

RESOLUTION NO. 07-URA11

**A RESOLUTION OF THE KETCHUM URBAN RENEWAL AGENCY DECLARING
OFFICIAL INTENT TO REIMBURSE FROM TAX EXEMPT OBLIGATIONS
FOR EXPENDITURES PAID FROM AGENCY FUNDS**

WHEREAS, the Ketchum Urban Renewal Agency (the "Agency") expects to pay or cause to be paid, on and after the date hereof, certain expenditures ("Expenditures") in connection with the acquisition, construction, purchase, improvement and/or equipping of certain streetscape and related improvements including without limitation the projects commonly known as the Fourth Street Heritage Corridor Project and more particularly identified as "Streets" in Section 1.1.7 of Attachment No. 4.1.1 of the Plan, "Street Projects" in Section 1.2.7 of Attachment 4.1.2 of the Plan and Project No. ST3-4th Street Phase One Spruce to Main all as further described in the Urban Renewal Plan (the "Project") to be paid from funds furnished by the City of Ketchum, Idaho; and

WHEREAS, the Board of Commissioners of the Agency expects to reimburse the Expenditures from the proceeds of one or more issues of tax-exempt obligations (the "Obligations").

NOW, THEREFORE, BE IT RESOLVED, by the Chairman and the Commissioners of the Ketchum Urban Renewal Agency that the Agency hereby declares the Agency's intent to reimburse the Agency with the proceeds of the Obligations for the Expenditures with respect to the Project made on and after a date not more than 60 days prior to the date hereof; and

FURTHER RESOLVED, that each Expenditure was and will be either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Obligations, or (c) a nonrecurring item that is not customarily payable from current revenues; and

FURTHER RESOLVED, that the maximum principal amount of the Obligations to be issued for the Project is \$1,200,000 and the Agency reasonably expects on the date hereof that it will reimburse the Expenditures with all or a portion of the proceeds of the Obligations; and

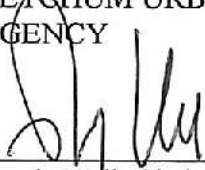
FURTHER RESOLVED, that the Agency will keep books and records of all Expenditures and will make a reimbursement allocation, which is a written allocation that evidences the Agency's use of proceeds of the Obligations to be reimbursement and Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid; and

FURTHER RESOLVED, that this resolution evidences the Agency's intent and reasonable expectation under Treas. Reg. Section 1.150-2(d)(1) to use the proceeds of the Obligations to pay the costs of the Project and to reimburse the Agency for Expenditures for the costs of the Project paid prior to the issuance of the Obligations to the extent permitted by federal tax regulations.

FURTHER RESOLVED, that the Commissioners and Officers of the Agency be, and hereby are authorized and directed to take such steps, to do such other acts and things, to make such payments, to execute such letters, certificates, agreements, papers or instruments as in their judgment may be necessary, desirable or appropriate in order to carry out the terms and provisions of the transactions referred to in the preceding resolutions and to otherwise consummate the transactions, steps and things contemplated hereby.

This Resolution will be in full force and effect upon its adoption this second (2nd) day of July, 2007.

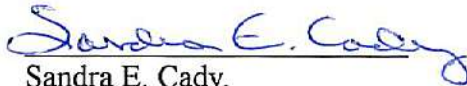
KETCHUM URBAN RENEWAL
AGENCY

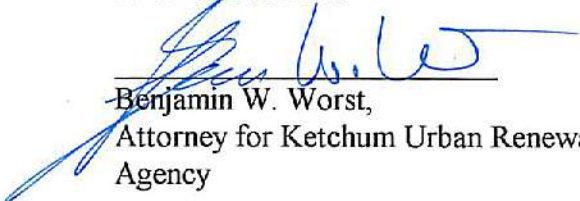


Randy Hall, Chairman

ATTEST:

APPROVED AS TO FORM
AND CONTENT:



Sandra E. Cady,
Ketchum Urban Renewal Agency
Secretary/Treasurer

Benjamin W. Worst,
Attorney for Ketchum Urban Renewal
Agency