

ORDINANCE NO. 1160

AN ORDINANCE OF THE CITY OF KETCHUM, BLAINE COUNTY, IDAHO, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF A WATER REVENUE REFUNDING BOND, SERIES 2016, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$1,865,000, FOR THE PURPOSE OF REFUNDING THE CITY'S OUTSTANDING WATER REVENUE REFUNDING BOND, SERIES 2006B; PROVIDING FOR THE COLLECTION AND APPLICATION OF WATER REVENUES TO PAY THE PRINCIPAL OF AND INTEREST ON THE BOND; ESTABLISHING FUNDS; PROVIDING FOR THE PAYMENT OF THE BOND; PROVIDING COVENANTS RELATING TO THE BOND AND THE TAX-EXEMPT STATUS OF THE INTEREST ON THE BOND; DELEGATING THE APPROVAL OF A LOAN AGREEMENT; PROVIDING FOR RELATED MATTERS; APPROVING A SUMMARY OF THIS ORDINANCE FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Ketchum, Blaine County, Idaho (the "City"), is a municipal corporation duly organized and operating under and pursuant to the laws of the State of Idaho; and

WHEREAS, the City owns and operates a domestic water system (the "System") for the benefit of the residents of the City; and

WHEREAS, the City heretofore, on May 11, 2006, issued its Water Revenue Refunding Bond, Series 2006B, in the original principal amount of \$3,030,000 the principal amount of which \$1,865,000 remains outstanding and callable (hereinafter referred to as the "Refunded Bond"); and

WHEREAS, the Mayor and Council have determined that it is in the best interests of the City and its utility ratepayers to refund the Refunded Bond and to issue refunding bonds for that purpose; and

WHEREAS, the City is authorized by the Constitution and laws of Idaho to issue refunding bonds to refund its outstanding bonds and other obligations whenever the Mayor and Council determine that a savings or other beneficial public objective can be achieved thereby, without an approving vote of the electors of the City, and to sell such refunding bonds at private sale; and

WHEREAS, the ordinance pursuant to which the Refunded Bond was issued reserves the right of the City to redeem the Refunded Bond, in full, prior to maturity, upon notice as provided in said ordinance; and

WHEREAS, the City Council has determined to issue a bond to redeem the Refunded Bond and to issue such bond through a private negotiated sale; and

WHEREAS, the City Council has determined to delegate authority to the Mayor and City Administrator of the City of Ketchum to enter into a loan agreement with a purchaser and to issue the refunding obligations of the City in the form of a single, amortized water revenue refunding bond in an aggregate principal amount not to exceed \$1,865,000.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF KETCHUM, Blaine County, Idaho, as follows:

Section 1: DEFINITIONS

As used in this Ordinance, the following words shall have the following meanings:

Act means, collectively, Title 50, Chapter 10, Title 57, Chapters 2, 5, and 9, and Title 67, Chapter 87, Idaho Code.

Additional Bonds means any bonds issued pursuant to Section 9 of this Ordinance.

Annual Debt Service means the amount required in a given Fiscal Year of the City for the payment of the principal of and interest on the Bond.

Average Annual Debt Service means the average annual amount required over the term of the Bond from the time of calculation for the payment of the principal of and interest on the Bond.

Bond or Bonds means the “City of Ketchum Water Revenue Refunding Bond, Series 2016,” herein authorized to be issued, sold, and delivered.

Bond Counsel means MSBT Law, Chartered, Boise, Idaho, or another attorney at law or a firm of attorneys of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States.

Bond Fund means the Bond Fund established by Section 8 of this Ordinance.

Bond Register means the registration books on which are maintained the names and addresses of the owners or nominees of the owners of the Bond.

Bond Registrar means the bond registrar appointed and designated in Section 6 of this Ordinance, and any successor Bond Registrar.

City means the City of Ketchum, Blaine County, Idaho.

City Administrator means the City Administrator of the City, or his/her successor in functions, if any.

