Hailey Urban Renewal Agency  
Hailey City Hall  
115 Main Street S  
Council Chambers – upstairs AND via GoToMeeting  
Thursday, January 28, 2021  
11:00 AM

Please join my meeting from your computer, tablet or smartphone.  
https://global.gotomeeting.com/join/247356349  
Via One-Touch Teleconference: tel:+16692243412,,247356349#

Council Chambers will be open to the public in accordance with the Modified Stage 2 of Rebound Idaho requirements. Pursuant to the State of Idaho and Department of Health and Welfare Stay Healthy Order, dated December 30, 2020, Council Chamber’s 6-foot social distancing occupancy capacity is 10. Because social distancing is still required seating will be limited and alternative methods of participation are still highly encouraged. Face coverings and social distancing are required.

Live Meeting Attendance: Members of the public wishing to attend the meeting may do so remotely through the GoToMeeting platform with a phone or a computer. Log-in information is located at the top of this agenda.

If there are any questions, contact Lisa Horowitz at lisa.horowitz@haileycityhall.org or (208) 788-9815 x 1.

<table>
<thead>
<tr>
<th>Chair:</th>
<th>Larry Schwartz</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vice Chair:</td>
<td>Don Keirn</td>
</tr>
<tr>
<td>Treasurer</td>
<td>Becky Stokes</td>
</tr>
<tr>
<td>Board Members</td>
<td>Walt Denekas, Martha Burke, Sandi Viau</td>
</tr>
<tr>
<td>Staff Support:</td>
<td>Lisa Horowitz, Community Development Director</td>
</tr>
</tbody>
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1. CALL TO ORDER 11:00 am

2. CONSENT AGENDA ................................................................................................................ ACTION ITEM  
   a) Approval minutes from November 19, 2020................................................................. ACTION ITEM  
   b) Approval of bills since November 19, 2020............................................................... ACTION ITEM  
   c) Approval of 2021 Calendar........................................................................................... ACTION ITEM

3. New Business:  
   a) Consideration of Agency Engagement Letter with Hawley Troxell for bond counsel services (Materials Pending) ........................................................................................................ ACTION ITEM  
   b) Consideration of Resolution 2021-001 approving the 2021 Amended and Restated Reimbursement Participation Agreement for InnTrusted Enterprises, LLC, with the original agreement approved under Resolution 2019-002, to amend the payment period from 7 years to December 31, 2033 and to update terms............................................................... ACTION ITEM  
   c) Update regarding the Financial Service Agreement with Piper Sandler and Company by Eric Heringer (No Materials) ........................................................................................................ ACTION ITEM  
   d) Election of Chair and Vice Chair (No Materials) .................................................... ACTION ITEM

4. Staff Report  
   a) Financial Reports

5. Adjourn

Email: Public comments may be shared with the Agency Board via email to Lisa Horowitz, lisa.horowitz@haileycityhall.org.
Return to Agenda
1. **11:01:30 AM** Schwartz called to order.

2. **CONSENT AGENDA** ........................................................................................................ ACTION ITEM
   a) Approve minutes from October 29, 2020 ........................................................ ACTION ITEM

**11:40:18 AM** Denekas motioned to approve. Keirn seconded. All in Favor.

b) Approval of bills since October 29, 2020 ........................................................ ACTION ITEM

**11:40:37 AM** Keirn motioned to approve bills since October 29, 2020. Denekas seconded. All in Favor.

3. **New Business:**
   a) **11:01:36 AM** Consideration of Resolution 2020-008 for an Agency Municipal Advisor Agreement with Piper Sandler ................................................ ACTION ITEM

Horowitz made Heringer the presenter. Heringer introduced himself and provided brief a brief work history. Heringer provided a basic schedule outline to get a bond financing in place. Heringer asked for questions and feedback. Horowitz asked if examples given in Nampa and Boise were local or national banks. Heringer stated received both offers, believes both cases ended up with Zions Bank. No further questions. Heringer discussed the Tax Increment Value History for Hailey Urban Renewal Agency. Heringer went on to discuss the applicable tax rates that apply to the increment value. Heringer stated we are now .000656 tax rate, which translate to him to $6.56 per thousands. Heringer noted most school district levees do not go to URA, and that is something will need to factor in. Heringer estimates will bring in $278,474 for FY21. Heringer went on to discuss previous estimates compared to actual. Heringer summarized looking at these numbers and valuing them, that generally what trying to figure out is how much we can leverage. Heringer summarized contract submitted for them to serve as Municipal Advisor and what a Municipal Advisors means. Heringer explained they are going to assist in structuring, tracking down and executing the process but that they will not be underwriting the bonds.
Schwartz asked what percentage is coming from the school district. Heringer believes it is 40%. Horowitz stated that when the school district describes our funding base, they call it a frozen base. Horowitz has never heard it described as a levee. Kearns agrees with Heringer regarding the school levies. Heringer estimates about 1.5 million seems reasonable to him that a bank would be comfortable lending. Heringer stated it leave them excess revenue assuming the school levy remains. Heringer explained could possibly go a little higher.

Horowitz asked since our school district is funded on a frozen tax base from 2008, if that were taken away that would go to the Idaho State Coffers. Heringer explained the school gets 5.6 million and that amount is frozen. Heringer confirmed this is what Horowitz is referring too. Heringer explained way he sees it play out is they continue to get 5.6 million with the increment included, another way is if the state decides to completely rewrite the funding formula and change the way the levy is grandfathered in. Schwartz confirmed no matter what would make the banks wary. Heringer agrees. Heringer explained the fee is .4% of the financing, which would hit their minimum of $22,500 at closing that the agreement runs through December 31, 2024. Schwartz confirmed 1.5 million is the conservative number; asked what thought would be the highest. Heringer is not ready to answer that question at this time. Horowitz will confirm with the Marriott will show in the increment. Heringer confirmed that’s fine. Horowitz clarified does not want to change the whole calendar. Schwartz asked if start with the 1.5 bond if could amend or re-bond? Heringer confirmed. Schwartz asked if would be the same bond and just increase the amount. Heringer explained would probably be a separate bond. Schwartz asked what the interest rates in Boise have been. Heringer stated interest rate for Nampa from earlier in 2020 was about 2.4%. Heringer estimates around 2% to 2.5%. Keirn asked if they are able to sell the bond with those rates. Heringer explained varies each week, but there are plenty of buyers. Heringer and his company do not see the rates going up over the next year.

Horowitz turned floor Conrad. Conrad explained changes made to the agreement. Horowitz asked what section, Conrad was cutting out. Conrad confirmed section 13. Schwartz asked Stokes if there was anything else. Stokes confirmed.

Denekas motioned to approve the resolution for the agreement with the changes discussed with Meghan Conrad. Keirn seconded. All in Favor.

4. Staff Report

Staff and Board discussed next moving hearing scheduled for December 3, 2020 to December 10, 2020 at 11am. All agreed.

Staff will update City Council when Yeager provides update for River Street Project.

5. Adjourn

Denekas motioned to adjourn. Keirn seconded. All in Favor.
Return to Agenda
Hailey Urban Renewal Agency
Attn: Lisa Horowitz
City of Hailey
115 Main Street South
Hailey, ID 83333

November 30, 2020

Invoice # 188491

Billing Atty - MSC

FOR PROFESSIONAL SERVICES RENDERED
From November 2, 2020 Through November 30, 2020

RE: General

CLIENT/MATTER: 00887-00001

HOURS

11/02/20 RPA .30 Address ICRMP coverage and consider limits of liability and other issues.

11/13/20 MSC .40 Call with Lisa Horowitz to discuss use of revenue allocation funds to fund certain maintenance/operations related to enhanced infrastructure improvements; potential new project areas; best practices re accounting of reimbursement obligations. Follow up with Ms. Horowitz concerning potential resources.

PROFESSIONAL FEES

110.00

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.70  140.00  .00  .00

UNLESS OTHERWISE AGREED, ALL ACCOUNTS ARE DUE WITHIN 30 DAYS OF THIS STATEMENT.
We also accept Visa, MasterCard, Discover and American Express.
RE: General

CLIENT/MATTER: 00887-00001
November 30, 2020
Invoice # 188491

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Hailey Urban Renewal Agency  
Attn: Lisa Horowitz  
City of Hailey  
115 Main Street South  
Hailey, ID 83333  

FOR PROFESSIONAL SERVICES RENDERED  
From November 18, 2020 Through November 30, 2020  

RB: 2021 Financing  
CLIENT/MATTER: 00887-00003  

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<tr>
<td>11/18/20</td>
<td>MSC</td>
<td>1.20</td>
<td>Call with Eric Heringer concerning proposed retention by Hailey URA for municipal advisor services. Review and provide comment on the draft engagement letter. Follow up with Lisa Horowitz and Eric Heringer re same.</td>
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<tr>
<td>11/18/20</td>
<td>RPA</td>
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<td>Review email and proposed engagement letter for financial advisor. Outline issues.</td>
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<tr>
<td>11/19/20</td>
<td>MSC</td>
<td>.80</td>
<td>Attend Hailey URA meeting concerning financial advisor presentation. Draft follow up email communication to agency administrator re next steps.</td>
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<td>11/19/20</td>
<td>RPA</td>
<td>.30</td>
<td>Provide comments on the draft engagement letter with Eric Heringer and provisions from other engagement letters for comparison.</td>
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<td>11/20/20</td>
<td>MSC</td>
<td>.20</td>
<td>Call with Lisa Horowitz to discuss upcoming bond financing.</td>
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<tr>
<td>11/20/20</td>
<td>RPA</td>
<td>.30</td>
<td>Outline steps for placement of financing and tasks for the various team members.</td>
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<tr>
<td>11/22/20</td>
<td>MSC</td>
<td>.30</td>
<td>Review and assess transaction structure and identify follow up re potential meeting items for the December meeting.</td>
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<tr>
<td>11/23/20</td>
<td>RPA</td>
<td>.30</td>
<td>Outline process for the placement of financing.</td>
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<tr>
<td>11/25/20</td>
<td>RPA</td>
<td>.60</td>
<td>Review and comment on steps for the financing, how to structure the transaction, options for engaging bond counsel. Consider how to approach</td>
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RE: 2021 Financing

November 30, 2020
Invoice # 188492

 CLIENT/MATTER: 00887-00003

banks or others. Consider schedule for financing and opinion of counsel.

