



Ketchum Urban Renewal Agency

P.O. Box 2315 | 480 East Ave. N. | Ketchum, ID 83340

June 21, 2021

Chair and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

Consider Public Comment, Review, Discuss and Approve Bond Resolution No. 21-URA01

Background and Process

The Board has previously engaged municipal advisor Piper Sandler and bond counsel Skinner Fawcett LLP to process proposed refunding bonds (the “Bonds”) which would redeem the prior bonds issued by KURA in 2010 (the “Prior Bonds”). The Board selected Zions Bancorporation, N.A. as the purchaser of the Bonds through a request for proposals.

As required by the Idaho Urban Renewal Law, KURA staff took steps to publish a notice of negotiated private bond sale and notice of bond resolution providing the opportunity for comment in writing or by attending the KURA Board meeting of June 21, 2021. The notice published on June 9, 2021. The Chair will allow for such public comment and confirm with the Executive Director whether any written comment has been received.

After receiving and considering any public comment, the Board will be asked to review, discuss, and approve Bond Resolution No. 21-URA01

Bond Resolution No. 21-URA01

Eric Heringer, of Piper Sandler, and John McDevitt, of Skinner Fawcett, will be attending remotely to provide details concerning the Bond Resolution, the Bond Purchase Agreement, and related information concerning the proposed bond refinancing and responding to your questions and comments. What follows is an overview:

- Approval of the Bond Resolution authorizes execution, signature, and implementation of the Bond Resolution, the Bond Purchase Agreement, and all documents related to the closing of the Bonds.
- The Bond Resolution incorporates the term sheet previously submitted by Zions providing for an interest rate of 1.73%, no Zions costs, and prepayment of the Bonds at any time without premium or penalty.
- Interest payments occur each March 15, and principal and interest payments occur each September 15. Final payment is scheduled for September 15, 2030.
- Bond amount is \$4,815,958.70. Bond proceeds will pay for the Costs of Issuance:
 - Skinner Fawcett \$19,500
 - Piper Sandler \$17,500
 - Miscellaneous \$5,000
- The Bond Resolution directs the Bond Trustee of the Prior Bonds to send a Notice of Redemption to the holders of the Prior Bonds maturing on or after October 15, 2021.
- The Bond Amount along with the Debt Service Reserve Fund for the Prior Bonds is sufficient to redeem the remaining outstanding Prior Bonds on the closing date.
- The Agency Treasurer will serve as the Bond Registrar. There is no trustee for the Bonds.
- The Agency may issue additional bonds/debt which are junior or inferior to the Bonds without approval from Zions if it can show 150% coverage.

Next Steps

After approval of the Bond Resolution by the Board, the Executive Director will publish the Notice of Bond Resolution which summarizes the action taken by the Board and providing for a thirty-day contest period for anyone to question the validity of the Bond Resolution. Bond Counsel will confirm that the Bond Trustee of the Prior Bonds has received the direction from KURA pursuant to the Bond Resolution to prepare and send the Notice of Redemption to the holders of the Prior Bonds which will trigger the payment of the remaining balance of the Prior Bonds maturing on or after October 15, 2021 on the closing date. Closing of the Bonds is scheduled for July 23, 2021.

Recommendation

KURA Executive Director and KURA Counsel recommend approval of Bond Resolution No. 21-URA01

Proposed Motion

I move to approve Bond Resolution No. 21-URA01 authorizing the issuance of the revenue allocation refunding bonds in the amount of \$4,815,958.70.

KETCHUM URBAN RENEWAL AGENCY

**REVENUE ALLOCATION REFUNDING BOND,
SERIES 2021**

BOND RESOLUTION NO. 21-URA01

TABLE OF CONTENTS

	Page
Parties and Recitals	1
SECTION 1. DEFINITIONS	2
SECTION 2. THE PROJECT	8
SECTION 3. THE REVENUE ALLOCATION BONDS; REFUNDING OF PRIOR BONDS	
A. Bonds Authorized; Findings	8
B. Description of Bonds	8
C. Payment of Debt Service	8
D. Refunding Plan	9
E. Direction to the Prior Bond Trustee	9
F. Determination of Taxability	9
SECTION 4. MANNER AND SOURCE OF PAYMENT	9
SECTION 5. REDEMPTION PRIOR TO MATURITY	
A. Redemptions	10
B. Notice of Redemption	10
C. Effect of Redemption	10
SECTION 6. EXECUTION OF THE BONDS; TRANSFER AND REGISTRATION	10
SECTION 7. SALE OF THE BONDS	11
SECTION 8. REGISTRAR	
A. Acceptance of Duties	12
B. Responsibilities of Registrar	12
SECTION 9. REVENUE ALLOCATION FUND	12
SECTION 10. PLEDGE FOR PAYMENT OF BONDS	12
SECTION 11. COSTS OF ISSUANCE FUND; DISBURSEMENTS	13
SECTION 12. BOND FUND	
A. Creation of Bond Fund and Accounts	13
B. Deposits to Bond Fund	13
C. Use of Bond Fund Moneys	14
D. Priority of Lien of Payment into the Bond Fund	14
E. Application and Investment of Moneys in the Bond Fund	14
F. Repayment to the Agency from Amounts Remaining in the Bond Fund	14
SECTION 13. RESERVED	14
SECTION 14. EXEMPTION FROM ARBITRAGE REBATE REQUIREMENTS; REBATE FUND; QUALIFIED TAX-EXEMPT OBLIGATION	14
SECTION 15. INVESTMENTS	15

TABLE OF CONTENTS

	Page
SECTION 16. AGENCY COVENANTS	
A. Punctual Payment	16
B. Against Encumbrances	16
C. Extension or Funding of Claims for Interest	16
D. Management and Operation of Properties	16
E. Payment of Claims	16
F. Books and Accounts; Financial and Project Statements	16
G. Protection of Security and Rights of Registered Owners	17
H. Payment of Taxes and Other Charges	17
I. Taxation of Leased Property	17
J. [Reserved]	17
K. Amendment of Urban Renewal Plan	17
L. Further Assurances	18
M. Accounts and Reports	18
N. General	18
O. Arbitrage; Special Tax Covenants	19
P. Private Person Use Limitation	19
Q. Private Loan Limitation	20
R. Federal Guaranty Prohibition	20
S. Opinions of Bond Counsel	21
SECTION 17. TRANSFER OF OR EXCHANGE OF BONDS	21
SECTION 18. LOST, STOLEN, MUTILATED OR DESTROYED BONDS	21
SECTION 19. REGISTRATION	21
SECTION 20. ADDITIONAL BONDS	22
SECTION 21. AMENDMENTS	23
SECTION 22. EVENTS OF DEFAULT	
A. Events of Default and Remedies	24
SECTION 23. SEVERABILITY	25
SECTION 24. VALIDITY OF BONDS	25
SECTION 25. NOTICES	25
SECTION 26. EXHIBITS INCORPORATED	26
SECTION 27. DEPOSIT OF FUNDS FOR PAYMENT OF BONDS	26
SECTION 28. PUBLICATION OF NOTICE OF RESOLUTION	26
SECTION 29. EFFECTIVE DATE	26
SECTION 30. GOVERNING LAW	26

TABLE OF CONTENTS

	Page
PARTIES' EXECUTION	27
CERTIFICATION	28
Exhibit "A" Project Description	A-1
Exhibit "B" Form of Series 2021 Bond	B-1
Exhibit "C" Bond Purchase Agreement	C-1
Exhibit "D" Costs of Issuance	D-1
Exhibit "E" Investment Securities	E-1
Exhibit "F" Form of Notice of Resolution	F-1

RESOLUTION NO. 21-URA01

BY THE BOARD OF COMMISSIONERS OF THE KETCHUM URBAN RENEWAL AGENCY:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE KETCHUM URBAN RENEWAL AGENCY, IDAHO, AUTHORIZING THE ISSUANCE OF \$4,815,958.70 AGGREGATE PRINCIPAL AMOUNT OF A REVENUE ALLOCATION REFUNDING BOND; DESCRIBING SAID BONDS; PROVIDING FOR THE REFUNDING OF THE AGENCY'S PRIOR BONDS, PROVIDING FOR THE COLLECTION, HANDLING AND DISPOSITION OF REVENUE ALLOCATION PROCEEDS; AUTHORIZING AND CREATING CERTAIN FUNDS AND ACCOUNTS FOR USE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; PROVIDING FOR AN EFFECTIVE DATE OF THIS RESOLUTION; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

KETCHUM URBAN RENEWAL AGENCY

REVENUE ALLOCATION REFUNDING BOND, SERIES 2021 PRINCIPAL AMOUNT OF \$4,815,958.70

WHEREAS, the Ketchum Urban Renewal Agency (herein referred to as the "Agency"), an independent public body corporate and politic, is an urban renewal agency created by and existing under the authority of and pursuant to the Idaho Urban Renewal Law of 1965, being Title 50, Chapter 20, Idaho Code, as amended and supplemented, and possessing revenue allocation financing powers under Title 50, Chapter 29, Idaho Code, as amended and supplemented (collectively, the "Law"); and

WHEREAS, the Agency is authorized to conduct proceedings and to issue revenue allocation bonds pursuant to the terms and provisions of the Law, for the purpose of refunding and refinancing its outstanding prior bonds and applying any financial benefit therefrom to urban renewal projects authorized under its Urban Renewal Plan (defined below); and

WHEREAS, the City Council of the City of Ketchum, Blaine County, Idaho (the "City"), after notice duly published, conducted a public hearing on October 30, 2006, on the Urban Renewal Plan for the Ketchum Urban Renewal Project (the "Original Urban Renewal Plan"); and

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 992 on November 15, 2006, approving the Urban Renewal Plan as amended, and making certain findings; and

WHEREAS, on August 19, 2010, the Agency issued its Revenue Allocation (Tax Increment) Refunding Bonds, Series 2010 in the original aggregate principal amount of \$6,440,000 (the "Prior Bonds"); and

WHEREAS, the City, after notice duly published, conducted a public hearing on November 24, 2010, regarding a proposed amendment to the Original Urban Renewal Plan to extend the duration of the Revenue Allocation Area; and

WHEREAS, following said public hearing the City Council adopted its Ordinance No. 1077 on November 24, 2010, approving the amendment to the Original Urban Renewal Plan (the “Amended Urban Renewal Plan” and together with the Original Urban Renewal Plan, collectively the “Urban Renewal Plan”); and

WHEREAS, the Agency desires to refinance the Prior Bonds which refinanced the Agency’s Revenue Allocation Notes, Series 2007A, Series 2007B, and Series 2007C, which financed the development and construction of certain streetscapes, the acquisition of certain real property relating to the Ketchum Town Square, the refinance of the acquisition of certain real property relating to affordable housing, and other related improvements, all as further described in the Urban Renewal Plan and on Exhibit “A” attached hereto (collectively, the “Project”); and

WHEREAS, the Agency now desires to undertake the refunding and refinancing of the outstanding Prior Bonds; and

WHEREAS, in order to refund, refinance and defease the Prior Bonds and to refinance the Project, the Agency now desires to authorize the issuance, sale and delivery of its Revenue Allocation Refunding Bond, Series 2021 in the principal amount of \$4,815,958.70 (the “Bond”); and

WHEREAS, on June 9, 2021, a notice of negotiated bond sale was published in the Idaho Mountain Express, a newspaper of general circulation in the City, as required by Idaho Code, Section 50-2012 as amended; and

WHEREAS, a proposal to purchase the revenue allocation bonds has been submitted to the Agency by Zions Bancorporation, N.A. for its acceptance.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE KETCHUM URBAN RENEWAL AGENCY, as follows:

SECTION 1. DEFINITIONS. For all purposes of this Bond Resolution, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the following meanings:

Accountant’s Certificate shall mean a certificate signed by an independent certified public accountant of recognized standing or a firm of independent public accountants of recognized standing, selected by the Agency, who may be the accountant or firm of accountants who regularly audit the books of the Agency.

Additional Bonds means obligations having an equal priority of lien upon the Pledged Revenues as permitted under Section 20 hereof to pay and secure the payment of the principal of and interest on such obligations as the priority of lien created on such Pledged Revenues to pay and secure the payment of the principal of and interest on the Bonds.