City Clerk means the Clerk of the City, or other officer of the City who is the custodian of the seal of the City and of the records of the proceedings of the City, or his/her successor in functions, if any.

Code means the Internal Revenue Code of 1986, as amended.

Cost of Issuance Fund means the fund created by Section 8(A) of this Bond Ordinance for the payment of the costs of issuance of the Bond.

Council means the City Council of the City.

Escrow Agent means the Corporate Trust Department of Zions Bank, or such other escrow agent as shall be appointed by the City Administrator.

Financial Advisor means Zions Public Finance, Inc., as financial advisor to the District.

Fiscal Year means the annual fiscal year of the City, currently commencing on October 1 of each year and ending on September 30 of the following year.

Interest Payment Date(s) means the payment date(s) on the Bond set forth in the Loan Agreement.

Loan Agreement means the loan agreement between a purchaser and the City referred to and authorized in Section 13 of the Ordinance.

Maximum Annual Debt Service means an amount equal to the greatest Annual Debt Service on the Bond for the then-current or any future Fiscal Year of the City.

Mayor means the Mayor of the City, or his/her successor in functions, if any.

Net Revenues means Revenue of the System after the deduction of Operation and Maintenance Expenses.

Operation and Maintenance Expenses or any phrase of similar import means all reasonable and necessary current expenses of the City, (except depreciation), paid or accrued, of operating, maintaining, and repairing the System or of levying, collecting, and otherwise administering the Net Revenues for the payment of the Bond; and the term includes (except as limited by contract or otherwise limited by law) without limiting the generality of the foregoing:

- (1) Engineering, auditing, reporting, legal, and other overhead expenses of the various City departments directly relating and reasonably allocable to the administration of the System;
- (2) Fidelity bonds and property and liability insurance premiums pertaining to the System, or a reasonably allocable share of a premium of any blanket bond or policy pertaining thereto;
- (3) Payments to pension, retirement, health, and hospitalization funds and other insurance;
- (4) Any taxes, assessments, excise taxes, or other charges which may be lawfully imposed on the City, the System, revenues therefrom, or any privilege in connection with their operation;

- (5) The reasonable charges of the bond registrar, fiscal or paying agent, commercial bank, trust bank, or other depository bank pertaining to the Bonds issued by the City or pertaining to the Project, if any;
- (6) Contractual services, professional services, salaries, other administrative expenses, and the cost of materials, supplies, repairs, and labor, pertaining to the issuance of the Bond and to the ordinary operation of the System; and
- (7) All other administrative, general, and commercial expenses.

Ordinance means this Ordinance No. 1160, adopted on August 15, 2016.

Project means the redemption and refunding of the Refunded Bond.

Refunded Bond means the City of Ketchum Water Revenue Refunding Bond, Series 2006B, originally issued on May 11, 2006, in the original principal amount of \$3,030,000 for the redemption of maturities 2017 through 2027

Registered Owner means the purchaser of the Bond and any subsequent transferee or purchaser of the Bond.

Regulations means the Treasury Regulations issued or proposed under Section 103, Section 148, Section 149, or Section 150 of the Code (26 CFR Part 2) or other sections of the Code relating to “arbitrage bonds” or rebate, including without limitation Sections 1.148-0 through 1.148-11 and 1.150-1 of the Treasury Regulations, to the extent applicable, and includes amendments thereto or successor provisions.

Reserve Fund means the “City of Ketchum Water Revenue Refunding Bond Debt Service Reserve Fund” referred to in Section 8(E) of this Ordinance.

Revenue Fund means the “City of Ketchum Water Revenue Fund” referred to in Sections 8(A) and 8(C) of this Ordinance.

Reserve Requirement means in the event that a reserve is required by the Loan Agreement, the monies to be held by the City in the Reserve Fund to secure payment of debt service on the loan and the Bond in an amount provided by the Loan Agreement, which amount shall not exceed the lesser of (i) 10% of the principal amount of the Bond, or (ii) Maximum Annual Debt Service, or (iii) 125% of Average Annual Debt Service.

