

MINUTES OF THE IDAHO ENERGY RESOURCES AUTHORITY

DIRECTORS' MEETING – October 28, 2013

The meeting of the Idaho Energy Resources Authority (“IERA” or “Authority”) was called to order by Chairman Bob Mooney at 9:00 A.M., MDT.

1. Attendance: Directors in attendance were: Bob Mooney, Charles Hedemark, Randy Hill, Dan Kunz, Mark Lliteras, Eric Anderson and Jackie Flowers. Also in attendance were IERA legal counsel Jim Burr and Ron Williams.

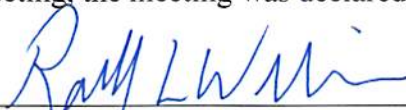
2. Resolution Authorizing Execution of Master Letter of Intent (MLOI) Between the Bonneville Power Administration and the IERA: The Board reviewed the draft resolution authorizing execution of the MLOI and again reviewed the MLOI. Mr. Burr reported that he had not heard back from Bonneville regarding the request for elimination or modification of the clause in paragraph 5(b) of the MLOI that excused Bonneville from having to indemnify and hold harmless an Indemnified Party against another Indemnified Party’s gross negligence or willful misconduct. Mr. Burr explained the general purpose and importance of the indemnification provisions of the MLOI. Mr. Hill again emphasized that the Authority should seek elimination or modification of the cross-Indemnified Party indemnity exclusion clause of paragraph 5(b), as shown stricken from the draft MLOI attached as Exhibit A to the proposed authorizing resolution. The Board discussed the draft authorizing resolution and agreed it should be modified to allow discretion for Chairman Mooney and Mr. Hill, in consultation with legal counsel Mr. Burr and Mr. Williams, to negotiate with Bonneville for elimination or modification of the exclusion clause in paragraph 5(b).

Following further discussion, motion and second, the following resolutions were unanimously adopted:

RESOLVED, that the attached resolution authorizing and approving the Authority to execute the Master Letter of Intent between the Bonneville Power Administration and the Authority is hereby authorized and approved; and

BE IT FURTHER RESOLVED, that a committee comprised of Chairman Mooney and Mr. Hill, in consultation with legal counsel Mr. Burr and Mr. Williams, are authorized to negotiate with Bonneville for elimination or modification of the cross-Indemnified Party indemnity exclusion clause in paragraph 5(b), as shown stricken from the draft MLOI attached as Exhibit A to the proposed authorizing resolution.

7. Adjournment: There being no further business to come before the meeting, the meeting was declared adjourned at 9:15 A.M.


Secretary
Dated: 10-28-2013

A RESOLUTION AUTHORIZING AND APPROVING THE IDAHO ENERGY RESOURCES AUTHORITY'S EXECUTION OF A MASTER LETTER OF INTENT BETWEEN THE AUTHORITY AND THE BONNEVILLE POWER ADMINISTRATION PROVIDING FOR THE AUTHORITY TO PARTICIPATE IN TRANSMISSION FACILITIES LEASE-PURCHASE TRANSACTIONS WITH BONNEVILLE AND FOR THE BENEFIT OF BONNEVILLE AND ITS CUSTOMERS; AND RELATED MATTERS.

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WHEREAS, the Idaho Energy Resources Authority (the "Authority") has been organized under the Idaho Energy Resources Authority Act, (the "Act"), Title 67, Chapter 89, Idaho Code, as amended, as an independent public body politic and corporate and a public instrumentality of the State of Idaho;

WHEREAS, the Bonneville Power Administration ("Bonneville") is a federal agency that provides power supply, transmission and ancillary and related services to utilities located in the northwest United States and specifically to utilities that provide retail electric services to consumers within the State of Idaho, and accordingly, is a "participating utility" as defined in the Act.

