



# FEBRUARY 2025 BCACHA BOARD PACKET

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## Summary Page

### Items Included in this Packet

#### **Funding Report Tracker**

The Funding Report Tracker provides details on grants and funds that BCACHA has applied for, has been approved for, or has received. This also provides details on the source of the funds and the use of the funds. This report is updated as funds are received and the most up to date version is provided with each Board Packet.

#### **Financial Reports**

Check back for these reports 2.10.2025

#### **Park Apartments Termination Agreement**

The City of Boise had approached BCACHA to assist in the development of housing aimed at supporting individuals at risk of homelessness. This initiative would have utilized the existing University Parks Apartment site, with Northwest Real Estate Capital Corp serving as the developer. The State did not award low-income housing tax credits to this project, the City is requesting to mutually terminate the agreement.

Potential language for the motion:

- Per the request of the City of Boise, I move to terminate the Real Estate Donation Agreement between the City of Boise and the Boise City Housing Authority for the Park Apartments located at 860 W. Sherwood Street, Boise, Idaho, and authorize the Board Chair and Executive Director to sign and deliver all necessary documents on behalf of the Board.
- Given the Board's termination of the Real Estate Donation Agreement with the City of Boise, I move to terminate the Option to Purchase Agreement between the Boise City Housing Authority and Northwest Real Estate Capital Corp. for the Park Apartments located at 860 W. Sherwood Street, Boise, Idaho, and authorize the Board Chair and Executive Director to sign and deliver all necessary documents on behalf of the Board.

## Glossary of Terms and Acronyms

For more general Acronyms: <https://www.hud.gov/about/acronyms>

**50058** – Form used to generate reports on families who participate in Public Housing or Section 8 rental subsidy programs.

**W9** – a form used to pay an individual or entity for tax purposes.

**ACH** – Automated Clearinghouse. An example of direct deposit.

**ACOP** – Administrative and continued occupancy Policy

**Applicant** – An individual or family who is not yet on any of our programs but has submitted an application or is on a waiting list.

**BCACHA** – Boise City Ada County Housing Authority.

**CFR** – Code of Federal Regulations.

**CFP** – Capital Fund Program

**CHOIS** – Coordinated Housing Options and Individualized Services. Provides rental assistance and case management services to homeless and disabled individuals and families.

**EIV** – Enterprise Income Verification. Contains Tenant data on their benefits/income.

**EFT** – Electronic Funds Transfer. An example of direct deposit.

**FMR** – Fair Market Rate.

**FSS** – Family Self-Sufficiency. Program designed to assist individuals and families to obtain employment. Participants will work toward reducing dependence on welfare programs and improving financial stability.

**FSS Escrow Account** – An account maintained by the PHA that grows as the earnings of the participant increases. This is a tax-free savings account that participants will receive after achieving their 5-year goal.

**HA** – Housing Authority

**HAP** – Housing Assistance Payment.

**HCV** – Housing Choice Voucher also referred to as Section 8. The voucher allows participants to pay approximately 30% of their income for rent and utilities.

**HIP** – Housing Information Portal.

**HoH** – Head of Household.

**HOPE** – Homeownership and Opportunity for People Everywhere.

**HOTMA** - Housing Opportunity through Modernization Act

- This Act creates non-discretionary changes to how the agency processes eligibility related to income and assets, as well as changes inspection standards and policies for households who become over-income.

**HQS** – Housing Quality Standards.

**HUD** – U.S Department of Housing and Urban Development.

**LIHTC: Low-Income Housing Tax Credit**

**Live-In Aide** - A person who lives with an elderly or disabled person(s) and who: (1) Is determined by the PHA to be essential to the care and well-being of the person(s), (2) Is not obligated to support the person(s), (3) Would not be living in the unit except to provide necessary supportive services.

**Market Rate Housing** – Apartments that are NOT Subsidized and can be rented out to the general public. These rentals are typically at or below market rate. Apartment Complexes include Vine Terrace, Shoreline North, Nez Perce, Liberty Park, and Hobbler Place.

**MTCS** – Multifamily Tenant Characteristics System

**NAHRO:** National Association of Housing and Redevelopment Officials

**NSPIRE:** National Standard for Physical Inspection of Real Estate

- This is the new inspection standard that BCACHA properties will be inspected under.

**OVW** – Office on Violence Against Women – Transitional housing program that provides temporary housing for victims of domestic violence, sexual assault, and/or stalking.

**Participant** – An Individual or family that is on a program.

**PH** – Public Housing

**PHA** – Public Housing Agency

**PIC** – Public and Indian Housing Information Center.

**PIH** – Public and Indian Housing.

**Portability/Port** – Process in which participants in the HCV program can transfer their voucher to another jurisdiction.

**REAC** – Real Estate Assessment Center. Created by HUD to Centralize Portfolio assessment information.

**RFTA** – Request for Tenancy Approval.

**SEMAP** – Section Eight Management Assessment Program

**SSA** – Social Security Administration.

**SSI** – Supplemental Security income.

**SSN** – Social Security Number.

**TANF** – Temporary Assistance for Needy Families.

**TIN** – Taxpayer Identification Number.

**TRACS** – Tenant Rental Assistance Certification System.

**TTP** – Total Tenant Payment.

**Utility Allowance** - The HA maintains a utility allowance schedule for all participants paid utilities (except for telephone), for cost of participant-supplied refrigerators and ranges, and for other participant paid housing services (e.g., trash collection). The utility allowance schedule is determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality.

**VAMC** – Veterans Affairs Medical Center.

**VASH** – Veterans Affairs Supportive Housing. Provides Rental Assistance to homeless veterans.

**VAWA** – Violence against Women’s Act.

**Voyager** – YARDI’s Property Management Software Program.

**YARDI** – Property Management Software.

**AGENDA**

BOISE CITY HOUSING AUTHORITY COMMISSIONERS  
ADA COUNTY HOUSING AUTHORITY COMMISSIONERS  
SHORELINE PLAZA, INC. DIRECTORS  
AFFORDABLE HOUSING SOLUTIONS, INC. DIRECTORS

**MEETING OF THE BOARD OF COMMISSIONERS  
AND DIRECTORS**

Wednesday, February 12, 2025 at 4:00 p.m.  
Housing Authority Office – 1001 S. Orchard Street Boise, Idaho

**I. ROLL CALL**

**II. CONSENT AGENDA (ACTION ITEM)**

All items with an asterisk (\*) are considered to be routine by the Board and will be enacted by one motion. There will be no separate discussion on these items unless a Board member or citizen so requests, in which case the item will be removed from the general order of business and considered in its normal sequence. The vote on the Consent Agenda will be by roll call vote.

A. Minutes, Resolutions and Routine Matters

1. \* Board of Commissioners Meeting Minutes January 8, 2025 (ACTION ITEM)
2. \* Board of Commissioners Special Meeting Minutes January 13, 2025 (ACTION ITEM)

**III. REPORTS**

- A. Chairman's Report
- B. Executive Director's Report

**IV. BUSINESS**

- A. Finance Update
- B. Moore St Update
- C. Park Apartments Project (860 W. Sherwood Street, Boise, Idaho)
  - a. Termination of the Real Estate Donation Agreement Between the City of Boise and the Boise City Housing Authority (ACTION ITEM)
  - b. Termination of the Option to Purchase Agreement Between the Boise City Housing Authority and Northwest Real Estate Capital Corp. (ACTION ITEM)

Related agenda documents are available for public review by visiting:

<https://bcacha.org/about/board-of-commissioners/>

**Zoom access:**

When: Feb 12, 2025 04:00 PM Mountain Time (US and Canada)  
Topic: BCACHA February Board Meeting

Webinar ID: 813 1688 3721  
Passcode: 247892

Join from PC, Mac, iPad, or Android:

<https://us06web.zoom.us/j/81316883721?pwd=5hpQRjLulVvfoXZeLp2iw1m2YJGOkl.1>  
[Passcode:247892](#)

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+16699006833,,81316883721#,,,,\*247892# US (San Jose)

Join via audio:

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+1 669 900 6833 US (San Jose)  
+1 719 359 4580 US  
+1 253 205 0468 US  
+1 253 215 8782 US (Tacoma)  
+1 346 248 7799 US (Houston)  
+1 360 209 5623 US  
+1 386 347 5053 US  
+1 507 473 4847 US  
+1 564 217 2000 US  
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+1 305 224 1968 US  
+1 309 205 3325 US  
+1 312 626 6799 US (Chicago)



**AGENDA**

BOISE CITY HOUSING AUTHORITY COMMISSIONERS  
ADA COUNTY HOUSING AUTHORITY COMMISSIONERS  
SHORELINE PLAZA, INC. DIRECTORS  
AFFORDABLE HOUSING SOLUTIONS, INC. DIRECTORS

**MEETING OF THE BOARD OF COMMISSIONERS  
AND DIRECTORS**

Wednesday, January 8, 2025 at 4:00 p.m.  
Housing Authority Office – 1001 S. Orchard Street Boise, Idaho

**V. ROLL CALL**

**VI. CONSENT AGENDA (ACTION ITEM)**

All items with an asterisk (\*) are considered to be routine by the Board and will be enacted by one motion. There will be no separate discussion on these items unless a Board member or citizen so requests, in which case the item will be removed from the general order of business and considered in its normal sequence. The vote on the Consent Agenda will be by roll call vote.

A. Minutes, Resolutions and Routine Matters

3. \* Board of Commissioners Meeting Minutes December 11, 2024 (ACTION ITEM)

**VII. REPORTS**

- C. Chairman's Report
- D. Executive Director's Report

**VIII. BUSINESS**

- D. Family Self-Sufficiency Presentation and Award
- E. Finance Update
- F. Moore St Update
- G. EXECUTIVE SESSION Per Idaho Code and Idaho Code § 74-206(1)(d)(f)(i) to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated.

Related agenda documents are available for public review by visiting:

<https://bcacha.org/about/board-of-commissioners/>

**Zoom access:**

Please click the link below to join the webinar:

When: Jan 8, 2025 04:00 PM Mountain Time (US and Canada)

Topic: BCACHA Board Meeting

Join from PC, Mac, iPad, or Android:

<https://us06web.zoom.us/j/82230710395?pwd=rjdK0lG9MW1EjgDEtbhx30Hh5pCKDq.1>

Webinar ID: 822 3071 0395

Passcode: 826372

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+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 360 209 5623 US

+1 386 347 5053 US

+1 507 473 4847 US

+1 564 217 2000 US

+1 646 931 3860 US

+1 689 278 1000 US

+1 929 205 6099 US (New York)

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+1 305 224 1968 US

**AGENDA**

**BOISE CITY / ADA COUNTY HOUSING AUTHORITIES COMMISSIONERS**

**SPECIAL MEETING OF THE BOARD OF COMMISSIONERS**

Monday January 13, 2025 at 8 a.m.  
Housing Authority Office – 1001 S. Orchard Street Boise, Idaho

**IX. ROLL CALL**

**X. BUSINESS**

- H. EXECUTIVE SESSION Per Idaho Code and Idaho Code § 74-206(1)(d)(f)(i) to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated.

**Zoom access:**

Join Zoom Meeting

<https://us06web.zoom.us/j/83765365263?pwd=gra3Te7EFfbXcTb6YlhbBootQSi4OV.1>

Meeting ID: 837 6536 5263

Passcode: 318461

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**BOISE CITY HOUSING AUTHORITY  
ADA COUNTY HOUSING AUTHORITY, SHORELINE INC.  
AND AFFORDABLE HOUSING SOLUTIONS, INC.**

MEETING OF THE BOARD OF  
COMMISSIONERS AND DIRECTORS

**TIME AND PLACE OF MEETING:**

Chair Julianne Donnelly Tzul called the meeting to order at 4:00 p.m., on Wednesday, January 8, 2024. The meeting was held at the Boise City / Ada County Housing Authorities' Board Room, 1001 S Orchard Street, Boise ID 83705, and via Zoom link.

**I. ROLL CALL**

**Commissioners present:** Chair Julianne Donnelly Tzul, Vice Kent Rock, Commissioner Paulsen, Commissioner Marty Jacobs, Commissioner Jones, commissioner Flaherty, Ex-Officio Commissioner Kathy Corless

**Commissioners absent:** Commissioner Vila

**Others present:** Ada County Deputy Attorney Ammon Taylor, Ada County Deputy Attorney Nichole Solberg, City Attorney Christine Dodd, Executive Director Deanna Watson, Deputy Director Jillian Patterson, IT and Operations Administrator Ron Barstow, Finance Director Glenn Luke, Nan McKay consultant John Murphy, Senior Staff Accountant Annette Sampson, Family Self-Sufficiency Supervisor Tawna Gulbis, Stella, Agnes, and Louise Divine and Administrative Services Manager Mallory VanDercar

**II. CONSENT AGENDA**

Commissioner Flaherty moved that the board approve the Consent Agenda. Vice Chair Rock seconded the motion. A roll call vote was taken:

Chair Donnelly Tzul	Aye
Vice Chair Rock	Aye
Commissioner Paulsen	Aye
Commissioner Flaherty	Aye
Commissioner Jones	Aye
Commissioner Jacobs	Aye

The motion passed by roll call vote.

**III. REPORTS**

## **A. Chairman's Report**

Chair Julianne Donnelly Tzul shared that Bill Rosco is on the agenda to be approved by the city council next week to be voted on to join the BCACHA board. She shared that later in the meeting, Commissioner Jacobs will introduce Finance Director Glenn Luke to the Board.

## **B. Executive Director's Report**

Executive Director Deanna Watson shared that Boise City / Ada County Housing Authorities applied for and was awarded \$61,000 services and programs for Allumbaugh House, and that she will be working closely with Terry Reilly to determine how best to utilize these funds. She shared that the agency also received notice that we were funded for Ada County and Boise City Family Self-Sufficiency program that will allow for an additional position. Ms. Watson shared that there was a news story from KTVB that aired 1/7/2024 related to this funding, and the video was shared with the Board.

## **IV. BUSINESS**

### **I. Family Self-Sufficiency Presentation and Award**

Ms. Gulbis introduced herself to the board, sharing that she is the Family Self-Sufficiency supervisor. She shared that the National Association of Housing and Redevelopment Officials (NAHRO) holds an annual poster contest called "what Home Means to Me." This is a national contest available to all housing agencies for youth whose families receive assistance. NAHRO selects 12 winners who receive a financial award and have their art displayed in a calendar. This year, one BCACHA participant was selected as a winner. Ms. Gulbis introduced the winner, sharing that she is a talented artist and is very goal driven. Stella introduced herself to the board, and shared about her background, noting that she moved to the US at age 11 and learned English as her third language. She shared her passion for creating art as a way to express her feelings, and that the artwork she created is a reflection of her dream to be a homeowner one day. She shared that she will be starting college in a few weeks and plans to become a dental assistant. She thanked the housing authority for the assistance provided. She is excited to help other people. Ms. Gulbis shared that the agency is so proud of her accomplishments and is excited to watch her grow.

Ms. Patterson shared that NAHRO acknowledged Stella with an award, and that BCACHA would like to do the same. Ms. Patterson presented Stella with a check and a framed print on Stella's art.

### **J. Finance Update**

Commissioner Jacobs introduced the new Finance Director Glenn Luke. Commissioner Jacobs shared that he was part of the hiring committee for this role, noting that while there were a number of qualified candidates, Mr. Luke stood out due to his background with the State government, and his ability to get to understand the mission of the agency. Mr. Luke shared that he is happy to be a part of the team, noting that the first days of his orientation have been great, and he is looking forward to working with the agency throughout the coming years.

Mr. Murphy shared that he is pleased to provide BCACHA financials to the board, noting that there are 65 different ledgers that have been condensed down. He is open to any formatting suggestions that the Board may have. Mr. Murphy reviewed the documents provided in the board packet, and shared that he is a big Yardi proponent and believes it is working well.

Chair Donnelly Tzul noted that during Executive Committee meetings, the Board could workshop on which metrics would be most beneficial to review for future financial statements, noting that those can be sent to Ms. VanDercar.

Mr. Murphy shared that the audit is going well. The Boise 5 audit was due December 31<sup>st</sup> is a bit behind, but the agency is still in a grace period. The BCACHA audit began this week and will include the onsite component next week. He expects this will take around 3 –5 weeks to be completed.

Mr. Murphy responded to questions from board members.

#### **K. Moore St Update**

Ms. Watson shared that the appraisal has been completed and that she will be reaching out to CSG for their review. She also noted that the agency is finalizing the RFP and hopes to have that reviewed by CSG and by the attorneys soon.

#### **L. EXECUTIVE SESSION Per Idaho Code and Idaho Code § 74-206(1)(d)(f)(i) to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated.**

Vice Chair Rock motioned to enter executive session per Idaho Code and Idaho Code § 74-206(1)(d)(f)(i) to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. Commissioner Flaherty seconded the motion. A roll call vote was taken:

Chair Donnelly Tzul	Aye
Vice Chair Rock	Aye
Commissioner Paulsen	Aye
Commissioner Flaherty	Aye
Commissioner Jones	Aye
Commissioner Jacobs	Aye

The motion passed by roll call vote.

**The Board entered Executive Session at 4:50 p.m.**

Vice Chair Rock motioned to exit executive session per Idaho Code and Idaho Code § 74-206(1)(d)(f)(i) to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. Commissioner Jacobs seconded the motion. A roll call vote was taken:

Chair Donnelly Tzul	Aye
Vice Chair Rock	Aye
Commissioner Paulsen	Aye
Commissioner Flaherty	Aye
Commissioner Jones	Aye
Commissioner Jacobs	Aye

**The Board exited Executive Session at 5:08 p.m.**

**Commissioner Flaherty motioned to Adjourn the meeting at 5:08 p.m. The motion was seconded by Commissioner Rock.**

**Documents provided as part of this meeting include:**

- BCACHA 12/13/2024 Board Minutes
- Director’s Report
- Funding Report
- Financial Statements
- FSS Contest Winner

Respectfully submitted,

Deanna L. Watson, Executive Director \_\_\_\_\_

Julianne Donnelly Tzul, Chair \_\_\_\_\_

**AGENDA**

**BOISE CITY / ADA COUNTY HOUSING AUTHORITIES COMMISSIONERS**

**SPECIAL MEETING OF THE BOARD OF COMMISSIONERS**

Monday January 13, 2025 at 8 a.m.  
Housing Authority Office – 1001 S. Orchard Street Boise, Idaho

**XI. ROLL CALL**

**Commissioners present:** Chair Julianne Donnelly Tzul, Vice Kent Rock, Commissioner Paulsen, Commissioner Marty Jacobs, Commissioner Jones, commissioner Flaherty, Ex-Officio Commissioner Kathy Corless

**Commissioners absent:** Commissioner Vila, Commissioner Jones

**Others present:** Ada County Deputy Attorney Ammon Taylor, Ada County Deputy Attorney Nichole Solberg, City Attorney Christine Dodd, City Attorney Christian Collins, Federal Compliance Consultant Bruce Adelson, Executive Director Deanna Watson, Deputy Director Jillian Patterson, Housing Operations and Asset Manager Marissa Henderson, and Administrative Services Manager Mallory VanDercar

**XII. BUSINESS**

M. EXECUTIVE SESSION Per Idaho Code and Idaho Code § 74-206(1)(d)(f)(i) to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated.

Vice Chair Rock motioned to enter executive session per Idaho Code and Idaho Code § 74-206(1)(d)(f)(i) to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. Commissioner Jacobs seconded the motion. A roll call vote was taken:

Chair Donnelly Tzul	Aye
Vice Chair Rock	Aye
Commissioner Paulsen	Aye
Commissioner Flaherty	Aye
Commissioner Jacobs	Aye

**The Board Entered Executive Session at 8:04 a.m.**

Vice Chair Rock motioned to exit executive session per Idaho Code and Idaho Code § 74-206(1)(d)(f)(i) to communicate with legal counsel for the public agency to discuss the legal



ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. Commissioner Jacobs seconded the motion. A roll call vote was taken:

Chair Donnelly Tzul	Aye
Vice Chair Rock	Aye
Commissioner Paulsen	Aye
Commissioner Flaherty	Aye
Commissioner Jones	Aye
Commissioner Jacobs	Aye

**The Board exited Executive Session at 8:57 a.m.**

Vice Chair Rock moved to authorize staff reject the offer made by the plaintiff and continue the process as initiated by staff regarding the situation addressed in executive session. Commissioner Jacobs seconded the motion. A roll call vote was taken:

Chair Donnelly Tzul	Aye
Vice Chair Rock	Aye
Commissioner Paulsen	Aye
Commissioner Flaherty	Aye
Commissioner Jones	Aye
Commissioner Jacobs	Aye

**Vice Chair Rock moved to adjourn the meeting at 9:00 a.m. The motion was seconded by Commissioner Paulsen.**

Respectfully submitted,

Deanna L. Watson, Executive Director \_\_\_\_\_

Julianne Donnelly Tzul, Chair \_\_\_\_\_

## Director's Report

Sending highlights of key efforts and initiatives in progress since the last BCACHA Board meeting.