Affiliate of any specified entity means any other entity directly or indirectly controlling or controlled by or under direct or indirect common control with such specified entity and “control,” when used with respect to any specified entity, means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

Agency shall mean the Ketchum Urban Renewal Agency, an urban renewal agency created by and existing under the authority of the Law as an independent public body corporate and politic.

Annual Budget shall mean the annual budget of the Agency, as amended or supplemented, adopted or in effect for a particular Fiscal Year.

Authorized Denomination shall mean Bond denominations of \$100,000 and any integral multiples of \$0.01 in excess thereof.

Authorized Officer of the Agency shall mean the Chairman, Vice Chairman, Executive Director, Secretary, Treasurer or any officer or employee of the Agency authorized to perform specific acts or duties pursuant to the Law, the bylaws of the Agency or a resolution duly adopted by the Agency. The signature of one Authorized Officer shall be sufficient to bind the Agency.

Board shall mean the Board of Commissioners of the Agency, as the same shall be duly and regularly constituted from time to time.

Bond or **Bonds** shall mean the Agency’s Revenue Allocation Refunding Bond, Series 2021 herein authorized to be issued, sold and delivered, in the approximate aggregate principal amount of \$4,815,958.70 for purposes of refunding and defeasing the Prior Bonds and paying the Costs of Issuance of the Bond.

Bond Counsel shall mean Skinner Fawcett LLP, Boise, Idaho, or another nationally recognized bond counsel acceptable to the Agency.

Bond Fund shall mean the fund designated “Revenue Allocation Bond Fund, Series 2021,” created by Section 12 of this Bond Resolution.

Bond Purchase Agreement shall mean a Bond Purchase Agreement between the Agency and Purchaser in substantially the form set forth in Exhibit “C” attached hereto.

Bond Register shall mean the registration records of the Agency, maintained by the Agency, on which shall appear the names and addresses of the Registered Owners of the Bonds.

Bond Resolution shall mean this Resolution No. 21-URA01, adopted and supplemented by the Board of the Agency.

Bond Year shall mean the twelve-month period beginning the date of Closing and each twelve-month period thereafter, and the last Bond Year shall terminate upon retirement of the Bond.

Business Day means any day of the year other than (i) a Saturday or Sunday, (ii) any day on which banks located in either Boise, Idaho, are required or authorized by law to remain closed, or (iii) any day on which the New York Stock Exchange is closed.

Chairman shall mean the Chairman of the Board or any presiding officer or titular head of the Board, or his/her successor in functions.

City shall mean the City of Ketchum, Blaine County, Idaho.

Closing shall mean the date of issuance and delivery of the Bond.

Code shall mean the Internal Revenue Code of 1986, as amended, and any Treasury Regulations promulgated thereunder.

Consultant's Report shall mean a report signed by an independent financial consultant or an independent redevelopment consultant, as may be appropriate to the subject of the report, and including:

- (1) a statement that the person or firm making or giving such report has read the pertinent provisions of this Bond Resolution to which such report relates;
- (2) a brief statement as to the nature and scope of the examination or investigation upon which the report is based;
- (3) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said independent financial consultant or independent redevelopment consultant to express an informed opinion with respect to the subject matter referred to in the report.

Costs of Issuance shall include, together with any other proper item of cost not specifically mentioned herein, the cost of allocable expenses of the Agency, and allocable portions of legal fees, all other costs of issuance of the Bonds, financing charges and fees and expenses of financial advisors and consultants in connection therewith, and such other expenses not specified herein as may be necessary or incident to the financing of the refunding of the Prior Bonds.

Costs of Issuance Fund shall mean the fund designated "Revenue Allocation Costs of Issuance Fund, Series 2021," created by Section 11 of this Bond Resolution.

Debt Service for any period shall mean, as of any date of calculation, an amount equal to the interest accruing and any payment of principal, including redemption price, during such period on the Bonds. Such Debt Service of the Bonds shall be calculated on the assumption that no portion of the Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of principal on the Bonds on the due date thereof.

Default means any event which with the giving of notice or the lapse of time or both would constitute an Event of Default.

Determination of Taxability means (i) the enactment of legislation or the adoption of final regulations or a final decision, ruling, determination or technical advice by any federal judicial or administrative authority which has the effect of requiring interest on the Bond to be included in the gross income of the Purchaser for federal income tax purposes, or (ii) the receipt by the Purchaser of a written opinion of nationally recognized bond counsel selected by the Agency to the effect that interest on the Bond must be included in the gross income of the Purchaser for federal income tax purposes; provided that no decision by any court or decision, ruling or technical advice by any administrative authority shall be considered final (a) unless the Purchaser (1) gives the Agency prompt notice of the commencement thereof and (2) offers the Agency the opportunity to control the contest thereof, provided the Agency shall have agreed to bear all expenses in connection therewith and to indemnify that Purchaser against all liabilities in connection therewith, and (b) until the expiration of all periods for judicial review or appeal.

Event of Default means any of the events specified in Section 22.A hereof to be an Event of Default.

Fiscal Year shall mean the period beginning October 1 of each year and ending on the next succeeding September 30, or as otherwise defined by Idaho law or set by the Agency.

Governmental Obligations means (a) direct obligations of the United States of America, (b) obligations fully and unconditionally guaranteed by the United States of America as to timely payment and (c) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in (a) or (b).

Gross-Up Rate means, with respect to any payment of an installment of interest on the Bond (including payments made prior to a Determination of Taxability), the rate necessary to calculate a total payment in an amount sufficient such that the sum of the payments of all installments of interest plus an additional payment would, after being reduced by the federal tax (including interest and penalties) actually payable thereon, equal the amount of the interest payment on the Bond, such that the Bondholder would be made whole as if all payments of installments of interest from the date of the Bond until it matures or is prepaid in full had been made at the rates as originally provided in the Bond, as adjusted.

Interest Payment Date means March 15 and September 15 of each year beginning September 15, 2021. In any case, the final Interest Payment Date shall be the maturity date.

Interest Period means for all Bonds the period from and including each Interest Payment Date to and including the day preceding the next Interest Payment Date. The first Interest Period for the Bonds shall begin on (and include) the date of the initial delivery of the Bonds. The final Interest Period shall end on the maturity (or redemption) date for each Bond.

Investment Securities shall mean and include any of the securities set forth on Exhibit "E" hereto.

Law shall mean the Idaho Urban Renewal Law of 1965, being Title 50, Chapter 20, Idaho Code as amended and supplemented and The Economic Development Act of 1988, being Title 50, Chapter 29, Idaho Code, as amended and supplemented.

Maximum Annual Debt Service shall mean an amount equal to the greatest annual Debt Service with respect to the Bonds for the current or any future Bond Year.

Net Proceeds, when used with reference to the Bonds, shall mean the aggregate principal amount of the Bonds, plus accrued interest and original issue premium, if any, and less original issue discount, if any.

Outstanding, when used with reference to the Bonds, as of any particular date, shall mean the Bonds which have been issued, executed, authenticated and delivered under this Bond Resolution, except (i) the Bonds (or portion thereof) cancelled because of payment or redemption prior to their stated date of maturity, and (ii) the Bonds (or portion thereof) cancelled because of payment or redemption of which there has been separately set aside and held money for the payment thereof.

Parameters means the parameters for the Bonds including the interest rates, maturity dates, redemption provisions, principal payment schedules, maturities and amounts of Prior Bonds to be refunded as set forth in Section 7 hereof.

Pledged Revenues shall mean the Revenue Allocation Revenues and all amounts deposited to or held in the Revenue Allocation Fund.

Prior Bonds means the Agency's \$6,440,000 Revenue Allocation (Tax Increment) Refunding Bonds, Series 2010, dated August 19, 2010.

Prior Bond Trustee means U.S. Bank National Association as trustee, registrar and paying agent for the Prior Bonds.

Private Person shall mean any natural person engaged in a trade or business or any trust, estate, partnership, association, company or corporation.

Private Person Use shall mean the use of property in a trade or business by a Private Person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the Private Person as well as other arrangements that transfer to the Private Person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use of property as a member of the general public includes attendance by the Private Person at municipal meetings or business rental of property to or by the Private Person on a day-to-day basis if the fee paid by such Private Person is the same as the fee paid by any Private Person who desires to rent or otherwise use the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a de minimis fee to cover custodial expenses.

Project shall mean the various public facilities, improvements and programs and related improvements all as further described in the Urban Renewal Plan, as amended, including the items set forth in Exhibit "A."

Purchaser shall mean Zions Bancorporation, N.A. or its successors or assigns.

Rebate Fund shall mean the fund designated “Rebate Fund, Series 2021,” created by Section 14 of this Bond Resolution.

Record Date means, as the case may be, the applicable Regular.

Redemption Fund means the fund designated “Redemption Fund, Series 2021,” created by Section 13 of this Bond Resolution

Registered Owner(s), Bondowners, Bondholder, Holder or Owner(s) shall mean the person or persons in whose name or names the Bonds shall be registered in the Bond Register maintained by the Agency in accordance with the terms of this Bond Resolution.

Registrar or Bond Registrar shall mean the Treasurer of the Agency, which shall maintain the Bond Register and otherwise provide for the registration of the Bond.

Regular Record Date means the 15th day prior to any Interest Payment Date.

Revenue Allocation Area shall mean the expanded area so designated under the Urban Renewal Plan, as amended, and such additional area as may be added by the Agency and approved by the City in accordance with the Law.

Revenue Allocation Fund shall mean the fund designated “Revenue Allocation Fund” created by Section 9 of this Bond Resolution.

Revenue Allocation Revenues shall mean the incremental tax revenues received by the Agency from the Revenue Allocation Area pursuant to the Law, as provided in the Urban Renewal Plan.

Secretary shall mean the Secretary of the Agency or his/her successor in functions.

Securities Act means the Securities Act of 1933, as amended.

Security shall mean the Security defined in Section 10 of this Bond Resolution.

Series 2010 Bond Resolution shall mean the Agency’s Resolution adopted on May 3, 2010, and amended on May 17, 2010, relating to the authorization of the Prior Bonds, as further amended or supplemented.

Tax Certificate shall mean the Tax Certificate of the Agency delivered at Closing.

Tax Year shall mean the period running from January 1 to December 31 of each year, as defined by Idaho Code.

Treasurer shall mean the Treasurer of the Agency, or his/her successor in functions.

United States shall mean the United States of America.

Urban Renewal Plan or **Plan** shall mean that certain document entitled the “Urban Renewal Plan for the Revenue Allocation Area of the Ketchum Urban Renewal Agency,” adopted and approved by the City and the Agency, pursuant to the Law and City Ordinance No. 992 adopted on November 15, 2006, and as amended and supplemented thereafter pursuant to the Law and City Ordinance No. 1077 adopted on November 24, 2010.

The words “hereof,” “herein,” “hereto,” “hereby” and “hereunder” (except in the form of Bond) refer to this entire Bond Resolution. Unless otherwise noted, all Section and Article references are to sections and articles in this Bond Resolution.

SECTION 2. THE PROJECT. The Project consists of certain public facilities, improvements and programs all as further described in the Urban Renewal Plan and in Exhibit “A” attached hereto and incorporated herein by reference. The Agency hereby authorizes and directs the appropriate officers and agents of the Agency to apply a portion of the proceeds of the Bonds to refinance the Project.

SECTION 3. THE REVENUE ALLOCATION BONDS; REFUNDING OF PRIOR BONDS

A. Bonds Authorized; Findings. In order to provide financing to refund the Prior Bonds and finance the Costs of Issuance, the Agency shall issue its Bond in the form of revenue allocation refunding bonds, which is hereby authorized to be issued and designated “Ketchum Urban Renewal Agency, Revenue Allocation Refunding Bond, Series 2021.”

B. Description of Bonds. The Bond shall be issued in fully registered form in Authorized Denominations (provided that no single Bond shall represent more than one maturity). The Bond shall be dated the date of Closing and shall be in the aggregate principal amount of \$4,815,958.70.