WHEREAS, Bonneville has proposed to enter into a Master Letter of Intent ("MLOI") with the Authority pursuant to which Bonneville may from time to time request that the Authority participate in transmission facilities lease-purchase transactions (each, a "Proposed Transaction") under which the Authority will enter into contractual arrangements with Bonneville for (i) the acquisition, design, construction, installation, testing and/or energizing of transmission facilities designated by Bonneville ("Projects") and (ii) the leasing of such Projects to Bonneville in consideration of lease rental payments to be made by Bonneville in amounts sufficient to pay all of the costs of such Projects, including the debt service on short-term notes, long-term bonds or

other obligations issued or incurred by the Authority to finance the costs of acquiring and constructing such Projects;

WHEREAS, upon the Authority's execution of short- or long-term financing arrangements for a Project, a Proposed Transaction will become a "Transaction" as defined in the MLOI;

WHEREAS, pursuant to the terms and conditions of the MLOI, if the Authority agrees to participate in a Proposed Transaction, the Authority will enter into various contractual arrangements with Bonneville and others to give effect to the Proposed Transaction and will take all such actions as are necessary or desirable to timely authorize the issuance of one or more related notes or bonds, including the adoption of an authorizing resolution, if necessary for the issuance thereof;

WHEREAS, pursuant to the terms and conditions of the MLOI, Bonneville agrees to pay to the Authority (i) the expenses incurred by the Authority with respect to Proposed Transactions and Transactions, (ii) certain Lump Sum Participation Payments upon the completion of each Transaction, and (iii) an annual fee with respect to each Transaction;

WHEREAS, pursuant to the terms and conditions of the MLOI, Bonneville agrees to fully indemnify, hold harmless and defend the Authority and any of its directors, officers and agents from liabilities arising in connection with claims arising from any Proposed Transaction, any Transaction or any Project;

WHEREAS, pursuant to the terms and conditions of the MLOI, Bonneville and the Authority agree to participate in two Proposed Transactions, the first related to a proposed substation to be located in Morrow County, Oregon and the second being the refinancing of one or more prior Lease Commitments and lease receivables between Bonneville and the Northwest Infrastructure Financing Corporation IV;

WHEREAS, pursuant to the terms and conditions of the MLOI, the Authority's decision to participate in any additional Proposed Transaction is in the sole discretion of the Authority; and

WHEREAS, the Authority is authorized by the Act and other applicable provisions of Idaho law to enter into the MLOI and to take all other actions necessary in connection with the matters and transactions described herein;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE IDAHO ENERGY RESOURCES AUTHORITY, AS FOLLOWS:

Section 1: Authorization of Master Letter of Intent. The Master Letter Of Intent between the Idaho Energy Resources Authority and the United States of America Department of Energy, acting by and through the Administrator of the Bonneville Power Administration, in substantially the form attached hereto as *Exhibit A*, is hereby authorized and approved. The Chairman and the Secretary are hereby authorized and directed to sign and attest the Master Letter Of Intent and cause it to be delivered on behalf of the Authority to Bonneville, with such changes from the form attached hereto as shall be approved by the Chairman, his execution thereof to constitute conclusive evidence of such approval.

Section 2: Ratification of Prior Actions; Further Authority.

(a) All prior actions taken by the Authority's officers, managers and employees in connection with the transactions contemplated hereby, are hereby approved and ratified.

(b) The officers, management and agents of the Authority are hereby authorized and directed to take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby, including, without limitation, the execution and delivery of any closing and other documents, instruments, papers and certificates required to be delivered in connection with the transactions contemplated hereby. The Authority may

engage the services of legal counsel and consultants as it deems necessary or desirable in connection with all such transactions.

(c) If (i) the Chairman or (ii) the Secretary shall be unavailable to execute or attest, respectively, the MLOI or other documents that they are hereby authorized to execute or attest, the same may be executed or attested, respectively, by (iii) the Vice Chairman or the Executive Director, and (iv) any Assistant Secretary. For this purpose, each member of the Board and the Executive Director is each hereby appointed as an Assistant Secretary.

Section 3. Severability. If any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution.


Section 4. Effective Date. This resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the Board of Directors of the Idaho Energy Resources Authority, this 28th day of October, 2013.

IDAHO ENERGY RESOURCES AUTHORITY


Chairman

ATTEST:


Secretary