**Moore St. Property:** I will provide additional details at the meeting. To summarize:

- Appraisal completed and distributed.
- Continue to receive inquiries about our intentions with the property.
- Continue to meet with community partners to discuss possible options.
- RFP (Request for Proposals) draft is with our consultant (CSG for review and feedback).

**Allumbaugh House:** Ada County invited our application for some available replacement reserve funds to be used for service to the clients at the facility we own and Terry Reilly Health Services operates:

- Received notice of award. (\$62,000)
- Met with Ada County and Terry Reilly to begin working on an agreement and how best to divide the funds.
- Terry Reilly will access some funds for resident services and we will use some for facility upgrades.

**Research agreement with Boise State University:** We have the services of a "Capstone" student to take on a research project for us re: changing service needs of our population of residents residing in our high rise apt complexes. We have met twice and Emmy Power is putting together her workplan. We intend to use the results of her research to help us identify service needs not adequately met and possible resources to improve the quality of life for our residents.

**Low Income Housing Tax Credit apartments expiring:**

We continue our efforts to comply with "Rent Reasonableness" requirement pertaining to properties leaving the Low Income Housing Tax Credit program. We have meetings and deadlines the week of 2/10 so most likely won't have enough new detail to warrant an agenda item at this meeting.

**Personnel:** Glenn Luke continues to work on learning as much as he can as our new Finance Director. He has been focused on completing and overseeing the completion of this year's audit which has turned out to be much more complicated than years past due to issues with the transition from one software system to another.

Our Maintenance Supervisor Buddy Boyd will be in attendance at the beginning of your meeting so you can meet another new member of our leadership team.

**Administration:** We continue working on structuring work flows under the new software system. We have been reaching out to some of our sister PHA's who have recently converted to the same product we use and are getting some good feedback and recommendations.

**Federal Funding:** The decision to pause funding in a number of governmental areas caused some concern on Jan. 28<sup>th</sup> as we scrambled to determine the full impact and scope. The news caused concerns for a number of our clients who reached out in their anxiety about upcoming rents they could not fully satisfy if our funding wasn't disbursed. We will continue to monitor unfolding administrative decisions to ensure we can continue to deliver on our mission to the best of our ability.

Looking forward to seeing you all on Wednesday! Let me know if I can answer any questions or concerns.

Funding Report

Source	Date	Amount	Status	Program	Staff	Use
DOJ- OVW Transitional Housing	10/1/2022	\$500,000	Funded	Ada OVW Program	Jillian Patterson	HAP / Operations / Supportive Services
HUD- CPD Continuum of Care Permanent Supportive Housing	8/1/2023	\$1,026,213	Funded	Ada COC Program	Jillian Patterson	HAP / Operations / Supportive Services
MF Service Coordinator	12/15/2023	\$83,561	Partially Funded	Multifamily Service Coordinator Grant	Marissa Henderson	Fund I FTE Service Coordinator position to assist eighty residents of Shoreline Plaza. Funding is dispersed several times throughout the year
HUD - FSS Coordinator	1/1/2024	\$179,898	Funded	Boise HCV Program	Jillian Patterson	Fund 2 FTE FSS Coordinator positions
HUD - FSS Coordinator	1/1/2024	\$179,898	Funded	Ada HCV Program	Jillian Patterson	Fund 2 FTE FSS Coordinator positions
HUD - Operating Subsidy	1/1/2024	\$327,310	Funded	Boise Low Rent Public Housing	Diana Meo	Operating Funds for Capital Plaza and Franklin Plaza
HUD - Operating Subsidy	1/1/2024	\$15,444	Funded	Ada Low Rent Public Housing	Diana Meo	Operating Funds for ten scattered sites
HUD - Section 8 Emergency Housing Vouchers Subsidy	1/1/2024	\$45,224	<i>Pending HUD Budget</i>	Boise HCV Program	Annette Sampson/Diana Meo	HAP / Operations
HUD - Section 8 HCV Subsidy	1/1/2024	\$971,631	<i>Pending HUD Budget</i>	Boise HCV Program	Annette Sampson/Diana Meo	HAP / Operations

HUD - Section 8 HCV Subsidy	1/1/2024	\$610,862	<i>Pending HUD Budget</i>	Ada HCV Program	Annette Sampson/Diana Meo	HAP / Operations
HUD - Section 8 Mainstream Subsidy	1/1/2024	\$51,375	<i>Pending HUD Budget</i>	Boise HCV Program	Annette Sampson/Diana Meo	HAP / Operations
HUD - Section 8 Mainstream Subsidy	1/1/2024	\$26,839	<i>Pending HUD Budget</i>	Ada HCV Program	Annette Sampson/Diana Meo	HAP / Operations
Youth Homeless Demonstration Program Grants	2/26/2024	\$1,174,533.00	Funded	CHOIS	Jillian Patterson	
HUD - Emergency Capital Fund	4/12/2024	\$2,074,759.00	<i>Pending</i>	Low Rent Public Housing	Marissa Henderson	Replacement of aged and failing water lines serving residents of Capitol Plaza.
Local Government	TBD	\$50,000		Agency	Deanna Watson	Fund Financial Consultant
HUD - Capital Fund	5/13/2024	\$34,446.00	<i>Pending</i>	Ada Low Rent Public Housing	Marissa Henderson	Modernization funds for our Acquisition duplexes
HUD - Capital Fund	5/13/2024	\$348,491.00	<i>Pending</i>	Boise Low Rent Public Housing	Marissa Henderson	Modernization funds for our Capitol & Franklin Plazas
LRPH Service Coordinator	6/1/2024	\$234,060	<i>Pending</i>	Residential Opportunity Self Sufficiency Program	Marissa Henderson	Fund 1 FTE Service Coordinator position to assist 160 residents of Capitol and Franklin Plaza for 3 years
Foster Youth to Independence Grant	6/17/2024	Ten vouchers	<i>Not selected</i>	Ada HCV Program	Jillian Patterson/Tawna Gulbis	Provides ten vouchers to youth aging out of the foster system or former foster youth 18-21 at risk of becoming homeless

Financial Statements

Financial Statements begin on the following page.

Ada County H.A. Yardi properties (.achaall)  
**Ada County (All Properties Summary)**  
**Budget Comparison**

Period = Dec 2024

Book = Accrual ; Tree = ysi\_is

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
2999-99-999 Revenue & Expenses									
3000-00-000 INCOME									
3199-00-000 TENANT INCOME	31,128.00	29,737.00	1,391.00	4.68	88,258.66	89,211.00	-952.34	-1.07	356,846.00
3499-00-000 GRANT INCOME	878,714.52	809,172.00	69,542.52	8.59	2,412,493.63	2,427,516.00	-15,022.37	-0.62	9,757,595.00
3699-00-000 OTHER INCOME	7,441.56	15,003.00	-7,561.44	-50.40	47,550.49	45,009.00	2,541.49	5.65	180,044.00
3999-00-000 TOTAL INCOME	917,284.08	853,912.00	63,372.08	7.42	2,548,302.78	2,561,736.00	-13,433.22	-0.52	10,294,485.00
4000-00-000 EXPENSES									
4199-00-000 ADMINISTRATIVE EXPENSES	107,905.85	136,528.24	28,622.39	20.96	326,528.73	409,584.72	83,055.99	20.28	1,638,350.00
4299-00-000 TENANT SERVICES EXPENSES	5,917.03	18,426.00	12,508.97	67.89	30,770.31	55,278.00	24,507.69	44.34	221,105.00
4399-00-000 UTILITY EXPENSES	2,169.72	2,544.00	374.28	14.71	5,342.87	7,632.00	2,289.13	29.99	30,517.00
4499-00-000 MAINTENANCE AND OPERATIONAL EXPENSES	2,568.16	5,424.00	2,855.84	52.65	9,065.66	16,272.00	7,206.34	44.29	65,094.20
4599-00-000 GENERAL EXPENSES	2,508.00	6,535.00	4,027.00	61.62	2,684.30	19,605.00	16,920.70	86.31	78,435.00
4799-00-000 HOUSING ASSISTANCE PAYMENTS	733,938.98	680,906.00	-53,032.98	-7.79	2,194,157.92	2,042,718.00	-151,439.92	-7.41	8,170,867.00
5999-00-000 NON-OPERATING ITEMS	0.00	6,168.00	6,168.00	100.00	0.00	18,504.00	18,504.00	100.00	74,021.00
8000-00-000 TOTAL EXPENSES	855,007.74	856,531.24	1,523.50	0.18	2,568,549.79	2,569,593.72	1,043.93	0.04	10,278,389.20
9000-00-000 NET INCOME	62,276.34	-2,619.24	64,895.58	2,477.65	-20,247.01	-7,857.72	-12,389.29	-157.67	16,095.80

Boise City H.A. Properties (.bchaall)

## Boise City (All Properties Summary) Budget Comparison

Period = Dec 2024

Book = Accrual ; Tree = ysi\_is

		PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
2999-99-999	Revenue & Expenses									
3000-00-000	INCOME									
3199-00-000	TENANT INCOME	369,057.83	366,844.00	2,213.83	0.60	1,082,783.36	1,100,532.00	-17,748.64	-1.61	4,402,135.00
3499-00-000	GRANT INCOME	1,391,147.71	1,112,602.00	278,545.71	25.04	3,918,205.89	3,337,806.00	580,399.89	17.39	16,860,324.00
3699-00-000	OTHER INCOME	35,890.65	65,285.00	-29,394.35	-45.02	175,844.26	195,855.00	-20,010.74	-10.22	783,435.00
3999-00-000	TOTAL INCOME	1,796,096.19	1,544,731.00	251,365.19	16.27	5,176,833.51	4,634,193.00	542,640.51	11.71	22,045,894.00
4000-00-000	EXPENSES									
4199-00-000	ADMINISTRATIVE EXPENSES	316,181.40	243,547.00	-72,634.40	-29.82	805,394.31	730,641.00	-74,753.31	-10.23	2,922,571.00
4299-00-000	TENANT SERVICES EXPENSES	13,186.36	13,601.00	414.64	3.05	40,583.08	40,803.00	219.92	0.54	163,198.40
4399-00-000	UTILITY EXPENSES	39,469.47	33,540.67	-5,928.80	-17.68	76,396.59	100,622.01	24,225.42	24.08	402,497.00
4499-00-000	MAINTENANCE AND OPERATIONAL EXPENSES	91,448.44	153,837.25	62,388.81	40.56	215,308.89	461,511.75	246,202.86	53.35	1,846,008.60
4599-00-000	GENERAL EXPENSES	201.45	78,293.00	78,091.55	99.74	1,969.84	234,879.00	232,909.16	99.16	939,572.00
4799-00-000	HOUSING ASSISTANCE PAYMENTS	1,110,884.98	931,298.00	-179,586.98	-19.28	3,343,072.90	2,793,894.00	-549,178.90	-19.66	11,175,577.00
4899-00-000	FINANCING EXPENSES	28,918.17	30,497.00	1,578.83	5.18	67,571.98	91,491.00	23,919.02	26.14	365,977.00
5999-00-000	NON-OPERATING ITEMS	0.00	78,533.00	78,533.00	100.00	0.00	235,599.00	235,599.00	100.00	994,649.00
8000-00-000	TOTAL EXPENSES	1,600,290.27	1,563,146.92	-37,143.35	-2.38	4,550,297.59	4,689,440.76	139,143.17	2.97	18,810,050.00
9000-00-000	NET INCOME	195,805.92	-18,415.92	214,221.84	1,163.24	626,535.92	-55,247.76	681,783.68	1,234.05	3,235,844.00



**Boise City / Ada County Housing Authority**  
**Income Statement**  
**for the Month and Quarter Ending December 31, 2024**

The finance department remains behind in processing monthly transactions due to the ongoing audit and software conversion issues. The primary areas of the income statement impacted by the delayed processing are: (1) Maintenance and Operational Expenses due to allocations not processed for the common area maintenance. (2) General Expenses due to insurance prepaid amortizations have not been processed. (3) Non-operating Items due to depreciation not being posted. These areas greatly impact the income statement presentation and therefore the statements cannot be relied upon at the current time. The information provided here is intended solely for educational and informational purposes. We anticipate being back on schedule for the March Board meeting.

(.bc\_busa)

## Boise Business Activities Properties

### Budget Comparison

Period = Dec 2024

Book = Accrual ; Tree = ysl\_is

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
2999-99-999 Revenue & Expenses									
3000-00-000 INCOME									
3199-00-000 TENANT INCOME	54,540.42	52,885.00	1,655.42	3.13	162,091.26	158,655.00	3,436.26	2.17	634,621.00
3699-00-000 OTHER INCOME	6,018.33	33,711.00	-27,692.67	-82.15	64,195.59	101,133.00	-36,937.41	-36.52	404,552.00
3999-00-000 TOTAL INCOME	60,558.75	86,596.00	-26,037.25	-30.07	226,286.85	259,788.00	-33,501.15	-12.90	1,039,173.00
4000-00-000 EXPENSES									
4199-00-000 ADMINISTRATIVE EXPENSES	127,654.67	40,806.00	-86,848.67	-212.83	224,061.10	122,418.00	-101,643.10	-83.03	489,677.00
4299-00-000 TENANT SERVICES EXPENSES	0.00	0.00	0.00	N/A	61.61	0.00	-61.61	N/A	0.00
4399-00-000 UTILITY EXPENSES	3,467.40	2,302.00	-1,165.40	-50.63	5,147.26	6,906.00	1,758.74	25.47	27,623.00
4499-00-000 MAINTENANCE AND OPERATIONAL EXPENSES	8,251.04	21,751.00	13,499.96	62.07	21,595.61	65,253.00	43,657.39	66.90	261,021.40
4599-00-000 GENERAL EXPENSES	163.45	11,121.00	10,957.55	98.53	1,057.63	33,363.00	32,305.37	96.83	133,456.00
5999-00-000 NON-OPERATING ITEMS	0.00	19,260.00	19,260.00	100.00	0.00	57,780.00	57,780.00	100.00	231,125.00
8000-00-000 TOTAL EXPENSES	139,536.56	95,240.00	-44,296.56	-46.51	251,923.21	285,720.00	33,796.79	11.83	1,142,902.40
9000-00-000 NET INCOME	-78,977.81	-8,644.00	-70,333.81	-813.67	-25,636.36	-25,932.00	295.64	1.14	-103,729.40

Property	Description	Percent
.fin-saf	Shoreline Admin Fund - Boise 5 properties	100.000000
lgf-pm	Local General Fund-Property Management	100.000000
local.gf	Local General Fund	100.000000
orc	BCACHA Office	100.000000
rto	Hobbler Place	100.000000
		0.000000

The variance in Other Income is due primarily to Admin management fee not recorded for Oct through Dec and approximates \$16k per month.

Admin expenses are significantly above budget primarily due to audit costs of \$60k in December and consultants.

Maintenance expenses are significantly below budget primarily due to common area maintenance allocations and employee benefits.

General expenses are significantly below budget due to the insurance prepaid amortizations have not been recorded.

All LRB programs (.lrb)

## Boise Low Rent Public Housing Budget Comparison

Period = Dec 2024

Book = Accrual ; Tree = ysl\_is

		PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
2999-99-999	Revenue & Expenses									
3000-00-000	INCOME									
3199-00-000	TENANT INCOME	51,191.00	49,122.00	2,069.00	4.21	152,280.00	147,366.00	4,914.00	3.33	589,470.00
3499-00-000	GRANT INCOME	34,211.78	33,778.00	433.78	1.28	102,762.22	101,334.00	1,428.22	1.41	3,914,425.00
3699-00-000	OTHER INCOME	12,934.83	13,533.00	-598.17	-4.42	32,371.40	40,599.00	-8,227.60	-20.27	162,400.00
3999-00-000	TOTAL INCOME	98,337.61	96,433.00	1,904.61	1.98	287,413.62	289,299.00	-1,885.38	-0.65	4,666,295.00
4000-00-000	EXPENSES									
4199-00-000	ADMINISTRATIVE EXPENSES	36,925.93	34,916.00	-2,009.93	-5.76	115,542.30	104,748.00	-10,794.30	-10.30	418,993.00
4299-00-000	TENANT SERVICES EXPENSES	6,457.64	6,818.00	360.36	5.29	19,406.88	20,454.00	1,047.12	5.12	81,809.20
4399-00-000	UTILITY EXPENSES	11,521.89	11,273.00	-248.89	-2.21	22,607.61	33,819.00	11,211.39	33.15	135,280.00
4499-00-000	MAINTENANCE AND OPERATIONAL EXPENSES	26,217.07	31,452.00	5,234.93	16.64	58,297.38	94,356.00	36,058.62	38.22	377,435.40
4599-00-000	GENERAL EXPENSES	0.00	25,460.00	25,460.00	100.00	0.00	76,380.00	76,380.00	100.00	305,521.00
5999-00-000	NON-OPERATING ITEMS	0.00	23,393.00	23,393.00	100.00	0.00	70,179.00	70,179.00	100.00	280,713.00
8000-00-000	TOTAL EXPENSES	81,122.53	133,312.00	52,189.47	39.15	215,854.17	399,936.00	184,081.83	46.03	1,599,751.60
9000-00-000	NET INCOME	17,215.08	-36,879.00	54,094.08	146.68	71,559.45	-110,637.00	182,196.45	164.68	3,066,543.40

Property	Description	Percent
b.cfp-19	ID013- CFP 19	100.000000
b.cfp-20	ID013 - CFP 20	100.000000
b.cfp-21	ID013 - CFP 21	100.000000
b.cfp-22	ID013 - CFP 22	100.000000
b.cfp-23	ID013 - CFP 23	100.000000
b.cfp-eg	ID013 - CFP 23 - Emergency Grant	100.000000
lrb	Low Rent Boise City	100.000000
lrb-c	ID013- Capitol Plaza	100.000000
lrb-f	ID013- Franklin Plaza	100.000000
lrb-sc-c	Service Coordinator - Capital	100.000000
lrb-sc-f	Service Coordinator - Franklin	100.000000

Revenue is in alignment with the budget both for the month and year-to-date.

Admin expenses are running a little over budget for the first quarter primarily due to administrative employee benefits.

Maintenance expenses are significantly below budget primarily due to common area maintenance allocations and employee benefits.

General expenses are significantly below budget due to the insurance prepaid amortizations have not been recorded.

Non-operating items are depreciation which has not been posted for Oct through December.

# Boise City Housing Choice Voucher Program

## Budget Comparison

Period = Dec 2024

2/10/2025 11:22 AM

Book = Accrual ; Tree = ysi\_is

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
2999-99-999 Revenue & Expenses									
3000-00-000 INCOME									
3499-00-000 GRANT INCOME	1,206,410.45	1,072,042.00	134,368.45	12.53	3,459,451.85	3,216,126.00	243,325.85	7.57	12,864,509.00
3699-00-000 OTHER INCOME	8,454.66	9,967.00	-1,512.34	-15.17	35,909.42	29,901.00	6,008.42	20.09	119,600.00
3999-00-000 TOTAL INCOME	1,214,865.11	1,082,009.00	132,856.11	12.28	3,495,361.27	3,246,027.00	249,334.27	7.68	12,984,109.00
4000-00-000 EXPENSES									
4199-00-000 ADMINISTRATIVE EXPENSES	102,087.01	111,407.00	9,319.99	8.37	309,294.17	334,221.00	24,926.83	7.46	1,336,877.00
4299-00-000 TENANT SERVICES EXPENSES	32.77	0.00	-32.77	N/A	32.77	0.00	-32.77	N/A	0.00
4499-00-000 MAINTENANCE AND OPERATIONAL EXPENSES	89.50	32,672.00	32,582.50	99.73	191.31	98,016.00	97,824.69	99.80	392,065.00
4599-00-000 GENERAL EXPENSES	38.00	4,291.00	4,253.00	99.11	38.00	12,873.00	12,835.00	99.70	51,492.00
4799-00-000 HOUSING ASSISTANCE PAYMENTS	1,040,818.98	931,298.00	-109,520.98	-11.76	3,130,605.90	2,793,894.00	-336,711.90	-12.05	11,175,577.00
5999-00-000 NON-OPERATING ITEMS	0.00	189.00	189.00	100.00	0.00	567.00	567.00	100.00	2,267.00
8000-00-000 TOTAL EXPENSES	1,143,066.26	1,079,857.00	-63,209.26	-5.85	3,440,162.15	3,239,571.00	-200,591.15	-6.19	12,958,278.00
9000-00-000 NET INCOME	71,798.85	2,152.00	69,646.85	3,236.38	55,199.12	6,456.00	48,743.12	755.00	25,831.00

Property	Description	Percent
b.portin	Administered Portability Participants	100.000000
bc.hcv	ID013-Boise City Housing Choice Vouchers (HCV)	100.000000
bc.home	ID013- Boise City HCV Homeownership Vouchers	100.000000
bc.ned	ID013-Boise City Vouchers- NED	100.000000
bc.pbv	ID013- Boise City Project-Based Vouchers (New Path)	100.000000
bc.vapbv	ID013- Boise City VASH Project-Based Vouchers (Valor Pointe)	100.000000
bc.vash	ID013- Boise City Vouchers VASH	100.000000

Revenue is ahead of budget due to increases in HAP funding through HUD cash management disbursements based on housing assistance payments reported in the

Admin expenses are running a little under budget for the first quarter primarily due to administrative employee benefits.