System means the domestic water system of the City, as the same now exists, including its assets, real and personal, tangible and intangible, and as it may later be added to, extended, and improved, and shall include buildings, structures, utilities, or other income producing water facilities from the operation of or in connection with which the revenues of the payment of the Bond to be issued hereunder will be derived, and the lands pertaining thereto.

Treasurer means the Treasurer of the City, or his/her successor in functions, if any.

Treasury Regulations means the Treasury Regulations issued or proposed under Section 103, Section 148, Section 149, or Section 150 of the Code (26 CFR Part 2) or other sections of the Code relating to “arbitrage bonds” or rebate, including without limitation Sections 1.148-0 through 1.148-11 and 1.150-1 of the Treasury Regulations, to the extent applicable, and includes amendments thereto or successor provisions.

Written Certificate means an instrument in writing on behalf of the City executed by an authorized officer of the City.

Section 2: FINDINGS

The Mayor and Council hereby find, determine, and declare:

A. That the City’s Refunded Bond can be refunded at a cost saving to the benefit of the City and its utility ratepayers; that it is desirable and necessary for the benefit of the City and its utility ratepayers to refund the Refunded Bond for the purpose of achieving a cost saving and other beneficial public objectives; and that the net proceeds of the Bond, together with other lawfully available moneys of the City, to the extent necessary, shall be used to refund the Refunded Bond.

B. That it is the intent of the Mayor and Council to issue the Bond for the purpose of providing funds in an amount sufficient, together with other lawfully available funds of the City, if necessary, to refund, redeem, and retire the Refunded Bond.

Section 3: THE BOND

The Bond, designated “City of Ketchum Water Revenue Refunding Bond, Series 2016” (the “Bond”), in an aggregate principal amount not to exceed \$1,865,000, is hereby authorized to be issued, sold, and delivered pursuant to the parameters set forth in this Ordinance. The Bond shall consist of a single, transferrable, amortized revenue refunding bond, shall be dated as of its date of delivery, and shall bear interest on its unpaid principal balance at such rate or rates as shall be set forth in the Loan Agreement, and shall be payable at such times and in such amounts, and shall mature, as shall be set forth in the Loan Agreement. The Mayor, or other designee, is authorized to issue the Bonds provided the present value savings as a percentage of the bonds being refinanced is at least five percent (5.0%) for a term not to exceed the outstanding term of the Refunded Bonds.

Section 4: EXECUTION

The Bond shall be executed by the manual signature of the Mayor, countersigned by the manual signature of the Treasurer, and attested by the manual signature of the City Clerk, and the seal of the City shall be impressed thereon.

Section 5: PLACE AND MANNER OF PAYMENT

Both principal of and interest on the Bond shall be payable in lawful money of the United States of America to the Registered Owner thereof, at the address of such Registered Owner as shown on the registration records of the City, or at such other address as shall be designated in writing to the City by the Registered Owner.

Section 6: BOND REGISTRAR

The Treasurer is hereby appointed as bond registrar, transfer agent and paying agent, and is herein referred to as the "Bond Registrar." The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bond. The Bond Registrar is authorized, on behalf of the City, to carry out all of the Bond Registrar's powers and duties under this Ordinance.

The Bond may be transferred only upon the books for the registration and transfer of bonds (the "Bond Register"), upon the surrender thereof to the Bond Registrar, together with a form of transfer duly executed by the Registered Owner or its attorney duly authorized in writing. Upon the transfer of a Bond, there shall be issued in the name of the transferee or transferees a new fully registered bond or bonds of any authorized denomination or denominations and of the same maturity and interest rate, and of the same aggregate principal amount, as the surrendered Bond. The new bond or bonds shall bear the same date as the date of the surrendered bond, but shall bear interest from the immediately preceding interest payment date to which interest has been paid or fully provided for.

This Section is intended to provide the system of registration required by Chapter 9, Title 57, Idaho Code.

Section 7: PRE-PAYMENT; DEFEASANCE

If authorized by the Loan Agreement, the City shall have the option to prepay the Bond, in whole or in part, in accordance with the prepayment provisions of the Loan Agreement.