11/30/20  MSC  .90  Follow up with municipal adviser concerning next steps, proposed financing timeline and board packet materials for the December 10 agency board meeting. Work on drafting email to bond counsel concerning retention; identify additional information to provide.

11/30/20  RPA  .60  Follow up on proposed engagement of Hawley Troxell. Propose certain revisions on content and schedule for the financing.

PROFESSIONAL FEES  1,160.00

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|                |                  |      |       |        |       |        |
|                |                  |      |       |        | .00   | .00    |
|                |                  |      |       |        | 5.80  | 1,160.00 |

INVOICE TOTAL  1,160.00
Return to Agenda
## 2021 URA Meeting Schedule

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<td>Thurs., 6th @ 10:30 am</td>
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<td>Thurs., 1st @ 11:00am</td>
<td>Thurs., 5th @ 11:00am</td>
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<th>October</th>
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<tr>
<td>Thurs., 7th @ 11:00am</td>
<td>Thurs., 4th @ 11:00am</td>
<td>Thurs., 2nd @ 11:00am</td>
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![2021 Calendar](image)
Return to Agenda
Return to Agenda
RESOLUTION NO. 2021-001

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF
HAILEY, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
THE URBAN RENEWAL AGENCY OF HAILEY, IDAHO,
AUTHORIZING AGENCY TO ENTER INTO THE 2021
AMENDED AND RESTATED REIMBURSEMENT
PARTICIPATION AGREEMENT BETWEEN THE AGENCY
AND INNTRUSTED ENTERPRISES, LLC; AUTHORIZING
THE CHAIRMAN AND SECRETARY TO EXECUTE AND
ATTEST THE AMENDED AGREEMENT SUBJECT TO
CERTAIN CONDITIONS; AUTHORIZING THE CHAIR TO
EXECUTE ANY NECESSARY DOCUMENTS REQUIRED TO
IMPLEMENT THE AMENDED AGREEMENT;
AUTHORIZING ANY TECHNICAL CORRECTIONS TO THE
AMENDED AGREEMENT SUBJECT TO CERTAIN
CONDITIONS; AND PROVIDING FOR THIS RESOLUTION
TO BE EFFECTIVE UPON ITS PASSAGE AND APPROVAL.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency
of Hailey, Idaho, also known as the Hailey Urban Renewal Agency, an independent public body,
corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965,
Chapter 20, Title 50, Idaho Code, as amended (hereinafter the “Law”) and the Local Economic
Development Act, Chapter 29, Title 50, Idaho Code, as amended (hereinafter the “Act”), a duly
created and functioning urban renewal agency for Hailey, Idaho, hereinafter referred to as the
“Agency.”

WHEREAS, the City Council (“City Council”) of the city of Hailey, Idaho (the “City”),
after notice duly published, conducted a public hearing on the Urban Renewal Plan for the
Gateway District Urban Renewal Project (the “Plan”);

WHEREAS, following said public hearing the City Council adopted its Ordinance No.
1138 on October 15, 2013, approving the Plan and making certain findings, including
establishing the Gateway District Project Area (the “Project Area”);

WHEREAS, InnTrusted Enterprises, LLC, (the “Participant”) owns or controls certain
real property located at 711 N. Main Street, Hailey, Idaho (the “Project Site”) which is more
accurately depicted as Lot 1A, Block 1, Sutton Subdivision. The Project Site and building
facility will be redeveloped through a comprehensive renovation of the interior and exterior in an
estimated cost of $6,788,447 (the “Project”);
WHEREAS, as part of the Project, the Participant intends to remediate certain Project Site conditions and redevelop the Project Site (the “Improvement Project”);

WHEREAS, the Project and the Improvement Project are located in the Project Area. The Plan includes various measures to mitigate and remediate the Project Area. The Agency has also adopted a Participation Policy concerning Agency participation in redevelopment projects;

WHEREAS, the Improvement Project includes improvements of public infrastructure to replace curb, gutter, and sidewalk along Main Street, River Street and adjacent connector street, adjacent to the Project Site, that are consistent with the objectives of the Plan. The Improvement Project will contribute to enhancing and revitalizing the Project Area;

WHEREAS, the Agency’s participation in the Participant’s Project achieves the following objectives:

• the proposed improvements are in the Agency’s Project Area
• the proposed improvements extend the community’s vision for a walkable community with particular emphasis on a pedestrian corridor as evidenced in the City of Hailey 2010 Comprehensive Plan

WHEREAS, Agency deems it appropriate to assist the development of the Improvement Project to achieve the objectives set forth in the Plan;

WHEREAS, Agency and Participant negotiated the terms of the Reimbursement Participation Agreement (the “Agreement”), and the Agency approved the Agreement by adoption of Resolution No. 2019-002 on April 4, 2019;

WHEREAS, since that time, the Agency amended its Participation Policy, and Participant is seeking to extend the time for reimbursement under the Agreement, as well as, update other terms in the Agreement;

WHEREAS, Agency and the Participant have negotiated the terms of the 2021 Amended and Restated Reimbursement Participation Agreement (the “Amended Agreement”), attached hereto as Attachment A and incorporated herein as if set out in full;

WHEREAS, Agency staff recommends approval of the Amended Agreement;

WHEREAS, the Board of Commissioners finds it in the best public interest to approve the Amended Agreement and to authorize the Chair to execute and the Secretary to attest the Amended Agreement subject to certain conditions, and to execute all necessary documents to implement the transaction, subject to the conditions set forth below.
NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE HAILEY URBAN RENEWAL AGENCY OF THE CITY OF HAILEY, IDAHO, AS FOLLOWS:

Section 1: That the above statements are true and correct.

Section 2: That the Amended Agreement, attached hereto as Exhibit A, is hereby incorporated herein and made a part hereof by reference and is hereby approved and accepted, recognizing technical changes or corrections which may be required prior to execution of the Amended Agreement.

Section 3. That the Chair or Vice-Chair and Secretary of the Agency are hereby authorized to finalize the exhibits to the Amended Agreement, as may be necessary, sign and enter into the Amended Agreement and to execute all necessary documents required to implement the actions contemplated by the Amended Agreement, subject to representations by Agency staff and Agency legal counsel that all conditions precedent to such actions have been met; and further, any necessary technical changes to the Amended Agreement or other documents are acceptable, upon advice from Agency’s legal counsel that said changes are consistent with the provisions of the Amended Agreement and the comments and discussions received at the January 29, 2021, Agency Board meeting; Agency is further authorized to appropriate any and all funds contemplated by the Amended Agreement and to perform any and all other duties required pursuant to said Amended Agreement.

Section 4: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED By the Urban Renewal Agency of Hailey, Idaho, on ______________, 2021. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on ______________, 2021.

URBAN RENEWAL AGENCY OF HAILEY

By ________________________________
Chair

ATTEST:

By ________________________________
Secretary
2021 AMENDED AND RESTATED
REIMBURSEMENT PARTICIPATION AGREEMENT
(InnTrusted Enterprises, LLC)

THIS 2021 AMENDED AND RESTATED REIMBURSEMENT PARTICIPATION AGREEMENT ("Agreement") is entered into by and between the Hailey Urban Renewal Agency, an independent public body, corporate and politic, organized and existing under the laws of the state of Idaho and known as the urban renewal agency of the city of Hailey, Idaho ("Agency") and InnTrusted Enterprises, LLC, an Idaho limited liability company ("Participant"). Agency and Participant may be collectively referred to as the "Parties" and individually referred to as a "Party."

RECITALS

A. Participant owns or controls certain real property located at 711 N. Main Street, Hailey, Idaho (the "Project Site") which is more accurately depicted as Lot 1A, Block 1, Sutton Subdivision. The Project Site will be redeveloped and improved resulting in a Marriott Fairfield Inn and Suites (the "Participant’s Project”).