Maintenance expenses are significantly below budget primarily due to common area maintenance allocations and employee benefits.

General expenses are significantly below budget due to the insurance prepaid amortizations have not been recorded.

Housing Assistance Payments are currently exceeding the budget. This may be due to increased costs or increased leasing over anticipated.

Non-operating items are depreciation which has not been posted for Oct through December.

The chart below illustrates the increase in spending compared to the HAP funded from HUD for the Boise City Voucher Program. As you can see, the "actual per unit cost" is increasing while the "HUD-funded per unit cost remains level. As our costs continue to climb, this will result in a reduction in the families served. This point is shown in the column "Max ACC Total Units at Actual PUC" where the maximum units that can be assisted is declining. The housing authority is currently in a shortfall position and HUD will make additional resources available to prevent families losing assistance.

### Voucher Utilization Report

Property: bc.hcv, bc.ned, bc.vash, bc.vapbv  
 As of Month: 06/2025  
 Book: Accrual  
 Indicates VMS not generated

2025	HAP Allocated (Budgeted)	HAP Posted	HAP Unposted	Total HAP Liability	Variance	% Variance	ACC Units	Unit Months Leased	Percent Leased (monthly)	(Over)/Under Leased by Unit	HUD-Funded Per Unit Cost	Actual Per Unit Cost	Max ACC Total Units at Actual PUC	Available Units at Actual PUC
Jul-24	\$0.00	\$1,058,876.00	\$0.00	\$1,058,876.00	(\$1,058,876.00)	0.00%	1,347	1,277	94.80%	70	\$0.00	\$829.19	0	0
Aug-24	\$0.00	\$1,059,030.00	\$0.00	\$1,059,030.00	(\$1,059,030.00)	0.00%	1,347	1,269	94.21%	78	\$0.00	\$834.54	0	0
Sep-24	\$0.00	\$1,056,290.00	\$0.00	\$1,056,290.00	(\$1,056,290.00)	0.00%	1,347	1,257	93.32%	90	\$0.00	\$840.33	0	0
Oct-24	\$931,298.00	\$1,044,470.00	\$0.00	\$1,044,470.00	(\$113,172.00)	-12.15%	1,347	1,241	92.13%	106	\$691.39	\$841.64	1107	0
Nov-24	\$931,298.00	\$1,035,801.00	\$0.00	\$1,035,801.00	(\$104,503.00)	-11.22%	1,347	1,233	91.54%	114	\$691.39	\$840.07	1109	0
Dec-24	\$931,298.00	\$1,041,679.00	\$0.00	\$1,041,679.00	(\$110,381.00)	-11.85%	1,347	1,227	91.09%	120	\$691.39	\$848.96	1097	0
Jan-25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0	0	0.00%	0	\$0.00	\$0.00	0	0
Feb-25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0	0	0.00%	0	\$0.00	\$0.00	0	0
Mar-25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0	0	0.00%	0	\$0.00	\$0.00	0	0
Apr-25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0	0	0.00%	0	\$0.00	\$0.00	0	0
May-25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0	0	0.00%	0	\$0.00	\$0.00	0	0
Jun-25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0	0	0.00%	0	\$0.00	\$0.00	0	0
<b>Total</b>	\$2,793,894	\$6,296,146	\$0	\$6,296,146	(\$3,502,252)	-125.35%	8,082	7,504	92.85%	578	\$346	\$839	3,312	0

Allumbaugh House (all)  
**Allumbaugh House**  
**Budget Comparison**

Period = Dec 2024

Book = Accrual ; Tree = ysl\_is

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
2999-99-999 Revenue & Expenses									
3000-00-000 INCOME									
3199-00-000 TENANT INCOME	12,539.00	12,539.00	0.00	0.00	37,371.00	37,617.00	-246.00	-0.65	150,468.00
3699-00-000 OTHER INCOME	1,199.62	1,551.00	-351.38	-22.66	3,860.22	4,653.00	-792.78	-17.04	18,610.00
3999-00-000 TOTAL INCOME	13,738.62	14,090.00	-351.38	-2.49	41,231.22	42,270.00	-1,038.78	-2.46	169,078.00
4000-00-000 EXPENSES									
4199-00-000 ADMINISTRATIVE EXPENSES	5,078.16	4,532.00	-546.16	-12.05	16,090.62	13,596.00	-2,494.62	-18.35	54,385.00
4399-00-000 UTILITY EXPENSES	3,839.65	2,860.00	-979.65	-34.25	4,806.25	8,580.00	3,773.75	43.98	34,320.00
4499-00-000 MAINTENANCE AND OPERATIONAL EXPENSES	10,723.40	11,970.00	1,246.60	10.41	22,095.32	35,910.00	13,814.68	38.47	143,632.60
4599-00-000 GENERAL EXPENSES	0.00	1,529.00	1,529.00	100.00	211.09	4,587.00	4,375.91	95.40	18,350.00
5999-00-000 NON-OPERATING ITEMS	0.00	7,664.00	7,664.00	100.00	0.00	22,992.00	22,992.00	100.00	91,967.00
8000-00-000 TOTAL EXPENSES	19,641.21	28,555.00	8,913.79	31.22	43,203.28	85,665.00	42,461.72	49.57	342,654.60
9000-00-000 NET INCOME	-5,902.59	-14,465.00	8,562.41	59.19	-1,972.06	-43,395.00	41,422.94	95.46	-173,576.60

Revenue is in alignment with the budget both for the month and year-to-date.

Admin expenses are running a little over budget for the first quarter primarily due to administrative employee benefits.

Utility costs are above budget due primarily due to electricity and gas costs. This may be seasonal.

Maintenance expenses are below budget primarily due to no snow removal costs during the first quarter. Additional savings in other contract costs and employee benefits.

General expenses are below budget due to the insurance prepaid amortizations have not been recorded.

Non-operating items are depreciation which has not been posted for Oct through December.

Property = bc.main bc.ehv bc.fssc ber boi.ff

**Boise Other Properties  
Property Comparison**

Period = Dec 2024

Book = Accrual ; Tree = ysi\_is

	<b>Boise Emergency Housing Vouchers</b>	<b>FSS Coordinator Grant</b>	<b>Mainstream Vouchers</b>	<b>Emergency Rental Assistance</b>	<b>FSS Forfeited Escrows</b>	<b>Total</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
2999-99-999 Revenue & Expenses						
3000-00-000 INCOME						
3499-00-000 GRANT INCOME	47,167.00	45,614.52	51,019.00	0.00	0.00	143,800.52
3999-00-000 TOTAL INCOME	47,167.00	45,614.52	51,019.00	0.00	0.00	143,800.52
4000-00-000 EXPENSES						
4199-00-000 ADMINISTRATIVE EXPENSES	1,923.97	14,853.23	3,584.25	0.00	0.00	20,361.45
4499-00-000 MAINTENANCE AND OPERATIONAL EXPENSES	3.27	0.00	3.66	0.00	0.00	6.93
4799-00-000 HOUSING ASSISTANCE PAYMENTS	29,891.00	0.00	40,175.00	0.00	0.00	70,066.00
8000-00-000 TOTAL EXPENSES	31,818.24	14,853.23	43,762.91	0.00	0.00	90,434.38
9000-00-000 NET INCOME	15,348.76	30,761.29	7,256.09	0.00	0.00	53,366.14

This page represents individual grants and programs as reported on the financial data schedule in the audit. These properties are not combined with other programs.

(.ac\_busa)

## Ada Business Activity Properties

### Budget Comparison

Period = Dec 2024

Book = Accrual ; Tree = ysi\_is

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
2999-99-999 Revenue & Expenses									
3000-00-000 INCOME									
3199-00-000 TENANT INCOME	9,437.00	8,702.00	735.00	8.45	21,382.00	26,106.00	-4,724.00	-18.10	104,426.00
3499-00-000 GRANT INCOME	0.00	13,721.00	-13,721.00	-100.00	0.00	41,163.00	-41,163.00	-100.00	164,647.00
3699-00-000 OTHER INCOME	490.53	6,773.00	-6,282.47	-92.76	22,845.11	20,319.00	2,526.11	12.43	81,279.00
3999-00-000 TOTAL INCOME	9,927.53	29,196.00	-19,268.47	-66.00	44,227.11	87,588.00	-43,360.89	-49.51	350,352.00
4000-00-000 EXPENSES									
4199-00-000 ADMINISTRATIVE EXPENSES	11,200.67	7,046.00	-4,154.67	-58.96	28,277.58	21,138.00	-7,139.58	-33.78	84,555.00
4299-00-000 TENANT SERVICES EXPENSES	0.00	1,625.00	1,625.00	100.00	0.00	4,875.00	4,875.00	100.00	19,500.00
4399-00-000 UTILITY EXPENSES	1,582.47	1,663.00	80.53	4.84	3,523.99	4,989.00	1,465.01	29.36	19,947.00
4499-00-000 MAINTENANCE AND OPERATIONAL EXPENSES	1,357.17	3,740.00	2,382.83	63.71	5,234.49	11,220.00	5,985.51	53.35	44,848.40
4599-00-000 GENERAL EXPENSES	30.00	1,033.00	1,003.00	97.10	147.36	3,099.00	2,951.64	95.24	12,396.00
5999-00-000 NON-OPERATING ITEMS	0.00	1,961.00	1,961.00	100.00	0.00	5,883.00	5,883.00	100.00	23,527.00
8000-00-000 TOTAL EXPENSES	14,170.31	17,068.00	2,897.69	16.98	37,183.42	51,204.00	14,020.58	27.38	204,773.40
9000-00-000 NET INCOME	-4,242.78	12,128.00	-16,370.78	-134.98	7,043.69	36,384.00	-29,340.31	-80.64	145,578.60

Property	Description	Percent
ada.gf	Ada General Fund	100.000000
dor	ID021- Dorothy Duplexes	100.000000
libhse	415 N Liberty	100.000000
shd	1905 & 1907 Shoshone	100.000000

The variance in Grant Income is due primarily to Admin Management Fee revenue not recorded for Oct through Dec and approximates \$13k per month.

Admin expenses are significantly above budget primarily due to consultants and employee benefits.

Maintenance expenses are significantly below budget primarily due to common area maintenance allocations and employee benefits.

General expenses are significantly below budget due to the insurance prepaid amortizations have not been recorded.

Non-operating items are depreciation which has not been posted for Oct through December.

All LRA programs (.lra)

## Ada County Low Rent Public Housing Budget Comparison

Period = Dec 2024

Book = Accrual ; Tree = ysi\_is

		PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
2999-99-999	Revenue & Expenses									
3000-00-000	INCOME									
3199-00-000	TENANT INCOME	4,588.00	5,485.00	-897.00	-16.35	13,030.00	16,455.00	-3,425.00	-20.81	65,820.00
3499-00-000	GRANT INCOME	1,335.80	1,287.00	48.80	3.79	3,864.26	3,861.00	3.26	0.08	62,979.00
3699-00-000	OTHER INCOME	550.10	558.00	-7.90	-1.42	1,612.69	1,674.00	-61.31	-3.66	6,701.00
3999-00-000	TOTAL INCOME	6,473.90	7,330.00	-856.10	-11.68	18,506.95	21,990.00	-3,483.05	-15.84	135,500.00
4000-00-000	EXPENSES									
4199-00-000	ADMINISTRATIVE EXPENSES	2,503.78	2,290.24	-213.54	-9.32	7,448.51	6,870.72	-577.79	-8.41	27,480.00
4299-00-000	TENANT SERVICES EXPENSES	0.00	21.00	21.00	100.00	0.00	63.00	63.00	100.00	250.00
4399-00-000	UTILITY EXPENSES	587.25	881.00	293.75	33.34	1,818.88	2,643.00	824.12	31.18	10,570.00
4499-00-000	MAINTENANCE AND OPERATIONAL EXPENSES	1,225.92	2,135.00	909.08	42.58	3,772.64	6,405.00	2,632.36	41.10	25,636.00
4599-00-000	GENERAL EXPENSES	41.00	1,738.00	1,697.00	97.64	99.94	5,214.00	5,114.06	98.08	20,862.00
5999-00-000	NON-OPERATING ITEMS	0.00	1,108.00	1,108.00	100.00	0.00	3,324.00	3,324.00	100.00	13,294.00
8000-00-000	TOTAL EXPENSES	4,357.95	8,173.24	3,815.29	46.68	13,139.97	24,519.72	11,379.75	46.41	98,092.00
9000-00-000	NET INCOME	2,115.95	-843.24	2,959.19	350.93	5,366.98	-2,529.72	7,896.70	312.16	37,408.00

Property	Description	Percent
a.cfp-19	ID021- CFP 19	100.000000
a.cfp-20	ID021 - CFP 20	100.000000
a.cfp-21	ID021 - CFP 21	100.000000
a.cfp-22	ID021 - CFP 22	100.000000
a.cfp-23	ID021 - CFP 23	100.000000
lra	ID021 Ada County Acquisition Duplexes	100.000000

A variance in Tenant Income due to an existing vacancy during the quarter.

General expenses are significantly below budget due to the insurance prepaid amortizations have not been recorded.

Non-operating items are depreciation which has not been posted for Oct through December.



# Ada Housing Choice Voucher Program Budget Comparison

Period = Dec 2024

Book = Accrual ; Tree = ysl\_is

		PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
2999-99-999	Revenue & Expenses									
3000-00-000	INCOME									
3199-00-000	TENANT INCOME	0.00	0.00	0.00	N/A	319.66	0.00	319.66	N/A	0.00
3499-00-000	GRANT INCOME	706,016.17	697,703.00	8,313.17	1.19	1,966,563.95	2,093,109.00	-126,545.05	-6.05	8,372,436.00
3699-00-000	OTHER INCOME	6,293.54	7,152.00	-858.46	-12.00	18,854.07	21,456.00	-2,601.93	-12.13	85,824.00
3999-00-000	TOTAL INCOME	712,309.71	704,855.00	7,454.71	1.06	1,985,737.68	2,114,565.00	-128,827.32	-6.09	8,458,260.00
4000-00-000	EXPENSES									
4199-00-000	ADMINISTRATIVE EXPENSES	62,456.00	75,015.00	12,559.00	16.74	192,289.10	225,045.00	32,755.90	14.56	900,182.00
4299-00-000	TENANT SERVICES EXPENSES	21.85	50.00	28.15	56.30	21.85	150.00	128.15	85.43	600.00
4499-00-000	MAINTENANCE AND OPERATIONAL EXPENSES	-29.94	22,164.00	22,193.94	100.14	29.75	66,492.00	66,462.25	99.96	265,978.00
4599-00-000	GENERAL EXPENSES	2,437.00	2,642.00	205.00	7.76	2,437.00	7,926.00	5,489.00	69.25	31,705.00
4799-00-000	HOUSING ASSISTANCE PAYMENTS	616,531.98	611,730.00	-4,801.98	-0.78	1,845,549.92	1,835,190.00	-10,359.92	-0.56	7,340,757.00
5999-00-000	NON-OPERATING ITEMS	0.00	1,959.00	1,959.00	100.00	0.00	5,877.00	5,877.00	100.00	23,509.00
8000-00-000	TOTAL EXPENSES	681,416.89	713,560.00	32,143.11	4.50	2,040,327.62	2,140,680.00	100,352.38	4.69	8,562,731.00
9000-00-000	NET INCOME	30,892.82	-8,705.00	39,597.82	454.89	-54,589.94	-26,115.00	-28,474.94	-109.04	-104,471.00

Property	Description	Percent
a.portin	Administered Portability Participants	100.000000
ada.hcv	ID021-Ada County Housing Choice Vouchers (HCV)	100.000000
ada.home	ID021- Ada County Homeownership Vouchers	100.000000
ada.ned	ID021-Ada County Vouchers- NED	100.000000

Revenue is slightly ahead of budget due to increases in HAP funding for December but is under budget for the year-to-date.

Admin expenses are running a little under budget for the first quarter primarily due to administrative employee benefits.

Maintenance expenses are significantly below budget primarily due to common area employee benefits which account for \$22k of the variance.

General expenses are significantly below budget due to the insurance prepaid amortizations have not been recorded.

Housing Assistance Payments are currently inline with budgeted expectations. This may be due to increased costs or increased leasing over anticipated.

Non-operating items are depreciation which has not been posted for Oct through December.

The chart below illustrates the increase in spending compared to the HAP funded from HUD for the Boise City Voucher Program. As you can see, the "actual per unit cost" is increasing while the "HUD-funded per unit cost remains level. As our costs continue to climb, this will result in a reduction in the families served. This point is shown in the column "Max ACC Total Units at Actual PUC" where the maximum units that can be assisted is declining but not significantly. The housing authority is currently in a shortfall position and HUD will make additional resources available to prevent families losing assistance. Currently, the housing authority is leasing 100% of HAP funding allocated.

Voucher Utilization Report														
Property: a.portin, ada.hcv, ada.ned, ada.h														
As of Month: 06/2025														
Book: Accrual														
Indicates VMS not generated														
2025	HAP Allocated (Budgeted)	HAP Posted	HAP Unposted	Total HAP Liability	Variance	% Variance	ACC Units	Unit Months Leased	Percent Leased (monthly)	(Over)/Under Leased by Unit	HUD-Funded PUC	Actual PUC	Max ACC Total Units at Actual PUC	Available Units at Actual PUC
Jul-24	\$0.00	\$607,037.00	(\$499.00)	\$606,538.00	(\$606,538.00)	0.00%	771	708	91.83%	63	\$0.00	\$856.69	0	0
Aug-24	\$0.00	\$612,949.00	(\$499.00)	\$612,450.00	(\$612,450.00)	0.00%	771	701	90.92%	70	\$0.00	\$873.68	0	0
Sep-24	\$0.00	\$611,085.00	\$331.00	\$611,416.00	(\$611,416.00)	0.00%	771	693	89.88%	78	\$0.00	\$882.27	0	0
Oct-24	\$611,730.00	\$611,991.00	(\$499.00)	\$611,492.00	\$238.00	0.04%	771	692	89.75%	79	\$793.42	\$883.66	692	0
Nov-24	\$611,730.00	\$611,906.00	(\$315.00)	\$611,591.00	\$139.00	0.02%	771	688	89.23%	83	\$793.42	\$888.94	688	0
Dec-24	\$611,730.00	\$611,796.00	\$47.00	\$611,843.00	(\$113.00)	-0.02%	771	686	88.98%	85	\$793.42	\$891.90	686	0
Jan-25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0	0	0.00%	0	\$0.00	\$0.00	0	0
Feb-25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0	0	0.00%	0	\$0.00	\$0.00	0	0
Mar-25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0	0	0.00%	0	\$0.00	\$0.00	0	0
Apr-25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0	0	0.00%	0	\$0.00	\$0.00	0	0
May-25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0	0	0.00%	0	\$0.00	\$0.00	0	0
Jun-25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0	0	0.00%	0	\$0.00	\$0.00	0	0
<b>Total</b>	<b>\$1,835,190</b>	<b>\$3,666,754</b>	<b>(\$1,434)</b>	<b>\$3,665,330</b>	<b>(\$1,830,140)</b>	<b>-99.72%</b>	<b>4,626</b>	<b>4,168</b>	<b>90.10%</b>	<b>458</b>	<b>\$397</b>	<b>\$879</b>	<b>2,066</b>	<b>0</b>

Continuum of Care Program (.coc)  
**Budget Comparison**  
 Period = Dec 2024  
 Book = Accrual ; Tree = ysl\_is

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
2999-99-999 Revenue & Expenses									
3000-00-000 INCOME									
3199-00-000 TENANT INCOME	17,103.00	15,550.00	1,553.00	9.99	53,527.00	46,650.00	6,877.00	14.74	186,600.00
3499-00-000 GRANT INCOME	85,430.83	96,461.00	-11,030.17	-11.43	272,179.63	289,383.00	-17,203.37	-5.94	1,157,533.00
3699-00-000 OTHER INCOME	107.39	520.00	-412.61	-79.35	538.56	1,560.00	-1,021.44	-65.48	6,240.00
3999-00-000 TOTAL INCOME	102,641.22	112,531.00	-9,889.78	-8.79	326,245.19	337,593.00	-11,347.81	-3.36	1,350,373.00
4000-00-000 EXPENSES									
4199-00-000 ADMINISTRATIVE EXPENSES	13,658.67	27,058.00	13,399.33	49.52	43,918.15	81,174.00	37,255.85	45.90	324,700.00
4299-00-000 TENANT SERVICES EXPENSES	5,895.18	16,730.00	10,834.82	64.76	30,748.46	50,190.00	19,441.54	38.74	200,755.00
4499-00-000 MAINTENANCE AND OPERATIONAL EXPENSES	13.37	2,375.00	2,361.63	99.44	25.32	7,125.00	7,099.68	99.64	28,514.00
4599-00-000 GENERAL EXPENSES	0.00	1,122.00	1,122.00	100.00	0.00	3,366.00	3,366.00	100.00	13,472.00
4799-00-000 HOUSING ASSISTANCE PAYMENTS	78,867.00	69,176.00	-9,691.00	-14.01	240,457.00	207,528.00	-32,929.00	-15.87	830,110.00
5999-00-000 NON-OPERATING ITEMS	0.00	84.00	84.00	100.00	0.00	252.00	252.00	100.00	1,012.00
8000-00-000 TOTAL EXPENSES	98,434.22	116,545.00	18,110.78	15.54	315,148.93	349,635.00	34,486.07	9.86	1,398,563.00
9000-00-000 NET INCOME	4,207.00	-4,014.00	8,221.00	204.81	11,096.26	-12,042.00	23,138.26	192.15	-48,190.00

Property	Description	Percent
coc	ID021- CHOIS - CoC Program Grant	100.000000
coc-21	ID021 CoC CHOIS Program	100.000000
coc-22	ID021 CoC CHOIS Program	100.000000
coc-23	CHOIS ID021 Continuum of Care	100.000000

Admin expenses are significantly below budget primarily due to salaries and other miscellaneous expenses.