In the event that money and/or government obligations, maturing or having guaranteed redemption prices at the option of the owner at such time or times and bearing interest to be earned thereon in such amounts as are sufficient (together with any resulting cash balances) to redeem and retire part or all of the Bond in accordance with its terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on the Bond so provided for, and the Bond and interest accrued thereon shall then cease to be entitled to

any lien, benefit, or security of this Ordinance, except the right to receive the funds so set aside and pledged, and the Bond and interest accrued thereon shall no longer be deemed to be outstanding hereunder.

Section 8: FUNDS AND ACCOUNTS – REDEMPTION OF REFUNDED BOND

A. Establishment of Funds and Accounts. The following funds and accounts are created or confirmed with respect to the Bond.

1. Bond Fund, to be held by the City.
2. Cost of Issuance Fund.
3. Reserve Fund, if any, to be held by the City.
4. Revenue Fund, to be held by the City.

B. Redemption of Refunded Bond; Pledge, Etc.

1. The Refunded Bond is hereby irrevocably called for redemption on September 15, 2016. Notice of such redemption shall be given as provided in the ordinance pursuant to which the Refunded Bond was issued. The Refunded Bond are being redeemed at a redemption price of par plus accrued interest to the date of redemption.
2. Proceeds of the Bond shall be utilized exclusively for the purpose of paying and redeeming, on September 15, 2016, the outstanding principal of the Refunded Bond, as set forth in the Written Certificate, together with interest accrued to the date of redemption and costs of issuance.
3. Adequate funds for redemption of the Refunded Bond shall be deposited with the Escrow Agent to be applied to the redemption of the Refunded Bond.

C. Revenue Fund. There has heretofore been created a special fund known as the “City of Ketchum Water Revenue Fund” (the “Revenue Fund”), which shall be maintained by the Treasurer and into which the Revenue of the System shall be deposited forthwith upon its receipt.

The Revenue of the System shall be used for payment of the following obligations in the following order of priority:

1. First Charge and Lien: the costs of Operation and Maintenance Expenses;
2. Second Charge and Lien: the principal of and interest on the Bond and any Additional Bonds, by payment into the Bond Fund; and

3. To administer surplus funds. Funds remaining in the Revenue Fund, after having been applied to the purposes provided in this Ordinance, shall constitute surplus funds and may be used for the purposes set forth in Section 8(G) of this Ordinance.

D. Bond Fund. There has heretofore been created a special fund known as the “City of Ketchum Water Revenue Refunding Bond Fund” (the “Bond Fund”), into which shall be deposited, from Net Revenues, the following described revenues:

1. Each installment of interest and principal payable on the Bond shall be payable into the Bond Fund from the Revenue Fund pursuant to the Loan Agreement. The moneys herein allocated shall be used solely to pay currently maturing installments of principal of and interest on the Bond.
2. Interest earnings on deposits in the Bond Fund shall remain in the Bond Fund to be used for the purposes of the Bond Fund.

E. Reserve Fund.

1. Deposits. There has heretofore been created a special fund known as the “City of Ketchum Water Revenue Refunding Bond Debt Service Reserve Fund” (the “Reserve Fund”), which in the event that a reserve fund is required by the Loan Agreement, shall be maintained by the Treasurer so long as the Bond remains outstanding, into which shall be deposited, to the extent necessary, from other funds of the City, the amount of the Reserve Requirement, which amount shall be maintained as a debt service reserve fund for the Bond until the Bond has been paid in full.
2. Deficiencies or Withdrawals. Whenever any moneys are withdrawn from the Reserve Fund to pay the principal of or interest on the Bond, or if a deficiency exists therein, the amount so withdrawn or the amount of such deficiency shall be restored by deposits from Net Revenues, as soon as possible, but not later than one (1) year from the date of the drawing, until the full amount of the Reserve Requirement has been restored.