B. As part of the Participant’s Project, Participant intends to remediate certain Project Site conditions and redevelop the Project Site (the "Improvement Project"). The Improvement Project is more accurately depicted on attached Exhibit A.

C. The Participant’s Project and the Improvement Project are located within the Urban Renewal Plan for the Gateway District Urban Renewal Project (the “Plan”) area (hereinafter referred to as the “Gateway District”). The Plan was approved by the City Council on October 15, 2013, by Ordinance No. 1138. The Plan includes various measures to mitigate and remediate the Gateway District. The Agency has also previously adopted guidelines for funding participation by the Agency Board by adoption of Resolution 2020-002 on June 11, 2020, and as may be further amended from time to time (the “Participation Policy”).

D. The Improvement Project includes improvements of public infrastructure on Main Street, the private road on the south side of the Project Site, and on River Street, adjacent to the Project Site along with various utility, road, pedestrian, grading and drainage improvements as shown on Exhibit B, all of which are consistent with the objectives of the Plan. The Improvement Project will contribute to enhancing and revitalizing the Gateway District.

E. Participant filed an application for funding as set forth in Agency’s Participation Policy, and Participant qualified for certain funding under the Participation Policy.

F. As a result of Participant’s agreement to construct the Improvement Project, and Participant’s commitment to comply with the terms of the Plan, Agency deemed it appropriate to reimburse Participant for certain costs related to the Improvement Project in compliance with the Plan and the Participation Policy, to achieve the objectives set
forth in the Plan and as further set forth in the Reimbursement Participation Agreement.

G. The Agency Board on April 4, 2019, entered into Resolution No. 2019-002 approving the Reimbursement Participation Agreement with the Participant.

H. Since the Parties entered into the Reimbursement Participation Agreement, the Agency amended its Participation Policy, and Participant is seeking to extend the time for reimbursement under the Reimbursement Participation Agreement, as well as update other terms in the Reimbursement Participation Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the above recitals, which are incorporated into this Agreement; the mutual covenants contained herein; and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Effective Date. The effective date (“Effective Date”) of this Agreement shall be the date when this Agreement has been signed by the Participant and Agency (last date signed) and shall continue until: (1) the completion of all obligations of each Party; or (2) December 31, 2033, whichever comes first.

2. Construction of the Improvement Project. Participant agrees to construct the Improvement Project consistent with the following:

   a. The Parties agree that the Improvement Project is depicted on Exhibit A, with cost estimates for eligible items described in the Schedule of Eligible Costs in Exhibit B (“Estimated Eligible Costs”). Any other public improvements that are constructed by the Participant as part of the Participant’s Project are not eligible for reimbursement pursuant to this Agreement. Additionally, Agency’s reimbursement obligation is limited to the amount set forth in Section 6 of this Agreement.

3. Initial Construction Funding. Participant shall pay for all of the costs of construction for the Improvement Project. Agency acknowledges that the Schedule of Costs attached as Exhibit B is an estimate by Participant’s contractor and that actual costs for the Improvement Project, as well as each line item of cost, may be more or less than is shown on Exhibit B.

4. Notification of Completion; Inspection. Upon completion of construction, Participant shall notify Agency in writing and request a final construction inspection and/or a meeting with Agency to determine if the Improvement Project meets the requirements of this Agreement. Agency shall provide Participant with written confirmation that the Improvement Project has been completed in compliance with this Agreement.
5. **Determining Actual Payment after Completion of Construction.**
Participant shall provide appropriate documentation ("Cost Documentation") to Agency that Participant has expended funds for eligible costs in order to receive payment per the terms of this Agreement. Any Cost Documentation shall be submitted within thirty (30) days of Participant’s notification to Agency that construction of the Improvement Project is complete and shall include:

a. An accounting of the costs associated with the completed Improvement Project and evidence of payment of such costs by Participant (i.e. lien waivers). Participant shall include a schedule of values that includes line items for the Improvement Project improvements so they are identifiable separate from other line items associated with the private development ("Schedule of Values").

b. Invoices from Participant’s general contractor, subcontractor(s) and material suppliers for each type of eligible cost item (e.g. excavation, material fill, pavement, etc.). Invoices shall specify quantities and unit costs of materials, and a percentage estimate of how much material was used for the Improvement Project in comparison to the amount used for the remainder of Participant’s project ("Invoices").

c. Explanation of any significant deviation between the initial cost estimates in Exhibit B and the actual costs in the Cost Documentation as requested by Agency.

d. Additional documentation or clarifications may be required and requested by Agency. Participant shall be presumed to have utilized commercially reasonable contracting, budgeting, and bidding practices if its general contractor solicits or solicited at least three (3) competitive bids for the Public Improvements and such work is not performed by an affiliate or subsidiary of Participant. Upon request, Participant shall provide Agency copies of any bids received.

Agency shall have the right to review the Cost Documentation and to obtain independent verification that the quantities of work claimed, the unit costs and the total costs for eligible costs are commercially reasonable and consistent with the cost estimates provided by Participant to Agency prior to construction. In the event Participant fails to timely deliver the Cost Documentation, Agency may, in its discretion, elect to terminate its payment obligations under this Agreement by providing Participant with written notice of such default. Participant shall have thirty (30) days from such written notice to cure the default. In the event Participant fails to cure such a default, Agency’s payment obligations under this Agreement may be terminated in Agency’s sole discretion.

Within fifteen (15) calendar days of Agency’s receipt of the Cost Documentation, Agency will notify Participant in writing of Agency’s acceptance or rejection of the Cost
Documentation and Agency’s determination of the Actual Eligible Costs to be reimbursed. Agency shall, in its discretion, determine the Actual Eligible Costs following its review of the Cost Documentation, verification of the commercial reasonableness of the costs and expenses contained in such Cost Documentation, and comparison of the amounts in the Cost Documentation to the amounts in Exhibit B. In no event shall the total for the Actual Eligible Costs exceed the amount allowed by Section 6.

If Participant disagrees with Agency’s calculation of the Actual Eligible Costs, Participant must respond to Agency in writing within three (3) business days explaining why Participant believes Agency’s calculation was in error and providing any evidence to support any such contentions Participant wants Agency to consider. Agency shall respond to Participant within three (3) business days with a revised amount for the Actual Eligible Costs or notifying Participant Agency will not revise the initial amount calculated. At that point, the determination of the Actual Eligible Costs will be final.

Agency’s determination of the Actual Eligible Costs is within its sole discretion.

6. Agency’s Reimbursement Payment Amount and Payment Period. In accordance with the Plan and Participation Policy, Agency agrees to reimburse Participant as follows:

   a. Agency will only reimburse Participant for the Actual Eligible Costs of the Improvement Project as determined in Section 5 of this Agreement (the “Reimbursement Obligation”).

   b. The Agency’s Reimbursement Obligation shall not commence until (1) completion of the Improvement Project as determined by the Agency; (2) the Certificate of Occupancy, or the equivalent thereof, is issued for Participant’s Project; and (3) revenue allocation proceeds as described in the Act are received by the Agency from the Project Site based on the full assessed value of the Project.

   c. Actual Eligible Costs shall not exceed $369,623 WITH NO INTEREST. Actual Eligible Costs may include certain soft costs (e.g. landscape, architectural and engineering design).

   d. Agency shall disburse to Participant 50% of the revenue allocation (tax increment) proceeds Agency receives from the Project Site until December 31, 2033. The Reimbursement Period will commence the calendar year in which the requirements set forth in Section 6(b) are met. The biannual payments are due to Participant within thirty (30) days of receipt of revenue allocation proceeds from the Project Site by Agency.

   e. Participant shall provide Agency with its property tax notices and evidence of property tax payments to assist the Agency in determining the amount of revenue allocation (tax increment) proceeds received from the Project Site. Participant shall be responsible for providing Agency property tax notices and evidence of property tax payments to assist the Agency in determining the amount of revenue allocation (tax increment) proceeds received from the Project Site.
payment from other persons or entities being assessed for ownership interests within
the Project Site.

f. If the Actual Eligible Costs have not been fully reimbursed on or before
December 31, 2033, whichever occurs first, any further obligation of the Agency is
terminated, and Participant shall have no right for any payments beyond that period.
Participant has provided the Agency with an estimated assessed value of the
Participant’s Project of approximately $6,788,477. Based on the applicable 2018 levy
rates overlapping the Gateway District totaling .007239986, and following the full
assessed value being placed on the tax rolls as increment, the estimated total annual
revenue to the Agency from the Project is $49,148. Participant expressly acknowledges
there are several variable factors impacting the Agency’s revenue stream, including but
not limited to adjustments to the base assessment value of the Project Site, annual
changes to the assessed values and annual changes to the taxing districts’ levy rates.

Participant represents redevelopment of the Project Site shall result in sufficient
increases to its assessed value to allow Agency to reimburse Participant during the
reimbursement period. If the Reimbursement Obligation is not fully reimbursed within
the reimbursement period, and as may be further limited by the Termination Date of the
Plan, on December 31, 2033, whichever occurs first, the Agency will not be obligated to
make any additional payments.