Tenant services is below budget due to salaries and benefits being lower than

Maintenance expenses are significantly below budget primarily due to common area maintenance allocations and employee benefits.

General expenses are below budget due to the insurance prepaid amortizations have not been recorded.

Housing Assistance Payments are currently exceeding the budget. This may be due to increased costs or increased leasing over anticipated.

Non-operating items are depreciation which has not been posted for Oct through December.

Property = ada.main ovw.tran ada.fssc aer ada.ff

# Ada County Other Programs

## Property Comparison(TB)

Period = Dec 2024

Book = Accrual ; Tree = ysi\_is

		Ada FSS Escrow Forfeitures	FSS Service Coordinator	Mainstream Vouchers	Emergency Rental	Violence against Women	Total
2999-99-999	Revenue & Expenses						
3000-00-000	INCOME						
3499-00-000	GRANT INCOME	0.00	-43,743.05	-95,884.00	0.00	-30,258.74	-169,885.79
3699-00-000	OTHER INCOME	-3,683.68	0.00	-16.38	0.00	0.00	-3,700.06
3999-00-000	TOTAL INCOME	-3,683.68	-43,743.05	-95,900.38	0.00	-30,258.74	-173,585.85
4000-00-000	EXPENSES						
4199-00-000	ADMINISTRATIVE EXPENSES	0.00	43,743.05	9,439.16	0.00	1,320.38	54,502.59
4499-00-000	MAINTENANCE AND OPERATIONAL EXPENSES	0.00	0.00	3.46	0.00	0.00	3.46
4799-00-000	HOUSING ASSISTANCE PAYMENTS	0.00	0.00	79,251.00	0.00	28,900.00	108,151.00
8000-00-000	TOTAL EXPENSES	0.00	43,743.05	88,693.62	0.00	30,220.38	162,657.05
9000-00-000	NET INCOME	-3,683.68	0.00	-7,206.76	0.00	-38.36	-10,928.80
	<b>Total</b>	<b>-3,683.68</b>	<b>0.00</b>	<b>-7,206.76</b>	<b>0.00</b>	<b>-38.36</b>	<b>-10,928.80</b>

This page represents individual grants and programs as reported on the financial data schedule in the audit. These properties are not combined with other programs.

Liberty Park Apartments (n/a)  
**Liberty Park Apartments**  
**Budget Comparison**

Period = Dec 2024

Book = Accrual ; Tree = ysi\_is

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
2999-99-999 Revenue & Expenses									
3000-00-000 INCOME									
3199-00-000 TENANT INCOME	51,457.00	55,714.00	-4,257.00	-7.64	158,184.10	167,142.00	-8,957.90	-5.36	668,564.00
3699-00-000 OTHER INCOME	1,343.25	1,613.00	-269.75	-16.72	4,350.39	4,839.00	-488.61	-10.10	19,348.00
3999-00-000 TOTAL INCOME	52,800.25	57,327.00	-4,526.75	-7.90	162,534.49	171,981.00	-9,446.51	-5.49	687,912.00
4000-00-000 EXPENSES									
4199-00-000 ADMINISTRATIVE EXPENSES	6,831.02	10,074.00	3,242.98	32.19	20,400.57	30,222.00	9,821.43	32.50	120,888.00
4399-00-000 UTILITY EXPENSES	5,446.66	3,757.00	-1,689.66	-44.97	10,409.81	11,271.00	861.19	7.64	45,090.00
4499-00-000 MAINTENANCE AND OPERATIONAL EXPENSES	11,095.15	16,264.00	5,168.85	31.78	31,787.59	48,792.00	17,004.41	34.85	195,185.80
4599-00-000 GENERAL EXPENSES	0.00	7,974.00	7,974.00	100.00	0.00	23,922.00	23,922.00	100.00	95,699.00
4899-00-000 FINANCING EXPENSES	6,676.76	6,946.00	269.24	3.88	15,601.10	20,838.00	5,236.90	25.13	83,358.00
5999-00-000 NON-OPERATING ITEMS	0.00	5,178.00	5,178.00	100.00	0.00	15,534.00	15,534.00	100.00	62,137.00
8000-00-000 TOTAL EXPENSES	30,049.59	50,193.00	20,143.41	40.13	78,199.07	150,579.00	72,379.93	48.07	602,357.80
9000-00-000 NET INCOME	22,750.66	7,134.00	15,616.66	218.90	84,335.42	21,402.00	62,933.42	294.05	85,554.20

- Tenant revenue is below budget for the period.
- Admin expenses are significantly below budget primarily due to no management fee expense posted.
- Utility costs exceed the budget for the month but are below budget for the quarter.
- Maintenance expenses are significantly below budget primarily due to common area maintenance allocations, employee benefits, and reduced contract costs.
- General expenses are significantly below budget due to the insurance prepaid amortizations have not been recorded.
- Financing expenses are below budget due to a reduced amount fro October due to accruals at year end.
- Non-operating items are depreciation which has not been posted for Oct through December.

Nez Perce Apartments (npa)  
**Nez Perce Apartments**  
**Budget Comparison**

Period = Dec 2024

Book = Accrual ; Tree = ysi\_is

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
2999-99-999 Revenue & Expenses									
3000-00-000 INCOME									
3199-00-000 TENANT INCOME	27,507.00	26,771.00	736.00	2.75	79,741.42	80,313.00	-571.58	-0.71	321,252.00
3699-00-000 OTHER INCOME	923.69	1,097.00	-173.31	-15.80	3,092.79	3,291.00	-198.21	-6.02	13,164.00
3999-00-000 TOTAL INCOME	28,430.69	27,868.00	562.69	2.02	82,834.21	83,604.00	-769.79	-0.92	334,416.00
4000-00-000 EXPENSES									
4199-00-000 ADMINISTRATIVE EXPENSES	2,677.26	5,250.00	2,572.74	49.00	7,895.71	15,750.00	7,854.29	49.87	62,999.00
4399-00-000 UTILITY EXPENSES	1,524.98	1,687.00	162.02	9.60	5,278.68	5,061.00	-217.68	-4.30	20,251.00
4499-00-000 MAINTENANCE AND OPERATIONAL EXPENSES	2,822.32	8,412.00	5,589.68	66.45	7,760.56	25,236.00	17,475.44	69.25	100,927.60
4599-00-000 GENERAL EXPENSES	0.00	3,601.00	3,601.00	100.00	117.10	10,803.00	10,685.90	98.92	43,221.00
4899-00-000 FINANCING EXPENSES	2,756.40	2,970.00	213.60	7.19	6,440.64	8,910.00	2,469.36	27.71	35,645.00
5999-00-000 NON-OPERATING ITEMS	0.00	2,978.00	2,978.00	100.00	0.00	8,934.00	8,934.00	100.00	35,736.00
8000-00-000 TOTAL EXPENSES	9,780.96	24,898.00	15,117.04	60.72	27,492.69	74,694.00	47,201.31	63.19	298,779.60
9000-00-000 NET INCOME	18,649.73	2,970.00	15,679.73	527.94	55,341.52	8,910.00	46,431.52	521.12	35,636.40

Admin expenses are significantly below budget primarily due to no management fee expense posted.

Maintenance expenses are significantly below budget primarily due to common area maintenance allocations, employee benefits, and reduced contract costs.

General expenses are significantly below budget due to the insurance prepaid amortizations have not been recorded.

Non-operating items are depreciation which has not been posted for Oct through December.

Property = shl mfsc

### Shoreline and Multifamily Service Coor.

#### Budget Comparison

Period = Dec 2024

Book = Accrual ; Tree = ysi\_is

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
2999-99-999 Revenue & Expenses									
3000-00-000 INCOME									
3199-00-000 TENANT INCOME	77,008.74	67,509.00	9,499.74	14.07	210,350.74	202,527.00	7,823.74	3.86	810,105.00
3499-00-000 GRANT INCOME	6,724.96	6,782.00	-57.04	-0.84	24,487.30	20,346.00	4,141.30	20.35	81,390.00
3699-00-000 OTHER INCOME	2,642.53	584.00	2,058.53	352.49	8,550.19	1,752.00	6,798.19	388.02	7,010.00
3999-00-000 TOTAL INCOME	86,376.23	74,875.00	11,501.23	15.36	243,388.23	224,625.00	18,763.23	8.35	898,505.00
4000-00-000 EXPENSES									
4199-00-000 ADMINISTRATIVE EXPENSES	6,605.20	10,993.00	4,387.80	39.91	19,218.41	32,979.00	13,760.59	41.73	131,909.00
4299-00-000 TENANT SERVICES EXPENSES	6,695.95	6,568.00	-127.95	-1.95	21,081.82	19,704.00	-1,377.82	-6.99	78,809.20
4399-00-000 UTILITY EXPENSES	5,737.72	4,453.67	-1,284.05	-28.83	11,391.74	13,361.01	1,969.27	14.74	53,450.00
4499-00-000 MAINTENANCE AND OPERATIONAL EXPENSES	15,320.23	15,953.25	633.02	3.97	35,858.78	47,859.75	12,000.97	25.08	191,413.80
4599-00-000 GENERAL EXPENSES	0.00	11,262.00	11,262.00	100.00	546.02	33,786.00	33,239.98	98.38	135,150.00
4899-00-000 FINANCING EXPENSES	7,195.84	7,635.00	439.16	5.75	16,814.44	22,905.00	6,090.56	26.59	91,625.00
5999-00-000 NON-OPERATING ITEMS	0.00	6,613.00	6,613.00	100.00	0.00	19,839.00	19,839.00	100.00	79,352.00
8000-00-000 TOTAL EXPENSES	41,554.94	63,477.92	21,922.98	34.54	104,911.21	190,433.76	85,522.55	44.91	761,709.00
9000-00-000 NET INCOME	44,821.29	11,397.08	33,424.21	293.27	138,477.02	34,191.24	104,285.78	305.01	136,796.00

Revenue is in alignment with the budget for the year-to-date although for the month the tenant revenue exceeded the budget by 14% primarily due to increases in HAP subsidy.

Admin expenses are below budget due to management fee expense and audit costs not posted.

Utility costs exceed the budget for the month but are below budget for the quarter.

General expenses are significantly below budget due to the insurance prepaid amortizations have not been recorded.

Non-operating items are depreciation which has not been posted for Oct through December.

Shoreline North (sna)  
**Shoreline North**  
**Budget Comparison**

Period = Dec 2024

Book = Accrual ; Tree = ysl\_is

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
2999-99-999 Revenue & Expenses									
3000-00-000 INCOME									
3199-00-000 TENANT INCOME	51,484.67	52,234.00	-749.33	-1.43	148,959.84	156,702.00	-7,742.16	-4.94	626,817.00
3699-00-000 OTHER INCOME	1,686.72	1,511.00	175.72	11.63	5,045.68	4,533.00	512.68	11.31	18,130.00
3999-00-000 TOTAL INCOME	53,171.39	53,745.00	-573.61	-1.07	154,005.52	161,235.00	-7,229.48	-4.48	644,947.00
4000-00-000 EXPENSES									
4199-00-000 ADMINISTRATIVE EXPENSES	2,845.01	6,938.00	4,092.99	58.99	8,548.31	20,814.00	12,265.69	58.93	83,254.00
4399-00-000 UTILITY EXPENSES	2,898.29	2,281.00	-617.29	-27.06	6,331.01	6,843.00	511.99	7.48	27,368.00
4499-00-000 MAINTENANCE AND OPERATIONAL EXPENSES	6,114.70	7,881.00	1,766.30	22.41	16,416.91	23,643.00	7,226.09	30.56	94,567.20
4599-00-000 GENERAL EXPENSES	0.00	6,717.00	6,717.00	100.00	0.00	20,151.00	20,151.00	100.00	80,613.00
4899-00-000 FINANCING EXPENSES	7,654.38	8,068.00	413.62	5.13	17,885.79	24,204.00	6,318.21	26.10	96,817.00
5999-00-000 NON-OPERATING ITEMS	0.00	13,258.00	13,258.00	100.00	0.00	39,774.00	39,774.00	100.00	159,101.00
8000-00-000 TOTAL EXPENSES	19,512.38	45,143.00	25,630.62	56.78	49,182.02	135,429.00	86,246.98	63.68	541,720.20
9000-00-000 NET INCOME	33,659.01	8,602.00	25,057.01	291.29	104,823.50	25,806.00	79,017.50	306.20	103,226.80

Revenue is in alignment with the budget.

Admin expenses are below budget due to management fee expense and audit costs not posted.

Utility costs exceed the budget for the month but are below budget for the quarter.

General expenses are significantly below budget due to the insurance prepaid amortizations have not been recorded.

Non-operating items are depreciation which has not been posted for Oct through December.

Vine Terrace (vta)  
**Vine Terrace**  
**Budget Comparison**

Period = Dec 2024

Book = Accrual ; Tree = ysi\_is

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
2999-99-999 Revenue & Expenses									
3000-00-000 INCOME									
3199-00-000 TENANT INCOME	35,680.00	40,055.00	-4,375.00	-10.92	109,155.00	120,165.00	-11,010.00	-9.16	480,658.00
3699-00-000 OTHER INCOME	686.76	1,718.00	-1,031.24	-60.03	2,139.92	5,154.00	-3,014.08	-58.48	20,616.00
3999-00-000 TOTAL INCOME	36,366.76	41,773.00	-5,406.24	-12.94	111,294.92	125,319.00	-14,024.08	-11.19	501,274.00
4000-00-000 EXPENSES									
4199-00-000 ADMINISTRATIVE EXPENSES	4,847.56	7,611.00	2,763.44	36.31	15,716.83	22,833.00	7,116.17	31.17	91,334.00
4399-00-000 UTILITY EXPENSES	4,165.18	3,691.00	-474.18	-12.85	9,586.14	11,073.00	1,486.86	13.43	44,289.00
4499-00-000 MAINTENANCE AND OPERATIONAL EXPENSES	10,808.10	13,138.00	2,329.90	17.73	21,175.18	39,414.00	18,238.82	46.28	157,633.40
4599-00-000 GENERAL EXPENSES	0.00	4,755.00	4,755.00	100.00	0.00	14,265.00	14,265.00	100.00	57,064.00
4899-00-000 FINANCING EXPENSES	4,634.79	4,878.00	243.21	4.99	10,830.01	14,634.00	3,803.99	25.99	58,532.00
5999-00-000 NON-OPERATING ITEMS	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A	52,251.00
8000-00-000 TOTAL EXPENSES	24,455.63	34,073.00	9,617.37	28.23	57,308.16	102,219.00	44,910.84	43.94	461,103.40
9000-00-000 NET INCOME	11,911.13	7,700.00	4,211.13	54.69	53,986.76	23,100.00	30,886.76	133.71	40,170.60

Revenue is below budget for the month and year-to-date. additional analysis should be done to determine the cause.

Admin expenses are below budget due to management fee expense and audit costs not posted.

Utility costs exceed the budget for the month but are below budget for the quarter.

General expenses are significantly below budget due to the insurance prepaid amortizations have not been recorded.

Non-operating items are depreciation which has not been posted for Oct through December.



## Park Apartment Real Estate Donation Agreement Letter



### PLANNING AND DEVELOPMENT SERVICES

MAYOR: Lauren McLean | DIRECTOR: Shawn Wilson

January 31, 2025

By e-mail to:  
Deanna Watson  
Executive Director  
Boise City Housing Authority  
1001 S. Orchard St.  
Boise, ID 83706  
[dwatson@bchaha.org](mailto:dwatson@bchaha.org)

Re: Park Apartment Real Estate Donation Agreement

Dear Deanna,

The city of Boise City ("City") and the Boise City Housing Authority ("BCHA") executed a Real Estate Donation Agreement, dated July 16, 2024, for transferring the Improvements of the Park Apartments, located at 860 W. Sherwood St, Boise, from the City to BCHA (the "Agreement"). At the time of execution, the parties contemplated an award of low-income housing tax credits by the state to the selected developer for redeveloping the Improvements into permanent supportive housing. The state did not allocate any tax credits to the project and without such an award, the financial landscape for the redevelopment has materially changed.

Because an essential understanding underlying the agreement has failed, by no fault of the parties, the City is requesting to mutually terminate the Agreement. Please effectuate the mutual termination by signing below.

The City and BCHA will continue to be important partners for this and other affordable housing projects. We appreciate BCHA's willingness and ability to be adaptable and flexible as the path for navigating such projects shifts remains somewhat unpredictable.

Sincerely,

A handwritten signature in cursive script that reads "Maureen Brewer".

Maureen Brewer

cc: Kelley Fleming, Mary Grant, Ammon Taylor

Acknowledged and executed by:

\_\_\_\_\_  
Deanna Watson, Executive Director

\_\_\_\_\_  
Date

City of Boise and BCHA Donation Agreement

Agreement begins on following page.

**REAL ESTATE DONATION AGREEMENT**

**by and between**

**THE CITY OF BOISE CITY**

**and**

**BOISE CITY HOUSING AUTHORITY**

**THIS REAL ESTATE DONATION AGREEMENT (“Agreement”)** is made this 16 day of July, 2024 (“**Effective Date**”) by and between the City of Boise City, an Idaho municipal corporation organized under the laws of the State of Idaho, by and through its Department of Planning and Development Services, (“**City**”), and the Boise City Housing Authority, an independent public body corporate and politic of the state of Idaho (“**BCHA**”), individually referred to as “**Party**,” or together as “**Parties**.”

**RECITALS**

- A. City owns real property and improvements located at 860 W. Sherwood St., Boise, Idaho, 83706, together commonly known as the Park Apartments on Ada County Assessor Parcel No. R1013250885, legally described as provided in Exhibit A, and depicted in Exhibit B. The Park Apartments includes a 47-unit apartment complex consisting of 42 two-bedroom units and 5 three-bedroom units, 65 parking spaces and related amenities including a play structure (the “**Improvements**”). The +/- 1.33 acres of real property, *excluding* the above-described Improvements shall be referred to herein as the “**Real Property**.”
- B. The Parties to this Agreement have the common goal of addressing homelessness, the challenges that contribute to homelessness, and otherwise meeting the rising demand for permanent supportive housing. The establishment of housing and provision of care and services to support continued housing are critical to addressing homelessness in the community and benefit the community as a whole regarding public health and safety, economic stability, and overall general welfare.
- C. The City desires to donate the Improvements to BCHA, and BCHA desires to accept the Improvements from the City, according to the terms and conditions contained in this Agreement, for use as permanent supportive housing.
- D. The City, pursuant to Idaho Code § 50-1907, has the authority to donate real estate to BCHA.
- E. BCHA, pursuant to its powers and duties under Idaho Code, Title 50, Chapter 19, desires to accept such donation.
- F. Upon conveyance of the Improvements, the above-referenced Ada County Parcel No. and the description of real property attached at Exhibit A will be split between the Improvements and the Real Property, with the Improvements being conveyed to BCHA and the City retaining title to the Real Property.