The Bonds shall bear interest from its date, or from the most recent date to which interest has been paid or duly provided for, at the rates determined herein, payable as provided below. The Bond shall mature as set forth in the Bond Purchase Agreement attached hereto as Exhibit “C.”

Interest on the Bond shall be as set forth in the Bond Purchase Agreement and calculated on the basis of a 360 day year consisting of twelve 30-day months, payable on March 15 and September 15 of each year commencing on September 15, 2021.

The Bond shall be substantially in the form set forth in Exhibit “B” attached hereto and incorporated herein by reference. Said form may be altered to include appropriate term Bond provisions, if applicable. The Bond shall be numbered separately in the manner and with any additional designator as the Registrar shall deem necessary for purposes of identification. After execution, as hereinafter provided, by the proper officials of the Agency, the Bond shall be authenticated by the Registrar.

C. Payment of Debt Service. Payment of each installment of interest shall be made to the Registered Owner whose name appears on the Bond Register at the close of business on the Regular Record Date, and shall be paid by electronic funds transfer of the Agency to be

received by the Registered Owner on the due date at his address as it appears on such Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar.

Principal of the Bond shall be payable to the Registered Owners, upon presentation and surrender of the Bond on or after the date of maturity or prior redemption of the Bonds, in full, at the office of the Registrar: provided that so long as the Purchaser is the Registered Owner of the Bond, principal shall be paid by wire transfer to the Purchaser pursuant to wire instructions on file with the Registrar and without presentment or surrender of the Bond.

D. Refunding Plan. On the date of Closing, proceeds of the Bond in the amount of \$4,773,958.70, plus the amount of \$541,706.83 currently held in the debt service reserve fund for the Prior Bonds, for a total amount of \$5,315,665.53 shall be received, transferred and/or deposited by the Prior Bond Trustee to the bond fund for the Prior Bonds (the "Prior Bond Fund") and applied to the redemption of the outstanding Prior Bonds maturing on or after October 15, 2021, in full, pursuant to this Resolution and the Series 2010 Bond Resolution. Funds deposited to the Prior Bond Fund pursuant to this Resolution are hereby irrevocably pledged as the payment of the outstanding Prior Bonds maturing on or after October 15, 2021.

E. Direction to the Prior Bond Trustee. The Prior Bond Trustee is hereby authorized and directed by the Agency (i) to give notice of the conditional redemption of the Prior Bonds as provided in the Series 2010 Bond Resolution and (ii) on the date of Closing, to transfer the amount of \$541,706.83 from the debt service reserve fund for the Prior Bonds to the Prior Bond Fund and deposit received proceeds of the Bond in the amount of \$4,773,958.70 to the Prior Bond Fund and apply such funds to the redemption of the outstanding Prior Bonds maturing on or after October 15, 2021, in full.

F. Determination of Taxability. In the event there is a Determination of Taxability for the Bond, the rate of interest on such bond shall be increased to the Gross-Up Rate effective on the date interest on the Bond became federally taxable under such Determination of Taxability.

SECTION 4. MANNER AND SOURCE OF PAYMENT.

A. Both principal of and interest on the Bonds are payable in lawful money of the United States by the Agency to the Registered Owner thereof, whose name and address shall appear on the Bond Register. Such payment shall be made by the Agency from moneys transferred from the Bond Fund.

B. To the extent provided in and except as otherwise permitted by this Resolution, (i) the Bonds shall be special obligations of the Agency and the Debt Service thereon shall be payable equally and ratably solely from the Pledged Revenues, (ii) the payment of Debt Service on the Bonds shall be secured by the assignment of the Bond Fund and the grant of a security interest in all moneys and investments in the Costs of Issuance Fund and the Pledged Revenues hereunder and by this Resolution.

C. Principal of and interest on any Bond shall be payable by check or warrant or by other means mutually acceptable to the Registered Owner and the Agency. Upon final payment of

principal of and interest on any Bond, the Registered Owner shall surrender such Bond for cancellation at the offices of the Bond Registrar.

Subject to the foregoing provisions of this Section 4.C, each Bond delivered under this Bond Resolution upon registration of transfer of or exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

SECTION 5. REDEMPTION PRIOR TO MATURITY

- A. Redemptions. The Bond shall be subject to redemption prior to maturity on any Business Day at the option and direction of the Agency in a redemption amount of Authorized Denominations and at the redemption price of par, plus interest accrued to the redemption date.
- B. Notice of Redemption. Unless waived by the Registered Owner of any Bond to be redeemed, notice of redemption shall be sent by the Registrar by first class mail, postage prepaid, or electronic transmission not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption, to the Registered Owner of each Bond to be redeemed at the address shown on the Bond Register. This requirement shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether or not it is actually received by the Registered Owner of any Bond to be redeemed. The expenses of giving notice and any other expenses of redemption shall be borne by the Agency.
- C. Effect of Redemption. When so called for redemption, such Bonds shall cease to accrue interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and such Bonds shall not be deemed to be outstanding as of such redemption date.

SECTION 6. EXECUTION OF THE BONDS; TRANSFER AND REGISTRATION

- A. Without unreasonable delay, the Agency shall cause definitive Bonds to be prepared, executed and delivered. The Bonds shall be executed on behalf of the Agency by the Chairman and shall be attested by the Secretary (all of which may be by facsimile or manual signature), and shall have the seal of the Agency impressed or imprinted thereon.

The Bonds shall then be authenticated. Only the Bonds bearing thereon a Certificate of Authentication in the form hereinafter recited, manually executed by the Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Bond Resolution, and such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Bond Resolution.

In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the Agency before the Bonds so signed or attested shall have been authenticated or delivered by the Registrar, or issued by the Agency, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Agency as though those who signed and

attested the same had continued to be such officers of the Agency. Any Bond may also be executed by officers who, at the actual date of execution of such Bond, shall be the proper officers of the Agency, although at the original date of such Bond any such person was not an officer of the Agency.

B. The Treasurer is hereby appointed Bond Registrar and shall cause a register (herein sometimes referred to as “Bond Register”) to be kept for the registration of Bond and the registration of transfers of Bond. The registration of any Bond may be transferred only to a “bank” as defined in Section 3(a)(2) of the Securities Act of 1933 (as certified thereto by the transferee) or an Affiliate of the Purchaser upon an assignment duly executed by the registered holder or his duly authorized representative in such form as shall be satisfactory to the Agency, and upon surrender of such Bond to the Agency for cancellation. Whenever any Bond or Bonds shall be surrendered for registration or transfer, the Agency shall execute and authenticate and deliver to the transferee a new Bond or Bond of like series and maturity of authorized denomination or denominations and for the amount of such Bond or Bonds so surrendered.

Notwithstanding the foregoing, no Bondholder may transfer or exchange its Bond in less than Authorized Denominations or in violation of any applicable federal or state securities laws and transferee shall comply with any restrictions contained in the Bond or in the private placement letter delivered at Closing by the Purchaser.

In all cases in which the registration of Bond shall be transferred or Bonds shall be exchanged hereunder, the Agency may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange. The Agency shall not be required to transfer any Bond after the publication of notice calling such Bond for redemption has been made, or during the period of fifteen days next preceding publication of a notice of redemption of any Bonds. The Agency may also charge a sum sufficient to pay costs of issuing each new Bond.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of and premium and interest on any such Bond shall be made only to or upon the order of the registered holder thereof, or his legal representative, and the Agency shall not be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums to be paid.

SECTION 7. SALE OF THE BONDS. The sale of the Bond to the Purchaser, in accordance with the terms and provisions substantially in the form set forth in the Bond Purchase Agreement expected to be dated on or before July 23, 2021, attached hereto as Exhibit “C” is hereby approved. The Authorized Officers are each authorized to execute the Bond Purchase Agreement on behalf of the Agency and any and all related documents, and are hereby directed to do all things necessary for the prompt execution and delivery of the Bond and the Bond Purchase Agreement and for the proper use and application of the proceeds of sale thereof, and further all other documents related to the Project and the sale and issuance of the Bonds.

SECTION 8. REGISTRAR.

- A. Acceptance of Duties. The Treasurer of the Agency is hereby appointed as Registrar for the Bond and agrees to carry out the responsibilities of Registrar set forth in this Bond Resolution.
- B. Responsibilities of Registrar. The recitals of fact herein and in the Bond contained shall be taken as the statements of the Agency and the Agency shall fulfill the responsibilities of the Registrar as described in this Resolution.

SECTION 9. REVENUE ALLOCATION FUND. There is hereby established a fund, held by the Agency, separate and apart from all other funds of the Agency, designated the “Revenue Allocation Fund” (the “Revenue Allocation Fund”), which shall include any Revenue Allocation Revenues established under the Urban Renewal Plan. All Pledged Revenues shall be promptly deposited by the Agency in the Revenue Allocation Fund. Except as provided in Section 20 or elsewhere in this Bond Resolution, the Pledged Revenues deposited therein shall be used only for the following purposes and in the following order of priority:

First, to pay or provide for the payment of the interest on the Bond and Additional Bonds by deposits into the Bond Fund and the bond fund for the Additional Bonds;

Second, to pay or provide for the payment of the principal of the Bonds and Additional Bonds by deposits into the Bond Fund and the bond fund for the Additional Bonds; and

Third, to pay for any repairs, additions or improvements to the Project or for any other urban renewal project in the Revenue Allocation Area or any other purpose of the Agency permitted by the Urban Renewal Plan and Law; provided there shall be retained in the Revenue Allocation Fund the amount necessary to make all Debt Service payments due during the then current calendar year, with the understanding that any amounts so retained in the Revenue Allocation Fund shall be yield restricted by the Agency to the extent required in the Tax Certificate, and the calculation of funds available for withdrawal shall not include Pledged Revenues levied for and received during the then current Tax Year which commenced on January 1.

SECTION 10: PLEDGE FOR PAYMENT OF BONDS. The Agency hereby pledges for the payment of the Bond and any Additional Bonds the following: the Pledged Revenues and all money in the Revenue Allocation Fund, and the Bond Fund (collectively, the “Security”). Except as provided in Section 20 or elsewhere in this Bond Resolution, the Pledged Revenues, Revenue Allocation Fund, and Bond Fund shall not be used for any other purpose while the Bonds remain Outstanding. Moneys in the Rebate Fund and the earnings thereon are not pledged to the payment of the Bonds. This pledge shall constitute a first and exclusive lien on the Security for the payment of the Bonds and any Additional Bonds, and an exclusive lien on the Bond Fund for the payment of the Bonds in accordance with the terms hereof.

The Agency covenants and agrees that all Pledged Revenues, when and as received, will be received by the Agency in trust hereunder, and will be immediately deposited by the Agency in the Revenue Allocation Fund and will be accounted for and held in trust in the Revenue Allocation Fund, and the Agency shall have no beneficial right or interest in any of such money, except only as in this Bond Resolution provided. All such Pledged Revenues, shall nevertheless be disbursed, allocated and

applied solely to the uses and purposes herein set forth, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the Agency.

SECTION 11: COSTS OF ISSUANCE FUND; DISBURSEMENTS. There is hereby created a fund to be held by the Prior Bond Trustee, separate and apart from all other funds of the Prior Bond Trustee, designated the “Revenue Allocation Costs of Issuance Fund, Series 2021” (the “Costs of Issuance Fund”), or such other designation conforming to generally accepted accounting principles, into which shall be deposited on the date of Closing Bond proceeds in the amount of \$42,000 and which shall be used to pay Costs of Issuance. Such proceeds may be invested by the Prior Bond Trustee in Investment Securities that mature not later than such times as shall be necessary to provide moneys when needed to pay such Costs of Issuance. The interest, as well as the gain, if any, on such investments shall remain a part of said Costs of Issuance Fund to be applied as provided in this Section.

The Prior Bond Trustee is hereby authorized and directed to make payments from the Costs of Issuance Fund, in the amounts, at the times, in the manner, and on the other terms and conditions set forth in Exhibit “D” attached hereto. At the later of the date on which the Costs of Issuance have been paid in full or 45 days following Closing, money remaining in the Costs of Issuance Fund shall be transferred to the Bond Fund and the Costs of Issuance Fund shall thereafter be closed and terminated.