PARTICIPANT ACKNOWLEDGES THE REVENUE ALLOCATION (TAX
INCREMENT) PROCEEDS MAY NOT BE SUFFICIENT TO PAY OFF THE
REIMBURSEMENT OBLIGATION ON OR BEFORE THE PERIOD SET FORTH
HEREIN AND ASSUMES THAT RISK.

It is the specific intent of the Parties that the Agency reimbursement shall be paid from
the tax increment monies, if any, that are paid to Agency as a direct result of the
Project. Agency’s payment obligations hereunder shall not constitute a general
obligation or debt of Agency, the State of Idaho, or any of its political subdivisions or
give rise to a charge against their general credit or taxing powers to be payable out of
any funds or properties other than the fifty percent of the revenue allocation funds
generated by the Project during the reimbursement period.

Agency may pay at any time, in whole or in part, without penalty, the then remaining
outstanding balance of the Reimbursement Obligation.

7. **Conditions Precedent to Agency’s Payment Obligation.** Agency
agrees to reimburse Participant in the amount as determined in compliance with
Sections 2.b., 5, and 6 and submittal of the required information described in Sections 5
and 6 above.

Participant’s failure to comply with all Agreement provisions shall be a basis for
termination of Agency’s reimbursement obligation. If Participant fails to commence
construction of the Improvement Project by September 1, 2019, the Agency shall have
the right to terminate this Agreement by providing Participant ten days’ written notice of
termination. Participant will be deemed to have commenced construction upon Participant’s receipt of a building permit from the City for the Project and shall complete construction of the Project within twenty-six (26) months of commencement of construction. Completion of construction means issuance of a certificate of occupancy or temporary certificate of occupancy by the City for the Project. If Participant fails to complete construction of the Improvement Project within twenty-six (26) months of Participant’s receipt of a building permit from the City for the Project, the Agency shall have the right to terminate this Agreement by providing Participant ten days’ written notice of termination.

8. **Subordination of Reimbursement Obligations.** The Parties agree this Agreement does not provide Participant with a security interest in any Agency revenues for the Gateway District or any other urban renewal plan area, including but not limited to revenue from any “Revenue Allocation Area” (as defined in Title 50, Chapter 29 of the Idaho Code). Notwithstanding anything to the contrary in this Agreement, the obligation of Agency to make the payments as specified in this Agreement shall be subordinate to all Agency obligations that have committed or in the future commit available Agency revenues, including but not limited to revenue from any Revenue Allocation Area and may be subject to consent and approval by Agency lenders.

9. **Default.** Neither Party shall be deemed to be in default of this Agreement except upon the expiration of forty-five (45) days [ten (10) days in the event of failure to pay money] from receipt of written notice from the other Party specifying the particulars in which such Party has failed to perform its obligations under this Agreement unless such Party, prior to expiration of said 45-day period [ten (10) days in the event of failure to pay money], has rectified the particulars specified in said notice of default. In the event of a default, the nondefaulting Party may do the following:

   a. The nondefaulting Party may terminate this Agreement upon written notice to the defaulting Party and recover from the defaulting Party all direct damages incurred by the nondefaulting Party.

   b. The nondefaulting Party may seek specific performance of those elements of this Agreement which can be specifically performed, in addition, recover all damages incurred by the nondefaulting Party. The Parties declare it to be their intent that elements of this Agreement requiring certain actions be taken for which there are not adequate legal remedies may be specifically enforced.

   c. The nondefaulting Party may perform or pay any obligation or encumbrance necessary to cure the default and offset the cost thereof from monies otherwise due the defaulting Party or recover said monies from the defaulting Party.

   d. The nondefaulting Party may pursue all other remedies available at law, it being the intent of the Parties that remedies be cumulative and liberally enforced so as to adequately and completely compensate the nondefaulting Party.
e. In the event Participant defaults under this Agreement, Agency (the nondefaulting Party) shall have the right to suspend or terminate its payment under this Agreement, as more specifically defined in this Agreement, for so long as the default continues and if not cured. Agency's obligation for payment shall be deemed extinguished. In addition, if Agency funds shall have been paid, Participant shall reimburse Agency for any such funds Participant received.

10. **Captions and Headings.** The captions and headings in this Agreement are for reference only and shall not be deemed to define or limit the scope or intent of any of the terms, covenants, conditions, or agreements contained herein.

11. **No Joint Venture or Partnership.** Agency and Participant agree that nothing contained in this Agreement or in any document executed in connection with this Agreement shall be construed as making Agency and Participant a joint venture or partners.

12. **Successors and Assignment.** This Agreement is not assignable except that the Participant may assign Participant's rights or obligations under this Agreement to a third party only with the written approval of Agency, at Agency's sole discretion and cannot be reasonably denied.

13. **Notices and Receipt.** All notices given pursuant to this Agreement shall be in writing and shall be given by personal service, by United States mail, or by United States express mail or other established express delivery service (such as Federal Express), postage or delivery charge prepaid, return receipt requested, or by electronic mail (e-mail) addressed to the appropriate Party at the address set forth below:

If to Participant:  
David Adams, Managing Member  
Inntrusted Enterprises, LLC  
3640 S. Yellowstone Highway  
Idaho Falls, ID 83402  
davida@inntrusted.com

If to Agency:  
Lisa Horowitz  
Hailey Urban Renewal Agency  
115 Main Street South, Suite H  
Hailey, Idaho 83333  
208-788-9815 x 1  
lisa.horowitz@haileycityhall.org

14. **Applicable Law/Attorney Fees.** This Agreement shall be construed and enforced in accordance with the laws of the State of Idaho. Should any legal action be
brought by either Party because of breach of this Agreement or to enforce any provision of this Agreement, the prevailing Party shall be entitled to reasonable attorney fees, court costs, and such other costs as may be found by the court.

15. **Entire Agreement.** This Agreement constitutes the entire understanding and agreement of the Parties. Exhibits to this Agreement are as follows:

   - Exhibit A  Improvement Project Plan
   - Exhibit B  Schedule of Eligible Costs

16. **Indemnification.** Participant shall indemnify and hold Agency and its respective commissioners, officers, agents, consultants and employees harmless from and against all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses, including reasonable architect, design and attorney fees (collectively referred to in this section as “Claim”), which may be imposed upon or incurred by or asserted against Agency or its respective commissioners, officers, agents, consultants and employees relating to the construction or design of the Participant’s Project, the Improvement Project or otherwise arising out of Participant’s actions or inactions. In the event an action or proceeding is brought against Agency or its respective commissioners, officers, agents, consultants and employees by reason of any such Claim, Participant, upon written notice from Agency shall, at Participant’s expense, resist or defend such action or proceeding. Notwithstanding the foregoing, Participant shall have no obligation to indemnify, defend, or hold Agency and its respective commissioners, officers, agents, consultants and employees harmless from and against any matter to the extent it arises from the active negligence or willful act of Agency or its respective commissioners, officers, agents, consultants or employees.

Participant shall also indemnify and hold harmless and defend Agency and its commissioners, officers, agents, consultants and employees from and against any and all claims or causes of action asserted by entities or individuals that are not a party to this Agreement regarding the validity or legality of this Agreement and the reimbursement to Participant of the costs of the Improvement Project by Agency (collectively referred to in this Section as “legality claim”). Upon the final decision of a court of competent jurisdiction that is not appealed or not appealable regarding the legality claim determining that the reimbursement to Participant by Agency of the costs of the Improvement Project is unlawful or invalid, the Agency shall have no further obligation or liability to reimburse or make payments to Participant for the costs associated with the Improvement Project and Participant shall solely bear the responsibility for such costs. Upon the final decision of a court of competent jurisdiction that is not appealed or not appealable regarding the legality claim determining that the reimbursement to Participant by Agency of the costs of the Improvement Project is unlawful or invalid, then Participant, in Agency’s sole discretion, may be required to return any funds paid by Agency to Participant for the Improvement Project within ninety (90) days of written request from Agency to Participant.

If a legality claim is made, then Agency and Participant shall jointly defend against said claim. Participant has the discretion to hire its own legal counsel with Participant reimbursing the Agency for its reasonable fees and costs, including without
limitation, attorney and expert witness fees and costs.

If a claim, other than a legality claim, is brought against Agency or its respective commissioners, officers, agents, consultants and employees by reason of any such claim, Participant, upon written notice from Agency shall, at Participant’s expense, bear the costs and expense of defending Agency against such action or proceedings by counsel selected by Agency.

17. **Antidiscrimination During Construction.** Participant, for itself and its successors and assigns, agrees that in the rehabilitation and/or construction of improvements on the Project Site provided for in this Agreement, the Participant will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity/expression, national origin or ancestry, marital status, age, or physical disability.

18. **Compliance with Laws.** Participant agrees to comply with all applicable federal, state, and local laws, rules and regulations, including, but not limited to, all conditions imposed by the city of Hailey through its planning and zoning land use approval process and building permit approval process. Should the Participant not comply with the requirements set forth in the preceding sentence, the Agency shall no longer be obligated to provide the Participant reimbursement as set forth in this Agreement.

19. **Amendments to the Agreement.** The Parties may agree to reasonable amendments to the Agreement if such would not alter the basic business purposes of the Agreement, if made in writing, and if agreed to by the Parties.