## AGREEMENT

**NOW, THEREFORE**, in consideration of the above recitals, which are incorporated herein by this reference, the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **INCORPORATION OF RECITALS AND EXHIBITS.** The foregoing recitals and exhibits that follow are incorporated herein as part of this Agreement.
2. **DONATION OF REAL ESTATE - IMPROVEMENTS.** City agrees to donate, transfer, and convey, and BCHA agrees to accept title to, the Improvements, which include all appurtenances to the Real Property, and all improvements thereon, but *excludes*:

the land; easement rights; mineral rights; water and water rights appurtenant to, or used on, the Real Property including (but not limited to) any right City may have to receive natural flow and/or stored water delivered through any spring, ditch, canal, drain, or facilities, or under entitlements held by a third party for use on the Real Property.

The Improvements do not include any personal property.

3. **VALUE.** The value of the donation for the Improvements ("**Value**") is Three Million Seven Hundred Ninety-Five Thousand Dollars (\$3,795,000.00).
4. **SUBJECT TO GROUND LEASE.** The Parties hereto acknowledge and agree that the Improvements shall be utilized to provide permanent supportive housing under the terms of a certain ground lease entered into by and between the City and BCHA (the "**Ground Lease**"). As a material inducement to this Agreement, BCHA has agreed the Improvements shall be operated, in the ordinary course of its business, pursuant to the terms of Ground Lease attached hereto as Exhibit C. BCHA shall have the right, pursuant to the Ground Lease, to make or cause to be made any redevelopment of the Improvements and/or to enter into any necessary agreements with third parties granting any person or entity the right to use or occupy the Improvements, consistent with the terms and conditions of the Ground Lease, provided any such grant of right or use shall expressly require the assumption of or be subject to, as applicable, the Ground Lease. The Ground Lease shall be signed and effective as of the Closing Date in a form substantially similar to Exhibit C.
5. **AS-IS DONATION.** BCHA acknowledges and agrees that, except for the specific representations and warranties and agreements expressly contained herein and in the conveyance deed, BCHA is accepting the Improvements in their "Where-Is" and "As-Is" condition, with all faults with respect to any and all facts, circumstances, conditions and defects, whether known or unknown, relating to the Improvements. Within five (5) business days of the Effective Date, City will deliver to BCHA the following City Materials, to the extent such materials are in City's possession or control: a copy of all documents, service contracts, maintenance records for the past three (3) years, maintenance costs, reconciliation records (if any), warranties, survey materials, any maintenance or upkeep agreements, any easements or access agreements, studies, maps, tax billings, Phase 1 or 2 Environmental Studies, surveys, and other similar documentation regarding to the condition of the Improvements ("**City Materials**"). Delivery of City Materials may include physical delivery,

electronic delivery (including via file sharing services such as Dropbox.com or similar), or a combination thereof. BCHA acknowledges that City Materials may contain historic information that is no longer accurate, and will contain information, observations, conclusions, and opinions of others. Except for representations and warranties that are expressly set forth in this Agreement, City makes no representation or warranty to BCHA regarding any of the City Materials or any information provided by City prepared by third parties, and BCHA agrees that BCHA will not rely on any documents or information provided by or on behalf of City by third parties except, and only to the extent, of any express representation or warranty given by City to BCHA under this Agreement. City's obligation to deliver the City Materials under this Agreement will be limited to the documents that City can locate through a reasonable review of its records, and City will not be in breach of this Agreement if City fails to provide City Materials by reason of mistake, oversight or error (rather than an intentional withholding). City agrees to cooperate with BCHA by making reasonable efforts to provide any additional materials and/or information, to the extent available to it, at the request of any third party (developer, investor, lender, etc.) involved in the redevelopment, financing, construction, and operation of any permanent supportive housing project in the Improvements. City further agrees that from the Effective Date until Closing, or earlier termination of this Agreement, upon one (1) business day's prior written notice, City shall permit BCHA or Developer, or their authorized or designated representatives or agents, to enter the Improvements from time to time during the City's regular business hours, so long as any such entry does not disturb the use of the Improvements by City and so long as such entry is accompanied by a representative, agent or employee of the City, should City so request, for the purpose of performing tests, environmental audits, engineering studies, surveys and other inspections, studies and tests on the Real Property and Improvements as may reasonably be deemed necessary.

**6. REPRESENTATIONS AND WARRANTIES.** The purpose of this Agreement is for the donation of property from the City to BCHA in furthering the public purpose of increasing the availability of permanent supportive housing.

**6.1 City Representations and Warranties.** City represents and warrants to BCHA statements contained in this Section 6.1 are correct as of the date on which BCHA executed this Agreement and that they will be materially correct as of Closing.

**6.1.1. Authority.** City, and the person(s) signing this Agreement on behalf of City, have the power and authority to execute this Agreement. City has, or prior to Closing shall have, power and authority to perform its obligations hereunder.

**6.1.2. Parties in Possession.** Except for the Ground Lease, as contemplated herein and described more fully below, City warrants that on or before Closing, the Improvements will not be subject to any leases, tenancies or rights of possession. City will not enter into any new agreements or materially modify any existing agreement after the Effective Date without BCHA's express written consent, which consent will not be unreasonably withheld.

**6.1.3. No Knowledge of Hazardous Waste.** Except as disclosed to BCHA, to City's knowledge the Improvements comply with applicable federal, state, and local environmental laws, rules, and regulations with regard to its use and occupation, and any activities conducted in the Improvements. Except as disclosed to BCHA, City has no knowledge of any notice from any agency suggesting that the Improvements are or may be targeted for a Superfund cleanup, or that

underground storage tanks containing fuel, oil, or other hazardous materials are or were installed on the Real Property, or that any hazardous materials or wastes are contained in or located on the Real Property or Improvements. City otherwise has no knowledge that the Improvements or any portion of the Real Property, whether in or under the Improvements, has been used for the storage or disposal of any chemicals, petroleum, or oil products, or hazardous or dangerous wastes or substances, except those chemicals, products, wastes, or substances customarily used on similar real property for the maintenance, use, occupancy and operation of the Improvements, or that any such chemicals, products, wastes, or substances were used in violation of applicable law. To City's knowledge, there are no pending enforcement, administrative actions, or environmental claims relating to the Improvements. City makes no other representations or warranties regarding the condition of the Improvements or the presence of hazardous wastes on the Real Property.

6.1.4. **No Liens.** City warrants that all persons and corporations supplying labor, materials, and equipment on behalf of City to the Improvements have been paid, and there are no pending or outstanding claims of liens relating thereto.

6.1.5. **No Contracts.** Except for contracts disclosed in City Materials, there are no existing contracts or agreements to which it is a party which pertain to the Improvements which may not be terminated on or before Closing. City represents and warrants that the provided contracts are complete, true and accurate copies of such documents.

6.1.6. **No Assessments.** To City's knowledge, there are no currently due and payable assessments for the Improvements.

6.1.7. **Title.** To City's knowledge, City has, or prior to Closing shall have, good and marketable title to the Improvements.

6.1.8. **No Violation of Law.** City has no knowledge that the Improvements, or any use of the Improvements, violates any applicable statute, ordinance, or regulation, and has not received any notices regarding the potential violation of any such statute, ordinance or regulation.

6.1.9. **No Litigation.** To City's knowledge, there are no pending, outstanding, or threatened investigations, actions, suits, proceedings, or claims against or affecting the Improvements, at law or in equity, or before or by any federal, state, municipal, or other governmental department, commission, board, agency, or instrumentality.

6.1.10. **Condemnation.** To City's knowledge, there is no existing, proposed, or threatened condemnation or similar proceeding affecting the Improvements.

**6.2 Acceptance of the Property; Improvements Donated As-Is.** BCHA acknowledges and agrees that, except for the specific representations and warranties expressly contained herein, BCHA is accepting the Improvements in "Where-Is" and "As-Is" condition, with all faults with respect to any and all facts, circumstances, conditions and defects, whether known or unknown, relating to the Improvements, and City expressly disclaims all representations and warranties not otherwise expressly set forth herein, including, without limitation, the implied warranties

of habitability and fitness for a particular purpose. As of the date of Closing, BCHA will and shall be deemed to acknowledge to City:

6.2.1. It has received City Materials and such materials are the extent to which the Parties have knowledge of the condition of the Improvements.

6.2.2. That City and its agents, attorneys, and employees made no representations or warranties (express or implied), except as set forth in Section 6.1 (above), with respect to, and shall have no liability to BCHA, except for as required by Section 9 of this Agreement, for: (a) the condition of the Improvements, (b) the suitability, habitability, merchantability, or fitness of the Improvements for the intended uses, or for any use whatsoever; (c) the Improvements' compliance with any applicable building, environmental, safety, zoning, or fire laws or regulations; (d) the existence of, or compliance with, any permits required by any governmental agency; and (e) any other matter relating to the condition of the Improvements

6.2.3. That BCHA approves, without reservation, all aspects of this transaction, including but not limited to the physical condition of the Improvements and the use, title, and the financial aspects of the operation of the Improvements.

The acknowledgement and warranties set forth in Sections 6.1 and 6.2 shall be deemed to survive the execution and delivery of the Deed through Closing.

**7. TITLE. [RESERVED.]**

**8. CLOSING AND RELATED MATTERS.**

8.1. **Closing.** City has entered into that certain *Second Project Addendum* with Northwest Real Estate Capital Corp. (“**Developer**”) dated effective as of March 12, 2024, with respect to the redevelopment, financing, construction, and operation of an affordable, permanent supportive housing project in the Improvements (the “**Project**”). The Parties anticipate that Developer will secure certain financing for purposes of funding the Project. Closing of the donation of the Improvements to BCHA shall occur concurrent with financial closing for the Project but in no event shall occur later than one (1) year from the Effective Date, unless otherwise agreed by the Parties in writing (“**Closing**” or “**Closing Date**”). If Closing of the donation of the Improvements does not occur on or before the Closing Date, this Agreement shall expire unless otherwise extended in writing by the Parties.

**8.2. Closing Obligations.** At Closing,

8.2.1. City shall execute and deliver or shall cause to be executed and delivered to BCHA a special warranty deed in substantially the same form as attached hereto as Exhibit D and incorporated herein by reference (the “**Deed**”), conveying good and marketable title to the Improvements.

8.2.2. Each Party shall execute and deliver or shall cause to be executed and delivered one original Ground Lease in substantially the form as attached hereto as Exhibit C.

8.2.3. Each Party shall execute, acknowledge and deliver such other agreements, documents and instruments as required pursuant to the terms hereof or mutually agreed by

the Parties to be necessary to fully consummate the transaction contemplated by this Agreement.

**8.3. Escrow Closing; Expense Allocations.** Unless otherwise agreed to by the Parties, Closing shall take place at the office of TitleOne Corporation, Attn: Scott Darling, 1101 W. River Street, Suite 201, Boise, Idaho 83702 or other title company selected by mutual agreement of the Parties (“**Title Company**”). On or before the Closing Date, BCHA and City shall deposit in escrow with Title Company all instruments, documents, and monies (if any, payable in cash by wire funds or official bank check), and closing instructions approved by the Parties and necessary to complete the transaction in accordance with this Agreement. The Title Company’s escrow fees shall be shared equally by City and BCHA.

8.3.1. *Ad valorem* and similar taxes for the Property up to the calendar year of Closing will be paid by City at Closing from the proceeds of the Closing; provided, however, if the general property tax bill for the then current year is not available at Closing, then (a) City will pay Escrow Agent’s estimates thereof at Closing, and (b) City will be entitled to pay the balance thereof, or receive any refund of any overage, after Closing.

8.3.2. Utility charges and other expenses with respect to the Property shall be prorated as of the Closing Date with City deemed to have owned the Property for the entire day of the Closing.

8.3.3. All expenses not specifically referenced in this Agreement that are incurred by City or BCHA with respect to this transaction shall be borne and paid exclusively by the Party incurring the same, without reimbursement.

**8.4. Approval by Governing Bodies.** THIS AGREEMENT SHALL BE BINDING ON THE PARTIES ONLY UPON THE BOISE CITY COUNCIL’S FORMAL APPROVAL OF THIS AGREEMENT BY DULY ENACTED RESOLUTION AND APPROVAL OF THE MAYOR’S AUTHORITY TO EXECUTE THIS AGREEMENT ON CITY’S BEHALF AND UPON THE BOISE CITY HOUSING AUTHORITY’S BOARD OF COMMISSIONERS’ FORMAL APPROVAL OF THIS AGREEMENT BY DULY ENACTED RESOLUTION AND APPROVAL OF THE BOARD CHAIR’S AUTHORITY TO EXECUTE THIS AGREEMENT ON THE HOUSING AUTHORITY’S BEHALF. Upon adoption of each resolution approving this Agreement by the Boise City Council, and the Boise City Housing Authority Board of Commissioners, the Mayor and City Clerk, and the Board Chair and Executive Director, respectively, shall forthwith execute and attest to this Agreement.

**8.5. Risk of Loss, Destruction or Damage.** Risk of loss of or damage to the Improvements shall be borne by City until the Closing Date. In the event that prior to the Closing Date all or any material portion of the Improvements shall be destroyed or damaged, City shall give BCHA notice of such occurrence, and BCHA shall thereafter have the option to terminate this Agreement, in which event all obligations of the Parties hereunder shall cease and this Agreement shall have no further force and effect. BCHA shall exercise this option to terminate by giving City notice of such termination within fifteen (15) days after receipt of notice from City.

9. **INDEMNIFICATION.** To the fullest extent permitted by law, City shall defend, indemnify, and hold BCHA, its officers, agents, and employees harmless from any and all claims, including but not limited to reasonable attorney fees, demands, losses and liabilities to or by third parties, arising out of or resulting from the Parties’ performance of the activities, obligations and responsibilities under this Agreement. Such indemnification and defense shall be limited to only those claims, and



only to the extent that, the City itself could be liable under state and federal statutes, regulations, common law, and other law. City's duty to defend, indemnify, and hold BCHA harmless shall not apply to liability for damages caused by or resulting from the negligence or wrongful acts of BCHA, its officers, agents or employees. City's indemnification and defense of BCHA is further limited by all defenses, burdens of proof, immunities, and limitations on damages to which City would be entitled if the claims were asserted against the City.

10. **AMENDMENT.** This Agreement contains all of the agreements and conditions made between the Parties hereto and may not be amended or modified orally or in any manner other than by agreement in writing signed by the Parties hereto.
11. **NO THIRD-PARTY RIGHTS.** Nothing contained herein shall create any relationship, contractual or otherwise, with, or any rights in favor of, any third party.
12. **FORCE MAJEURE.** Neither City nor BCHA shall be considered in default in the performance of their obligations hereunder to the extent that performance of such obligations is delayed, hindered, or prevented by force majeure. Force majeure shall be any cause beyond the control of the Parties hereto which they could not reasonably have foreseen and guarded against. Force majeure shall include, without limitation, pandemic, epidemic, natural disasters, strikes, lockouts, fires, riots, civil commotion or civil unrest, incendiarism, interference by civil or military authorities, compliance with the regulations or orders of any governmental authorities which were not in effect at the time of execution. Each Party shall grant the other Party a reasonable extension of time in the event that conditions beyond the Party's control render timely performance of the Party's responsibilities impossible or unduly burdensome. All such performance obligations shall be suspended for the duration of the condition. Both Parties shall take all reasonable steps during the existence of the condition to assure performance of their contractual obligations when the condition no longer exists.
13. **NO JOINT VENTURE.** The Parties intend that nothing in this Agreement shall be construed to create any formal agency, partnership, joint venture or other form of joint enterprise, as such terms may be defined by state law, or other employment or fiduciary relationship between the Parties and neither Party shall have the authority to contract for or bind the other Party in any manner.
14. **GOVERNING LAW.** The laws of the State of Idaho shall govern the validity, interpretation, performance and enforcement of this Agreement. In the event of a dispute, venue shall be in the courts in Ada County, Idaho.
15. **SEVERABILITY.** If any provision of this Agreement or application thereof is held invalid, such invalidity will not affect other provisions or applications of this Agreement which can be given effect without the invalid provision or application, and to that end, the provisions hereof are declared to be severable.
16. **NOTICES.** Written notices to the Parties shall be given by registered or certified mail, postage prepaid, and addressed to said Parties at the addresses below, unless otherwise designated by written notice to the other parties:

Boise City Housing Authority  
Deanna Watson, Executive Director  
1001 South Orchard Street  
Boise, ID 83705

City of Boise  
Maureen Brewer  
Housing & Community Development Division  
Planning & Development Services Department  
150 N. Capitol Blvd  
Boise, ID 83702

All such notices, except as otherwise provided, may either be delivered personally deposited in the United States mail, properly addressed with postage fully prepaid by certified or registered mail, return receipt requested, and shall be effective five (5) days after deposit in the mail.

17. **COUNTERPARTS.** This Agreement may be executed in counterparts, each of which shall constitute an original, but all together shall constitute one and the same Agreement. Delivery of an executed counterpart of a signature page of this Agreement via facsimile transmission or of an executed counterpart of a scanned signature page of this Agreement via email shall be as effective as delivery of an original signed copy.
18. **ENTIRE AGREEMENT.** This Agreement embodies the entire agreement between the Parties hereto with respect to the subject matter hereof. No extension, change, modification, or amendment to or of this Agreement of any kind whatsoever shall be made or claimed by City or BCHA, and no notice of any extension, change, modification, or amendment made or claimed by City or BCHA shall have any force or effect whatsoever unless the same shall be endorsed in writing and be signed by the Party against which the enforcement of such extension, change, modification, or amendment is sought, and then only to the extent set forth in such instrument.
19. **NO MERGER.** The obligations, covenants, representations, and warranties herein contained shall not merge with transfer of title but shall remain in effect until fulfilled.
20. **ADDITIONAL ACTS.** Each Party agrees to take such other actions and to execute and deliver such further documents as may reasonably be required to consummate this transaction, and to afford each other reasonable cooperation towards that end.
21. **DEFAULT; REMEDIES**

21.1. **Default Notice; Right to Cure.** Neither Party will be deemed to be in default under this Agreement unless the non-defaulting Party first provides the defaulting Party with a written notice of default (which notice will describe the alleged default with particularity) and a period of five (5) business days to cure the default; provided that no cure period will extend any applicable deadlines in this Agreement.

21.2. **City Default.** In the event of a pre-closing default by City, BCHA may terminate this Agreement by notice to City and seek specific performance of this Agreement or any other remedy available in law or equity. City will pay any termination expenses of Title Company related to this Agreement. If this Agreement is terminated, thereafter the Parties will have no further obligations under the Agreement except for those obligations that expressly survive the termination of this Agreement.

21.3. **BCHA Default.** In the event of a pre-closing default by BCHA, City may, as its sole remedy, terminate this Agreement by notice to BCHA. If City elects to terminate this Agreement, BCHA will pay any termination expenses of Title Company related to this

Agreement, and thereafter the Parties will have no further obligations under the Agreement except for those obligations that expressly survive the termination of this Agreement.

21.4. **Attorneys' Fees.** If either Party hereto fails to perform any of its obligations under this Agreement or if any dispute arises between the Parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the defaulting Party or the Party not prevailing in such dispute, as the case may be, will pay the prevailing Party its litigation costs and attorneys' fees costs on account of such default and/or in enforcing or establishing its rights hereunder.

22. **WAIVER.** Waiver of performance of any provision of this Agreement shall be in writing, and shall not be a waiver of, nor prejudice, either Party's right to require performance of the same provision in the future, or to require performance of any other provision.
23. **ESCROW INSTRUCTIONS.** The Title Company shall be instructed to, in a manner consistent with the terms hereof: receive and hold deposits and other funds; disburse such funds in accordance with separate authorization signed by BCHA and City; prepare closing statements for execution by BCHA and City; receive documents, secure their execution and acknowledgement, record them in the proper sequence, deliver originals to the appropriate parties, and deliver copies of all documents signed by either Party to that Party.
24. **TIME OF THE ESSENCE.** Time is of the essence in every provision of this Agreement. When used in this Agreement, the term "business day" means any day which is not a Saturday, Sunday or legal holiday in Idaho (i.e., Idaho Code § 73-108). If this Agreement specifies that a time period expires or that an action must be taken on a date which is not a business day, such date will be deemed extended to the next succeeding day which is a business day, and any successive time periods will be deemed extended accordingly.
25. **CONSTRUCTION.** The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Agreement or any amendments or exhibits hereto. In this Agreement and all exhibits hereto, the words "including" will be construed to include "without limitation." Any term defined in the singular may be used in the plural, and vice versa. If any provision of this Agreement is declared invalid or is unenforceable for any reason, such provision will be deleted from this Agreement and it will not invalidate any other provision contained in this Agreement. Section titles or captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any terms hereof. This Agreement is not intended to create, nor shall it in any way be interpreted or construed to create, any third-party beneficiary rights in any person not a party hereto unless otherwise expressly provided herein.