SECTION 12: BOND FUND.

A. Creation of Bond Fund and Accounts. There is hereby created and held by the Agency, separate and apart from all other funds of the Agency, a deposit account to be designated the “Revenue Allocation Bond Fund, Series 2021” (the “Bond Fund”). The Agency shall transfer the amounts from the Revenue Allocation Fund in the amounts and at the times as required to make payments of principal, interest, or redemption price on the Bond to the Bond Fund. There shall be transferred to the Bond Fund the amounts due for principal or redemption price of or interest on the Bond from the Revenue Allocation Fund one (1) day prior to the due date of any installment of principal and/or interest on the Bond, which amount shall be used by the Agency to pay the principal and interest on the Bond as they become due to the Registered Owners.

B. Deposits to Bond Fund. The Agency shall deposit into the Bond Fund all amounts needed from the Revenue Allocation Fund in respect to Debt Service and all other moneys received by the Agency under and pursuant to the provisions of this Bond Resolution, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund.

C. Use of Bond Fund Moneys. Except as provided in Section 20, moneys in the Bond Fund shall be used solely for the payment of the principal of and interest on the Bonds.

D. Priority of Lien of Payment into the Bond Fund. The amounts so pledged to be paid into the Bond Fund for the Bonds from the Pledged Revenues are hereby declared to be a prior lien and charge upon the amounts in the Revenue Allocation Fund superior to all other charges of any kind or nature whatsoever.

E. Application and Investment of Moneys in the Bond Fund. Moneys in the Bond Fund

shall be invested in Investment Securities. Investments in the Bond Fund shall mature prior to the date on which such moneys shall be needed for required payments. All interest earned and income derived by virtue of such investments shall remain in the Bond Fund and be used to meet the required deposits therein or payments therefrom. Until applied as provided in this Bond Resolution to the payment of Bonds or transferred to the Agency pursuant to Section 27 or Section 12.F., Pledged Revenues deposited to the Bond Fund shall be held by the Agency for the benefit of the owners of all Outstanding Bonds, except that (i) any portion of the Pledged Revenues representing principal or redemption or purchase price of any Bonds, and interest on any Bonds previously matured or called for redemption in accordance with this Bond Resolution, shall be held for the benefit of the owners of such Bonds only.

F. Repayment to the Agency from Amounts Remaining in the Bond Fund. Any amounts remaining in the Bond Fund after all of the Outstanding Bonds shall be deemed paid and discharged under the provisions of this Bond Resolution, shall be paid to the Agency.

SECTION 13: RESERVED.

SECTION 14: EXEMPTION FROM ARBITRAGE REBATE REQUIREMENTS; REBATE FUND; QUALIFIED TAX-EXEMPT OBLIGATION.

A. The Agency currently expects the Bonds to qualify for an exception to arbitrage rebate as provided in accordance with the requirements of the Code and the Tax Certificate.

B. The Agency hereby further elects and covenants that if the Bonds do not qualify for an exception to arbitrage rebate as referenced above, the Agency will take all necessary steps to comply with the continuing arbitrage rebate rules under Section 148(f) of the Code and applicable regulations in accordance with the instructions of Bond Counsel and the Tax Certificate delivered at Closing.

C. There is hereby established the “Rebate Fund Series 2021” into which shall be deposited all amounts required by the Tax Certificate and this Section 14. None of the amounts held in the Rebate Fund are pledged to the payment of the Bonds.

D. All moneys deposited in the Rebate Fund shall be held in trust for the payment of any rebate to the United States which must be made under federal law to qualify the interest on the Bonds as exempt from federal income taxation as calculated by the Agency in accordance with the Tax Certificate delivered at Closing. Amounts in the Rebate Fund shall not be used for any other purpose unless the Agency provides to the Purchaser an opinion from Bond Counsel that such rebate is not required to qualify the interest on the Bonds as exempt from federal income taxation. If such an opinion is obtained, the amounts approved in the opinion shall be transferred to the Bond Fund.

E. The Agency hereby designates the Bond as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3)(B) of the Code. The Agency has not designated and will not designate, during calendar year 2021, any other tax-exempt obligations as “qualified tax-exempt obligations” pursuant to Section 265(b)(3)(B) of the Code if the total amount of tax-exempt obligations so designated during calendar year 2021 will exceed \$10,000,000. The

Agency does not reasonably expect to issue any other tax-exempt obligations during calendar year 2021, nor does the Agency reasonably expect to issue any tax-exempt obligations during the calendar year 2021, such that the total amount of tax-exempt obligations issued by the Agency and any entities subordinate to or issuing on behalf of the Agency during calendar year 2021 will exceed \$10,000,000.

SECTION 15: INVESTMENTS. All funds and accounts hereunder shall be invested in Investment Securities by the Agency. Obligations purchased as an investment of money in any fund or account created under the provisions of this Bond Resolution shall be deemed at all times to be a part of such fund or account and any profit realized from the liquidation of such investment shall be credited to, and any loss resulting from the liquidation of such investment shall be charged to the computation of net interest earned on the money and investments in such fund or account.

In computing the amount in any fund or account created under the provisions of this Bond Resolution for any purposes provided in this Bond Resolution, obligations purchased as an investment of money therein shall be valued at the cost of such obligations. Such computations shall be determined each March 15 and September 15.

Moneys in the Costs of Issuance Fund, the Bond Fund, and the Rebate Fund shall be invested and reinvested by the Agency in Investment Securities set forth in Exhibit “E” hereof. At no time shall any funds constituting gross proceeds of the Bond be used in any manner to cause or result in a prohibited payment under applicable regulations pertaining to, or in any other fashion as would constitute failure of compliance with, Section 148 of the Code. Investments of moneys in the Bond Fund shall mature or be redeemable at the option of the Agency at the times and in the amounts necessary to provide moneys to pay Debt Service as it becomes due at stated maturity or by redemption. Each investment of moneys in the Rebate Fund shall mature or be redeemable at such time as may be necessary to make payments from the Rebate Fund as calculated by the Agency in accordance with the Tax Certificate.

The Agency may sell those investments and reinvest the proceeds therefrom in Investment Securities maturing or redeemable as aforesaid. The Agency shall sell or redeem investments credited to the Bond Fund to produce sufficient moneys applicable hereunder to and at the times required for the purposes of paying Debt Service when due as aforesaid, and shall do so without necessity for any order on behalf of the Agency and without restriction by reason of any order. An investment made from moneys credited to the Costs of Issuance Fund, Bond Fund, or the Rebate Fund shall constitute part of that respective Fund. The Costs of Issuance Fund, Bond Fund, and the Rebate Fund shall be credited with all proceeds of sale and income from investment of moneys credited thereto. For purposes of this Bond Resolution, those investments shall be valued at the cost of such obligations.

SECTION 16: AGENCY COVENANTS. The Agency covenants and agrees with the Registered Owner of the Bonds as follows:

A. Punctual Payment. The Agency will punctually pay or cause to be paid the interest on and principal of and redemption premiums, if any, to become due with respect to the Bonds, in strict conformity with the terms of the Bonds and of this Bond Resolution, and will faithfully satisfy, observe and perform all conditions, covenants and requirements of the Bonds and of this Bond Resolution.

B. Against Encumbrances. The Agency will not mortgage or otherwise encumber, pledge or place any charge upon any of the Pledged Revenues and will not issue any obligation or security superior to or on a parity with the Bonds payable in whole or in part from the Pledge Revenues, except as provided in this Bond Resolution.

C. Extension or Funding of Claims for Interest. In order to prevent any claims for interest after maturity, the Agency will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any Bonds and will not, directly or indirectly, be a party to or approve any such arrangements by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the Agency, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Bond Resolution, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

D. Management and Operation of Properties. The Agency will manage and operate any property owned by the Agency and comprising any part of the Project or the Revenue Allocation Area in a sound and business-like manner and in conformity with all valid requirements of any governmental authority relative to the Project or any part thereof, and will keep such property insured at all times in conformity with sound business practice.

E. Payment of Claims. The Agency will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Agency or upon the Pledged Revenues or any part thereof, or which might impair the security of the Bonds; provided that nothing herein contained shall require the Agency to make any such payments so long as the Agency in good faith shall contest the validity of any such claims and that the Agency shall deliver to the Purchaser an opinion of counsel to the effect that the Pledged Revenues would not be impaired by such contest.

F. Books and Accounts; Financial and Project Statements. The Agency will keep proper books of record and accounts, separate from all other records and accounts of the Agency, in which complete and correct entries shall be made of all transactions relating to the Project and the funds created hereunder. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Purchaser or of the Registered Owners of not less than twenty-five percent (25%) of the aggregate amount of Outstanding Bonds or their representatives authorized in writing.

G. Protection of Security and Rights of Registered Owners. The Agency will preserve and protect the security of the Bonds and the rights of the Registered Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of the Bonds by the Agency, such Bonds shall be incontestable by the Agency.

H. Payment of Taxes and Other Charges. Subject to the provisions of Section 16(I) hereof, the Agency will pay and discharge any taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Agency or any properties owned by the Agency in the Revenue Allocation Area, or upon the revenues

therefrom, when the same shall become due; provided that nothing herein contained shall require the Agency to make any such payments so long as the Agency in good faith shall contest the validity of any such taxes, service charges, assessments or other governmental charges and that the Agency shall deliver to the Purchaser an opinion of counsel to the effect that the Pledged Revenues would not be impaired by such contest.

I. Taxation of Leased Property. If any property in the Revenue Allocation Area is hereafter owned and redeveloped by the Agency and thereafter is leased by the Agency to any person or persons, or whenever the Agency leases any such real property to any person or persons for redevelopment, the property shall be assessed and taxed in the same manner as privately-owned property (in accordance with the law), and the lease or contract shall provide (1) that the lessee shall pay taxes upon the assessed value of the entire property and not merely upon the assessed value of the leasehold interest, and (2) that if for any reason the taxes paid by the lessee on such property in any year during the term of the lease shall be less than the taxes that would have been payable upon the entire property if the property were assessed and taxed in the same manner as privately owned property, the lessee shall pay such difference to the Agency within thirty (30) days after the taxes for such year become payable, and in any event prior to the delinquency date of such taxes established by law, and such payments shall be treated as Revenue Allocation Revenues and shall be deposited by the Agency in the Revenue Allocation Fund. Property owned and developed by the Agency for vehicle parking and leased by the Agency to any person or persons shall be excluded from this covenant.

J. [Reserved.]

K. Amendment of Urban Renewal Plan. The Agency will not amend the Urban Renewal Plan except as provided in this Section 16(K). If the Agency proposes to amend the Urban Renewal Plan for any purpose other than to expand the Revenue Allocation Area or to create an additional and separate revenue allocation area under Title 50, Chapter 29, Idaho Code, as amended, that does not overlap the Revenue Allocation Area (both of which are permitted hereunder), it shall cause to be filed with the Purchaser (a) the certificate of an Authorized Officer to the effect that in the current Fiscal Year the Pledged Revenues would have been no less than 150% of Maximum Annual Debt Service, with any property to be released from the Revenue Allocation Area removed from the incremental value for purposes of this calculation, and (b) a copy of a Consultant's Report projecting that the Pledged Revenues for the three (3) Fiscal Years immediately following the proposed amendment will be no less than 150% of Maximum Annual Debt Service, with any property to be released from the Revenue Allocation Area removed from the incremental value for purposes of this calculation. The Agency may undertake the proposed amendment only if the conditions under (a) and (b) of the previous sentence are met and there is no default under this Resolution.

L. Further Assurances. The Agency will adopt, make, execute and deliver any and all such further ordinances, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Bond Resolution, and for the better assuring and confirming unto the Registered Owner of the Bonds of the rights and benefits provided in this Bond Resolution.

M. Accounts and Reports.

(1) The Agency shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Project and each fund and account established under this Bond Resolution, and which, together with all books and papers of the Agency, including insurance policies, relating to the Project, shall at all times be subject to the inspection of the Purchaser or its representative duly authorized in writing.