[Signatures appear on the following page.]
IN WITNESS WHEREOF, the Parties hereto have signed this Agreement the day and year below written to be effective the day and year above written.

Agency: The Urban Renewal Agency of the City of Hailey, an independent public body, corporate and politic

_________________________________, Chair
Date ______________________________

PARTICIPANT: Inntrusted Enterprises, LLC

David Adams, Managing Member
Date ________________________________

Exhibits
A: Participant's Project and Improvement Project
B: Schedule of Eligible Costs
EXHIBIT A
PARTICIPANT’S PROJECT AND
IMPROVEMENT PROJECT

Redevelopment of the Project Site located at ______________________,

Project Site work consisting of ___________________________
EXHIBIT B
SCHEDULE OF ELIGIBLE COSTS

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Estimated Costs</th>
<th>Current Billing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marriott - Hailey, Idaho Off-Site Improvements Scope of Work</td>
<td>Shown on the next page</td>
<td></td>
</tr>
</tbody>
</table>

4828-6809-5353, v. 2
THIS AMENDED AND RESTATED REIMBURSEMENT PARTICIPATION AGREEMENT ("Agreement") is entered into by and between the Hailey Urban Renewal Agency, an independent public body, corporate and politic, organized and existing under the laws of the state of Idaho and known as the urban renewal agency of the city of Hailey, Idaho ("Agency") and InntTrusted Enterprises, LLC, an Idaho limited liability company ("Participant"). Agency and Participant may be collectively referred to as the “Parties” and individually referred to as a “Party.”

RECITALS

A. Participant owns or controls certain real property located at 711 N. Main Street, Hailey, Idaho (the “Project Site”) which is more accurately depicted as Lot 1A, Block 1, Sutton Subdivision. The Project Site will be redeveloped and improved resulting in a Marriott Fairfield Inn and Suites (the “Participant’s Project”).

B. As part of the Participant’s Project, Participant intends to remediate certain Project Site conditions and redevelop the Project Site (the “Improvement Project”). The Improvement Project is more accurately depicted on attached Exhibit A.

C. The Participant’s Project and the Improvement Project are located within the Urban Renewal Plan for the Gateway District Urban Renewal Project (the “Plan”) area (hereinafter referred to as the “Gateway District”). The Plan was approved by the City Council on October 15, 2013, by Ordinance No. 1138. The Plan includes various measures to mitigate and remediate the Gateway District. The Agency has also previously adopted guidelines for funding participation by the Agency Board by adoption of Resolution 2020-0042 on June 11, 2020, and as may be further amended from time to time (the “Participation Policy”). The Agency has also previously adopted guidelines for funding participation by the Agency Board adoption of Resolution 2018-2 on December 6, 2018 and amended these guidelines by adoption of Resolution 2020-001.

D. The Improvement Project includes improvements of public infrastructure on Main Street, the private road on the south side of the Project Site, and on River Street, adjacent to the Project Site along with various utility, road, pedestrian, grading and drainage improvements as shown on Exhibit B, all of which are consistent with the objectives of the Plan. The Improvement Project will contribute to enhancing and revitalizing the Gateway District.

E. Participant has filed an application for funding as set forth in Agency’s Participation HURA Resolution 2018-2 and Policy, and Participant qualifies for certain funding under the Participation Policy Resolution 2018-2.

F. As a result of Participant’s agreement to construct the Improvement Project, and Participant’s commitment to comply with the terms of the Plan, Agency deemed it
appropriate to reimburse Participant for certain costs related to the Improvement Project in compliance with the Plan and the Participation Policy, to achieve the objectives set forth in the Plan and as further set forth in the Reimbursement Participation Agreement.

G. The Agency Board on April 4, 2019, entered into Resolution No. 2019-002 approving the Reimbursement Participation Agreement with the Participant.

H. Since the Parties entered into the Reimbursement Participation Agreement, the Agency amended its Participation Policy, and Participant is seeking to extend the time for reimbursement under the Reimbursement Participation Agreement, as well as update other terms in the Reimbursement Participation Agreement.

The Improvement Project, while not specifically identified in the Plan, consists of traditional infrastructure improvements which will be of benefit to the public and achieve the overall objectives of the Plan.

G. Agency deems it appropriate to assist the development of the Improvement Project to achieve the objectives set forth in the Plan.

AGREEMENTS

NOW, THEREFORE, in consideration of the above recitals, which are incorporated into this Agreement; the mutual covenants contained herein; and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Effective Date. The effective date (“Effective Date”) of this Agreement shall be the date when this Agreement has been signed by the Participant and Agency (last date signed) and shall continue until: (1) the completion of all obligations of each Party; or (2) December 31, 2033, whichever comes first, following the issuance of a Certificate of Occupancy for the Participant’s Project, as further described in section 6 of this Agreement, whichever comes first.

2. Construction of the Improvement Project. Participant agrees to construct the Improvement Project consistent with the following:

   a. The Parties agree that the Improvement Project is depicted on Exhibit A, with cost estimates for eligible items described in the Schedule of Eligible Costs in Exhibit B (“Estimated Eligible Costs”). Any other public improvements that are constructed by the Participant as part of the Participant’s Project are not eligible for reimbursement pursuant to this Agreement. Additionally, Agency’s reimbursement obligation is limited to the amount set forth in Section 6 of this Agreement.

3. Initial Construction Funding. Participant shall pay for all of the costs of construction for the Improvement Project. Agency acknowledges that the Schedule of
Costs attached as **Exhibit B** is an estimate by Participant’s contractor and that actual costs for the Improvement Project, as well as each line item of cost, may be more or less than is shown on **Exhibit B**.

4. **Notification of Completion; Inspection.** Upon completion of construction, Participant shall notify Agency in writing and request a final construction inspection and/or a meeting with Agency to determine if the Improvement Project meets the requirements of this Agreement. Agency shall provide Participant with written confirmation that the Improvement Project has been completed in compliance with this Agreement.

5. **Determining Actual Payment after Completion of Construction.** Participant shall provide appropriate documentation (“Cost Documentation”) to Agency that Participant has expended funds for eligible costs in order to receive payment per the terms of this Agreement. Any Cost Documentation shall be submitted within thirty (30) days of Participant’s notification to Agency that construction of the Improvement Project is complete and shall include:

   a. An accounting of the costs associated with the completed Improvement Project and evidence of payment of such costs by Participant (i.e., lien waivers). Participant shall include a Schedule of values that includes line items for the Improvement Project improvements approved by Agency for reimbursement so they are identifiable separate from other line items associated with the private development ("Schedule of Values").

   b. Invoices from Participant’s general contractor, subcontractor(s) and material suppliers for each type of eligible cost item (e.g., excavation, material fill, pavement, etc.). Invoices shall specify quantities and unit costs of materials, and a percentage estimate of how much material was used for the Improvement Project in comparison to the amount used for the remainder of Participant’s project (“Invoices”).

   c. Explanation of any significant deviation between the initial cost estimates in **Exhibit B** and the actual costs in the Cost Documentation as requested by Agency.

   d. Additional documentation or clarifications may be required and requested by Agency. Participant shall be presumed to have utilized commercially reasonable contracting, budgeting, and bidding practices if its general contractor solicits or solicited at least three (3) competitive bids for the Public Improvements and such work is not performed by an affiliate or subsidiary of Participant. Upon request, Participant shall provide Agency copies of any bids received.

Agency shall have the right to review the Cost Documentation and to obtain independent verification that the quantities of work claimed, the unit costs and the total costs for eligible costs are commercially reasonable and consistent with the cost.

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2021 AMENDED AND RESTATED REIMBURSEMENT PARTICIPATION AGREEMENT - 3
estimates provided by Participant to Agency prior to construction. In the event Participant fails to timely deliver the Cost Documentation, Agency may, in its discretion, elect to terminate its payment obligations under this Agreement by providing Participant with written notice of such default. Participant shall have thirty (30) days from such written notice to cure the default. In the event Participant fails to cure such a default, Agency’s payment obligations under this Agreement may be terminated in Agency’s sole discretion.

Within fifteen (15) calendar days of Agency’s receipt of the Cost Documentation, Agency will notify Participant in writing of Agency’s acceptance or rejection of the Cost Documentation and Agency’s determination of the Actual Eligible Costs to be reimbursed. Agency shall, in its discretion, determine the Actual Eligible Costs following its review of the Cost Documentation, verification of the commercial reasonableness of the costs and expenses contained in such Cost Documentation, and comparison of the amounts in the Cost Documentation to the amounts in Exhibit B. In no event shall the total for the Actual Eligible Costs exceed the amount allowed by Section 6.

If Participant disagrees with Agency’s calculation of the Actual Eligible Costs, Participant must respond to Agency in writing within three (3) business days explaining why Participant believes Agency’s calculation was in error and providing any evidence to support any such contentions Participant wants Agency to consider. Agency shall respond to Participant within three (3) business days with a revised amount for the Actual Eligible Costs or notifying Participant Agency will not revise the initial amount calculated. At that point, the determination of the Actual Eligible Costs will be final.

Agency’s determination of the Actual Eligible Costs is within its sole discretion.