**IN WITNESS WHEREOF,** the City and BCHA have executed this Agreement as of the date first written above.

*[Signature page follows.]*

By City:

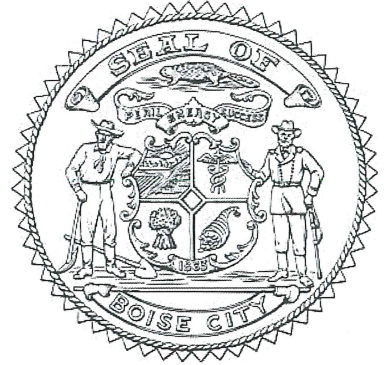
Lauren McLean  
Lauren McLean, Mayor

7/16/2024  
(Date)

City of Boise  
150 N Capitol Blvd  
Boise, Idaho 83702

ATTEST: Lynda Lowry  
Lynda Lowry, City Clerk

7/16/2024  
(Date)



By Boise City Housing Authority:

Julianne Donnelly Tzul  
Julianne Donnelly Tzul, Chair

7/23/24  
(Date)

Boise City Housing Authority  
1001 South Orchard St  
Boise, Idaho 83705

ATTEST: Deanna Watson  
Deanna Watson, Executive Director

7-23-2024  
(Date)

**Exhibits**

- Exhibit A – Legal Description of the Real Property
- Exhibit B – Graphic Depiction of the Property
- Exhibit C – Ground Lease
- Exhibit D – Special Warranty Deed

**EXHIBIT A**

**LEGAL DESCRIPTION OF REAL PROPERTY**

Lots 1 to 8 including Lots 13 to 20 including Block 14, Boise City Park Subdivision #9291344.

**EXHIBIT B**

**GRAPHIC DEPICTION OF THE PROPERTY**



**EXHIBIT C**  
**GROUND LEASE**

**GROUND LEASE  
BASIC LEASE PROVISIONS**

DRAFT



Address: 860 W. Sherwood Street, Boise, Ada County, Idaho

Property: Approx. +/- 1.33 acres, 57,935 sq. ft. of land

Annual Rent: [To be determined, either escalating base rent or cash flow basis.]

Term: From the Effective Date until Seventy-Five (75) years following the Rent Commencement Date

Options to Renew: None

Effective Date of Lease: \_\_\_\_\_, 2024

Rent Commencement: The earlier of (i) receipt of the Certificates of Occupancy or (Section 2.05, 7.06) (ii) September 1, 2025

Security Deposit: \$Ø

Allowed Uses: As permitted per Section 5.09

Notice Addresses

Lessor: City of Boise  
Mayor's Office  
Attn: Strategic Real Estate Manager  
150 N. Capitol Blvd.  
Boise, ID 83702

With copy to:  
Boise City Attorney's Office  
P.O. Box 500  
Boise, ID 83701

Lessee: BOISE CITY HOUSING AUTHORITY, an Idaho independent public body corporate  
1001 S. Orchard St.  
Boise, ID 83706

Total Due on Signing: Ø

## GROUND LEASE

THIS GROUND LEASE (“Lease”) is entered into effective this \_\_\_ day of \_\_\_\_\_, 2023 (“Effective Date”) between the city of Boise City, an Idaho municipal corporation (“City” or “Lessor”) and BOISE CITY HOUSING AUTHORITY, an Idaho independent public body corporate (“Lessee”), collectively referred to as the “Parties” and, individually, as a “Party.” Lessee as used herein shall also be construed to refer to Lessee’s heirs, successors, and assigns.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, Lessor and Lessee agree and covenant as follows:

### ARTICLE I – PREMISES

**1.01 Leased Premises.** Subject to and on the terms, conditions, covenants, and agreements contained herein, Lessor does hereby demise and lease to Lessee, and Lessee does hereby lease from Lessor the real property 860 W. Sherwood Street, City of Boise, Ada County, Idaho, as more particularly described on Exhibit A attached hereto and incorporated herein (“Real Property”). All references to area (acres, square feet, or other) in this Lease, unless otherwise specified, pertain to land area only, and not to Building and Improvements (defined below), which are owned by Lessee.

**1.02 Buildings and Improvements.** Said Real Property has certain existing buildings and improvements, and other buildings and improvements which may hereinafter be constructed (“Buildings and Improvements”) owned by Lessee during the lease term (collectively the “Project”) described in Exhibit B attached hereto. All such Real Property and Buildings and Improvements are collectively referred to herein as the “Premises.”

### ARTICLE II - TERM

**2.01 Lease Term.** The term of this Lease shall be for seventy-five (75) years from the Commencement Date and continuing thereafter until the last calendar day of the 75<sup>th</sup> year (the “Lease Term” or “Term”). As used herein, the “Commencement Date” is the date upon which Lessee commences any construction for rehabilitation of or new additions to the Buildings and Improvements as evidenced by the closing date of a construction loan and issuance of Notice to Proceed. Lessee shall provide Lessor a copy of the Notice to Proceed upon issuance, to establish the Commencement Date. Except as otherwise specifically provided, Lease Term shall mean the initial term and any extensions thereof.

**2.02 No Voluntary Surrender.** Notwithstanding anything set forth in this Lease to the contrary, Lessor shall not accept a voluntary surrender of the Lease at any time: (1) during which the Premises is encumbered by a Permitted Leasehold Mortgage,

or (2) after the Commencement Date and prior to the later of (a) expiration of any applicable fifteen (15) year tax credit compliance period and extended use period as set forth in Section 42 of the Internal Revenue Code of 1986, as amended for the Premises (the “**Compliance Period**”); or (b) during which any tax credit investor limited partner or member (the “**Tax Credit Investor**”) or its affiliates, successors and/or assigns of Lessee is a partner or member of the Lessee.

**2.03 Expiration.** This Lease, unless terminated earlier as permitted elsewhere herein, shall expire at the end of the Term.

**2.04 Holding Over.**

a. Without consent. Any continued occupancy by Lessee of the Premises after the expiration or earlier termination of this Lease, without the consent of Lessor, shall operate and be construed as a tenancy from month-to-month at a new Rent (defined below) of one and one-half times (150%) the Rent in force and effect for the last month of the Term prior to termination or expiration (“**Holdover Rent**”). All other rents, costs and obligations under this Lease remain in place, and Lessee shall pay Lessor for any losses or damages to Lessor as a result of Lessee holding over.

b. With consent. If Lessee holds over with written consent from Lessor after the expiration or earlier termination of this Lease, such month-to-month lease may be terminated by Lessor at the end of any calendar month following the month Lessor provides written notice to Lessee. All other rents, costs and obligations under this Lease shall remain in place.

c. No Renewal or Extension. Unless otherwise agreed by Lessor and Lessee in writing, no receipt or acceptance of money by Lessor from Lessee after the expiration or termination of this Lease or after the service of any notice, after the commencement of any suit, or after final judgment for possession of the Premises, shall reinstate, continue or extend the terms of this Lease or affect any such notice, demand or suit or imply consent for any action for which Lessor's consent is required or operate as a waiver of any right of the Lessor to retake and resume possession of the Premises or to use self-help as authorized by law.

### ARTICLE III - RENT

**3.01 Rent.** The annual rent (“**Rent**”) [to be negotiated as escalating base rent or on a cash-flow basis of the Project.]

**3.02 This section is intentionally omitted.**

**3.03 This section is intentionally omitted.**

**3.04 This section is intentionally omitted.**

**3.05 Rent Commencement Date.** Lessee shall pay Rent to Lessor commencing on January 1st of the year subsequent to the completion of any redevelopment or construction of the Lessee's Buildings and Improvements and continuing each year thereafter on January 1st during each Lease year.

**3.06 Payment.** Rent payments shall be due and payable in arrears each year with respect to the previous calendar year without deduction or offset, notice or demand from Lessor. Unless Lessor otherwise notifies Lessee in writing of a different address, all rent payments shall be paid to Lessor at the following address:

City of Boise  
Attn: Housing and Community Development Division  
Planning and Development Services  
150 N. Capitol Blvd.  
Boise, Idaho 83701

**3.07 Security Deposit.** No security deposit is required of Lessee under this Lease and none has been provided to Lessor in connection herewith. Nothing in or about this Section 3.07 shall be construed as a limit or waiver of damages incurred by Lessor as a result of any breach of this Lease by Lessee.

**3.08 This Section is intentionally omitted.**

**3.09 This Section is intentionally omitted.**

**3.10 Unpaid Rent, Fees and Charges.** Any sum advanced or paid by Lessor under the provisions of this Lease shall become due and payable with the installment of rent next becoming due after the date of such payment or advance unless otherwise provided for by notice and demand according to the terms of this Lease. Any installment of Annual Rent, fees, or other charges or monies accruing under any provisions of this Lease that are not received by Lessor as required by this Lease shall bear interest at the rate of twelve percent (12%) per annum from the date when the same was due according to the terms of this Lease until paid by Lessee.

#### **ARTICLE IV - OBLIGATIONS OF LESSOR**

Lessee agrees that it has had the opportunity to inspect the Real Property prior to executing this Lease and accepts the Real Property from Lessor AS-IS, WHERE IS, and with all faults. Lessor has no obligations whatsoever regarding the repair, operation, and/or maintenance of the Premises on or after the Effective Date.

#### **ARTICLE V - OBLIGATIONS OF LESSEE**

**5.01 Construction of the Project .** Subject to the satisfaction of the following conditions, Lessee shall, at its sole expense, redevelop, rehabilitate, renovate and/or construct (each of which, for purposes of this Lease, shall be considered “construction”) the Project on the Real Property, consisting of a 47-unit apartment complex with one (1) unit that may be set aside for any on-site staffing needs and all other units to be utilized entirely for permanent supportive housing (the “**PSH Units**”) and to be known as the [Park Apartments or other project name?], as generally depicted in the site plan attached hereto and incorporated as Exhibit B, which Lessor hereby acknowledges that it has previously approved. Unless otherwise subject to more restrictive Permitted Encumbrances (defined in Section 5.02), PSH Units shall be leased such that Our Path Home CONNECT, Boise City and Ada County’s Coordinated Entry System, shall be used for all tenant referrals and unit vacancies will be filled by households exiting homelessness.

- a. Project Requirements. Lessee must submit to Lessor, for approval, comprehensive plans and specifications for the construction of the Project (the “**Construction Plans**”).
- b. Project Costs. Subject to Lessee's right to contest set forth in Section 5.03(g) hereof, Lessee shall, at Lessee's own cost and expense, procure every permit, license, certificate or other authorization required in connection with the lawful and proper use of the Premises or required in connection with any Buildings and Improvements hereafter constructed on the Real Property.
- c. This subsection is intentionally omitted.
- d. Substantial Modifications. Notwithstanding Lessor’s approval of the Construction Plans after the Effective Date, in the event (i) Lessee makes any substantial modification to the Construction Plans or (ii) Lessee makes any substantial modification to the Buildings and Improvements at any time after construction of the Buildings and Improvements, Lessee shall submit modified plans to Lessor for Lessor's approval, which shall not be unreasonably withheld or delayed. For the purposes of this Lease, the term "substantial modification" shall mean any expansion of the building envelope or any work involving estimated costs of \$250,000 or more.
- e. Record of Survey. Lessor may, in its sole discretion, complete a Record of Survey within six (6) months of Project Completion, which shall then be attached as Exhibit A-1 to this Lease.

**5.02 Title; Covenants Against Liens.**

- a. Liens Against Lessor’s Fee Interest. Except as otherwise provided herein, Lessee shall not have any right, authority, or power to bind Lessor, Lessor’s fee interest in the Real Property (the “**Lessor’s Estate**) or other assets or any interest of Lessor in the Premises, for any claim for labor or material or for any other charge

or expense, lien or security interest incurred in the connection with the construction or operation of the Premises, or any change, alteration, or addition thereto.

i. Lessor expressly acknowledges that Lessee's development of the Premises may require the recording of additional or modified utility easements and other customary easements ("**Permitted Easements**") necessary and incidental to the development, construction and operation of the Buildings and Improvements. Lessor hereby agrees to the recording of such easements on the Premises, at the sole expense of Lessee, as are required for the development and operation of the Buildings and Improvements and shall provide such written consents as are necessary to the recording of such easements, provided that such easements are in locations on the Premises reasonably satisfactory to Lessor, do not unduly burden any property of Lessor other than the Real Property and do not restrict or adversely affect Lessor's use of its other property.

ii. Lessor expressly acknowledges that Lessee will be obtaining financing for the development and operation of the Premises from a variety of private and governmental funding sources and that such financing may require restrictive covenants or regulatory agreements to be recorded not only against Lessee's leasehold interest but also against Lessor's fee interest. Lessor hereby agrees to the recording, at Lessee's sole expense, of restrictive covenants or regulatory agreements ("**Permitted Restrictions**", and together with Permitted Easements are "**Permitted Encumbrances**") as are required for the development and operation of the Buildings and Improvements, provided that such restrictive covenants or regulatory agreements shall restrict the use of the Premises in accordance with this Lease, including, without limitation, use that is in compliance with the terms of (i) that certain Low-Income Housing Tax Credit Regulatory Agreement, Bond Regulatory Agreement and Memorandum of Restrictive Covenants dated on or about the Effective Date (the "**IHFA LURAs**") between Idaho Housing and Finance Association ("**IHFA**") and Lessee and (ii) any subsequent IHFA LURAs or other restrictive covenant/deed restriction related to the PSH Units which is recorded as an encumbrance against the Premises (a "**Subsequent LURA**"). Until this Lease is terminated or expires, in the event that the IHFA LURAs or a Subsequent IHFA LURA is not a recorded encumbrance against the Premises, then the Premises shall continue to be used as permanent supportive housing as provided for in Section 5.01. Lessor, at Lessee's sole expense, shall provide such written consents as are necessary to the recording of such restrictive covenants or regulatory agreements.

iii. Lessor expressly acknowledges that Lessee will be entering into leases for rental of the Buildings and Improvements on the Premises.

iv. Notwithstanding anything to the contrary in the foregoing subparagraphs i.—iii., or in any provision of this Lease, any Permitted Encumbrances and Lessee leases recorded against Lessor's Estate, with the sole exception of the IHFA LURAs, shall provide that they will, at Lessor's option, terminate upon termination of the Lease, without further notice to or action by the grantee or any beneficiaries of such lien or encumbrance. *Provided*, that such liens and encumbrances shall not be terminated upon termination of the Lease if a Leasehold Mortgagee exercises its option, pursuant to Section 11.03(a) of this Lease, to enter into a new lease with Lessor (on its own behalf or through an approved nominee), containing the same terms, covenants and conditions as set forth herein, for the remaining term of this Lease.

v. Lessee shall pay all reasonable costs and attorney fees incurred by Lessor in connection with Lessor's negotiation or review of any documents in connection with the creation of any liens or encumbrances against Lessor's fee interest in the Premises or in connection with the removal of any such liens and encumbrances and shall indemnify and hold Lessor harmless from and against any costs, liabilities, expenses or damages (including reasonable attorney fees) arising out of the continued existence of any such liens or encumbrances after the termination of this Lease (except for the IHFA LURAs or to the extent a new lease is executed by a Leasehold Mortgagee or a Lender Party pursuant to Section 11.02(a)(iii) of this Lease). The payment and indemnity obligations set forth in this paragraph 5.02.a.v. shall survive the termination of this Lease.

b. Liens Not Permitted. Except for Permitted Encumbrances, should any lien be filed or threatened against the Premises, or Lessor's or Lessee's respective interest therein, Lessee shall, within forty-five (45) days after written notice from Lessor (or such earlier period as is required to avoid any foreclosure or enforcement of such Lien): (i) fully discharge any such Lien or claim of Lien, or (ii) contest such Lien or claim of Lien and, in connection with such contest, pay cash, insure, procure a letter of credit or bond over such Lien by title endorsement or bond in an amount equal to 115% percent of the amount claimed in the lien. In the event Lessee shall fail to perform either item (i) or item (ii) above within the prescribed time period, Lessor may, upon ten (10) days written notice to Lessee, at Lessor's option and without limitation of any of its other rights and remedies, pay the same or any part thereof, and the amount of such payments shall constitute additional Rent and shall be paid to Lessor within ten (10) days after demand with interest thereon at 12% per annum from the date incurred until the date paid in full. Except as provided in Section 5.02(a)(ii), no liens of any character whatsoever created or suffered by Lessee, including without limitation the lien of any Leasehold Mortgagee, shall in any way, or to any extent, attach to Lessor's fee interest in the Premises.

### **5.03 Taxes, Assessments, Repairs/Maintenance and Utilities.**

a. Payment by Lessee. Lessee shall pay all real estate taxes, special improvement, and other assessments (ordinary and extraordinary), water rents and charges, and all other taxes, duties, charges, fees and payments imposed by any governmental or public authority, which shall be imposed, assessed or levied upon, or arise in connection with the use, occupancy or possession of the Premises or any part thereof during the Lease Term (collectively "**Governmental Impositions**"). Notwithstanding the foregoing to the contrary, it is specifically understood that Lessee shall pay all real estate and/or personal property taxes for the Buildings and Improvements, and all alterations and additions thereto, but not for the land, which land taxes, if any, shall be paid for by Lessor. In each case, upon written request of Lessor, Lessee shall deliver to Lessor prior to the last day upon which the same may be paid without penalty or interest, a receipt showing the payments thereof. The term "Governmental Impositions" shall not be deemed to include transfer, gift, inheritance, income, estate, intangible personal property, corporation, franchise or succession taxes or other similar taxes.

b. Utilities. Lessee shall promptly pay before the imposition of late charges or penalties, all charges for gas, electricity, water, sewer, garbage, telephone and other services furnished to the Premises or the occupants thereof during the Lease Term. The parties agree that no default shall be declared under the Lease if such utilities specific to individual residential units incur any late charges or penalties.

c. Assessments and Governmental Impositions. Lessee's obligation to pay assessments, including Governmental Impositions, shall apply only to assessments which shall accrue and become payable during the Lease Term. Lessee may take the benefit of any statute or ordinance permitting assessments to be paid in installments over a period of time, and in that event Lessee shall be obligated to pay only such installments as shall become payable during the Lease Term.

d. Repairs and Maintenance. Lessor shall have no responsibility for any maintenance, repairs and replacements, whether structural or nonstructural, ordinary or extraordinary, necessary to maintain the Project. Lessee shall be fully responsible for construction, maintenance, repair and replacement of the Project and upkeep of the Real Property; will permit no waste, damage, or injury to the Project or the Real Property; and will maintain the Project and the Real Property in good condition and repair at all times.

e. Charges Before Construction. Lessee shall is obligation to pay taxes, charges for insurance, utilities, and maintenance for similar items with respect to the Premises beginning on the Effective Date.

f. First and Last Year. Governmental Impositions for the tax year in which



the term shall commence and for the tax year in which the term shall expire shall be apportioned according to the number of days during which each party shall be in possession during such tax years, whether or not the same may be liens at the beginning or end of the term. This provision shall not limit Lessor's right to receive prorated amounts in the event of earlier termination of this Lease by reason of Lessee's default.

g. Contest of Taxes. Lessee may contest, in good faith, any Governmental Imposition by appropriate proceedings conducted promptly at Lessee's expense, in Lessee's name, or (whenever necessary) in Lessor's name. Lessor agrees to cooperate reasonably with Lessee and to execute any documents or pleadings reasonably required for such purpose, but Lessor shall not be obligated to incur any expense or liability in connection therewith. If Lessee desires to contest any Governmental Imposition but Lessor does not desire to, Lessee shall be obligated to pay any incremental increase in taxes or impositions that Lessor may suffer (above what it would otherwise be obligated to pay) during the contested period. Lessee may defer payment of the contested Governmental Imposition pending such contest, if such deferment shall not subject Lessor's interest in the Premises to forfeiture. Lessee shall deposit with Lessor, if Lessor so requests, funds which shall be at least equal in value to the payment so deferred plus reasonably anticipated estimated penalties and interest thereon that Lessor may incur and Lessor shall deposit such funds in an interest-bearing account. When all contested Governmental Impositions shall have been paid or cancelled, funds so deposited to secure the same and interest earned thereon which was not applied by Lessor to the payment thereof, shall be repaid to Lessee. In lieu of any such deposit, Lessee may, at its election, furnish a bond in a form, in an amount, and with a surety reasonably satisfactory to Lessor or furnish security reasonable satisfactory to Lessor. All refunds of taxes and assessments shall be the property of Lessee to the extent they may be based on payments made by Lessee, any balance being Lessor's property.