F. Cost of Issuance Fund. There is hereby established a separate fund designated as the “Cost of Issuance Fund.” At the time of the delivery of the Bond the City shall deposit into the Cost of Issuance Fund such amount as shall be required to pay the reasonable and necessary costs of issuance of the Bond. Moneys in the Cost of Issuance Fund shall be used for the payment of costs of issuance of the Bond. Any moneys remaining in the Cost of Issuance Fund on the date of the full and final payment of all costs of issuance of the Bond shall be deposited into the Bond Fund.

G. Surplus Funds. Funds remaining in the Revenue Fund after having been applied to or designated funds for the purposes provided in Section 8C of this Ordinance shall constitute surplus funds and may be used for any of the following purposes:

1. To pay the costs of unusual or extraordinary maintenance of or repair to the System;
2. To pay the principal of and interest on any subordinate lien obligations which may have been issued to provide water facilities in or for the City;
3. To improve, extend, enlarge, or replace any water facilities;
4. To acquire or construct additional water facilities in or for the City;
5. To prepay the principal, interest, and any costs of the Bond; and
6. For any other lawful purpose.

Section 9: ADDITIONAL BONDS OR OTHER OBLIGATIONS

Additional Bonds or other obligations payable from Net Revenues on a parity with (but not superior to) the Bond may be issued by the City upon compliance by the City with provisions for additional parity debt set forth in the Loan Agreement.

Section 10: INVESTMENTS

Surplus funds in any of the funds set forth in this Ordinance may be invested in securities as permitted by law.

Section 11: GENERAL COVENANTS

For the protection and security of the Bond, it is covenanted and agreed to and with the Registered Owner of the Bond from time to time, that the City will perform the following covenants:

A. Operate System. It will operate the System in an efficient and economical manner and prescribe, revise, and collect such charges in connection therewith so that the services, facilities, and properties of the System may be furnished at the lowest possible cost consistent with sound economy and prudent management.

B. Good Repair. It will operate, maintain, preserve, and keep the System and every part hereof in good repair, working order, and condition.

C. Preserve Security. It will preserve and protect the security of the Bond and the rights of the Registered Owner thereof.

D. Collect Revenues. It will collect and hold in trust the revenues and other funds pledged to the payment of the Bond and apply such revenue or other funds only as provided in this Ordinance.

E. Service Bond. It will pay and cause to be paid punctually the principal of the Bond and the interest thereon on the date or dates and at the place or places and in the manner provided in the Bond, and in accordance with this Ordinance.

F. Pay Claims. It will pay and discharge any and all lawful claims for labor, materials, and supplies which, if unpaid, might by law become a lien or charge upon the Revenue of the System, or any part of said Revenue of the System, or any funds in the hands of the Treasurer, prior or superior to the lien of the Bond or which might impair the security of the Bond, to the end that the priority and security of the Bond shall be fully preserved and protected.

G. Encumbrances. It will not mortgage or otherwise encumber, sell, lease, or dispose of the System or any part thereof, nor enter into any lease or agreement which would impair or impede the operation of the System or any part thereof necessary to secure adequate revenues for the payment of the principal of and interest on the Bond, nor which would otherwise impair or impede the rights of the Registered Owner of the Bond with respect to such revenues of the operation of the System without provisions for the retirement of the Bond then outstanding from the proceeds thereof.

H. Insurance. It will procure and keep in force insurance upon all buildings and structures of the System and the machinery and equipment therein, which are usually insured by entities operating like property, in good and responsible insurance companies. The amount of the insurance shall be such as may be required to adequately protect it and the Registered Owner of the Bond from loss due to any casualty, and in the event of any such loss, the proceeds shall be used to repair or restore the System or for the payment of the Bond issued under this Ordinance.

I. Fidelity Bonds. It will procure suitable fidelity bonds covering all of its officers and other employees charged with the operation of the System and the collection and disbursement of revenues therefrom.

J. Engineers. It will employ consulting engineers of acknowledged reputation, skill, and experience in the improvement and operation of the System for any unusual or extraordinary items of maintenance, repair, or betterments as shall be required from time to time, all reports, estimates, and recommendations of such consulting engineers to be filed with the Clerk and furnished to the Registered Owner of the Bond issued hereunder, upon request.