6. **Agency’s Reimbursement Payment Amount and Payment Period.** In accordance with the Plan and Participation Program Policy, Agency agrees to reimburse Participant as follows:

   a. **Agency will only reimburse Participant for the Actual Eligible Costs of the Improvement Project as determined in Section 5 of this Agreement (the “Reimbursement Obligation”).**

   b. The Agency’s Reimbursement Obligation shall not commence until (1) completion of the Improvement Project as determined by the Agency; (2) the Certificate of Occupancy, or the equivalent thereof, is issued for Participant’s Project; and (3) revenue allocation proceeds as described in the Act are received by the Agency from the Project Site based on the full assessed value of the Project.

   c. **Actual Eligible Costs shall not exceed $369,623 WITH NO INTEREST.** Actual Eligible Costs may include certain soft costs (e.g. landscape, architectural and engineering design).

   d. **Agency shall disburse to Participant 50% of the revenue allocation (tax**
increment) proceeds Agency receives from the Project Site over a period of seven (7) years until December 31, 2033. The Reimbursement Period will commence the calendar year in which the requirements set forth in Section 6(b) are met. The biannual payments are due to Participant within thirty (30) days of receipt of revenue allocation proceeds from the Project Site by Agency.

commencing the calendar year in which the Agency receives revenue from the Project Site based on the full assessed value of the Project on the tax rolls, and following completion of the Project, as evidenced by the certificate of occupancy for the Project.

e. Participant shall provide Agency with its property tax notices and evidence of property tax payments to assist the Agency in determining the amount of revenue allocation (tax increment) proceeds received from the Project Site. Participant shall be responsible for providing Agency property tax notices and evidence of property tax payment from other persons or entities being assessed for ownership interests within the Project Site.

f. If the Actual Eligible Costs have not been fully reimbursed on or before December 31, 2033, whichever occurs first, within seven years as set forth above, any further obligation of the Agency is terminated, and Participant shall have no right for any payments beyond that period. Participant has provided the Agency with an estimated assessed value of the Participant’s Project of approximately $6,788,477. Based on the applicable (2018 levy rates overlapping the Gateway District totaling .007239986), and following the full assessed value being placed on the tax rolls as increment, the estimated total annual revenue to the Agency from the Project is $49,148. Participant expressly acknowledges there are several variable factors impacting the Agency’s revenue stream, including but not limited to adjustments to the base assessment value of the Project Site, annual changes to the assessed values and annual changes to the taxing districts’ levy rates.

Participant represents redevelopment of the Project Site shall result in sufficient increases to its assessed value to allow Agency to reimburse Participant during the reimbursement period. If the Actual Eligible Costs are not fully reimbursed within the reimbursement period, and as may be further limited by the Termination Date of the Plan, on December 31, 2033, whichever occurs first, the Agency will not be obligated to make any additional payments.

Participant further expressly acknowledges that the sum of the reimbursement may be less than the Actual Eligible Costs if 50% percent of the revenue allocation funds generated from the Project during the reimbursement period is less than the Actual Eligible Costs.

PARTICIPANT ACKNOWLEDGES THE REVENUE ALLOCATION (TAX INCREMENT) PROCEEDS MAY NOT BE SUFFICIENT TO PAY OFF THE REIMBURSEMENT OBLIGATION ON OR BEFORE THE PERIOD SET FORTH HEREIN AND ASSUMES THAT RISK.

It is the specific intent of the Parties that the Agency reimbursement shall be paid from

2021 AMENDED AND RESTATED REIMBURSEMENT PARTICIPATION AGREEMENT - 5
the tax increment monies, if any, that are paid to Agency as a direct result of the Project. Agency’s payment obligations hereunder shall not constitute a general obligation or debt of Agency, the State of Idaho, or any of its political subdivisions or give rise to a charge against their general credit or taxing powers to be payable out of any funds or properties other than the fifty percent of the revenue allocation funds generated by the Project during the reimbursement period.

Agency may pay at any time, in whole or in part, without penalty, the then remaining outstanding balance of the Reimbursement Obligation.

7. Conditions Precedent to Agency’s Payment Obligation. Agency agrees to reimburse Participant in the amount as determined in compliance with Sections 2.b., 5, and 6 and submittal of the required information described in Sections 5 and 6 above.

Participant’s failure to comply with all Agreement provisions shall be a basis for termination of Agency’s reimbursement obligation. If Participant fails to commence construction of the Improvement Project by September 1, 2019, the Agency shall have the right to terminate this Agreement by providing Participant ten days’ written notice of termination. Commencement of construction shall be determined by issuance of a valid and active building permit.

Participant’s failure to comply with all Agreement provisions shall be a basis for termination of Agency’s reimbursement obligation. If Participant fails to commence construction of the Improvement Project by September 1, 2019, the Agency shall have the right to terminate this Agreement by providing Participant ten days’ written notice of termination. Participant will be deemed to have commenced construction upon Participant’s receipt of a building permit from the City for the Project and shall complete construction of the Project within twenty-six (26) months of commencement of construction. Completion of construction means issuance of a certificate of occupancy or temporary certificate of occupancy by the City for the Project. If Participant fails to complete construction of the Improvement Project within twenty-six (26) months of Participant’s receipt of a building permit from the City for the Project, the Agency shall have the right to terminate this Agreement by providing Participant ten days’ written notice of termination.

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9. **Default.** Neither Party shall be deemed to be in default of this Agreement except upon the expiration of forty-five (45) days [ten (10) days in the event of failure to pay money] from receipt of written notice from the other Party specifying the particulars in which such Party has failed to perform its obligations under this Agreement unless such Party, prior to expiration of said 45-day period [ten (10) days in the event of failure to pay money], has rectified the particulars specified in said notice of default. In the event of a default, the nondefaulting Party may do the following:

   a. The nondefaulting Party may terminate this Agreement upon written notice to the defaulting Party and recover from the defaulting Party all direct damages incurred by the nondefaulting Party.

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   c. The nondefaulting Party may perform or pay any obligation or encumbrance necessary to cure the default and offset the cost thereof from monies otherwise due the defaulting Party or recover said monies from the defaulting Party.

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   e. In the event Participant defaults under this Agreement, Agency (the nondefaulting Party) shall have the right to suspend or terminate its payment under this Agreement, as more specifically defined in this Agreement, for so long as the default continues and if not cured, Agency’s obligation for payment shall be deemed extinguished. In addition, if Agency funds shall have been paid, Participant shall reimburse Agency for any such funds Participant received.

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If to Participant:

David Adams, Managing Member  
Inntrusted Enterprises, LLC  
3640 S. Yellowstone Highway  
Idaho Falls, ID 83402  
davida@inntrusted.com

If to Agency:  Lisa Horowitz  
Hailey Urban Renewal Agency  
115 Main Street South, Suite H  
Hailey, Idaho 83333  
208-788-9815 x 1  
lisa.horowitz@haileycityhall.org

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15. **Entire Agreement.** This Agreement constitutes the entire understanding and agreement of the Parties. Exhibits to this Agreement are as follows:

- Exhibit A  Improvement Project Plan  
- Exhibit B  Schedule of Eligible Costs

16. **Indemnification.** Participant shall indemnify and hold Agency and its respective commissioners, officers, agents, consultants and employees harmless from and against all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses, including reasonable architect, design and attorney fees (collectively referred to in this section as “Claim”), which may be imposed upon or incurred by or asserted against Agency or its respective commissioners, officers, agents, consultants and employees relating to the construction or design of the Participant's Project, the Improvement Project or otherwise arising out of Participant's actions or inactions. In the event an action or proceeding is brought against Agency or its respective commissioners, officers, agents, consultants and employees by reason of any such

2021 AMENDED AND RESTATED REIMBURSEMENT PARTICIPATION AGREEMENT - 8
Claim, Participant, upon written notice from Agency shall, at Participant’s expense, resist or defend such action or proceeding. Notwithstanding the foregoing, Participant shall have no obligation to indemnify, defend, or hold Agency and its respective commissioners, officers, agents, consultants and employees harmless from and against any matter to the extent it arises from the active negligence or willful act of Agency or its respective commissioners, officers, agents, consultants or employees.

Participant shall also indemnify and hold harmless and defend Agency and its commissioners, officers, agents, consultants and employees from and against any and all claims or causes of action asserted by entities or individuals that are not a party to this Agreement regarding the validity or legality of this Agreement and the reimbursement to Participant of the costs of the Improvement Project by Agency (collectively referred to in this Section as “legality claim”). Upon the final decision of a court of competent jurisdiction that is not appealed or not appealable regarding the legality claim determining that the reimbursement to Participant by Agency of the costs of the Improvement Project is unlawful or invalid, the Agency shall have no further obligation or liability to reimburse or make payments to Participant for the costs associated with the Improvement Project and Participant shall solely bear the responsibility for such costs. Upon the final decision of a court of competent jurisdiction that is not appealed or not appealable regarding the legality claim determining that the reimbursement to Participant by Agency of the costs of the Improvement Project is unlawful or invalid, then Participant, in Agency’s sole discretion, may be required to return any funds paid by Agency to Participant for the Improvement Project within ninety (90) days of written request from Agency to Participant.

