

RESOLUTION NUMBER 11-URA3

**A RESOLUTION OF THE KETCHUM URBAN RENEWAL AGENCY (KURA)
TRANSFERRING RESTRICTED IN LIEU AFFORDABLE HOUSING FUNDS AND
PROVIDING SUCH INFORMATION ON FUTURE AUDITS**

WHEREAS, the KURA was established pursuant to Idaho Code § 50-2007, and is empowered to exercise of its powers under the Idaho Urban Renewal Law of 1965 and the Local Economic Development Act; and

WHEREAS, the KURA accepted funds by the City of Ketchum, Idaho, to provide funds for affordable housing projects, such funds having been transferred from the City of Ketchum's In Lieu Affordable Housing Fund; and

WHEREAS, the funds provided to the KURA from the City of Ketchum's In Lieu Housing Funds will continue to be restricted in the same manner and to the same extent that such funds are restricted as to the City of Ketchum for the purpose of affordable housing; and

WHEREAS, the funds provided to the KURA from the City of Ketchum In Lieu Housing Funds were used to purchase property and the equity, which is defined as KURA restricted funds, continues to also be restricted for affordable housing;

WHEREAS, the KURA desires to transfer such equity as defined above from the Mountain West Bank Building to the 1st & Washington property.

NOW, THEREFORE, BE IT RESOLVED by the Chairman and Commissioners of the Ketchum Urban Renewal Agency that the following statements set forth the KURA's position as to the use of affordable housing funds obtained from the City of Ketchum and the KURA will set forth its position regarding these funds as a footnote in its audited statements.

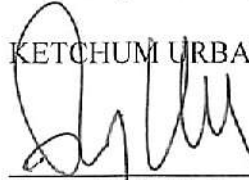
In fiscal year ended September 30, 2007, the KURA purchased real property formerly known as the Dollhouse located at 1st & Washington in Ketchum in the sum of \$2.25 million. The down payment for the purchase of the 1st & Washington property of \$707,914 was obtained by the KURA as a transfer from the City Of Ketchum's restricted In Lieu Affordable Housing Fund. Since that time, the City of Ketchum's restricted In Lieu Affordable Housing Fund has transferred to the KURA an additional \$147,916 to pay interest on the debt associated with the 1st & Washington property as well as to make necessary repairs to the 1st & Washington property. On April 12, 2011, \$640,000 of restricted fund value was transferred to the 1st & Washington property from the Mountain West Bank Building. Accordingly, \$1,495,830 of the value of the 1st & Washington property continues to be restricted to future affordable housing purposes.

In fiscal year ended September 30, 2008, the KURA purchased real property formerly known as the Mountain West Bank building located at Sun Valley Rd. and East Ave. in Ketchum in the sum of \$3.2 million. The down payment for the purchase of the Mountain West Bank building property of \$640,000 was obtained by the KURA as a transfer from the City Of Ketchum's restricted In Lieu Affordable Housing Fund. \$640,000 of the value of the Mountain West Bank building property was restricted to future affordable housing purposes. This \$640,000 of restricted fund value was

transferred to the 1st & Washington property on April 12, 2011. There is no further restriction on the value of the Mountain West Bank Building.

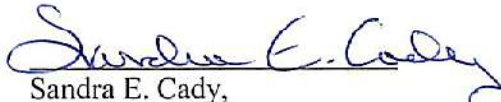
This Resolution will be in full force and effect upon its adoption this 12th day of April, 2011.

KETCHUM URBAN RENEWAL AGENCY



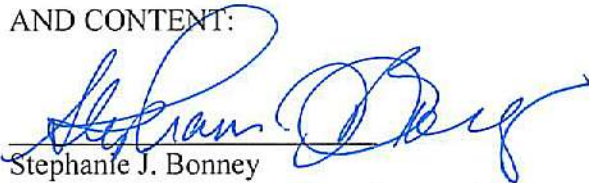
Randy Hall, Chairman

ATTEST:



Sandra E. Cady,
Ketchum Urban Renewal Secretary/Treasurer

APPROVED AS TO FORM
AND CONTENT:



Stephanie J. Bonney
Attorney for Ketchum Urban Renewal Agency