(2) The Agency shall annually, (i) within 30 days after adopting the Agency's annual budget, file such budget with the Purchaser; and (ii) within 270 days after the close of each Fiscal Year, file with the Purchaser, and otherwise as provided by law, a copy of its complete annual audited financial statements for each Fiscal Year and including the following statements in reasonable detail: a balance sheet showing assets and liabilities as of the end of such year, to the extent relating to the Project a statement of Pledged Revenues, expenses and changes in retained earnings for such year; and a summary with respect to each fund and account established under this Bond Resolution of the receipt therein and disbursements therefrom during such year and the amount held therein at the end of such year. The accountant or accounting firm completing the Accountant's Certificate shall provide a written statement as to whether or not, to the knowledge of the signer, the Agency is in default with respect to any of the covenants, agreements or conditions on its part contained in this Bond Resolution, and if so, the nature of such default. In addition, the Agency shall provide the Purchaser with such other information as the Purchaser may reasonably request from time to time.

The Agency will notify the Purchaser promptly of any development that is likely to have a material and adverse effect (a) on the ability of the Agency to pay the Debt Service when due or (b) on the financial condition of the Agency generally.

N. General.

(1) The Agency shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Agency under the provisions of the Law and this Bond Resolution.

(2) Upon the date of authentication and delivery of the Bonds, all conditions, acts and things required by law and this Bond Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds shall exist, have happened and have been performed and the issue of such Bonds, together with all other indebtedness of the Agency, shall comply in all respects with the applicable laws of the State of Idaho.

(3) The Bonds are issued in connection with an Urban Renewal Project, as defined in the Law. Accordingly, in any suit, action or proceeding involving the validity or enforceability of the Bonds, the Bonds shall be conclusively deemed to have been issued for such purpose and such Urban Renewal Project shall be conclusively deemed to have been planned, located and carried out in accordance with the provisions of the law.

O. Arbitrage; Special Tax Covenants. The Agency shall comply with the provisions of this Section unless, in the written opinion of Bond Counsel, such compliance is not required in order to maintain the exemption of the interest on the Bond from federal income taxation.

The Agency hereby covenants that it will not make any use of the proceeds of sale of the Bond or any other funds of the Agency which may be deemed to be proceeds of such Bond pursuant to Section 148 of the Code which will cause the Bond to be an “arbitrage bond” within the meaning of said Section. The Agency will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Bond) throughout the term of the Bond.

The Agency hereby further covenants that it will comply with the registration requirements of Section 149(a) of the Code so long as any portion of the Bond is Outstanding.

The Agency hereby further covenants that it will not take any action or permit any action to be taken that would cause the Bond to constitute a “private activity bond” under Section 141 of the Code or to adversely affect the exclusion of interest on the Bond from gross income for federal income tax purposes and will take all actions required for interest on the Bond to be excluded from gross income for federal income tax purposes.

P. Private Person Use Limitation. The Agency shall comply with the provisions of this Section unless, in the written opinion of Bond Counsel, such compliance is not required in order to maintain the exemption of the interest on the Bond from federal income taxation.

The Agency covenants that so long as any portion of the Bond is Outstanding, it will not permit:

- (a) More than 10% of the Net Proceeds of the Bond to be used for any Private Person Use; and
- (b) More than 10% of the principal or interest payments on the Bond in a Bond Year to be (under the terms of this Bond Resolution or any underlying arrangement) directly or indirectly: (i) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (ii) derived from payments (whether or not made to the Agency) in respect of property, or borrowed money, used or to be used for any Private Person Use.

The Agency further covenants that, if:

- (c) More than 5% of the Net Proceeds of the Bond is to be used for any Private Person Use; and
- (d) More than 5% of the principal or interest payments on the Bond in a Bond Year are (under the terms of this Bond Resolution or any underlying arrangement) directly or indirectly: (i) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any

Private Person Use, or (ii) derived from payments (whether or not made to the Agency) in respect of property, or borrowed money, used or to be used for any Private Person Use;

then, (i) any Private Person Use of the Project described in subsection (c) hereof or Private Person Use payments described in subsection (d) hereof that is in excess of the 5% limitations described in such subsections (c) or (d) will be for a Private Person Use that is relating to the state or local governmental use or purpose of the Project, and (ii) any Private Person Use will not exceed the amount of Net Proceeds of the Bond used for the state or local governmental use portion of the Project to which the Private Person Use of such portion of the Project relates. The Agency further covenants that it will comply with any limitations on the use of the Project by other than state and local governmental users that are necessary, in the opinion of Bond Counsel, to preserve the tax exemption of the interest on the Bond.

Q. Private Loan Limitation. The Agency shall comply with the provisions of this Section unless, in the written opinion of Bond Counsel, such compliance is not required in order to maintain the exemption of the interest on the Bond from federal income taxation.

The Agency covenants that so long as any portion of the Bonds are Outstanding, it will not permit Bond proceeds in excess of 5% of the Net Proceeds of the Bond to be used (directly or indirectly) to make loans (other than loans that enable a borrower to finance a governmental tax assessment of general application for a specific essential governmental function) to a Private Person.

R. Federal Guaranty Prohibition. The Agency shall comply with the provisions of this Section unless, in the written opinion of Bond Counsel, such compliance is not required in order to maintain the exemption of the interest on the Bond from federal income taxation.

The Agency covenants that so long as any portion of the Bond is Outstanding, it will not take any action or permit or suffer any action to be taken if the result thereof would be to cause the Bond to be “federally guaranteed” within the meaning of Section 149(b) of the Code and any Regulations promulgated thereunder.

S. Opinions of Bond Counsel. Whenever an opinion of bond counsel is rendered in connection with any provision of this Bond Resolution (including, but not limited to, any modification of Sections 16(P), (Q), and (R) above), unless such opinion is given by Bond Counsel, the opinion shall affirmatively state, in a manner acceptable to the Agency, that interest on the Bond is excluded from gross income for federal tax purposes and will remain so after the action in question. This Section shall apply in the same fashion with respect to the affirmative opinion of any such successor bond counsel.

SECTION 17: TRANSFER OF OR EXCHANGE OF BONDS. Any Bond shall be transferable by the Registered Owner thereof in person, or by his attorney duly authorized in writing, upon presentation and surrender of such Bonds at the principal office of the Registrar for cancellation and issuance of new Bonds registered in the name of the transferee, in exchange therefor. Provided, however, that the Registrar shall not be required to transfer the Bonds within fifteen calendar days prior to a principal or interest payment.

Any Bond shall be exchangeable for Bonds of any authorized denomination or denominations, upon surrender and cancellation of said Bond at the principal corporate trust office of the Registrar.

Whenever any Bond or Bonds shall be surrendered for transfer, the Registrar shall authenticate and deliver to the transferee, in exchange therefor, a new fully registered Bonds of the same Maturity and interest rate, and for the Maximum Principal Amount of such Bonds being surrendered.

The Registrar shall require the payment by the Registered Owner requesting such transfer or exchange of any tax, fee or governmental charge required to be paid with respect to such transfer or exchange. The costs imposed by the Registrar for such transfer or exchange shall be deemed to be a Project cost to be borne by the Agency. The Registrar may also require the transferor and/or transferee of the Bonds to execute any documents in connection with such transfer as may be reasonably required by the Registrar.

SECTION 18: LOST, STOLEN, MUTILATED OR DESTROYED BONDS. In case the Bonds shall be lost, stolen, mutilated or destroyed, the Registrar may authenticate and deliver new Bonds of like date, denomination, interest rate, maturity, number, tenor and effect to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the Registrar in connection therewith and upon his filing with the Registrar evidence satisfactory to the Registrar that such Bonds were actually lost, stolen, mutilated or destroyed and of his ownership thereof, and upon furnishing the Registrar with indemnity satisfactory to the Registrar.

SECTION 19: REGISTRATION. The Agency hereby adopts a system of registration with respect to the Bonds as required by Title 57, Chapter 7, Idaho Code as amended, pursuant to this Section and Sections 3, 4, 6, 17, and 18 hereof.

The Registrar is hereby appointed as authenticating agent, registrar and transfer agent with respect to the Bonds, and shall keep, or cause to be kept, at the principal office of the Agency, sufficient books for the registration and transfer of the Bonds, which books are hereby defined as the "Bond Register," in which shall be maintained the names and addresses of the Registered Owner of the Bonds.

SECTION 20: ADDITIONAL BONDS. The Agency will not issue any obligations having a greater priority of lien upon the Pledged Revenues to pay and secure the payment of the principal of and interest on such obligations than the priority of lien created on such Pledged Revenues to pay and secure the payment of the principal of and interest on the Bonds. For so long as any of the Bonds remain Outstanding, the Agency will not issue any obligations having an equal priority of lien upon the Pledged Revenues to pay and secure the payment of the principal of and interest on such obligations than the priority of lien created on such Pledged Revenues to pay and secure the payment of the principal of and interest on the Bonds, except as follows:

A. The Agency reserves the right to issue Additional Bonds only for the purposes of:

First, providing money to pay for construction of a new urban renewal project in the Revenue Allocation Area, or

Second, refunding, as permitted by law, at or prior to their maturity, any outstanding revenue allocation bonds or other obligations payable out of Pledged Revenues,

and to pledge that payments will be made out of the Pledged Revenues and into the bond fund for such Additional Bonds to pay and secure the payment of the principal of and interest on such Additional Bonds on a parity with the payment required herein to be made out of such Pledged Revenues into such accounts to pay and secure the payment of the principal of and interest on any Additional Bonds then Outstanding, upon compliance with the following conditions, which shall be certified in a certificate of an officer of the Agency delivered to the Bond Counsel prior to such issuance of Additional Bonds:

- (1) At the time of issuance of any Additional Bonds there is no default under this Bond Resolution and there is no deficiency in the Bond Fund; and
- (2) The principal of and interest on any Additional Bonds shall be payable out of the bond fund for such Additional Bonds and the requirements for the Bond Fund payments in Section 12 hereof and in the Resolution for the Additional Bonds shall be met; and
- (3) The resolution, which may be a supplemental resolution to this Resolution, authorizing such Additional Bonds shall contain the provisions for payment, security and deposits as set forth herein; and
- (4) Prior to the issuance of the Additional Bonds, the Agency either: (a) furnishes an Accountant's Certificate to the Purchaser stating that for the 12 months immediately preceding the issuance of the Additional Bonds, the available Revenue Allocation Revenues of the Agency were not less than 150% of the Maximum Annual Debt Service on Outstanding Bonds and the projected Maximum Annual Debt Service on the Additional Bonds (including any Additional Bonds then outstanding and the Additional Bonds to be issued), treating such Additional Bonds as then Outstanding, or (b) furnishes the Purchaser with a copy of a Consultant's Report stating that the projected Revenue Allocation Revenues for each of the three (3) Fiscal Years following the proposed issuance of such Additional Bonds are expected to equal at least 150% of the Maximum Annual Debt Service on Outstanding Bonds including any Additional Bonds; and
- (5) Delivery of an opinion of Bond Counsel to the effect that the Additional Bonds have been duly authorized, executed and delivered pursuant to a duly adopted resolution of the Agency and that the Additional Bonds are valid and binding obligations of the Agency enforceable against the Agency in accordance with their terms and will not adversely affect the exclusion of interest on the Bonds from federal income tax.

B. Nothing herein contained shall prevent the Agency from issuing obligations after the effective date of this Bond Resolution which are a charge upon the Pledged Revenues junior

or inferior to the payments required by this Resolution to be made out of such revenue into the Bond Fund to pay and secure the payment of the Bonds and any Additional Bonds.

SECTION 21: AMENDMENTS.

A. The Board from time to time and at any time may adopt a resolution or resolutions supplemental hereto, which resolution or resolutions thereafter shall become a part of this Bond Resolution, for any one or more or all of the following purposes:

(1) To add to the covenants and agreements of the Agency in this Bond Resolution, other covenants and agreements thereafter to be observed, which shall not adversely affect the interests of the Registered Owners of the Bonds, 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 Bond Resolution or any ordinance or resolution authorizing future notes, warrants or bonds in regard to matters or questions arising under such ordinances or resolutions as the Board may deem necessary or desirable and not inconsistent with such ordinances or resolutions and which shall not adversely affect, in any material respect, the interests of the Registered Owners of the Bonds.

