following requirements shall be met at the time of such declaration:

(1) No Event of Default with respect to any Parity Bond or Resource Obligations has occurred and is continuing.

(2) There shall have been filed with the District a certificate of the Professional Utility Consultant stating that the additional source of power and energy or

conservation from such Resource Obligation is consistent with sound utility power supply planning.

(3) There shall have been filed with the District a report of the Professional Utility Consultant stating that estimated annual Net Revenue for the second full Fiscal Year after the date of initial operation of the facilities, costs of which are to be financed as a Resource Obligation, or after the date of first delivery of energy, capacity, reserves or services pursuant to a contract, costs of which are declared to be a Resource Obligation, as the case may be, shall be at least equal to 125% of maximum Annual Debt Service in any future Fiscal Year. In estimating Net Revenue, the Professional Utility Consultant shall base such estimate on factors the Professional Utility Consultant deems to be reasonable and shall treat the costs of the Resource Obligation as Costs of Maintenance and Operation.

(4) In the event that the Resource Obligation is a contract to purchase energy, capacity, reserves or services, there shall have been filed with the District opinions of counsel to all other parties to the contract which opinions state that each such party to such contract has all requisite right, power and authority to execute and deliver such contract and to perform its obligations thereunder and that such contract constitutes a legally valid and binding obligation of such party thereto.

(5) The Resource Obligations shall not be subject to acceleration if an event of default has occurred.

D. (1) In the event that the District elects to meet the requirements of Section 6B hereof with respect to the Reserve Account as to any issue of bonds through the use of a Qualified Letter of Credit or Qualified Insurance, the District may contract with the person providing such Qualified Letter of Credit or Qualified Insurance that the District's reimbursement obligation, if any, to such entity ranks on a parity of lien with payments into the Reserve Account to secure the bonds.

(2) In the event that the District elects additionally to secure any issue of variable rate bonds through the use of a letter of credit, insurance or other credit enhancement device, the District may contract with the entity providing such letter of credit, insurance or other credit enhancement device that the District's reimbursement obligation, if any, to such entity ranks on a parity of lien with the bonds; provided that the payments due under such reimbursement obligation are such that if such reimbursement obligation were a series of Future Parity Bond and assuming that such credit enhancement device were to be drawn upon for the full amount available, such Future Parity Bond could be issued in compliance with the provisions of Section 10.

#### Section 11. Restrictions on Contracting of Obligations Secured by Revenues.

A. The District will not hereafter issue any bonds or other obligations or create any additional indebtedness which will have a lien and charge on the Gross Revenue and funds of the Electric System prior to the lien and charge thereon established by this resolution.

B. The District may issue bonds, notes, or other obligations payable from and secured by a lien on the Gross Revenue and funds of the Electric System that is junior to the lien on such Gross Revenue.

Section 12. Events of Default. The District hereby covenants with the owner of the Note that the following shall constitute "Events of Default":

(1) If default shall be made in the punctual payment of the principal of and premium, if any, on any of the Parity Bonds when the same shall become due, either at maturity or by proceedings for mandatory redemption or otherwise;

(2) If default shall be made in the punctual payment of any installment of interest on any Parity Bond;

(3) If the District shall default in the observance and performance of any other of the covenants on the part of the District contained in this resolution and such default or defaults shall have continued for a period 90 days after the District shall have received from the Bondowners Trustee or from the Registered Owners of not less than 20% in principal amount of Parity Bonds outstanding, a written notice specifying and demanding the cure of such default;

(4) If an order, judgment or decree shall be entered by any court of competent jurisdiction: (a) appointing a receiver, trustee or liquidator for the District or the whole or any substantial part of the Electric System; (b) approving a petition filed against the District seeking the bankruptcy, arrangement or reorganization of the District under any applicable law of the United States or the State; or (c) assuming custody or control of the District or of the whole or any substantial part of the Electric System under the provisions of any other law for the relief or aid of debtors and such order, judgment or decree shall not be vacated or set aside or stayed (or, in case custody or control is assumed by said order, such custody or control shall not be otherwise terminated) within 60 days from the date of the entry of such order, judgment or decree; or

(5) If the District shall: (a) admit in writing its inability to pay its debts generally as they become due; (b) file a petition in bankruptcy or seeking a composition of indebtedness under any state or federal bankruptcy or insolvency law; (c) make an assignment for the benefit of its creditors; (d) consent to the appointment of a receiver of the whole or any substantial part of the Electric System; or (e) consent to the assumption by any court of competent jurisdiction under the provisions of any other law for the relief or aid of debtors of custody or control of the District or of the whole or any substantial part of the Electric System.