If a legality claim is made, then Agency and Participant shall jointly defend against said claim. Participant has the discretion to hire its own legal counsel with Participant reimbursing the Agency for its reasonable fees and costs, including without limitation, attorney and expert witness fees and costs.

If a claim, other than a legality claim, is brought against Agency or its respective commissioners, officers, agents, consultants and employees by reason of any such claim, Participant, upon written notice from Agency shall, at Participant’s expense, bear the costs and expense of defending Agency against such action or proceedings by counsel selected by Agency.

17. **Antidiscrimination During Construction.** Participant, for itself and its successors and assigns, agrees that in the rehabilitation and/or construction of improvements on the Project Site provided for in this Agreement, the Participant will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity/expression, national origin or ancestry, marital status, age, or physical disability.

18. **Compliance with Laws.** Participant agrees to comply with all applicable federal, state, and local laws, rules and regulations, including, but not limited to, all conditions imposed by the city of Hailey through its planning and zoning land use
approval process and building permit approval process. Should the Participant not comply with the requirements set forth in the preceding sentence, the Agency shall no longer be obligated to provide the Participant reimbursement as set forth in this Agreement.

19. Amendments to the Agreement. The Parties may agree to reasonable amendments to the Agreement if such would not alter the basic business purposes of the Agreement, if made in writing, and if agreed to by the Parties.

[Signatures appear on the following page.]
IN WITNESS WHEREOF, the Parties hereto have signed this Agreement the day and year below written to be effective the day and year above written.

Agency: The Urban Renewal Agency of the City of Hailey, an independent public body, corporate and politic

_________________________________
Chair
Date _______________________________

Agency: the urban renewal agency of the City of Hailey, a public body, corporate and politic

_________________________________
Chair
Date _______________________________

PARTICIPANT:

Inntrusted Enterprises, LLC
3640 S. Yellowstone Highway
Idaho Falls, ID 83402

David Adams, Managing Member

Date _______________________________

Exhibits

A: Participant’s Project and Improvement Project
B: Schedule of Eligible Costs
EXHIBIT A
PARTICIPANT’S PROJECT AND
IMPROVEMENT PROJECT

Redevelopment of the Project Site located at ______________________.

Project Site work consisting of ____________________________
<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Fiber Optic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Existing Gas Line to be Relocated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6&quot; Vertical Curb &amp; Gutter</td>
<td>489.6603</td>
<td>ft</td>
</tr>
<tr>
<td>Asphalt/Bike Path</td>
<td>1,910.92</td>
<td>sf</td>
</tr>
<tr>
<td>Asphalt</td>
<td>957.12</td>
<td></td>
</tr>
<tr>
<td>Bus Stop</td>
<td>1</td>
<td>Count</td>
</tr>
<tr>
<td>Existing Hydrant</td>
<td>1</td>
<td>Count</td>
</tr>
<tr>
<td>Man Cover</td>
<td>1</td>
<td>Count</td>
</tr>
<tr>
<td>New Concrete Sidewalk</td>
<td>3,562.80</td>
<td>ft</td>
</tr>
<tr>
<td>Saw Cut</td>
<td>408.36</td>
<td></td>
</tr>
<tr>
<td>Tree Grate</td>
<td>6</td>
<td>Count</td>
</tr>
<tr>
<td>Turncated Dome</td>
<td>4</td>
<td>Count</td>
</tr>
<tr>
<td>Zero Reveal Curb &amp; Gutter</td>
<td>33.20</td>
<td></td>
</tr>
</tbody>
</table>

**Legend**
- 10'-11 3/16" Tree Grate
- 165.8965 sf Zero Reveal Curb & Gutter
- 300.00 ft 6" Vertical Curb & Gutter
- 3,203.10 ft Zero Reveal Curb & Gutter
- 3,562.80 ft New Concrete Sidewalk
- 408.36 ft Saw Cut
- 478.5469 sf 478'-2 3/8"
- 66.6328 sf 9'-5/16"
- 92'-2 3/8" Bus Stop
- 92'-2 3/8" Existing Hydrant
- 1,910.92 sf 1,910'-7 13/16" Existing Fiber Optic
- 3,562.80 sf 310'-11 3/16" New Concrete Sidewalk
- 957.1172 sf 957'-10" Asphalt
- 489.6603 ft 489'-6 1/2" 6" Vertical Curb & Gutter

**Total Area**
- 42,403 sf 75 Room Hotel
## Division 1 - General Conditions (2 mos)

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Unit</th>
<th>Material</th>
<th>Labor</th>
<th>Subs</th>
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<tr>
<td>Survey</td>
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<td>hrs</td>
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<td>hrs</td>
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<td>$9,600.00</td>
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<td>hrs</td>
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<td>Landscape Design allow</td>
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<td>$5,000.00</td>
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<td>$5,400.00</td>
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<tr>
<td>General Liability Insurance</td>
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<td>$2,996.94</td>
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<td>$3,003.00</td>
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<tr>
<td>Engineering Service and Facilities</td>
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<td>$33,000.00</td>
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<td>$33,000.00</td>
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<tr>
<td>VOID Permit</td>
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<td>$1,500.00</td>
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<td>$1,500.00</td>
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Total: $46,840.00

## Division 2 - St-elewark within the Public ROW

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<th>Labor</th>
<th>Subs</th>
<th>Others</th>
<th>Total</th>
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<td>Idaho Power Undergrounding from Trans</td>
<td>72</td>
<td>cy</td>
<td>$20.00</td>
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<td></td>
<td>$1,440.00</td>
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<tr>
<td>Idaho Power Ex/Ba/kfill and Grade</td>
<td>83</td>
<td>cy</td>
<td>$25.00</td>
<td></td>
<td></td>
<td></td>
<td>$2,075.00</td>
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<tr>
<td>Saw Cutting for Demo</td>
<td>100</td>
<td>ft</td>
<td>$3.35</td>
<td>$3,375.00</td>
<td></td>
<td></td>
<td>$3,375.00</td>
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<tr>
<td>Demos Existing Curb and Gutter 340'</td>
<td>48</td>
<td>cy</td>
<td>$20.00</td>
<td></td>
<td></td>
<td></td>
<td>$960.00</td>
</tr>
<tr>
<td>Demolition Concrete Sidewalk 340'</td>
<td>70</td>
<td>cy</td>
<td>$20.00</td>
<td></td>
<td></td>
<td></td>
<td>$1,400.00</td>
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<tr>
<td>Demos Related Asphalt 340'</td>
<td>13</td>
<td>cy</td>
<td>$20.00</td>
<td></td>
<td></td>
<td></td>
<td>$260.00</td>
</tr>
<tr>
<td>Demos Existing Gas Line 180'</td>
<td>46</td>
<td>cy</td>
<td>$20.00</td>
<td></td>
<td></td>
<td></td>
<td>$920.00</td>
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<tr>
<td>Demos Export Dump Fees</td>
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<td>cy</td>
<td>$12.50</td>
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<td></td>
<td></td>
<td>$2,212.50</td>
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<tr>
<td>Prepare for New Curb and Gutter 680'</td>
<td>2060</td>
<td>sf</td>
<td>$2.75</td>
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<td></td>
<td>$5,610.00</td>
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<tr>
<td>Prepare for New Sidewalk 700'</td>
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<td>sf</td>
<td>$2.75</td>
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<td>$10,450.00</td>
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<td>Prepare for New Bike Path (River St.) 270'</td>
<td>2100</td>
<td>sf</td>
<td>$2.75</td>
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<td></td>
<td></td>
<td>$5,940.00</td>
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<tr>
<td>Prepare for 9 ea. Tree Wells along River</td>
<td>6</td>
<td>ea</td>
<td>$350.00</td>
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<td></td>
<td></td>
<td>$2,100.00</td>
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<td>Elect. Conduct for 9 ea. Tree Wells</td>
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<td>ft</td>
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<td></td>
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<td>Water Line from River Street into Prop.</td>
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<td>$45.00</td>
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<td></td>
<td></td>
<td>$2,610.00</td>
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<td>Sewer Line from River St. into Property</td>
<td>46</td>
<td>if</td>
<td>$65.00</td>
<td></td>
<td></td>
<td></td>
<td>$2,990.00</td>
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<tr>
<td>Fire Line from River St. into Property 6'</td>
<td>53</td>
<td>if</td>
<td>$55.00</td>
<td></td>
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<td></td>
<td>$2,915.00</td>
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<tr>
<td>Gas Line from Kings Dr. into Property</td>
<td>27</td>
<td>if</td>
<td>$35.00</td>
<td></td>
<td></td>
<td></td>
<td>$770.00</td>
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<tr>
<td>Asphalt Patch Prep. 4 areas (UT/UT/UT)</td>
<td>1125</td>
<td>sf</td>
<td>$2.75</td>
<td></td>
<td></td>
<td></td>
<td>$3,093.75</td>
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<tr>
<td>Asphalt Patch Back</td>
<td>1125</td>
<td>sf</td>
<td>$3.50</td>
<td></td>
<td></td>
<td></td>
<td>$3,937.50</td>
</tr>
<tr>
<td>Asphalt Patch Back along HWY 75</td>
<td>600</td>
<td>sf</td>
<td>$3.50</td>
<td></td>
<td></td>
<td></td>
<td>$2,100.00</td>
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<tr>
<td>Asphalt Patch Back along Kings Dr.</td>
<td>260</td>
<td>sf</td>
<td>$3.50</td>
<td></td>
<td></td>
<td></td>
<td>$910.00</td>
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<tr>
<td>Aspen/Ashphalt Patch Back along River St.</td>
<td>2240</td>
<td>sf</td>
<td>$3.00</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Asphalt Stripping at new Bike Path</td>
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<td>ft</td>
<td>$2.00</td>
<td></td>
<td></td>
<td></td>
<td>$560.00</td>
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<tr>
<td>Landscaping HWY 75</td>
<td>1000</td>
<td>sf</td>
<td>$2.50</td>
<td></td>
<td></td>
<td></td>
<td>$2,500.00</td>
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<tr>
<td>Irrigation HWY 75</td>
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<td>$1.25</td>
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<td>$1,250.00</td>
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<tr>
<td>Tree Allowance (River Street)</td>
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<td></td>
<td>$6,000.00</td>
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Sub-Total: $75,711.25

