

SPECIMEN

CUSIP:
492649 AA6

No. R-1

\$50,000

Unless this Certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of the Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA
STATE OF IDAHO
COUNTY OF BLAINE

THE URBAN RENEWAL AGENCY OF THE CITY OF KETCHUM
REVENUE ALLOCATION (TAX INCREMENT) REFUNDING BOND, SERIES 2010

THE URBAN RENEWAL AGENCY OF THE CITY OF KETCHUM (the "Agency"), for value received, promises to pay from the Bond Fund (the "Bond Fund"), created by Resolution No. URA2, adopted by the Board of Commissioners of the Agency on May 3, 2010, as amended by Resolution No. URA3, adopted by the Board of Commissioners of the Agency on May 17, 2010 (the "Bond Resolution"), to CEDE & Co. or registered assigns, on October 15, 2011, the principal sum of

FIFTY THOUSAND DOLLARS

and to pay interest thereon from the aforesaid Bond Fund from August 19, 2010, or the most recent date to which interest has been paid or duly provided for, at the rate of two percent (2.00%) per annum, payable commencing on April 15, 2011, and semiannually thereafter on each October 15 and April 15 until the date of maturity or prior redemption of this Bond. Interest shall be computed on a 360-day year, consisting of twelve 30-day months.

Both principal of and interest on this Bond are payable in lawful money of the United States of America to the Registered

Owner hereof, whose name and address shall appear on the registration records of the Agency (the "Bond Register") maintained by the Corporate Trust Department of U.S. Bank National Association, Salt Lake City, Utah, (the "Trustee"). Payment of each installment of interest shall be made to the Registered Owner whose name appears on the Bond Register at the close of business on the fifteenth day of the calendar month next preceding the interest payment date, and shall be paid by check or draft of the Trustee mailed to such Registered Owner to be received by the due date at his address appearing on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Trustee. Principal shall be paid to the Registered Owner, upon presentation and surrender of this Bond on or after its date of maturity or prior redemption, at the principal corporate trust office of the Trustee.

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

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

This Bond is one of a duly authorized issue of Bonds of like date, tenor, designation, and effect, except for variations required to state numbers, denominations, rates of interest, and dates of maturity, aggregating \$6,440,000 in principal amount. The Bonds are issued as fully registered Bonds without coupons, in denominations of \$5,000 or any integral multiple thereof (provided that no single Bond shall represent more than one maturity), and mature over the years 2011 through 2034, inclusive. The Bonds are limited obligations of the Agency payable solely from the Pledged Revenues (as defined in the Bond Resolution) pledged to the payment thereof under the Bond Resolution and certain other moneys held by the Trustee. For a more particular description of the Pledged Revenues, and the nature and extent of the security afforded thereby, reference is made to the provisions of the aforementioned

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Bond Resolution. All capitalized terms used in this Bond shall have the meanings given to them by the Bond Resolution.

This Bond and the Bonds of this series are not general obligations of the Agency, and its full faith and credit are not pledged for payment of the principal thereof and interest thereon. The Bonds constitute a prior lien and charge upon the Pledged Revenues equal to the charge and lien of Additional Bonds (as defined in the Bond Resolution) and superior to all other charges of any kind or nature.

This Bond and the Bonds of this series are issued by the Agency pursuant to and in full compliance with the Constitution and laws of the State of Idaho, particularly the Idaho Urban Renewal Law of 1965, being Title 50, Chapter 20, Title 50, Chapter 29, and Section 57-504, Idaho Code (collectively, the "Law"), and also pursuant to the Bond Resolution, for the purpose of providing part of the moneys to finance the refunding of outstanding Promissory Notes of the Agency, together with the Costs of Issuance of the Bonds, as said capitalized terms are defined in the Bond Resolution. The Bonds are issued by the Agency in connection with the refunding of obligations incurred for urban renewal projects (as defined in the Law), and pursuant to Section 50-2012(f) of the Idaho Code, and this Bond shall be conclusively deemed to have been issued for such purpose and such urban renewal project shall be conclusively deemed to have been planned, located, and carried out in accordance with the provisions of the Law.