K. Accounts. It will keep proper and separate accounts and records in which complete and separate entries shall be made of all transactions relating to the System, and it will furnish complete operating and income statements upon request.

L. Delinquencies. It will not furnish water service to any customer whatsoever free of charge, and it shall not later than sixty (60) days after an account becomes delinquent, take such legal action as may be reasonable to enforce collection of any collectible delinquent account.

Section 12: SPECIAL COVENANTS

The City further covenants and agrees:

A. In accordance with Section 149(a) of the Internal Revenue Code of 1986, as amended (the “Code”), the Bond, and any serial bonds to which it may be converted, shall be issued and remain in fully registered form in order that interest thereon be excluded from gross income of the owner or owners for federal income tax purposes. The City covenants and agrees that it will take no action to permit the Bond, or any serial bonds to which it may be converted, to be issued in or converted to bearer or coupon form.

B. None of the proceeds of the Bond will be used, directly or indirectly, (i) to make or finance loans to persons or (ii) in any trade or business carried on by any person (other than as a member of the general public). For purposes of the preceding sentence, the term “person” does not include a government unit other than the United States or any agency or instrumentality thereof, and the term “trade or business” means any activity carried on by a person other than a natural person. The City further covenants and agrees to take no action which would cause the Bond to become a “private activity bond,” nor will it omit to take any action necessary to prevent the Bond from becoming a “private activity bond,” within the meaning of Section 141 of the Code.

C. The Mayor, Clerk, and Treasurer, and other appropriate officials of the City, or any one or more of such officials, as may be appropriate, are each hereby authorized and directed to execute, on behalf of the City, such certificate or certificates as shall be necessary to establish that the Bond is not an “arbitrage bond” within the meaning of Section 148 of the Code and the Treasury Regulations promulgated thereunder, and to establish that interest on the Bond is not and will not become includable in the gross income of the Registered Owner of the Bond under the Code and applicable regulations. The City covenants and agrees that no use will be made of the proceeds of the Bond, or any funds of the City which may, pursuant to Section 148 of the Code and applicable regulations, be deemed to be proceeds of the Bond, which would cause the Bond to become an “arbitrage bond” within the meaning of Section 148 of the Code. The City further covenants to comply throughout the term of the Bond with the requirements of Section 148 of the Code and the regulations promulgated thereunder in order to prevent the Bond from becoming an “arbitrage bond.”

D. The City will comply with any information reporting requirements of the Loan Agreement and Section 149(e) of the Code.

Section 13: LOAN AGREEMENT

Provided that such Loan Agreement complies with the parameters set forth in this Ordinance, the City Council hereby delegates to the Mayor and/or the City Administrator, the power to approve a Loan Agreement with a purchaser. The Mayor and City Clerk, or such officer’s designee, are each hereby authorized and directed, on behalf of the City, to execute and attest, respectively, and to deliver the Loan Agreement; provided, however, that (i) the term of the Loan Agreement shall end no later than September 15, 2027; (ii) the principal amount set forth in the Loan Agreement shall not exceed \$1,865,000; and (iii) the present value savings as a percentage

of the bonds being refinanced is at least five percent (5.0%). The City shall comply with all terms and provisions of the Loan Agreement, and, in the event that any provision of this Ordinance or the Bond is inconsistent with the provisions of the Loan Agreement, the provisions of the Loan Agreement shall control.

Pursuant to Idaho Code 57-235, officials of the City, including the Mayor, Treasurer, City Administrator, Financial Advisor, and Bond Counsel, are and each of them is, hereby authorized to do or perform all such acts as may be necessary to sell the Bonds of the City provided such sale complies with the parameters set forth in this Bond Ordinance.