## Division 3 - Concrete Curb & Gutter, and Sidewalk

<table>
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<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Unit</th>
<th>Material</th>
<th>Labor</th>
<th>Subs</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Curb and Gutter along HWY 75 270'</td>
<td>270</td>
<td>if</td>
<td>$45.00</td>
<td></td>
<td></td>
<td></td>
<td>$12,150.00</td>
</tr>
<tr>
<td>5' New Sidewalk along HWY 75</td>
<td>1350</td>
<td>sf</td>
<td>$10.75</td>
<td>$14,512.50</td>
<td></td>
<td></td>
<td>$14,512.50</td>
</tr>
<tr>
<td>Frustrated Dome</td>
<td>2</td>
<td>ea</td>
<td>$3,300.00</td>
<td></td>
<td></td>
<td></td>
<td>$6,600.00</td>
</tr>
<tr>
<td>New Curb and Gutter along Kings Dr.</td>
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<td>if</td>
<td>$45.00</td>
<td></td>
<td></td>
<td></td>
<td>$5,850.00</td>
</tr>
<tr>
<td>5' New Sidewalk along Kings Dr.</td>
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<td>sf</td>
<td>$10.75</td>
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<td></td>
<td></td>
<td>$516.00</td>
</tr>
<tr>
<td>Frustrated Dome at either end and entry</td>
<td>4</td>
<td>ea</td>
<td>$6,600.00</td>
<td></td>
<td></td>
<td></td>
<td>$6,600.00</td>
</tr>
<tr>
<td>New Curb and Gutter along River Street 320'</td>
<td>320</td>
<td>if</td>
<td>$45.00</td>
<td></td>
<td></td>
<td></td>
<td>$14,400.00</td>
</tr>
<tr>
<td>5' New Sidewalk along River Street 320'</td>
<td>1600</td>
<td>sf</td>
<td>$10.75</td>
<td></td>
<td></td>
<td></td>
<td>$17,200.00</td>
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<tr>
<td>Frustrated Dome</td>
<td>2</td>
<td>ea</td>
<td>$3,300.00</td>
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<td>$6,600.00</td>
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Sub-Total: $77,828.50

## Division 4 - Steel

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<th>Qty</th>
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<th>Material</th>
<th>Labor</th>
<th>Subs</th>
<th>Others</th>
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<tr>
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<td>$3,000.00</td>
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<tr>
<td>Concrete Footing, Foundation, Slab</td>
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<td>$6,000.00</td>
<td></td>
<td></td>
<td></td>
<td>$6,000.00</td>
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<tr>
<td>Steel Supply and Install</td>
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<td>bid</td>
<td>$9,900.00</td>
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<td></td>
<td></td>
<td>$9,900.00</td>
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<tr>
<td>Storefront Framing and Glazing</td>
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<td>bid</td>
<td>$4,980.00</td>
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<td></td>
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<td>Parking</td>
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<tr>
<td>Striping</td>
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<td>bid</td>
<td>$277.00</td>
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<tr>
<td>Bench - Supply and Install</td>
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<td>bid</td>
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<td></td>
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<td>$966.00</td>
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<tr>
<td>2 ea. Bike Rails</td>
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<td>ea</td>
<td>$600.00</td>
<td></td>
<td></td>
<td></td>
<td>$1,200.00</td>
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<tr>
<td>2 ea. Lights with wire bk. to house panel</td>
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<td>ea</td>
<td>$550.00</td>
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<td></td>
<td></td>
<td>$2,200.00</td>
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<tr>
<td>6 Tree Grates at River Street Trees</td>
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<td>ea</td>
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Sub-Total: $35,341.00

## Division 5 - Electrical Light Poles

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<thead>
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<th>Qty</th>
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<th>Material</th>
<th>Labor</th>
<th>Subs</th>
<th>Others</th>
<th>Total</th>
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<tr>
<td>Light Poles HWY 75, King Rd, River Street</td>
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<td>$2,750.00</td>
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<td>$19,250.00</td>
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<td>Electrical Trenching to new Light Poles</td>
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<td>$22.00</td>
<td>$16,060.00</td>
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<td>$16,060.00</td>
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</table>

Sub-Total: $35,310.00
## Off-Site Improvements Scope of Work

### General Conditions for Scope of Work
- Design
- Surveying
- Project Management
- Project Supervision
- Civil Engineering
- Geotechnical Engineering
- Liability Insurance
- Idaho Power Engineering and Permit

### Site Improvements
- Required Demolition
- Excavation, Backfill and Grading
- Extend Water into Property
- Extend Sewer into Property
- Extend Fire Line into Property
- Required Asphalt Patch Back
- Landscaping HWY 75
- Irrigation HWY 75
- Trees/Grates
- 7 New Light Poles
- Bus Stop, Slab and Light
- Electrical Tie-In
- Bike Path along River Street

### Marriott - Hailey, Idaho

#### Off-Site Improvements Scope of Work

9/7/2018

<table>
<thead>
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<th>Item</th>
<th>Estimated Costs</th>
<th>Current Billing</th>
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<td>6% PES</td>
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<td>5% Contingency to be managed by Others</td>
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<td>Total Estimated URA Dollars</td>
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</table>

---

**Note:** The table above details the estimated costs and current billing for various aspects of the off-site improvements at the Marriott - Hailey, Idaho, project. The scope of work is comprehensive, covering design, surveying, project management, and various site improvement tasks such as demolition, excavation, and installation of utilities and amenities.
### ASSETS
#### Current Assets
- **Checking/Savings**
  - LGIP: 567,904.89 (Dec 31, 20) 416,081.71 (Dec 31, 19) 151,823.18 36.5%
  - Mountain West Bank: 14,346.77 8,943.80 5,402.97 60.4%
- **Total Checking/Savings**

#### Total Current Assets
- **Total Current Assets**

#### TOTAL ASSETS
- **TOTAL ASSETS**

### LIABILITIES & EQUITY
#### Liabilities
- **Total Liabilities**

#### Equity
- **Unrestricted Net Assets**
- **Net Income**

#### Total Equity
- **Total Equity**

#### TOTAL LIABILITIES & EQUITY
- **TOTAL LIABILITIES & EQUITY**

---

<table>
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<tr>
<th></th>
<th>Dec 31, 20</th>
<th>Dec 31, 19</th>
<th>$ Change</th>
<th>% Change</th>
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<td><strong>Current Assets</strong></td>
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<tr>
<td><strong>Checking/Savings</strong></td>
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<tr>
<td>LGIP</td>
<td>567,904.89</td>
<td>416,081.71</td>
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<tr>
<td>Mountain West Bank</td>
<td>14,346.77</td>
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<tr>
<td><strong>Total Checking/Savings</strong></td>
<td>582,251.66</td>
<td>425,025.51</td>
<td>157,226.15</td>
<td>37.0%</td>
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<tr>
<td><strong>Total Current Assets</strong></td>
<td>582,251.66</td>
<td>425,025.51</td>
<td>157,226.15</td>
<td>37.0%</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>582,251.66</td>
<td>425,025.51</td>
<td>157,226.15</td>
<td>37.0%</td>
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<td><strong>LIABILITIES &amp; EQUITY</strong></td>
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<td><strong>Liabilities</strong></td>
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<td><strong>TOTAL LIABILITIES &amp; EQUITY</strong></td>
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<td>425,025.51</td>
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<td>37.0%</td>
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<td>10/31/2020</td>
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<td>Interest Income</td>
<td>Interest</td>
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<td>887</td>
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<td>12/15/2020</td>
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<td>Deposit</td>
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<td>12/31/2020</td>
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<td>Interest Income</td>
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<td>% Change</td>
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<tr>
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<td><strong>Net Ordinary Income</strong></td>
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<td>1,314.62</td>
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<tr>
<td><strong>Net Income</strong></td>
<td>4,372.33</td>
<td>3,057.71</td>
<td>1,314.62</td>
<td>43.0%</td>
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</tbody>
</table>
Return to Agenda