**5.04 Ownership of Buildings and Improvements.** The Buildings and Improvements, and all alterations and additions thereto, placed upon the Real Property by Lessee or any sublessee or other occupant (including but not limited to doors, partitions, tile and wood floorings, lighting fixtures and the like), as well as any fixtures attached to any building before the expiration or earlier termination of this Lease included in the Premises and used in connection with the operation and maintenance thereof (excepting in each case property removable by sublessees under their respective subleases) are and shall be the property of Lessee and Lessee shall be the absolute owner of the Buildings and Improvements, and all alterations and additions thereto, during the Lease Term. The Buildings and Improvements, and all alterations and additions thereto, in existence on the Real Property at the expiration or termination of this Lease shall revert to and become the property of Lessor. At all times during the Lease Term, including without limitation for tax purposes, legal and beneficial title to the Buildings and Improvements shall be owned by Lessee and during the Lease Term, Lessee alone shall be entitled to all of the tax

attributes of ownership of the Buildings and Improvements, including, without limitation, the right to claim depreciation or cost recovery deductions, amortization and the right to claim the low-income housing tax credit described in Section 42 of the Code. Lessee shall have the right to amortize capital costs and to claim any other federal or state tax benefits attributable to the Premises. Subject to Article IX, following expiration or termination of this Lease, Lessee shall execute and deliver any and all deeds, bills of sale, assignment and other documents as may be necessary or appropriate to transfer, to evidence or to vest clear title to the Buildings and Improvements in Lessor. Lessee, in addition, shall deliver to Lessor on expiration or termination of this Lease originals or copies of any plans, reports, contracts or other items relating to the buildings, structures and improvements of the Premises, to the extent that Lessee has the same in its possession.

**5.05 Condition, Maintenance of Project; Repairs.** By taking possession of the Real Property AS-IS, WHERE IS and with all faults, the Lessee shall be obligated at its sole cost and expense to perform any and all maintenance, repairs, modifications, or improvements to the Premises, including, but not limited to, the Buildings and Improvements and/or the Real Property. Lessee shall keep the entire Premises and the interior and exterior of the Buildings and Improvements (including without limitation, all structural elements, water sewer and gas connections, pipes and mains, elevators, heating, cooling, lighting and electrical distribution systems, underground and above-ground storage tanks, and all other fixtures, machinery and equipment forming part of the Premises) in good order, condition and repair, ordinary wear and tear excepted, including keeping the Premises in a neat and orderly condition as determined by Lessor in its reasonable discretion, free from filth, overloading, danger of fire or any pest or nuisance, and in compliance with all federal, state and local laws. To that end, Lessee shall timely make or cause to be made all needed repairs, replacements (including replacements to fixtures, furnishings and equipment) and renewals, ordinary and extraordinary, structural or otherwise.

- a. Lessee shall, at its own expense, keep parking areas, sidewalks and curbs on the Premises, and the sidewalks and curbs adjoining the Premises, free of snow and ice and in a good state of repair.
- b. Landscaped areas shall be watered, trimmed, and weeded as necessary to maintain a healthy, neat appearance. Weeds in non-landscaped areas shall be kept cut close to the ground.
- c. Lessee shall make suitable arrangements for the storage, collection, and removal of all trash, garbage and other refuse resulting from Lessee's activities on the Premises. Lessee shall provide appropriate covered, commercial type receptacles for such trash, garbage, and refuse, and maintain these receptacle, screened from view of adjoining properties or public streets, in an attractive, safe, and sanitary manner.

**5.06 Stormwater Systems – Operations and Maintenance.**

- a. On-site stormwater management/Best Management Practice (BMP) facilities shall be constructed by Lessee in accordance with the City's Stormwater Management Plan and Operation and Maintenance Manual. Lessee shall adequately maintain the stormwater management/BMP facilities in accordance the approved Operation and Maintenance manual. This includes all pipes and channels built to convey stormwater to the facility, as well as all structures, improvements, and vegetation provided to control the quantity and quality of the stormwater. Adequate maintenance is herein defined as good working condition so that these facilities are performing their design functions as described in the approved Operation and Maintenance Manual.
- b. Lessee shall inspect the stormwater management/BMP facility annually or as specified in the Operation and Maintenance Manual. The purpose of the inspection is to assure safe and proper functioning of the facilities. The inspection shall cover all drainage facilities including but not limited to swales, outlet structures, ponds, access roads, etc. Deficiencies shall be noted in the inspection report. The Annual Inspection Report form included in the Operation and Maintenance manual is to be used to establish what good working condition is acceptable to the City.
- c. Lessee hereby grants permission to Lessor, its authorized agents and employees, to enter upon the Premises and to inspect the stormwater management/BMP facilities whenever Lessor deems necessary. Reasonable access shall be provided to all drainage facilities. The purpose of inspection is to follow-up on reported deficiencies, determine the general condition of stormwater facilities, and/or to respond to citizen complaints. Lessor shall provide Lessee copies of the inspection findings and a directive to commence with the repairs if necessary.
- d. In the event Lessee fails to maintain the stormwater management/BMP facilities in good working condition acceptable to the Lessor, Lessor may enter upon the Premises and take whatever steps necessary to correct deficiencies identified in the inspection report and to charge the costs of such repairs to Lessee. It is expressly understood and agreed that the Lessor is under no obligation to routinely maintain or repair said facilities, and in no event shall this Agreement be construed to impose any such obligation on the Lessor.
- e. In the event the Lessor, pursuant to this Agreement, performs work of any nature, or expends any funds in performance of said work for labor, use of equipment, supplies, materials, and the like, Lessee shall reimburse Lessor upon demand, within thirty (30) days of receipt thereof for all actual costs incurred by the Lessor hereunder. Costs will be charged on a time and materials basis at rates not exceeding local industry standards.

**5.07 Permitted Uses.** Lessee will not enter into any activities on the Premises other than those stated as follows without Lessor's prior written approval:

- a. Permanent Supportive Housing. The use of the Premises for PSH Units shall be subject to the terms and conditions of Sections 5.01 and 5.02(a)(ii) as provided for herein. All such foregoing requirements and the restrictions with respect to the Premises shall be binding upon the Lessor and Lessee and each of their respective successors and assigns, including, without limitation, any Person who succeeds to Lessee's interest in the Premises by foreclosure or any instrument in lieu of foreclosure.
- b. Reserved.

**5.08 Compliance with Law.** Lessee's use of the Premises must be in full compliance with all present and future statutes, ordinances, laws, rules, regulations and restrictive covenants applicable to the Premises, including but not limited to compliance with environmental laws as described in Article XII, and all rules and regulations of the National Fire Protection Association, the applicable Fire Rating Bureau and any similar body (collectively, "**Requirements of Law**"), whether such requirements may relate to: (i) structural or other alterations, changes, additions, improvements; or (ii) repairs, interior or exterior, extraordinary or ordinary; or (iii) the manner in which the Premises may be used or occupied; or (iv) to any other matter affecting the Premises. If Lessee is required by the Requirements of Law to make any alterations, changes, additions, improvements or repairs or to change the manner in which the Premises may be used or occupied (collectively, "**ROL Changes**"), Lessor hereby consents to such change to the extent required by the Requirements of Law. In all events, Lessor reserves its right to review and confirm any of the foregoing ROL Changes.

- a. No Violations. Lessee shall upon the discovery of any material violation of a Requirements of Law caused by Lessee or its agents which is reasonably likely to subject Lessor to liability or forfeiture of any interest, take all necessary steps, legal and equitable, to compel the discontinuance thereof and to oust and remove any sublessees, occupants or other persons guilty of such use. Subject to Section 12 herein, Lessee shall indemnify and hold harmless Lessor from and against any and all liabilities and penalties incurred by reason of any violation of this section. Lessee shall pay all costs and expenses, including reasonable attorneys fees, that may in any manner arise out of the failure of Lessee to comply with the provisions of this Section 5. As used in this section, the word "**Premises**" shall also include the streets, sidewalks, alleys and curbs adjacent thereto, and all vaults, passageways, rights of way and appurtenances of the Premises. Lessee shall have no duty to indemnify the Lessor or its agents for any violations caused directly by the gross negligence or willful misconduct of the Lessor or its agents.

b. Contest of Requirements. Lessee may contest in good faith, by appropriate proceedings conducted promptly at its own expense, in its name, or (whatever necessary) in Lessor's name, the validity or enforcement of any Requirements of Law and may defer compliance therewith provided that (i) such non-compliance shall not constitute a crime or misdemeanor on the part of the Lessor, (ii) Lessee shall diligently prosecute such contest to final determination by the court, department or governmental authority or body having final jurisdiction, and (iii) if so required by Lessor and if the amount in dispute is in excess of \$250,000 Lessee shall furnish to Lessor a security or bond reasonably satisfactory to Lessor, in an amount equal to the cost of such compliance as estimated by Lessor, and, subject to Section 7 herein, indemnifying Lessor against the cost thereof and all liability in connection therewith. Lessor agrees to cooperate reasonably with Lessee, and to execute all documents and pleadings required for the purpose of such contest, provided Lessee shall discharge any expense or liability of the Lessor in connection therewith.

**5.09 Prohibited Uses.** Notwithstanding anything to the contrary herein, the Lessee shall not use or suffer or permit any use of the Premises or any part thereof:

a. For any sale of pornographic materials, adult bookstore, adult movie theater, boarding house, tattoo parlor, massage parlor (other than in connection with other day spa services), any business that derives the majority of its net profits from the sale of liquor (other than a properly licensed restaurant or state-run liquor store), funeral parlor, disco or night club, a dry cleaning facility (other than for pick up or drop off), cinema, or junkyard or salvage yard, either in appearance or reality.

b. In any manner so as to create any dangerous, injurious, noxious, or otherwise objectionable conditions, including but not limited to:

i. *Hazardous Activities:* No activity shall be conducted on the Premises that may be or may become hazardous to public health and safety, that shall increase the fire insurance rating for adjoining property, or that shall be illegal.

iv. *Air Pollution:* Except for the operation of motor vehicles to, from, and on the Premises as incidental to the use thereof, the following requirements shall apply: (1) any use producing smoke, gas, dust, odor, fumes, aerosols, particulates, products of combustion, or any other atmospheric pollutant shall be conducted within a completely enclosed building; and (2) any use producing atmospheric emissions shall comply with the standards of the U. S. Environmental Protection Agency, the Ada County Air Quality Board, any local environmental regulatory body, or any successor organizations performing similar functions, as such regulations exist at the date of the Lease or which may be enacted during the term of the Lease.

**5.10 Discrimination Prohibited.** In accordance with Boise City Code, Lessee agrees, and it is a condition to the continuance of this Lease, that there will be no discrimination against, or segregation of, any person or group of persons on the basis of race, color, religion, sex, sexual orientation, gender identity/expression, creed, national origin, ancestry, age or disability in the leasing, subleasing, transferring, occupancy, tenure or use of the Premises or any portion thereof.

## ARTICLE VI – INSURANCE

**6.01 Fire, Casualty and Extended Coverage Insurance.** Immediately following the Effective Date and during the remainder of the Lease Term, Lessee shall, at its own expense, maintain in full force, fire, casualty and extended coverage insurance for the Premises, and the Buildings and Improvements, and all alterations and additions thereto, and all related furniture, equipment and facilities, in an amount not less than one hundred percent (100%) of the then full insurable value of the Buildings and Improvements, and all alterations and additions thereto, and all related furniture, equipment and facilities. The term "full insurable value" shall mean the actual replacement cost, less physical depreciation, excluding excavation and foundation costs. Such policy or policies shall insure against such insurable hazards as are commonly insured against in the case of Premises similarly situated, taking into account the height and type of the Buildings and Improvements and other buildings and structures on the Premises (including any replacements or substitutions), and their construction, location, use and occupancy. This policy shall name the Lessor as a co-insured or as an additional named insured.

**6.02 Comprehensive Liability Insurance.** Immediately following the Effective Date and during the remainder of the Lease Term, Lessee shall, at its own expense, maintain in full force, comprehensive liability insurance, including public liability and property damage of the Lessee, written by a responsible insurance company licensed to do business in Idaho, and insuring Lessee and Lessor (and such other persons, firms, or corporations designated by Lessor) as additional named insureds against liability for claims of damage, loss and damage for bodily injury, property damage, personal injury, death, and civil rights violations occurring in or about the Premises, and the Buildings and Improvements, and all alterations and additions thereto. Such policy shall provide insurance against property damage in an amount not less than \$1,000,000.00 and bodily injury with limits of not less \$1,000,000.00 per person and \$2,000,000.00 total for each occurrence, with an excess policy of \$5,000,000.00; provided, however, the minimum limits of insurance as set forth herein shall be automatically increased at any time the liability limits of Lessor are increased pursuant to the Idaho Tort Claims Act, as amended (Idaho Code Sections 6-901 et seq.) The insurance shall be primary insurance such that the insurer shall be liable for the full amount of the loss without the right of contribution from any other insurance coverage held by Lessor.

**6.03 This section intentionally omitted.**

**6.04 Workers Compensation.** Lessee shall maintain in force during the Term workers compensation coverage with limits consistent with the statutory requirements of the State of Idaho and include employer's liability coverage with minimum limits of: bodily injury by accident - \$500,000 each accident; bodily injury by disease - \$500,000 each employee; bodily injury by disease - \$500,000 policy limit. Lessee shall provide a certificate showing proof of said insurance coverage.

**6.05 Waiver of Subrogation Rights.** No party shall have the right or claim against the Lessor or Lessor's insurer for any losses, damages or injury, including losses, damages or injury to property or persons, including death, and for any business interruption, occurring on the Premises, and the Buildings and Improvements, and all alterations and additions thereto, by way of subrogation or assignment. The Lessee hereby waives and relinquishes any such right. The Lessee shall request Lessee's insurance carrier to endorse all applicable policies waiving the carrier's right of recovery under subrogation or otherwise in favor of the Lessor and provide a certificate of insurance verifying this waiver.

**6.06 Form and Delivery of Policies.** All insurance required by this Section shall be in a form and with companies reasonably satisfactory to Lessor and shall provide that it shall not be subject to cancellation or change except after at least thirty (30) days' prior written notice to Lessor. The policy or policies, or duly executed certificates for them, shall be deposited with Lessor within fifteen (15) days after the Effective Date and, upon renewal of such policies, not less than thirty (30) days prior to the expiration of the term of such coverage.

**6.07 Lessor's Right to Obtain Insurance.** If Lessee fails to maintain coverage required by this Section 6, Lessor, in addition to other available remedies, may at its election (but shall not be obligated to), after 10 days' written notice to Lessee, procure such coverage as may be necessary to comply with this Section 6, with the cost payable to Lessor on demand, with interest accruing at the rate described in Section 3.10. Notwithstanding anything to the contrary herein, the Lessor shall not be required to maintain any insurance on the Premises.

## **ARTICLE VII – RELEASE; INDEMNIFICATION**

**7.01 Release of Liability.** To the fullest extent permitted by law, Lessor and its respective officers, directors, officials, agents, employees and/or subdivisions (collectively the Lessor), shall not be liable for any damage, injury or death, either to person or property (including the loss of use thereof), of any nature whatsoever, which damage is sustained by Lessee, by persons claiming through Lessee, or any other third party; provided that the foregoing shall not apply to the extent that any damage, injury, or death is caused by the intentional misconduct or gross negligence of Lessor.

**7.02 Indemnification.** To the extent permitted by law, Lessee shall indemnify,

save, defend, and hold harmless Lessor and Lessor's elected and appointed officials, officers, employees, agents, affiliates, representatives, contractors, volunteers, guests, business invitees and all of the persons acting for, by, or through, and in any way on behalf of Lessor from, against, and for any and all losses, damages, liabilities, deficiencies, claims, demands, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind ("**Claims**"), including reasonable attorneys' fees, arising, alleged to arise out of, or relating in any way to any acts or omissions incurred in connection with Lessee's use or occupancy of the Premises at any time whether pursuant to this Lease or a previous lease with Lessor, including use of above-ground and underground storage tanks, Lessee's breach of this Lease or any previous Lease between Lessee and Lessor in connection with the Premises.

Lessee's indemnification and hold harmless obligations under this Section apply to both direct and third-party Claims and are triggered upon Lessor's provision of notice of a Claim to Lessee. Lessee's duty to defend applies immediately regardless of whether Lessor has paid any sums or incurred any detriment arising out of or relating directly or indirectly to any Claim.

**7.03 Defense Against Claims.** Lessee shall assume control of the defense, appeal, or settlement of a Claim by sending prompt written notice of the assumption to Lessor through which it will acknowledge responsibility for the defense. Lessee will then undertake, conduct and control the defense through counsel approved by Lessor, at Lessee's sole cost and expense. Lessee shall give prompt written notice to Lessor of any proposed settlement. Lessee may not settle or compromise any Claim or consent to the entry of any judgment without Lessor's prior written consent. Notwithstanding anything to the contrary herein, Lessor may defend a claim with counsel of its own choosing and without Lessee's participation when Lessor determines it is in its best interests to do so. At the time of claim resolution, Lessee shall be entitled to reimbursement of any defense costs paid above to the extent of Lessor's percentage of liability for the claim, if applicable.

**7.04 Limitation; Survival.** Limits of insurance will not be deemed a limitation of Lessee's above-described covenant to indemnify, hold harmless and defend.

The rights, obligations and provisions of this Section shall be deemed to be a separate contract between Lessor and Lessee and shall survive the expiration or termination of this Lease.

## **ARTICLE VIII – DAMAGE; CONDEMNATION**

### **8.01 Damage or Destruction.**

a. Restoration by Lessee. If during the Lease Term the Premises or Buildings and Improvements or any part thereof are damaged by fire or other casualty by any cause whatsoever sufficient to make the Premises unusable by Lessee, and the time



required to restore the damaged portion in a proper condition for use by Lessee will exceed twelve (12) months, Lessee shall give Lessor prompt notice of such occurrence. In such event, without precluding Lessee or the Leasehold Mortgagee's right to use the proceeds to repair or rebuild the Buildings and Improvements as permitted under the applicable loan documents, any and all insurance proceeds shall be paid directly to the Leasehold Mortgagee holding the lien which is senior, in terms of lien priority (determined by taking all subordination agreements into account), to the liens held by the other Leasehold Mortgagees to be applied in accordance with the provisions of the loan documents related to such first priority Leasehold Mortgage. Any lender with a then-outstanding loan, if any, shall have the right to participate in all adjustments, settlements, negotiations or actions with the insurance company regarding the amount and allocation of any such insurance proceeds. In the event that there are no outstanding loans, all insurance proceeds received under policies of insurance set forth in Section 6 shall be made available to Lessee so that Lessee may repair or rebuild the Buildings and Improvements so as to make them at least as valuable as immediately before such occurrence and any insurance proceeds that remain after such repair and restoration is completed shall be retained by Lessee.

b. Termination Remedy. If the work of repairing, replacing or rebuilding the Buildings and Improvements, damaged as outlined in Section (a), shall not have been commenced within 180 days from the date of receipt of insurance proceeds, damages or destruction or if such work shall not after commencement be pursued with commercially reasonable efforts, and subject to Leasehold Mortgagee's requirements as agreed to by Lessor, Lessor may exercise an option to terminate by delivering written notice of its allegation that Lessee has failed to exercise commercially reasonable efforts to pursue the repairs, and providing sixty (60) days to cure such breach. If at the end of such sixty (60) day period, Lessee fails to cure by commencing repair using commercially reasonable efforts to cure during the period, Lessor shall, subject to the provisions set forth in Section 11.03 of this Lease, have the right to terminate this Lease and the term hereof by giving to Lessee notice of such intention. If upon the expiration of the date fixed in such notice, conditions hereof have not been complied with, this Lease and the Lease Term shall wholly cease and expire without further notice from Lessor. If Lessor fails to exercise its option to cancel this Lease as provided in subsections (a) and (b) of this Section 8.01 within 270 days after the receipt of insurance proceeds by Leasehold Mortgagee or Lessee, Lessee shall have the right to terminate this Lease by giving Lessor written notice to such effect. In the event of any termination provided for in this Section 8.01, the insurance proceeds received and recoverable under all policies of insurance shall be paid first to any mortgagee to whom the same may be payable. Next, insurance proceeds shall be paid to Lessee (including any Affiliate of Lessee) only to the extent the right or interest to any insurance proceeds arises from Lessee insurance and only for such condemnation rewards associated with Buildings and

Improvements constructed and paid for by Lessee. Lessor shall receive all other payments from either insurance or condemnation proceeds on the Premises.

c. No Abatement. In the case of termination, Rent and other sums payable during the then current Term shall be due and payable through the date of such termination. In the event that Lessee chooses to restore any damage, all Rents and other sums payable will continue to be due in full throughout any restoration period.