Section 13. Bondowners' Trustee. So long as such Event of Default has not been remedied, a bondowners' trustee (the "Bondowners' Trustee") may be appointed by the Registered Owners of 25% in principal amount of the Parity Bonds, by an instrument or concurrent instruments in writing signed and acknowledged by such Registered Owners of the Parity Bond or by their attorneys-in-fact duly authorized and delivered to such Bondowners' Trustee, notification thereof being given to the District. That appointment shall become effective immediately upon acceptance thereof by the Bondowners' Trustee. Any Bondowners' Trustee appointed under the provisions of this section shall be a bank or trust company organized under



the laws of the State of New York or a national banking association. The bank or trust company acting as Bondowners' Trustee may be removed at any time, and a successor Bondowners' Trustee may be appointed, by the Registered Owners of a majority in principal amount of the Parity Bonds, by an instrument or concurrent instruments in writing signed and acknowledged by such Registered Owners of the bonds or by their attorneys in fact duly authorized. The Bondowners' Trustee may require such security and indemnity as may be reasonable against the costs, expenses and liabilities that may be incurred in the performance of its duties.

In the event that any Event of Default in the sole judgment of the Bondowners' Trustee is cured and the Bondowners' Trustee furnishes to the District a certificate so stating, that Event of Default shall be conclusively deemed to be cured and the District, the Bondowners' Trustee and the owners of the Parity Bonds shall be restored to the same rights and position they would have held if no Event of Default had occurred.

The Bondowners' Trustee appointed in the manner herein provided, and each successor thereto, is declared to be a trustee for the owners of all the Parity Bond and is empowered to exercise all the rights and powers herein conferred on the Bondowners' Trustee.

Section 14. Suits at Law or in Equity. Upon the happening of an Event of Default and during the continuance thereof, the Bondowners' Trustee may, and upon the written request of the Registered Owners of not less than 25% in principal amount of the Parity Bonds outstanding shall, take such steps and institute such suits or other proceedings, all as it may deem appropriate for the protection and enforcement of the rights of the Registered Owners of the Parity Bond, to collect any amounts due and owing to or from the District, or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement or condition contained in this resolution or in any of the Parity Bonds.

Nothing contained in this section shall, in any event or under any circumstance, be deemed to authorize the acceleration of maturity of principal on the Parity Bonds, and the remedy of acceleration is expressly denied to the owners of the Parity Bonds under any circumstances including, without limitation, upon the occurrence and continuance of an Event of Default.

Any action, suit or other proceedings instituted by the Bondowners' Trustee hereunder shall be brought in its name as trustee for the Bondowners and all such rights of action upon or under any of the Parity Bonds or the provisions of this resolution may be enforced by the Bondowners' Trustee without the possession of any of those Parity Bonds and without the production of the same at any trial or proceedings relative thereto except where otherwise required by law. Any such suit or proceeding instituted by the Bondowners' Trustee shall be brought for the ratable benefit of all of the Registered Owners of those Parity Bonds, subject to the provisions of this resolution. The respective owners of the Parity Bonds, by taking and holding the same, shall be conclusively deemed irrevocably to appoint the Bondowners' Trustee the true and lawful trustee of the respective owners of those Parity Bonds, with authority to institute any such suit or proceeding; to receive as trustee and deposit in trust any sums becoming distributable on account of those Parity Bonds; to execute any paper or documents for the receipt of money; and to do all acts with respect thereto that the Registered Owner himself or herself might have done in person. Nothing herein shall be deemed to authorize or empower the

Bondowners' Trustee to consent to accept or adopt, on behalf of any Registered Owner of the Parity Bonds, any plan of reorganization or adjustment affecting the Parity Bonds or any right of any Registered Owner thereof, or to authorize or empower the Bondowners' Trustee to vote the claims of the owners thereof in any receivership, insolvency, liquidation, bankruptcy, reorganization or other proceeding to which the District is a party.

Section 15. Application of Money Collected by Bondowners' Trustee. Any money collected by the Bondowners' Trustee at any time pursuant to this resolution shall be applied in the following order of priority:

(1) first, to the payment of the charges, expenses, advances and compensation of the Bondowners' Trustee and the charges, expenses, counsel fees, disbursements and compensation of its agents and attorneys; and

(2) second, to the payment to the persons entitled thereto first of required interest and then of unpaid principal amounts on any Parity Bond which shall have become due (other than Parity Bond previously called for redemption for the payment of which money is held pursuant to the provisions hereto), whether at maturity or by proceedings for redemption or otherwise, in the order of their due dates and, if the amount available shall not be sufficient to pay in full the principal amounts due on the same date, then to the payment thereof ratably, according to the principal amounts due thereon to the persons entitled thereto, without any discrimination or preference.

Section 16. Duties and Obligation of Bondowners' Trustee. The Bondowners' Trustee shall not be liable except for the performance of such duties as are specifically set forth herein. During an Event of Default, the Bondowners' Trustee shall exercise such of the rights and powers vested in it hereby, and shall use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. The Bondowners' Trustee shall have no liability for any act or omission to act hereunder except for the Bondowners' Trustee's own negligent action, its own negligent failure to act or its own willful misconduct. The duties and obligations of the Bondowners' Trustee shall be determined solely by the express provisions of this resolution, and no implied powers, duties or obligations of the Bondowners' Trustee shall be read into this resolution.

The Bondowners' Trustee shall not be required to expend or risk its own funds or otherwise incur individual liability in the performance of any of its duties or in the exercise of any of its rights or powers as the Bondowners' Trustee, except as may result from its own negligent action, its own negligent failure to act or its own willful misconduct.