Section 14: AMENDMENTS

A. The City from time to time and at any time may adopt an ordinance or ordinances supplemental hereto, which ordinance or ordinances thereafter shall become a part of this Ordinance, for any one or more of all of the following purposes:

1. To add to the covenants and agreements of the City in this Ordinance, other covenants and agreements thereafter to be observed, which shall not adversely affect the interest of the Registered Owner of the Bond, or to surrender any right or power herein reserved.
2. To make such provisions for the purpose of curing any ambiguities or of curing, correcting, or supplementing any defective provisions contained in this Ordinance, or any ordinance authorizing future bonds in regard to matters or questions arising under such ordinances as the Council may deem necessary or desirable and not inconsistent with such ordinances and which shall not adversely affect, in any material respect, the interest of the Registered Owner of the Bond.

Any such supplemental ordinance may be adopted without the consent of the Registered Owner of the Bond at any time outstanding, notwithstanding any of the provisions of subsection B of this Section.

B. With the consent of the Registered Owner of not less than 75% in aggregate principal amount of the Bond at the time outstanding, the Council may adopt an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Ordinance or of any supplemental ordinance; provided, however, that no such supplemental ordinance shall:

1. Extend the fixed maturities of the Bond, or reduce the rate of interest thereon, or extend the time of payments of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, if applicable, without the consent of the Registered Owner of the Bond so affected; or

2. Reduce the aforesaid percentage of the Registered Owner required to approve any such supplemental ordinance.

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

C. Upon the adoption of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations of the City under this Ordinance and the Registered Owner of the Bond 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 ordinance shall be deemed to be part of the terms and conditions of this Ordinance for any and all purposes.

D. Any bond executed and delivered after the execution of any supplemental ordinance adopted pursuant to the provisions of this Section may have a notation as to any matter provided for in such supplemental ordinance, and if such supplemental ordinance shall so provide, new bonds so modified as to conform, in the opinion of the Council, to any modification of this Ordinance contained in any such supplemental ordinance, may be prepared and delivered without cost to the Registered Owner of the Bond then outstanding, upon surrender for cancellation of the Bond.

Section 15: VALIDITY OF ISSUANCE

The Bond is issued pursuant to the Idaho Revenue Refunding Bond Act, being Idaho Code Sections 50-1027 through 50-1042. This recital is conclusive evidence of the validity of the Bond and the regularity of its issuance.

Section 16: REGISTERED OWNER'S REMEDIES - RECEIVER

By action or suit in equity, the Registered Owner or subsequent owners of the Bond may, in the event of a material violation of any of the foregoing covenants, cause the appointment of a receiver, which receiver may enter and take possession of the System and any Net Revenues for the payment of the Bond, prescribe fees to be derived from the System, and collect, receive, and apply all Net Revenues of other moneys pledged for the payment of the Bond in the same manner as the City might do in accordance with the obligations of the City. In addition, the Registered Owner shall have the remedies set forth in the Loan Agreement.

Section 17: ORDINANCE A CONTRACT

The provisions of this Ordinance shall constitute a contract between the City and the Registered Owner so long as the Bond hereby authorized remains unpaid.

Section 18: SEVERABILITY

If any one or more of the covenants or agreements provided in this Ordinance to be performed on the part of the City 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 Ordinance and shall in no way affect the validity of the other provisions of this Ordinance or of the Bond.

Section 19: REPEALER

All other ordinances or parts thereof, to the extent inconsistent herewith, are hereby repealed and shall, to the extent of such inconsistency, have no further force or effect.

Section 20: AUTHORIZATION

The Mayor, City Clerk, and City Treasurer, or any one of such officers, as may be appropriate to the circumstances, are hereby authorized to execute, on behalf of the City, the Bond and all such additional documents as may be necessary to effect the sale and delivery of the Bond.

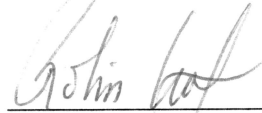
Section 21: PUBLICATION

This Ordinance, or a summary thereof in compliance with Section 50-901A, Idaho Code, substantially in the form annexed hereto as Exhibit "A," shall be published once in the official newspaper of the City, and shall take effect immediately upon passage, approval, and publication.