Bonds maturing on or before October 15, 2020, are not subject to call or redemption prior to their stated dates of maturity. The Agency has reserved the right to redeem any Bonds maturing on or after October 15, 2021, on any date on or after October 15, 2020, in whole or in part, at the discretion of the Agency (and by lot selected by the Depository Trust Company in accordance with its operational procedures then in effect within a maturity), at par plus accrued interest to the redemption date.

Bonds maturing on October 15, 2029, and October 15, 2034, are term Bonds and are subject to mandatory redemption and retirement prior to maturity, in part, by lot in such manner as the Bond Registrar shall determine, at a redemption price equal to 100% of the principal amount of the Bonds being redeemed, together with accrued interest to the date of redemption, from the deposit of Mandatory Redemption Amounts into the Bond Fund in the amount and on the dates set forth below. The amounts and due dates of the Mandatory Redemption Amounts for the term Bonds maturing on October 15, 2029, are as follows:

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<u>MANDATORY REDEMPTION DATE</u>	<u>MANDATORY REDEMPTION AMOUNT</u>
2025	\$325,000
2026	\$340,000
2027	\$360,000
2028	\$375,000
2029*	\$400,000

*Maturity

The amounts and due dates of the Mandatory Redemption Amounts for the term Bonds maturing on October 15, 2034, are as follows:

<u>MANDATORY REDEMPTION DATE</u>	<u>MANDATORY REDEMPTION AMOUNT</u>
2030	\$420,000
2031	\$440,000
2032	\$465,000
2033	\$490,000
2034*	\$520,000

*Maturity

Portions of any Bond of a denomination of more than \$5,000 may be redeemed. The portion of any Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or any integral multiple of \$5,000, and in selecting portions of such Bonds for redemption, the Bond Registrar will treat each such Bond as representing that number of Bonds of \$5,000 denomination which is obtained by dividing the principal amount of such bond by \$5,000.

Notice of any such redemption shall be sent by the Trustee by first class mail, postage prepaid, not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption to the Registered Owner at the address shown on the Bond Register maintained by the Trustee, or at such other address as may be furnished in writing by such Registered Owner to the Trustee. When so called for redemption, such Bond shall cease to accrue interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and such Bond shall not be deemed to be Outstanding as of such redemption date.

This Bond is transferable or exchangeable by the Registered Owner hereof in person, or by his attorney duly authorized in writing, upon presentation and surrender of this Bond at the

principal corporate trust office of the Trustee. Upon such transfer or exchange, a new Bond or Bonds of authorized denomination of denominations, of equal aggregate principal amount and of the same maturity and interest rate, will be issued to the transferee or exchange, in exchange therefor. Provided, however, that the Trustee shall not be required to transfer all or any portion of this Bond within fifteen (15) calendar days of its date of maturity.

The Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payments of principal hereof and interest due hereon and for all other purposes, and the Trustee shall not be affected by any notice to the contrary.

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

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

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

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IN WITNESS WHEREOF, the Urban Renewal Agency of the City of Ketchum has caused this Bond to be executed by the signatures of the Chairman of the Board of Commissioners and the Treasurer, attested by the Secretary of the Agency, as of this 19th day of August, 2010.

THE URBAN RENEWAL AGENCY OF THE
CITY OF KETCHUM

Chairman, Board of Commissioners

Treasurer, Board of Commissioners

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This Bond is one of The Urban Renewal Agency of the City of Ketchum Revenue Allocation (Tax Increment) Refunding Bonds, Series 2010, dated August 19, 2010, and described in the within-mentioned Bond Resolution.

U.S. BANK NATIONAL ASSOCIATION
As Trustee

By _____
Authorized Signature

ASSIGNMENT

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

Name of Transferee:

Address:

Tax Identification No.

the within Bond and hereby irrevocably constitutes and appoints

of _____,

to transfer said Bond on the books kept for registration thereof with full power of substitution in the premise.

Dated:

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Registered Owner

Registered Owner

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

SIGNATURE GUARANTEED:

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

Authorized Signature