



City of Ketchum

CITY COUNCIL MEETING AGENDA MEMO

Meeting Date: Staff Member/Dept:

Agenda Item:

Recommended Motion:

Reasons for Recommendation:

Sustainability Impact:

Financial Impact:

Attachments:

ASSIGNMENT AND ASSUMPTION OF MASTER LEASE AGREEMENT AND RENTAL AGREEMENTS

This Assignment and Assumption of Master Lease Agreement and Rental Agreements (“**Assignment**”) dated as of the Effective Date (defined below) is entered into by and between BLAINE COUNTY HOUSING AUTHORITY, an independent public body corporate and politic duly created by Blaine County, Idaho, and existing pursuant to the laws of the State of Idaho (“**Assignor**”) and CITY OF KETCHUM, a municipal corporation of the State of Idaho (“**City**” or “**Assignee**”).

RECITALS

A. Wood River LLC, a Washington limited liability company (“**Wood River**”) is the owner of that certain property located at 31 E. McKercher Blvd, Hailey, Idaho (the “**Property**”). Wood River as “**Lessor**” and Assignor, as “**Lessee**” entered into that certain Master Lease Agreement dated November 30, 2023 (the “**Original Master Lease**”), as amended by that certain First Amendment to Master Lease Agreement dated December 1, 2025 (the “**First Amendment**”, collectively with the Original Master Lease, the “**Master Lease**”), attached hereto as Exhibit A, wherein Assignor leased 100% of the Property from Wood River to manage and oversee the residential leasing operation at the Property pursuant to separate rental agreements (“**Rental Agreements**”). Initially capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in the Lease; and

B. Assignor desires to assign the Master Lease and the Rental Agreements to Assignee, and Assignee desires to assume the Master Lease and Rental Agreements from Assignor, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, Assignor and Assignee hereby agree as follows:

ASSIGNMENT AND ASSUMPTION

1. Assignment. As of the Effective Date, Assignor hereby assigns, transfers and conveys to Assignee, all right, title and interest of Assignor as Lessee under the Master Lease. Assignor shall remain liable for the performance of any obligation required to be performed by Lessee under the Master Lease or any Rental Agreements for all periods prior to the Effective Date. Nothing herein shall be construed to limit or affect any right or remedy of Wood River under the Master Lease arising from acts or omissions of Assignor prior to the Effective Date.

2. Assumption. As of the Effective Date, Assignee hereby accepts said assignment and assumes and agrees to keep, observe and perform all of the covenants, conditions, terms and provisions under the Master Lease or any Rental Agreements to be kept, observed and performed by the lessee therein from and after the Effective Date. For the avoidance of doubt, Wood River shall be entitled to enforce the Master Lease directly against Assignee from and after the Effective Date.

3. Letter of Credit. It is agreed and understood that the City executed that certain Irrevocable Standby Letter of Credit dated November 29, 2023 (the “**LOC**”) related to the Master Lease wherein Wood River is the beneficiary. The City, in its capacity as both Assignee and original issuer of the LOC, hereby acknowledges and confirms that: (a) the LOC is and shall remain valid, binding, and in full force and effect in accordance with its terms; (b) the LOC shall continue to serve as security for the performance of all obligations of the lessee (now the City) under the Master Lease; (c) the face amount of the LOC is subject to reduction solely in accordance with Section 4 of the First Amendment; (d) notwithstanding the City’s assumption of the Master Lease, no merger of the City’s roles as lessee under the Master Lease and as issuer

of the LOC shall be deemed to have occurred, and Wood River's rights as beneficiary of the LOC shall remain unimpaired; and (e) the City shall not take any action to cancel, reduce, or otherwise impair the LOC except as expressly permitted under the Master Lease.

4. Severability. If any term or provision of this Assignment or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Assignment or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Assignment shall be valid and enforced to the fullest extent permitted by law.

5. Counterparts. This Assignment may be executed in counterparts, each of which shall be an original and all of which counterparts taken together shall constitute one and the same agreement.

6. Miscellaneous. This Assignment and the obligations of Assignor and Assignee herein shall survive the Effective Date and shall not be merged therein, shall be binding upon and inure to the benefit of Assignor and Assignee hereto, their respective legal representatives, successors and assigns and may not be modified or amended in any manner other than by a written agreement signed by the party to be charged therewith.

7. Attorneys' Fees. Should either party employ attorneys to enforce any of the provisions hereof, the non-prevailing party agrees to pay the prevailing party all reasonable costs, charges, and expenses, including reasonable attorneys' fees, expended or incurred by the prevailing party in connection therewith.

8. Wood River Consent. By signing below, and subject to the provisions of this Assignment, Wood River hereby consents to the assignment of the Master Lease to Assignee. Wood River's consent herein is a one-time consent and shall not be deemed a consent to any further or subsequent assignment, subletting, or transfer of the Master Lease or any interest therein. Wood River's consent shall not modify, diminish, or waive any right or remedy of Wood River under the Master Lease, including without limitation Wood River's right to draw on the LOC, its early termination rights under Section 5 of the First Amendment, and all other rights reserved to Wood River thereunder. Wood River does not assume, and shall not be deemed to have assumed, any obligation of Assignor to Assignee by virtue of this consent or its execution of this Assignment.

[Remainder of Page Intentionally Blank; Signature Page and Exhibits Follow]

IN WITNESS WHEREOF, the undersigned have executed this Assignment to be effective as the latest of the dates set forth below (the “**Effective Date**”).

ASSIGNOR:

BLAINE COUNTY HOUSING AUTHORITY

By: _____
Name: _____
Title: _____
Date: _____

ASSIGNEE:

CITY OF KETCHUM

By: _____
Name: _____
Title: _____
Date: _____

FOR PURPOSES OF SECTION 8 ONLY

WOOD RIVER:

WOOD RIVER LLC,
a Washington limited liability company

By: BearRock Investments LLC,
a Washington limited liability company

Its: Member/Manager

By: _____
David Rothrock, Member/Manager

By: _____
Douglas Barrett, Member/Manager