The Bondowners' Trustee shall not be bound to recognize any person as a Registered Owner of any Parity Bond until his title thereto, if disputed, has been established to its reasonable satisfaction.

The Bondowners' Trustee may consult with counsel and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The Bondowners'

Trustee shall not be answerable for any neglect or default of any person, firm or corporation employed and selected by it with reasonable care.

Section 17. Suits by Individual Bondowners Restricted. Neither the Registered Owner nor the Beneficial Owner of any one or more of Parity Bonds shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of same unless:

- (1) an Event of Default has happened and is continuing; and
- (2) a Bondowners' Trustee has been appointed; and
- (3) such owner previously shall have given to the Bondowners' Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted; and
- (4) the Registered Owners of 25% in principal amount of the Parity Bonds, after the occurrence of such Event of Default, has made written request of the Bondowners' Trustee and have afforded the Bondowners' Trustee a reasonable opportunity to institute such suit, action or proceeding; and
- (5) there have been offered to the Bondowners' Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; and
- (6) the Bondowners' Trustee has refused or neglected to comply with such request within a reasonable time.

No Registered Owner or beneficial owner of any Parity Bonds shall have any right in any manner whatever by his action to affect or impair the obligation of the District to pay from the Net Revenue the principal of and interest on such Parity Bonds to the respective owners thereof when due.

Section 18. Amendments.

A. The Commission may adopt a resolution or resolutions supplemental hereof, which resolution or resolutions thereafter shall become a part of this resolution, for any one or more or all of the following purposes:

(1) To add to the covenants and agreements of the District in this resolution, other covenants and agreements thereafter to be observed, that shall not adversely affect the interests of the owners of any Parity Bond, or to surrender any right or power herein reserved.

(2) To make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this resolution or any resolution authorizing Future Parity Bonds in regard to matters or questions arising under such resolutions as the Commission may deem necessary or desirable and not inconsistent with

such resolutions and that shall not adversely affect, in any material respect, the interest of the owners of Parity Bonds.

Any such supplemental resolution may be adopted without the consent of the owners of any Parity Bond at any time outstanding, notwithstanding any of the provisions of subsection B of this section.

B. With the consent of the owners of not less than 51% in aggregate principal amount of the Parity Bonds at the time outstanding, the Commission may pass a resolution or resolutions supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this resolution or of any supplemental resolution; provided, however, that no such supplemental resolution shall:

(1) Extend the fixed maturity of any Parity Bond, or reduce the rate of interest thereon, or extend the time of payment of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the holder of each bond so affected; or

(2) Reduce the percentage of bondowners required to approve any such supplemental resolution, without the consent of owners of all of the Parity Bonds then outstanding.

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

C. Upon the adoption of any supplemental resolution pursuant to the provisions of this section, this resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the District under this resolution and all owners of Parity Bonds outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all terms and conditions of any such supplemental resolution shall be deemed to be part of the terms and conditions of this resolution for any and all purposes.

Section 19. Execution and Delivery of Note and Security Agreement; General Authorization. The Commission finds that the Security Agreement that has been distributed to the Commission by RUS is reasonable and that it is in the best interest of the District that the Note be delivered to RUS on the conditions set forth in the Security Agreement. The District authorizes the District's Manager, Director of Finance, Treasurer, or Auditor to execute the Security Agreement and deliver it to RUS. The District's Manager, Director of Finance, Treasurer, Auditor and other appropriate officers of the District are authorized to take any actions and to execute such documents as in their judgment may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by, this resolution. All acts taken pursuant to the authority of this resolution but prior to its effective date are hereby ratified.

Section 20. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall

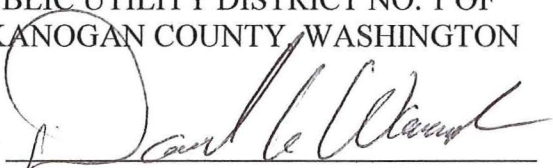
be deemed separable from the remaining provision of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Note.

Section 21. Effective Date. This resolution shall take effect immediately after its adoption.

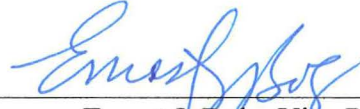
ADOPTED AND APPROVED by the Board of Commissioners of Public Utility District No. 1 of Okanogan County, Washington, at a meeting this 10th day of September, 2010.

PUBLIC UTILITY DISTRICT NO. 1 OF  
OKANOGAN COUNTY, WASHINGTON

By



David A. Womack, President



Ernest J. Bolz, Vice President



Trish Butler, Secretary

ATTEST:



Michael Howe, Legal Counsel

CERTIFICATE

I, the undersigned, Secretary of the Board of Commissioners of the Public Utility District No. 1 of Okanogan County, Washington, and keeper of the records of the Commission (herein called the "Commission"), DO HEREBY CERTIFY:

1. That the attached is a true and correct copy of Resolution No. 1512 of the Commission, duly adopted at a meeting thereof held on September 10, 2010.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Commission voted in the proper manner for the passage of the resolution; that all other requirements and proceedings incident to the proper passage of the resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

Dated this 10th day of September, 2010.



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Secretary