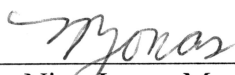
DATED this 15th day of August, 2016.

CITY OF KETCHUM
Blaine County, Idaho

ATTEST:



Robin Crotty, Interim City Clerk

By 

Nina Jonas, Mayor



SUMMARY OF
ORDINANCE NO. 1160

AN ORDINANCE OF THE CITY OF KETCHUM, BLAINE COUNTY, IDAHO, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF A WATER REVENUE REFUNDING BOND, SERIES 2016, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$1,865,000, FOR THE PURPOSE OF REFUNDING THE CITY'S OUTSTANDING WATER REVENUE REFUNDING BOND, SERIES 2006B; PROVIDING FOR THE COLLECTION AND APPLICATION OF WATER REVENUES TO PAY THE PRINCIPAL OF AND INTEREST ON THE BOND; ESTABLISHING FUNDS; PROVIDING FOR THE PAYMENT OF THE BOND; PROVIDING COVENANTS RELATING TO THE BOND AND THE TAX-EXEMPT STATUS OF THE INTEREST ON THE BOND; DELEGATING THE APPROVAL OF A LOAN AGREEMENT; PROVIDING FOR RELATED MATTERS; APPROVING A SUMMARY OF THIS ORDINANCE FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

A summary of the principal provisions of Ordinance No. 1160 of the City of Ketchum, Blaine County, Idaho, adopted on August 15, 2016, is as follows:

- Section 1: Defines the terms and phrases used in the Ordinance.
- Section 2: Makes findings with respect to the refunding of the City's Water Revenue Refunding Bonds, Series 2006B.
- Section 3: Describes the City of Ketchum Water Revenue Refunding Bond, Series 2016 (the "Bond").
- Section 4: Provides for the manner and method of execution of the Bond.
- Section 5: Provides for the place and manner of payment of the Bond.
- Section 6: Appoints the City Treasurer as Bond Registrar.
- Section 7: Provides for the prepayment and defeasance of the Bond.
- Section 8: Establishes funds and provides for the refunding of the Refunded Bonds.
- Section 9: Provides the requirements for the issuance of additional bonds.
- Section 10: Provides for the investment of surplus funds.
- Section 11: Provides general covenants for the Bond.
- Section 12: Provides special covenants for the Bond.

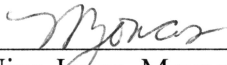
SUMMARY OF ORDINANCE NO. 1160 "EXHIBIT "A"

- Section 13: Delegates authority to approve a Loan Agreement.
- Section 14: Provides for amendments to the Ordinance.
- Section 15: States the validity of the issuance of the Bond.
- Section 16: Provides remedies for registered owners of the Bond.
- Section 17: States that the Ordinance constitutes a contract with the Registered Owners of the Bond.
- Section 18: Provides for severability.
- Section 19: Repeals prior inconsistent ordinances, to the extent of any inconsistency.
- Section 20: Authorizes the Mayor, City Clerk, and City Treasurer to execute any additional documents necessary to sell and deliver the Bond.
- Section 21: Provides for the publication of the Ordinance or a summary thereof and the effective date of the Ordinance.

The full text of Ordinance No. 1160 is available at City Hall and will be provided to any citizen upon personal request during normal office hours.

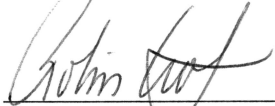
DATED this 15th day of August, 2016.

CITY OF KETCHUM



Nina Jonas, Mayor

ATTEST:



Robin Crotty, Interim City Clerk

SUMMARY OF ORDINANCE NO. 1160 “EXHIBIT “A”

CERTIFICATION OF ATTORNEY

I, the undersigned Legal Counsel for the City of Ketchum, Blaine County, Idaho, hereby certify that I have read the attached summary of Ordinance No. 1160 of the City of Ketchum and that the same is true and complete and provides adequate notice to the public of the contents of said Ordinance.

Dated as of the 15th day of August, 2016.



Attorney at Law