

FOR IMMEDIATE RELEASE

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CITY OF HAILEY, ID AND SWEETWATER SETTLE DISPUTES AND PLEDGE COOPERATION

The City of Hailey, Idaho and Sweetwater Company, LLC, owner of the mixed use development in Hailey by the same name, jointly announced today the settlement of all disputes between them, including those pending in the Blaine County District Court.

On August 10, 2010, Sweetwater filed a complaint against the City of Hailey, seeking a declaration that the City's Community Housing Ordinance was unconstitutional based on recent Idaho court rulings, and an award of damages exceeding \$2,000,000 representing, among other elements, the amount Sweetwater paid for property located on River Street in Hailey and transferred by Sweetwater to the City of Hailey under the City's Community Housing Ordinance, as part of its Planned Unit Development Agreement.

Earlier this year, Advocates for Real Community Housing (ARCH) secured financing to construct a twenty four unit residential complex for affordable senior housing on the River Street property, contingent on a long term lease with the City. Both the City and Sweetwater support this project. Thereafter, the City repealed the Community Housing ordinance and the parties entered into negotiations to resolve all remaining issues and allow the ARCH project to proceed.

"With this settlement", said Michelle Griffith, Executive Director of ARCH, "the City is now free to conclude its lease with ARCH, which allows for the construction of senior housing on the River Street property. We recognize the generous contributions of both Sweetwater and the City in that regard and sincerely appreciate the efforts of both parties in making this much needed senior housing facility a reality."

"Not only will Sweetwater no longer be burdened by community housing obligations", said Kevin Adams, CEO of Sweetwater, "but Sweetwater will enjoy tangible support from the City. In particular, the settlement will provide Sweetwater with additional time to build out its development during these difficult times in the real estate industry. It is a 'win-win' for the City and Sweetwater," said Adams.

On behalf of the Hailey City Council, Mayor Davis added, "the City is looking forward to the success of Sweetwater, just like any development approved by the city. Hailey's leadership is focused on the future growth and success of our community and all its citizens. Sweetwater and Hailey share the same goal: a successful development. We appreciate the vision, determination and the community-minded spirit that Sweetwater has consistently demonstrated to make our community a better place to live and work. We look forward to the successful future of both Sweetwater and the City of Hailey."