Any such supplemental resolution may be adopted without the consent of the Purchaser.

B. With the written consent of the Purchaser, the Agency may adopt 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 Bond Resolution or of any supplemental resolution. No such supplemental resolution shall extend the fixed maturity of the Bonds, or reduce the rate of interest thereon, or extend the time of payment of Debt Service from its due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the Registered Owner of the Bond so affected.

C. Prior to delivery of the Bonds this Bond Resolution may be amended in any manner approved by the Purchaser, which approval may be evidenced by the Agency's execution and delivery of the Bonds and the purchase and acceptance of the Bonds by the Purchaser, as the case may be. Thereafter this Bond Resolution shall not be amended except as herein provided.

D. Upon the adoption of any supplemental resolution pursuant to the provisions of this Section, this Bond Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the Agency under this Bond Resolution and the Registered Owners of the 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 Bond Resolution for any and all purposes.

E. Bonds executed and delivered after the execution of any supplemental resolution adopted pursuant to the provisions of this Section may have a notation as to any matter

provided for in such supplemental resolution, and if such supplemental resolution shall so provide, new Bonds so modified as to conform, in the opinion of the Board, to any modification of this Bond Resolution contained in any such supplemental resolution, may be prepared and delivered without cost to the Registered Owner of the affected Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts.

SECTION 22: EVENTS OF DEFAULT.

A. Events of Default and Remedies. If one or more of the following events of default shall happen, that is to say:

- (1) if default shall be made in the due and punctual payment of the principal or redemption price of the Bonds when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise; or
- (2) if default shall be made in the due and punctual payment of any installment of interest on the Bonds, when and as such interest installment shall become due and payable; or
- (3) if default shall be made by the Agency in the performance or observance of any other of the covenants, agreements or conditions on its part in this Bond Resolution, the Bond Purchase Agreement or the Bonds contained, and such default shall continue for a period of thirty (30) days after written notice thereof to the Agency by the Purchaser; or
- (4) if judgment for the payment of money shall be rendered against the Agency, and any such judgment shall not be discharged within one hundred twenty (120) days of the entry thereof, or an appeal shall not be taken therefrom or from the order, decree of process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to set aside or stay the execution of or levy under such judgment, or order, decrees or process or the enforcement thereof; or
- (5) if there shall occur dissolution or liquidation of the Agency or the filing by the Agency of a voluntary petition in bankruptcy, or the commission by the Agency of any act of bankruptcy, or adjudication of the Agency as a bankrupt, or assignment by the Agency for the benefit of its creditors, or the entry by the Agency into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Agency in any proceeding for its reorganization instituted under the provisions of the federal bankruptcy act, as amended, or under any similar act in any jurisdiction which may now be in effect or which may hereafter be enacted; or
- (6) if an order or decree shall be entered, with the consent or acquiescence of the Agency, appointing a receiver or receivers of the Project, or any part thereof, or if such order or decree, having been entered without the consent and acquiescence of the Agency, shall not be vacated or discharged or stayed within ninety (90) days after the entry thereof;

then the Purchaser may exercise any remedy available at law or in equity, including acceleration to the extent there are Pledged Revenues or other legally available revenues. No remedy shall be exclusive. The Purchaser may waive any Event of Default, but no such waiver shall extend to a subsequent Event of Default. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

SECTION 23: SEVERABILITY. If any one or more of the covenants or agreements provided in this Bond Resolution to be performed on the part of the Agency shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Bond Resolution and shall in no way affect the validity of the other provisions of this Bond Resolution or of the Bonds.

SECTION 24: VALIDITY OF BONDS. Pursuant to Sections 50-2027 and 50-2911, Idaho Code, no direct or collateral action attacking or otherwise questioning the validity of the Bonds may be brought prior to the effective date of this Bond Resolution or after the elapse of thirty (30) days from and after the effective date of this Bond Resolution.

SECTION 25. NOTICES. All notices to Bond Owners shall be given by telex, telegram, telecopier or other telecommunication device unless otherwise provided herein and confirmed in writing as soon as practicable if such Bond Owners have given appropriate information to the Registrar for notice to be given in such manner, and otherwise by first class mail. Any notice to or demand upon the following parties shall be given by certified mail, return receipt requested, as follows:

If to the Agency/Registrar

Ketchum Urban Renewal Agency
P.O. Box 2315
Ketchum, Idaho 83340
Attention: Executive Director/Treasurer

SECTION 26. EXHIBITS INCORPORATED. All Exhibits hereto are hereby incorporated by reference as if fully set forth herein.

SECTION 27. DEPOSIT OF FUNDS FOR PAYMENT OF BONDS. If the principal or redemption price of any Bonds becoming due, either at maturity or by call for redemption or otherwise, together with all interest accruing thereon to the due date, has been paid, all interest on such Bonds shall cease to accrue on the due date and all liability of the Agency with respect to such Bonds shall likewise cease, except as hereinafter provided. Thereafter the owners of such Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bonds, and the Agency shall hold such funds in trust for such owners.

Moneys so deposited with the Agency which remain unclaimed 2 years after the date payment thereof becomes due shall, if the Agency is not at the time in default with respect to any covenant in the Bonds contained, be paid to the Agency without liability for interest, subject to the unclaimed property laws of the State; and the owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Agency or the State as applicable. With respect to that principal and

interest on the Bonds to be paid from moneys paid to the Agency pursuant to the two preceding sentences, the Holders of the Bonds entitled to those moneys shall look solely to the Agency for the payment of those moneys.

SECTION 28. PUBLICATION OF NOTICE OF RESOLUTION. A notice of this Resolution substantially in the form set forth on Exhibit “F” hereof shall be published as soon as possible once in a newspaper of general circulation in the City.

SECTION 29. EFFECTIVE DATE. This Bond Resolution shall take effect immediately upon its adoption and approval.

SECTION 30. GOVERNING LAW. This Bond Resolution shall be governed by the laws of the State of Idaho.

(The remainder of this page intentionally left blank.)

PASSED by the Ketchum Urban Renewal Agency on June 21, 2021. Signed by the Chairman of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on June 21, 2021.

KETCHUM URBAN RENEWAL AGENCY

Chairman, Board of Commissioners

ATTEST:

Secretary

(S E A L)

CERTIFICATION

I, the undersigned Secretary of the Board of Commissioners of the Ketchum Urban Renewal Agency, hereby certify that the foregoing Resolution is a full, true and correct copy of an Resolution duly passed and adopted at a regular meeting of the Board of Commissioners of said Agency, duly and regularly held at the special meeting place thereof on June 21, 2021, of which meeting all members of said Board had due notice, and at which a majority thereof were present; and that at said meeting said Resolution was adopted by the following vote:

AYES, and in favor thereof, Commissioners:

NAYS, Commissioners:

ABSENT, Commissioners:

ABSTAIN, Commissioners:

I further certify that I have carefully compared the same with the original Resolution on file and of record in my office, that said Resolution is a full, true and correct copy of the original Resolution adopted at said meeting; and that said Resolution has not been amended, modified or rescinded since the date of its adoption, and is now in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the official seal of said Agency on June 21, 2021.

Secretary

(S E A L)

EXHIBIT “A”

PROJECT DESCRIPTION

The Project consists of any of the public facilities and improvements as described in the Agency’s Urban Renewal Plan, including:

1. The acquisition, development, and construction of certain streetscapes and 4th Street pedestrian improvements financed by the Agency’s Revenue Allocation Notes, Series 2007A;
2. The acquisition of certain real property relating to the Ketchum Town Square financed by the Agency’s Revenue Allocation Notes, Series 2007B;
3. The acquisition of certain real property relating to the 211 First Street affordable housing project refinanced by the Agency’s Revenue Allocation Notes, Series 2007C; and
4. Other costs of eligible projects under the Urban Renewal Plan.

EXHIBIT “B”

No. R-1

\$4,815,958.70

UNITED STATES OF AMERICA
STATE OF IDAHO
COUNTY OF BLAINE

KETCHUM URBAN RENEWAL AGENCY
REVENUE ALLOCATION REFUNDING BOND,
SERIES 2021

MATURITY DATE:
September 15, 2030

DATED DATE:
July __, 2021

The KETCHUM URBAN RENEWAL AGENCY (the “Agency”), for value received, promises to pay from the Bond Fund (the “Bond Fund”) transferred from the Revenue Allocation Fund, created by Resolution No. 21-URA01, adopted by the Board of Commissioners of the Agency on June 21, 2021 (the “Bond Resolution”), to:

ZIONS BANCORPORATION, N.A.

or registered assigns, on the Maturity Date specified above, the principal sum of

AND NO/100 DOLLARS

In annual payments on each September 15, beginning September 15, 2021, as set forth below:

<u>Payment Date</u> <u>(September 15)</u>	<u>Principal</u> <u>Amount</u>
2021	\$363,818.54
2022	442,414.05
2023	472,587.82
2024	481,013.59
2025	488,835.12
2026	495,066.97
2027	505,611.63
2028	510,278.71
2029	524,231.53
2030	532,100.74

And to pay interest thereon from the aforesaid Bond Fund from [DATE OF CLOSING], or the most recent date to which interest has been paid or duly provided for, at the rate per annum specified above,

payable commencing on September 15, 2021, and semiannually thereafter on each March 15 and September 15 until the date of maturity or prior redemption of this Bond.

Principal and interest shall be paid in coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts. Interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, except as provided in the Bond Resolution, be paid to the person in whose name this Bond is registered at the close of business on the Regular Record Date (as hereinafter defined) for such interest.

The principal or redemption price of and interest on this Bond shall be payable to the registered owner of this Bond at such owner's address as it appears on the Bond Register maintained by Treasurer of the Agency, as the Bond Registrar. Upon final payment of principal of and interest on this Bond, the registered owner shall surrender this Bond for cancellation at the offices of the Bond Registrar.

This Bond shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and shall not constitute a general obligation or debt of the City of Ketchum, Idaho, or of any municipality, the State of Idaho, or any of its political subdivisions. In no event shall this Bond give rise to a general obligation or liability of the Agency, any municipality, the State of Idaho, or any of its political subdivisions, or give rise to a charge against their general credit or taxing powers, or be payable out of any funds or properties other than those of the Agency specifically pledged therefor.

This Bond is one of a duly authorized series of the Agency designated "Revenue Allocation Refunding Bond, Series 2021" (the "Bonds"), issuable under the Bond Resolution, aggregating in principal amount \$4,815,958.70 and issued for the purpose of refunding certain prior bonds of the Agency which previously funded certain urban renewal projects (collectively, the "Project"). The Bonds are special obligations of the Agency, issued or to be issued under and are to be secured and entitled equally and ratably to the protection given by the Bond Resolution.

This Bond and the Bonds of this issue are not general obligations of the Agency, and its full faith and credit are not pledged for payment of the principal thereof and interest thereon. The Bonds constitute a prior lien and charge upon the Pledged Revenues.

This Bond and the Bonds of this issue are issued by the Agency pursuant to and in full compliance with the Constitution and laws of the State of Idaho, particularly the Idaho Urban Renewal Law of 1965, being Idaho Code, Title 50, Chapter 20 and the Local Economic Development Act, being Idaho Code, Title 50, Chapter 29, (collectively, the "Law"), and also pursuant to the Bond Resolution. The Bonds are issued by the Agency in connection with an urban renewal project (as defined in the Law), and pursuant to Section 50-2012(f) of the Idaho Code this Bond shall be conclusively deemed to have been issued for such purpose and such project shall be conclusively deemed to have been planned, located, and carried out in accordance with the provisions of the Law.

If an Event of Default as defined in the Bond Resolution occurs, the principal of all Bonds issued under the Bond Resolution may become due and payable upon the conditions and in the manner and with the effect provided in the Bond Resolution.

Reference is made to the Bond Resolution for a more complete description of the Project, the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Agency and the Bondholders, and the terms and conditions upon which the Bonds are issued and secured. All terms used herein with initial capitalization where the rules of grammar or context do not otherwise require shall have the meanings as set forth in the Bond Resolution. Each Bondholder assents, by its acceptance hereof, to all of the provisions of the Bond Resolution.

