

RESOLUTION NO. 07-URA22

A RESOLUTION OF THE KETCHUM URBAN RENEWAL AGENCY AUTHORIZING A LOAN FROM MOUNTAIN WEST BANK IN THE AMOUNT OF \$2,600,000 TO FINANCE THE ACQUISITION OF CERTAIN REAL PROPERTY AND THE IMPROVEMENTS THEREON LOCATED AT 491 SUN VALLEY ROAD EAST, KETCHUM, IDAHO (LOTS 5 AND 6, BLOCK 24, KETCHUM TOWNSITE, BLAINE COUNTY, IDAHO), FOR DEVELOPMENT OF A CENTRAL TOWN PLAZA, PUBLIC PARKING AND OTHER PURPOSES AND AUTHORIZING THE EXECUTION OF ALL NECESSARY DOCUMENTS ON BEHALF OF THE AGENCY.

WHEREAS, the Ketchum Urban Renewal Agency (the "Agency"), an independent public body corporate and politic, is an Urban Renewal Agency created by and existing under the authority of and pursuant to the Idaho Urban Renewal Law of 1965, Title 50, Chapter 20, Idaho Code as amended and supplemented and the Idaho Local Economic Development Act, Title 50, Chapter 29 Idaho Code as amended and supplemented (collectively the "Law"); and

WHEREAS, the Agency is authorized to conduct proceedings and to issue revenue bonds and notes and incur debt pursuant to the terms and provisions of the Law, for the purpose of financing urban renewal projects authorized under its Urban Renewal Plan (defined below); and

WHEREAS, the City Council of the City of Ketchum, Idaho (the "City"), after notice duly published, conducted a public hearing on October 30, 2006, on the Urban Renewal Plan for the Ketchum Urban Renewal Project (the "Urban Renewal Plan"); and

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 992 adopted on November 15, 2006, approving the Urban Renewal Plan as amended, and making certain findings; and

WHEREAS, the Agency and Mountain West Bank entered that certain Purchase and Sale Agreement dated April 20, 2007 (the "Purchase and Sale Agreement"), for the acquisition of certain real property and the improvements thereon located at Lots 5 & 6, Block 24, Ketchum Townsite (the "Property"), in the amount of \$3,200,000 for the development of a central town plaza, public parking and other downtown redevelopment; and

WHEREAS, the Agency desires to finance the purchase of the Property with a loan (the "Loan") from Mountain West Bank (the "Lender") in the amount of \$2,600,000; and

NOW, THEREFORE, BE IT RESOLVED, by the Chairman and the Commissioners of the Ketchum Urban Renewal Agency as follows:

SECTION 1. THE PROJECT. The Project consists of the acquisition and construction of a central town plaza and public parking on the Property including, without limitation, the projects identified as "Public Facilities" in Section 1.1.5 of Attachment No. 4.1.1 of the Plan, "Public Facilities Projects" in Section 1.2.5 of Attachment 4.1.2 of the Plan and Project No. PF1 New Visitor's Center, all as further described in the Urban Renewal Plan. The Agency hereby authorizes and directs the appropriate officers and agents of the Agency to apply the proceeds of the Loan less amounts required for loan transactional costs in order to finance the acquisition of the Property for the Project, consistent with the terms of the Loan and the Urban Renewal Plan.

SECTION 2. LOAN TERMS AND AUTHORITY TO EXECUTE. 1. The Agency is hereby authorized to enter into the Loan with the Lender pursuant to the terms and conditions set forth in the Purchase and Sale Agreement in an amount of up to \$2,600,000 (TWO MILLION SIX HUNDRED THOUSAND DOLLARS) to finance the acquisition of the Property for the Project, to execute any and all documents required in connection with the said Loan including without limitation a note, deed of trust and related documents. The term of the loan shall not exceed sixty (60) months from closing. The interest rate shall be calculated using the Federal Home Loan Bank Long Term Fixed Rate Index plus 275 basis points adjusted by the Lender's customary and usual municipality pricing formula. The Agency hereby pledges its tax increment revenue and its right, title and interest in the Property as set forth in the loan documents to the payment of the Note and Loan. The Chairman, Vice Chairman, or Executive Director are hereby authorized to execute all necessary loan documents in order to carry out the Loan and the Secretary is hereby authorized to attest to such signature.

SECTION 3. PRIOR PROCEEDINGS RATIFIED. All proceedings, resolutions, and actions of the Agency and its officers and agents, taken in connection with the Loan contemplated herein are hereby ratified, confirmed, and approved.

SECTION 4. PUBLICATION AND LIMITATION ON LEGAL ACTION. In accordance with the provisions of Section 50-2027, Idaho Code, as amended, a Notice of this Resolution shall be published one time in a newspaper of general circulation in the City of Ketchum, Idaho. For a period of thirty (30) days from the date of this Resolution, any person in interest may file suit in any court of competent jurisdiction to contest the regularity, formality, or legality of the proceedings, authorizing the Loan, or the legality of this Resolution and its provisions, or the provisions of the documents securing the Loan. After the expiration of such thirty day period, no one shall have any right of action to contest the validity of the Loan, or of such proceedings, or of the Resolution, or the validity of the pledges and covenants made in such proceedings, and the Resolution, and the Loan, and the provisions for payment shall be conclusively presumed to be legal, and no court shall thereafter have authority to inquire into such matters.

SECTION 5. CONFLICTING ACTIONS REPEALED. All ordinances, resolutions, orders and regulations, or parts thereof, heretofore adopted, or passed, which are in conflict with any of the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

SECTION 6. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or agreements, or portions thereof, provided in this Resolution shall be contrary to law, then such covenant or covenants, such agreement or agreements or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of the remaining provisions of this Resolution or of the Loan.

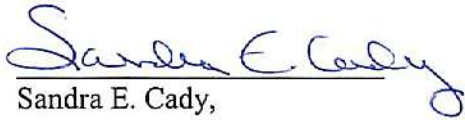
SECTION 17. EFFECTIVE DATE. This Resolution will be in full force and effect upon its adoption this fifth (5th) day of November, 2007.

KETCHUM URBAN RENEWAL AGENCY



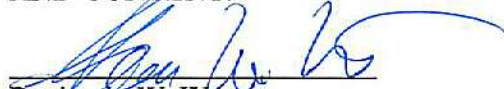
Randy Hall, Chairman

ATTEST:



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

APPROVED AS TO FORM
AND CONTENT:



Benjamin W. Worst,
Attorney for Ketchum Urban Renewal
Agency