The Bonds are subject to redemption prior to maturity on any Business Day at the option and direction of the Agency in a redemption amount of Authorized Denominations and at the redemption price of par, plus interest accrued to the redemption date with thirty (30) days written notice to the Bondholder.

The Bonds are issuable only as fully registered bonds in Authorized Denominations. This Bond is transferable by the registered owner hereof or his duly authorized attorney at the designated corporate trust agency or operation office of the Bond Registrar, upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, subject to such reasonable regulations as the Agency or the Bond Registrar may prescribe. Upon any such transfer a new Bond or Bonds in the same aggregate principal amount will be issued to the transferee. Except as set forth in this Bond and as otherwise provided in the Bond Resolution, the person in whose name this Bond is registered shall be deemed the owner hereof for all purposes, and the Agency and the Bond Registrar shall not be affected by any notice to the contrary.

The Bond Resolution permits certain amendments or supplements to the Bond Resolution not prejudicial to the Bondholder to be made without the consent of or notice to the Bondholder, and other amendments or supplements thereto to be made with the consent of the Bondholder.

The Bondholder has only those remedies provided in the Bond Resolution.

The Bonds shall not constitute the personal obligation, either jointly or severally, of the commissioners of the Agency or of any other officer of the Agency.

The Agency has covenanted and agreed with the Registered Owner of the Bond that it will keep and perform all of the covenants of this Bond, the Bond Purchase Agreement, and the Bond Resolution to be by it kept and performed.

The covenants contained herein and in the Bond Resolution may be discharged by making provision, at any time, for the payment of the principal of and interest on this Bond in the manner provided in the Bond Resolution.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions, and things essential to the validity of this Bond do exist, have happened, and have been done and that every requirement of the Constitution and statutes of the State of Idaho and the ordinances and resolutions of the Agency affecting the issue hereof have been duly complied with; the Pledged Revenues have been pledged and will be set aside into the Bond Fund to be used for the payment of principal of and interest on this Bond in the order of priority provided in the Bond Resolution.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by the Registrar.

(The remainder of this page intentionally left blank.)

IN WITNESS WHEREOF, the Ketchum Urban Renewal Agency has caused this Bond to be executed by the manual or facsimile signatures of the Chairman of the Board of Commissioners, attested by the manual or facsimile signature of the Secretary, and the seal of the Agency imprinted hereon, as of this ____ day of _____, 2021.

KETCHUM URBAN RENEWAL AGENCY

[Manual or Facsimile Signature]
Chairman, Board of Commissioners

ATTEST:

[Manual or Facsimile Signature]
Secretary

[Manual or Facsimile Seal]

CERTIFICATE OF AUTHENTICATION

Date of Authentication: July____, 2021

This Bond is one of the Ketchum Urban Renewal Agency Revenue Allocation Refunding Bond, Series 2021, described in the within-mentioned Bond Resolution.

KETCHUM URBAN RENEWAL AGENCY, as
Registrar

By: _____
Treasurer

LEGAL OPINION

It is hereby certified that a true and complete copy of the legal opinion of Skinner Fawcett LLP, of Boise, Idaho, is on file in my office, which opinion is dated the date of delivery of and payment for the Bond described therein, an original of which was delivered to me on said date, and is a part of the permanent records of the Agency.

KETCHUM URBAN RENEWAL AGENCY

[Manual or Facsimile Signature]

Secretary

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants	UNIF TRFS MIN ACT
in common	(Cust) (Minor)

TEN ENT -- as tenants by	under Uniform Transfer to Minors
the entireties	Act
	(State)

JT TEN -- as joint tenants with
right of survivorship
and not as tenants in common

Additional abbreviations may also be used although not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

Name of Transferee: _____

Address: _____

Tax Identification No. _____

the within Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Registered Owner

Registered Owner

NOTE: The signature on this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED:

Bank, Trust Agency or Member Firm
of the New York Stock Exchange

Authorized Officer

EXHIBIT “C”

BOND PURCHASE AGREEMENT

KETCHUM URBAN RENEWAL AGENCY
REVENUE ALLOCATION REFUNDING BOND, SERIES 2021

BOND PURCHASE AGREEMENT

July __, 2021

Ketchum Urban Renewal Agency
Ketchum, Idaho

Ladies and Gentlemen:

Zions Bancorporation, N.A. (the “Purchaser”), as purchaser of **Ketchum Urban Renewal Agency’s** (the “Agency”) \$4,815,958.70 Revenue Allocation Refunding Bond, Series 2021 (the “Bond”), offers to enter into this Bond Purchase Agreement with the Agency, which upon acceptance, will be binding upon the Agency and upon the Purchaser in accordance with the terms and conditions described below. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Bond Resolution (hereinafter defined).

Section 1. Definitions. For purposes of this Bond Purchase Agreement, the following capitalized terms shall have the following meanings, unless the context clearly requires otherwise:

“**Agency**” means the Ketchum Urban Renewal Agency, an independent public body corporate and politic, an urban renewal agency created by and existing under the authority of and pursuant to the Idaho Urban Renewal Law of 1965, being Title 50, Chapter 20, Idaho Code, as amended and supplemented, and possessing revenue allocation financing powers under Title 50, Chapter 29, Idaho Code, as amended and supplemented.

“**Agreement**” means this Bond Purchase Agreement.

“**Authorized Officer**” means the Chairman, Vice Chairman, Executive Director, Secretary, Treasurer or any officer or employee of the Agency authorized to perform specific acts or duties pursuant to the Law, the bylaws of the Agency or a resolution duly adopted by the Agency. The signature of one Authorized Officer shall be sufficient to bind the Agency.

“**Bond**” means the Agency’s \$4,815,958.70 Revenue Allocation Refunding Bond, Series 2021.

“**Bond Counsel**” means Skinner Fawcett LLP, Boise, Idaho.

“**Bond Resolution**” means the Agency’s Resolution No. 21-URA01 adopted June 21, 2021,

authorizing the issuance and delivery of the Bond.

“Business Day” has the meaning set forth in Section 1 of the Bond Resolution.

“Closing Date” means July 23, 2021.

“Code” has the meaning set forth in Section 1 of the Bond Resolution.

“Event of Default” means the declaration by the Purchaser of an event of default as a result of a determination by the Purchaser that any of the events of default specified in Section 22.A of the Bond Resolution have occurred.

“Gross-Up Rate” has the meaning set forth in Section 1 of the Bond Resolution.

“Interest Payment Date” has the meaning set forth in Section 1 of the Bond Resolution.

“Interest Rate” means a rate of interest of 1.730% per annum accruing on the Bond.

“Law” means, collectively, the Idaho Urban Renewal Law of 1965, being Title 50, Chapter 20, Idaho Code as amended and supplemented, and The Economic Development Act of 1988, being Title 50, Chapter 29, Idaho Code, as amended and supplemented.

“Prior Bonds” means the Agency’s \$6,440,000 Revenue Allocation (Tax Increment) Refunding Bonds, Series 2010, dated August 19, 2010.

“Purchaser” means Zions Bancorporation, N.A., as purchaser of the Bond.

“Security” has the meaning set forth in Section 1 of the Bond Resolution.

Section 2. Recitals. The Purchaser has expressed interest in purchasing the Bond pursuant to this Agreement. The Agency has adopted the Bond Resolution, which authorizes the Agency to execute and deliver this Agreement and the Bond in the aggregate principal amount of up to \$4,815,958.70 for the purpose of providing all or part of the funds with which to refund all of the Prior Bonds.

Section 3. Purchase Agreement.

3.1 The Purchaser hereby agrees to purchase the \$4,815,958.70 Bond at a price of 100% of par, subject to the terms and conditions contained in this Agreement.

3.2 The Bond shall bear interest at the Interest Rate. The Agency will pay accrued interest on the Bond on each Interest Payment Date. Until the Bond is paid in full, if interest paid on any portion of the outstanding principal balance is determined not to be, or not to have been, excludable from gross income under the Code, the Purchaser may increase the interest rate applicable to such balance to the Gross-Up Rate, retroactive to the date when interest was determined to have been includable in gross income under the Code.

- 3.3 The Agency will repay the principal amount of the Bond by making payments on September 15 of each year, beginning September 15, 2021, in accordance with the following table:

<u>Payment Date</u> <u>(September 15)</u>	<u>Principal Amount</u>
2021	\$363,818.54
2022	442,414.05
2023	472,587.82
2024	481,013.59
2025	488,835.12
2026	495,066.97
2027	505,611.63
2028	510,278.71
2029	524,231.53
2030	532,100.74

- 3.4 Any payment by the Agency to the Purchaser shall be applied first to pay accrued interest on the Bond and second to pay principal of the Bond.

Section 4. Prepayment.

- 4.1 The Bond shall be subject to redemption prior to maturity on any Business Day at the option and direction of the Agency in a redemption amount of Authorized Denominations and at the redemption price of par, plus interest accrued to the redemption date with not less than thirty (30) nor more than sixty (60) days written notice to the Purchaser.

Section 5. Security. The Bond is secured by the Security.

Section 6. Closing. The Purchaser shall purchase the Bond upon execution by the Agency of this Agreement and the Bond, and upon satisfaction of the conditions specified in Section 11 of this Agreement.

Section 7. Deposit and Use of Bond Proceeds. The proceeds of the Bond shall be deposited and expended by the Agency in accordance with the Bond Resolution and the tax certificate of the Agency executed in connection with the issuance of the Bond.

Section 8. Anti-Boycott Against Israel Certification. The Purchaser, by entering into this Agreement, hereby certifies that it and its Affiliates are not currently engaged in, or for the duration of this Agreement will not engage in, a boycott of goods or services from the State of Israel or territories under its control.

Section 9. Fees, Costs and Expenses.

- 9.1 If, due to the Agency's actions or failure to act, the Purchaser incurs any expenses in connection with enforcing this Agreement, or if the Purchaser takes collection action under this Agreement, the Agency shall pay to the Purchaser, on demand, the Purchaser's reasonable costs and attorneys' fees, whether at trial, on appeal or otherwise, including any

allocated costs of in-house counsel.

- 9.2 The Agency shall pay the fees and costs of Bond Counsel, and any other expenses and costs which the Agency incurs in connection with this Agreement.

Section 10. Representations, Warranties and Agreements of the Agency. By executing this Agreement in the space provided below, the Agency represents and warrants to, and agrees with the Purchaser that:

- 10.1 The Agency is duly created and existing under the laws of the State of Idaho, has all necessary power and authority to enter into this Agreement and perform its duties under the Bond Resolution and this Agreement, and that the Bond Resolution, this Agreement, and the Bond will constitute legal, valid and binding obligations of the Agency which is enforceable in accordance with its terms.
- 10.2 The acceptance of this Agreement, the adoption of the Bond Resolution and the execution and delivery of the Bond will not conflict in any material respect with, or constitute a material breach of or default under, any law, charter provision, court decree, administrative regulation, ordinance, resolution or other agreement or instrument to which the Agency is a party or by which it is bound.
- 10.3 There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental body pending or, to the best of the knowledge of the Agency, threatened against the Agency to restrain or enjoin the acceptance of this Agreement, the adoption of the Bond Resolution or the execution and delivery of the Bond, or the collection and application of the funds as contemplated by the Bond Resolution and this Agreement, which would have a material and adverse effect on the ability of the Agency to pay the amounts due under this Agreement and the Bond.
- 10.4 To the extent permitted by law, the Agency agrees to indemnify and hold harmless the Purchaser and all of its agents and employees against any and all losses, claims, damages, liabilities and expenses arising out of any statement made by the Agency to the Purchaser, its agents or employees that relates to this Agreement or the Bond, and that is untrue or incorrect in any material respect, or arising out of an Event of Default

Section 11. Conditions to the Obligations of the Purchaser. The Purchaser may refuse to purchase the Bond unless, on or prior to the Closing Date, the following conditions shall have been satisfied and the Purchaser shall have received:

- 11.1 a certified copy of the duly authorized Bond Resolution, and a signed original of this Agreement and the Bond;
- 11.2 an opinion of Bond Counsel acceptable to the Purchaser, with a reliance letter addressed to the Purchaser, to the effect that:
- 11.2.1 the Bond Resolution, this Agreement and the Bond are and will be valid and legally binding obligations of the Agency, enforceable against the Agency

in accordance with their terms, except to the extent that enforceability may be limited by or rendered ineffective by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the Agency,

11.2.2 the interest payable on the Bond is excludable from gross income under the Code, and

11.2.3 the Bond is not a "private activity bond" within the meaning of Section 141 of the Code;

11.3 the certificate of an Authorized Officer to the effect that:

11.3.1 there is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental body pending or, to the best of the knowledge of the Agency, threatened against the Agency to restrain or enjoin the adoption of the Bond Resolution or the execution and delivery of this Agreement and the Bond, or the collection and application of funds as contemplated by the Bond Resolution, this Agreement and the Bond, that, in the reasonable judgment of the Agency, would have a material and adverse effect on the ability of the Agency to pay the amounts due under this Agreement and the Bond, and

11.3.2 the adoption of the Bond Resolution and the execution and delivery of this Agreement and the Bond do not and will not conflict in any material respect with, or constitute a material breach of or default under, any law, charter provision, court decree, administrative regulation, ordinance, resolution or other agreement or instrument to which the Agency is a party or by which it is bound, and

11.3.3 the officers of the Agency executing and delivering the Bond are duly qualified and acting officers of the Agency with proper authority to take such actions;

11.4 such additional legal opinions, certificates, proceedings, instruments, or other documents as the Purchaser or the Agency's Bond Counsel may reasonably request to evidence compliance by the Agency with the legal requirements for execution and delivery of this Agreement and the Bond and the due performance or satisfaction by the Agency of all agreements then to be performed and all conditions then to be satisfied by the Agency;

11.5 there shall not have been any:

11.5.1 material change in the financial condition of the Agency, in the Purchaser's

opinion,

- 11.5.2 international or natural crisis, suspension of stock exchange trading or banking moratorium materially affecting, in Purchaser's reasonable opinion, the market price of the Bond, and
- 11.5.3 event, court decision, proposed law or rule which may have the effect of changing the federal income tax incident to the Bond or the contemplated transaction.

Section 12. Notices. Any notices required to be given pursuant to this Agreement shall be given to the following addresses:

Agency: Ketchum Urban Renewal Agency
P.O. Box 2315
Ketchum, Idaho 83340
Attn: Executive Director

Purchaser: Zions Bancorporation, N.A.
1 South Main Street, Suite 1700
Salt Lake City, Utah 84133
Attn: Kirsi Hansen

with a copy to:

Zions Bancorporation, N.A.
1 South Main Street, Suite 1100
Salt Lake City, Utah 84133
Attn: Legal Department

Section 13. Assignment; Survival; Agreement Constitutes Contract.

13.1 This Agreement shall be binding upon and shall inure to the benefit of the Agency and the Purchaser and their respective successors and assigns. The Agency agrees that it may not assign this Agreement without the Purchaser's prior written consent. The Purchaser may only transfer the Bond to a "bank" as defined in Section 3(a)(2) of the Securities Act of 1933 or to an Affiliate of the Purchaser. All representations, warranties, and agreements contained in this Agreement shall survive the execution, delivery and payment of the Bond.

13.2 This Agreement and the Bond shall constitute a contract between the Agency and the Purchaser. The Purchaser' extension of credit hereunder is expressly made in reliance on such contract.

Section 14. Applicable Law. This Agreement shall be governed and interpreted in accordance with the laws of the State of Idaho.

Section 15. Severability and Waivers. If any one or more of the covenants or agreements provided in this Agreement shall be declared by any court of competent jurisdiction to be contrary

to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Agreement and shall in no way affect the validity of the other provisions of this Agreement. The Purchaser retains all rights, even if it makes a loan after default. If the Purchaser waives a default, the Purchaser may enforce a later default. Any consent or waiver under this Agreement must be in writing.

Section 16. Counterparts. This Agreement may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute one and the same agreement.

Section 17. Waiver of Jury Trial. To the extent permitted by applicable law, each of the parties waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort, or otherwise between the parties arising out of, connected with, related to, or incidental to the relationship between any of them in connection with this Agreement or the transactions contemplated hereby. Instead, any such dispute resolved in court will be resolved in a bench trial without a jury.

(Signature Page to Follow)

DATED as of July __, 2021.

ZIONS BANCORPORATION, N.A.

By: _____
Authorized Officer

KETCHUM URBAN RENEWAL AGENCY

By: _____
Authorized Officer

EXHIBIT “D”

COSTS OF ISSUANCE

Bond Counsel Fees.....	\$19,500.00
Municipal Advisor	\$17,500.00
And other costs or expenses, if any, not to exceed	\$ 5,000.00

EXHIBIT “E”

INVESTMENT SECURITIES

“Investment Securities” means any of the following:

(1) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or obligations the full and timely payment of the principal of and interest on which are fully and unconditionally guaranteed by the United States of America, including instruments evidencing an ownership interest in securities described in this clause (1);

(2) obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following:

Federal Home Loan Bank System, Export-Import Bank of the United States, Federal Financing Bank, Federal Land Banks, Government National Mortgage Association, Federal Home Loan Mortgage Corporation or Federal Housing Administration;

(3) repurchase agreements with an investment provider then rated as required for investment by the Agency under the Idaho Code, and fully secured by collateral security described in clause (1) or (2) of this definition, which collateral (a) is held by the Agency or a third party agent during the term of such repurchase agreement, (b) is not subject to liens or claims of third parties and (c) has a market value (determined at least once every fourteen days) at least equal to the amount so invested;

(4) certificates of deposit of, demand deposits, time deposits, or other deposit products in, any bank (including the Purchaser any of its affiliates) or savings and loan association (a) the debt obligations of which (or in the case of the principal bank of a bank holding company, the debt obligations of the bank holding company of which) have been rated as required for investment by the Agency under the Idaho Code and (b) which are fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or (c) which are secured at all times, in the manner and to the extent provided by law, by collateral security (described in clause (1) or (2) of this definition) of a market value (valued at least quarterly) of no less than the amount of money so invested, or (d) rated in the AA long-term ratings category or higher by S&P Global Ratings, a business unit of Standard & Poor's Financial Services, LLC; and

(5) shares in any investment company registered under the federal Investment Borrower Act of 1940 whose shares are registered under the federal Securities Act of 1933 and whose only investments are government securities described in clause (1) or (2) of this definition and repurchase agreements fully secured by government securities described in clause (1) or (2) of this definition and/or other obligations rated as required for investment by the Agency under the Idaho Code.

(6) Money market mutual funds containing investments in any of the above Investment Securities, provided such money market fund bears a rating as provided for investment by the Agency under the Idaho Code.

(7) Any other investment that bears a rating permitted for investment by the Agency under the Idaho Code.

EXHIBIT “F”

FORM OF NOTICE OF BOND RESOLUTION NO. 21-URA01

Public notice is hereby given by the Ketchum Urban Renewal Agency (the “Agency”), that on June 21, 2021, the Board of Commissioners of the Agency approved and adopted Bond Resolution No. 21-URA01 (the “Resolution”).

The Resolution authorizes the issuance of the Agency’s Revenue Allocation Refunding Bond, Series 2021 in the aggregate principal amount of \$4,815,958.70.

The Bond is being issued to refund certain prior bonds of the Agency and to pay costs of issuance of the Bond and other expenses as provided in the Resolution.

Under the Resolution, the Agency has pledged for the payment of the amount of interest coming due on each interest payment date and the principal coming due on each annual principal payment date of the Bond, all tax increment revenues received by the Agency, and moneys in the Revenue Allocation Fund, and the Bond Fund, all as defined in the Resolution. Pledged Revenues received by the Agency in excess of Debt Service on the Bond may be reserved by the Agency for future payments of Debt Service on the Bond, to redeem or purchase Outstanding Bonds on the open market, or for any other legal purpose of the Agency.

Neither the City of Ketchum, the State of Idaho, its Legislature, nor any political subdivision thereof is liable for the payment of the principal of or interest or redemption premium, if any, on the Bonds.

The Resolution and other supporting material are available for public inspection at the offices of the Agency at 480 East Avenue N., Ketchum, Idaho, 83340 (telephone 208-726-7803), Monday through Friday, 8:30 a.m. to 5:00 p.m., Attention Suzanne Frick.

The Resolution became effective upon its passage and approval on June 21, 2021.

In accordance with the provisions of Sections 50-2027 and 50-2911 of the Idaho Code, no direct or collateral action attacking or otherwise questioning the validity of the Bond may be brought prior to the effective date of the Resolution authorizing such Bond or after the elapse of thirty (30) days from and after the effective date of the Resolution authorizing such Bond.

By Order of the Board of Commissioners of the Ketchum Urban Renewal Agency dated as of the 21st day of June, 2021.

Ketchum Urban Renewal Agency

Bond Refinancing Results Summary

Eric Heringer

MANAGING DIRECTOR

Tel: +1 208 344-8561

Email: eric.heringer@psc.com

Compare prior bonds to 2021 Refinancing (Zions Bank Proposal)

	Series 2010 Bonds	Series 2021 Bonds
Interest Rate	5.41%	1.73%
Final Maturity	2034	2030
Amount Outstanding	\$5,240,000	\$4,815,959
Debt Service Reserve	\$541,707	Not Required
Average Annual Payment (2023-34)	\$547,546	\$541,000

Refinancing Savings Summary

URA City of Ketchum ID
Tax Increment Refunding Bonds, Series 2021
Final Numbers 6-14-21

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 07/23/2021 @ 1.7301656%
12/31/2021	378,977.50	375,853.09	3,124.41	2,574.32
12/31/2022	526,555.00	519,436.07	7,118.93	7,041.50
12/31/2023	549,075.00	541,956.08	7,118.92	6,870.04
12/31/2024	549,325.00	542,206.09	7,118.91	6,725.50
12/31/2025	548,825.00	541,706.08	7,118.92	6,582.49
12/31/2026	546,600.00	539,481.07	7,118.93	6,438.38
12/31/2027	548,580.00	541,461.09	7,118.91	6,289.15
12/31/2028	544,500.00	537,381.07	7,118.93	6,147.52
12/31/2029	549,625.00	542,506.07	7,118.93	5,994.71
12/31/2030	548,425.00	541,306.08	7,118.92	5,849.07
12/31/2031	545,325.00		545,325.00	457,611.49
12/31/2032	546,125.00		546,125.00	450,368.66
12/31/2033	545,550.00		545,550.00	442,121.10
12/31/2034	548,600.00		548,600.00	436,905.46
	7,476,087.50	5,223,292.79	2,252,794.71	1,847,519.42

Present Value Savings of
\$1.3 million is 24.9% of
the principal amount
refinanced

Savings Summary

PV of savings from cash flow	1,847,519.42
Less: Prior funds on hand	-541,706.83
Net PV Savings	1,305,812.59

Other Provisions of Series 2021 Bonds

- The 2021 Bond is callable on any date at the price of par plus accrued interest. Provide minimum 30 day notice to redeem bonds.
- Additional Parity Bonds allowed to be issued provided that tax increment revenues can provide 1.50x the Maximum Annual Debt Service on the Parity Bonds (existing and proposed).
- Provide audited financial to the Purchaser (Zions Bank) within 270 days of fiscal year end.
- Moved payment dates from April 15/October 15 to March 15/September 15.

Remaining Schedule

June 4	Deliver Notice of Sale to Idaho Mountain Express
June 9	Idaho Mountain Express Publish Notice of Sale
June 21	Regular KURA Board Meeting to Approve Resolution (30 day contest period begins)
June 22	2010 Bond Trustee (US Bank) Sends Call Notice (20-day minimum requirement)
June 25	Provide Notice of adoption of Resolution to Idaho Mountain Express
June 30	Idaho Mountain Express Publish Notice of adoption of Resolution
July 21	30-day contest period ends
July 22	Pre-Close
July 23	Close 2021 Bond Funds wired to 2010 Bond Trustee (US Bank) to redeem 2010 Bonds & Pay Costs of Issuance
September 15	Make first payment on 2021 Bond