## **8.02 Condemnation.**

a. Total Taking. If the entire Real Property or Buildings and Improvements and all alterations and additions thereto, shall be taken for any public or quasi-public use, under any statute, by right of eminent domain, or by purchase by public authority in lieu thereof, then in that event, this Lease and the Lease Term shall cease and expire as of the date upon which title shall vest in the condemning authority and all rents, taxes, insurance premiums and other charges shall be prorated and paid to the date of such termination. Each party shall be free to prove by judicial proceedings and to obtain and retain the rights of mortgagees in the condemnation proceedings. It is specifically agreed that Lessee's interest consists of the Buildings and Improvements, and all alterations and additions thereto, fixtures and personal property on the Premises, its leasehold interest in the Premises and its business operations on the Premises; Lessor's interest consists of its reversionary interest in the Premises and its right to receive income from the Premises as provided in Section 3 above. Net awards and payments received on account of a total taking of the Premises and/or Buildings and Improvements shall be allocated and paid in the following order of priority:

(i) First, to any lenders with then-outstanding loans secured by the Premises and/or Buildings and Improvements, in the order of their respective lien priority, in accordance with the terms of the applicable loan documents, in an amount equal to the unpaid principal balance secured by each such respective loan, to the extent there are sufficient funds to make such payments;

(ii) The remaining balance, if any, shall be divided between the Lessor and the Lessee in accordance with the value their respective interests (which value shall be based upon the appraised value of the Buildings and Improvements vs. the underlying land as if no taking were to occur).

b. Partial Taking. If less than the entire Real Property or the Buildings and Improvements, and all alterations and additions thereto, shall be taken for any public or quasi-public use, under any statute, by right of eminent domain, or by purchase by public authority in lieu thereof, and as a result, it is impractical for Lessee to conduct all its business being conducted prior to the date of the partial taking, then,

subject to the provisions set forth in Section 11.03 of this Lease, Lessee shall have the option to terminate this Lease upon written notice to Lessor. If this Lease shall not be so terminated, this Lease shall remain unaffected and all net awards and payments received by Lessee on account of such partial taking shall be paid directly to the Leasehold Mortgagee holding the lien which is senior, in terms of lien priority (determined by taking all subordination agreements into account), to the liens held by the other Leasehold Mortgagees to be applied in accordance with the provisions of the loan documents related to such first priority Leasehold Mortgage. Rent shall be abated proportionately based upon the gross acreage subject to the partial taking vs. the remaining gross acreage that will remain subject to this Lease. In the event that there are no outstanding loans, then except that within a reasonable time after such taking Lessee shall restore that part of the Premises and the Buildings and Improvements not so taken to a complete architectural unit as approved by Lessor, which approval shall not be unreasonably withheld or delayed. Subject to the rights of mortgagees in the condemnation proceedings, all condemnation awards on account of Lessor shall be paid to Lessor and all awards on account to Lessee's interest shall be paid to Lessee to be applied by Lessee to the cost of restoring the Buildings and Improvements to a complete architectural unit as set forth above, as if the damages were caused by fire and such award consisted of insurance proceeds. The division of the award for partial taking between Lessor and Lessee (subject to the rights of mortgagees, if any) shall take into account (i) the value of Lessor's interest in the Premises affected by such taking and under this Lease, and (ii) the value of Lessee's interest therein under this Lease at the rent reserved and subject to all the terms and provisions of this Lease.

c. Temporary Taking. If less than a fee title to all or any portion of the Real Property or the Buildings and Improvements, and all alterations and additions thereto, shall be so taken for temporary use or occupancy, the foregoing provisions of this section shall be inapplicable to such taking. This Lease shall continue in full force (provided there shall be a reduction or abatement of rent for the time period of the temporary taking) and Lessee shall be entitled to make claim for, recover and retain so long as it shall not be in default hereunder any awards in the form of rent recoverable in respect to such taking, except that if such taking shall be for a period extending beyond the expiration of the Lease Term, Lessor shall be entitled to receive such portion of the award as shall be attributable to the portion of such period occurring after such expiration.

d. Lender Protections. Notwithstanding anything contained in this Lease to the contrary, any and all condemnation proceeds shall be paid first to the Leasehold Mortgagee, if any, whose loan is first in priority of lien for application in accordance with the provisions of the loan documents related to such loan and, to the extent such proceeds are not permitted under such loan documents to be used by Lessee to rebuild and/or restore the Buildings and Improvements on the Premises, applied to the repayment of such loan, with any remaining balance distributed to other lenders

in the order of priority of lien of their respective loans to the extent of such loans, and then allocated pursuant the applicable provisions of this Section 8.02. Moreover, each lender, if any, shall have the right to participate in each proceeding or negotiation with respect to a taking or condemnation or intended taking or condemnation and to make full proof of its claims. No agreements or settlement with or sale or transfer to the condemning authority shall be made without the prior written consent of each lender.

## **ARTICLE IX – END OF TERM**

**9.01 Surrender by Lessee.** On the last day of the Lease Term or on the earlier termination of this Lease, Lessee shall surrender the Leasehold and all Buildings and Improvements in or on the Premises to Lessor in compliance with all laws and in a good, safe and clean condition as practicable, reasonable wear and tear excepted. Unless otherwise agreed to in writing by Lessor, all residential leases and subleases on the Premises shall expire or be terminated upon surrender of the Premises by Lessee. Lessee shall also, at its expense, at the expiration of the Term or any earlier termination of this Lease, remove therefrom Lessee's signs, goods and effects and any machinery, trade fixtures and equipment used in conducting Lessee's trade or business and not part of the Buildings or Improvement or otherwise owned by Lessor. Lessee shall deliver all documents vesting title to Lessor as required by Section 5.04. Lessor acknowledges that upon expiration of the Lease Term, it is likely that the useful life of the Buildings and Improvements will have likewise expired, and accordingly, Lessee makes no representation or warranty of any kind as to the suitability of the remaining Buildings and Improvements for any particular use thereafter.

**9.02 Removal of Personal Property.** Lessee shall, by the date referred to in subsection 9.01 above, remove from the Premises all personal property and trade fixtures belonging to Lessee, using commercially reasonable efforts to avoid extra damage to the Premises by removal thereof. If practical to do so and assuming the underlying portion of the Premises that was damaged by removal of the personal property and trade fixtures is reasonably likely to be usable by Lessor, then Lessee shall repair any damage caused by removal of such items to the condition as it existed immediately prior to removal thereof. All Lessee's property not so removed shall conclusively be deemed to have been abandoned and may be appropriated, sold, stored, destroyed or otherwise disposed of by Lessor without notice to Lessee or any other person and without obligation to account therefor, but residential tenants of the PSH Units, in the event of the termination of this Lease, may for 30 days thereafter remove their property in accordance with the terms of their subleases. Subleases, at the option of the Lessor, may be extended beyond the 30-day period.

**9.03 Lessee's Rights.** Except as provided for herein, upon such expiration or valid termination by Lessor (whether by reason of an Event of Default or otherwise), (a) neither Lessee nor its creditors and representatives shall thereafter have any right at law or

in equity in or to any or all of the Premises or to repossess any of same, or in, to or under this Lease, and Lessor shall automatically be deemed immediately thereupon to have succeeded to all of the same, with delivery of title, free and clear of the right, title or interest therein of any creditor of Lessee or any other person whatsoever (but subject to the rights of any person then holding any lien, right, title or interest in or to the fee estate), and (b) Lessee hereby waives any and all rights of redemption which it may otherwise hold under any applicable law.

## ARTICLE X – DEFAULT; TERMINATION

**10.01 Lessee Events of Default.** Except as otherwise provided herein, if any of the following events shall occur (each event to be a “Default” by Lessee), and after Notice by Lessor has been given to Lessee, Leasehold Mortgagee(s) and to the Tax Credit Investor, its affiliates, successors and/or assigns as provided below, said Notice providing ninety (90) days to cure, Lessor shall have, at its election, the remedies stated in 10.02:

a. Be in arrears in the payment of the whole or any part of the Annual Rent and any other sums owed hereunder for a period of ten (10) days after the due date with written notice from Lessor that the same was due and payable; or

b. If Lessee shall fail to use the Premises to provide permanent supportive housing without the consent of Lessor. During the period of time any Extended Use Regulatory Agreement required under Section 42 of the Internal Revenue Code is applicable, Lessee shall adhere to such requirements therein. Upon expiration or termination of the Extended Use Regulatory Agreement, not less than annually and with such frequency as determined by Lessor, Lessee shall submit to Lessor for Lessor's consent, which consent shall not be unreasonably withheld, a financing plan reflecting anticipated rent and income levels. Lessor's approval of such plan shall be deemed, if applicable, to consent to rent at higher rental rates or to persons or families with higher income. In no event shall Lessee be required to force a residential tenant of PSH Unit to move out of a unit during any term that tenant is receiving housing assistance, even if that tenant's income increases above permitted levels, provided, however, the tenant must meet applicable requirements for housing assistance to maintain the use of all units in the Project as PSH Units; or

c. A material default in the performance of any of the covenants and conditions required herein (except rent payments which are addressed above) to be kept and performed by Lessee, and such default continues for a period of sixty (60) days after receipt of written notice from Lessor to cure such default; provided that in the event a default reasonably requires a time period greater than sixty (60) days, Lessee shall be afforded up to one (1) year to cure such default so long as Lessee is diligently prosecuting such a cure; or

d. Any execution or attachment is issued whereby any of the Premises shall be taken or attempted to be taken by someone claiming through or under the Lessee, and the same shall not be vacated or bonded within ninety (90) days after the issuance thereof; or

e. Lessee becomes unable to pay its debts as they fall due, or makes a general assignment for the benefit of creditors, or is adjudicated bankrupt or insolvent, or files any petition or answer seeking, consenting to, or acquiescing in reorganization, arrangement, adjustment, composition, liquidation, dissolution or similar relief, under any present or future statute, law or regulation or files an answer admitting or fails to deny the material allegations of a petition against it for any such relief; or

f. Any proceeding against Lessee of the type referred to in subsection 10.01 (e) above, seeking any such relief has not been dismissed within 90 days after the commencement thereof; or

g. If a trustee, receiver or liquidator of Lessee or of any substantial part of its properties or assets shall be appointed with the consent or acquiescence of Lessee, or if any such appointment if not so consented to or acquiesced in, shall remain unvacated or unstayed for an aggregate of 90 days (whether or not consecutive), then and in any such event Lessor at any time thereafter, while such Default shall continue, may give a written termination notice to Lessee, and upon the date specified in such notice (subject to the provision of this section relating to the survival of Lessee's obligations) the term of this Lease shall expire and terminate by limitation and all rights of Lessee under this Lease shall cease. Lessee shall pay, as additional rent, all reasonable costs and expenses incurred by or on behalf of Lessor, including, without limitation, reasonable attorneys' fees and expenses, occasioned by any Default by Lessee under this Lease.

h. Be made a party to any receivership proceeding in which a receiver is appointed for the property or affairs of Lessee where such receivership is not vacated within sixty (60) days after the appointment of such receiver.

**10.02 Remedies.** In any of the aforesaid events, Lessor may, after complying with any procedures imposed by law, have the following remedies:

a. Repossession. Subject to Leasehold Mortgagee's requirements as agreed to by Lessor, Lessor shall give Notice thereof to Lessee, Leasehold Mortgagee(s) and to the Tax Credit Investor, its affiliates, successors and/or assigns. If the event of Default is not cured within 90 days of such Notice, Lessor, whether or not the Lease Term shall have been terminated, may, to the extent permitted by applicable law, enter upon and repossess the Premises or any part thereof by force, summary

proceedings, ejectment or otherwise, and may remove Lessee and all other persons and any and all property therefrom. Lessor shall be under no liability for or by reason of any such entry, repossession or removal.

No receipt or acceptance of money by Lessor from Lessee after the expiration or cancellation of this Lease or after the service of any notice, after the commencement of any suit, or after final judgment for possession of the Premises, shall reinstate, continue, or extend the terms of this Lease or affect any such notice, demand or suit or imply consent for any action for which Lessor's consent is required or operate as a waiver of any right of the Lessor to retake and resume possession of the Premises.

b. Reletting. At any time or from time to time after the repossession of the Premises or any part thereof, whether the term of this Lease shall have been terminated, and subject to Leasehold Mortgagee's requirement as agreed to by Lessor, Lessor may (but shall be under no obligation to) relet the Premises or any part thereof for the account of Lessee, in the name of Lessee or Lessor or otherwise, without notice to Lessee, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the Lease Term) and on such conditions (which may include concessions or free rent) and for such uses as Lessor, in its reasonable judgment, may determine, and may collect and receive the rents therefor. If Lessor shall proceed to relet the Premises and the amounts received from reletting the Premises during any month or part thereof be less than the Rent due and owing from Lessee during such month or part thereof under the terms of this Lease, Lessee shall pay such deficiency to Lessor immediately upon calculation thereof, providing Lessor has exercised good faith in the terms and conditions of reletting. Payment of any such deficiencies shall be made monthly within ten (10) days after receipt of notice of deficiency.

c. Termination of Lease Not To Relieve Lessee of Obligations. No expiration or valid termination of the Lease Term by Lessor pursuant to the terms of this Lease or by operation of law or otherwise (except as expressly provided herein), and no repossession of the Premises or any part thereof pursuant to this Lease or otherwise, shall relieve Lessee of its liabilities and obligations hereunder, all of which shall survive such expiration, termination or repossession. A valid termination by Lessee shall relieve Lessee of its liabilities and obligations following the breach by Lessor; the liabilities and obligations of Lessee incurred prior to any such breach will survive such termination.

d. Current Damages. In the event of any such expiration, termination or repossession, Lessee will pay to Lessor the rent and all other sums required to be paid by Lessee upon to the time of such expiration, termination or repossession, and thereafter Lessee, until the end of what would have been the term of this Lease in the absence of such expiration, termination or repossession, shall pay to Lessor,

as liquidated and agreed damages for Lessee's default, (i) the Rent and all other sums which would be payable under this Lease by Lessee in the absence of such expiration, termination or repossession less (ii) the net proceeds, if any, of any reletting effected for the account of Lessee pursuant to subsection 10.02(b) after deducting from such proceeds all of Lessor's reasonable expenses in connection with such reletting, including, without limitation, all reasonable repossession costs, reasonable brokerage commissions, reasonable legal expenses, reasonable attorneys' fees, reasonable employees' expenses, reasonable alteration costs, and reasonable expenses of preparation for such reletting.

**10.05 Remedies are Cumulative.** The aforesaid remedies, as well as any other remedies allowed by law, which are preserved in Lessor, shall be cumulative and non-exclusive, except as is otherwise prescribed by law. Any amounts due to Lessor under this Lease and not paid by Lessee when due shall bear interest at a rate of eighteen percent (18%) per annum or the maximum rate permitted by law, whichever is lower until paid.

**10.03 Right to Cure.** Notwithstanding anything contained in this Lease to the contrary, any Tax Credit Investor or a Leasehold Mortgagee each shall have the right to cure any event of Default, and Lessor shall not terminate this Lease for Lessee's default unless and until Lessor has given Tax Credit Investor and the Leasehold Mortgagee Notice of such Default and 90 days in addition to any applicable cure period given to Lessee in which to cure it. If any Default cannot reasonably be cured within 90 days, then Tax Credit Investor and/or the Leasehold Mortgagee shall have such additional time as it shall reasonably require, so long as Tax Credit Investor or the Leasehold Mortgagee is proceeding with reasonable diligence and so long as such additional time to cure does not exceed a maximum of an additional 120 days beyond the initial 90-day cure period. Notwithstanding anything to the contrary contained herein, for any Default that cannot be cured without possession of the Premises, Lessor shall allow such additional time as the Tax Credit Investor and/or the Leasehold Mortgagee shall reasonably require to prosecute and complete a foreclosure or equivalent proceeding and obtain such possession, including time to obtain relief from a bankruptcy stay in Lessee's bankruptcy.

**10.04 Limitation on Termination.** Notwithstanding the foregoing or anything else in the Lease to the contrary, Lessor shall not terminate this Lease after the Commencement Date and prior to the end of the Compliance Period.

**10.05 Lessor Events of Default.**

a. Lessor shall be in default hereunder (an “**Event of Lessor Default**”) in the event Lessor fails to perform any nonmonetary obligation of Lessor hereunder within sixty (60) days after receipt of written notice from Lessee to Lessor specifying such default and demanding that the same be cured; provided that, if such default cannot with due diligence be wholly cured within such sixty (60) day period, Lessor shall have such longer period as may be reasonably



necessary to cure the default, so long as Lessor proceeds promptly to commence the cure of same within such sixty (60) day period and diligently prosecutes the cure to completion.

b. Upon the occurrence of an Event of Lessor Default, at Lessee's option, in addition to any and all other remedies which it may have at law and/or in equity, and without its actions being deemed an election of remedies or a cure of Lessor's default, Lessee may pay or perform such obligations and offset Lessee's actual cost of performance, including any and all transaction costs and attorneys' fees actually incurred, against the Rent and any and all other amounts and charges due Lessor hereunder.

## **ARTICLE XI – TRANSFERS;**

### **11.01 Assignment and Subletting.**

a. With Lessor's approval, which approval shall not be unreasonably withheld or delayed, Lessee may sell, assign, sublet or transfer this Lease, in whole or in part, to (i) any Affiliate of Lessee (an Affiliate of Lessee shall mean any organization or corporation directly affiliated with Lessee or the organizations that control Lessee) or any limited partnership or limited liability company in which an Affiliate or Lessee is a general partner, manager or managing member, as applicable, or (ii) to any other party.

b. Any purchaser of the leasehold estate through foreclosure or deed in lieu of foreclosure is a permitted assignee, and such purchaser, and any third party acquiring the leasehold estate through such purchaser, shall be subject to the terms of this Section 11.

c. Any transfer of a general partner, managing member, investor member or limited partner interest in Lessee or any principal of Lessee in accordance with the terms of the applicable organizational documents shall be permitted and shall not require the Lessor's consent.

d. Lessee shall be allowed to lease or sublease individual commercial and residential units in the Premises to eligible households and tenants for all uses permitted hereunder. Lessor hereby approves and consents to such individual commercial and residential lease agreements.

e. Notwithstanding anything to the contrary set forth herein, a Lender, Lender Party or any person or entity acquiring the leasehold estate shall be liable to perform Lessee's obligations under this Lease which first accrue following the date such entity or person shall have taken ownership of the leasehold estate or

possession of the Leasehold.

f. In all events, without the written consent of the Lessor, a Lender, Lender Party or any person or entity acquiring the leasehold estate shall not use or permit the Leasehold or any portion of the Leasehold to be improved, developed, used, or occupied in any manner or for any purpose that is in any way in violation of Section 5 herein, Section 42 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, or any valid law, ordinance, or regulation of any federal, state, county, or local governmental agency, body or entity.

#### **11.02 Mortgages.**

a. On the Leasehold Interest. With the approval of Lessor, which approval shall not be unreasonably withheld or delayed, Lessee may at any time and from time to time mortgage its interest in the leasehold estate created hereby with a mortgage or deed of trust (“**Leasehold Mortgage**”); so long as the term of any such mortgage or deed of trust shall not extend beyond the expiration of the Lease Term. It is specifically understood that any mortgage, deed of trust and/or security interest cannot encumber the Lessor's fee interest in the land of the Premises.

i. Lessor agrees at any time and from time to time, when requested by Lessee, to enter into reasonable agreements, including amendments to the Leasehold Mortgage, for the benefit of lenders as may be necessary to enable Lessee to obtain financing for the Buildings and Improvements, provided that such agreements do not in any manner adversely affect Lessor's interest in the Premises or place the Lessor in a position of liability with the Lender. Notwithstanding the foregoing, in no event shall any such agreements referenced herein create a lien or encumbrance against the Lessor's fee interest in the Premises.

ii. Except as provided for by Articles VIII, IX, and X, or any other remedy provided for by this Agreement, Lessor will not make or accept any voluntary surrender, cancellation, modification, or amendment of or to this Lease at any time while a Leasehold Mortgage is in effect, nor will Lessor convey all or any part of the property subject to the Leasehold Interest to Lessee, or Lessee accept such conveyance, without first obtaining the prior written consent of each Leasehold Mortgagee. In no event shall any transfer of the Buildings and Improvements to Lessor result in a merger or termination of this Lease so long as any Leasehold Mortgage shall be in effect, and Lessor shall remain bound by the provisions of this Section 11.02.

iii. The execution of a Leasehold Mortgage shall be permitted. The mortgagee of such a Leasehold Mortgage (the “**Leasehold Mortgagee**”)

shall be considered a permitted assignee under this Lease. Neither the foreclosure of a Leasehold Mortgage, nor any sale thereunder, whether by judicial proceedings or by virtue of any power contained in the Leasehold Mortgage, nor any conveyance of the leasehold estate created hereby from the Lessee to a Leasehold Mortgagee, or its designee or any purchaser at a foreclosure or recipient of an assignment of the leasehold interest hereunder (collectively, a “**Lender Party**”), through or in lieu of any such foreclosure, shall require the consent of the Lessor or constitute a breach of any provision of this Lease. In the event any Lender Party becomes the Lessee under this Lease by such means or pursuant to any new lease obtained under Section 11.03 Lessor shall recognize the Lender Party as the Lessee hereunder or under such new lease and the Lender Party shall be liable under this Lease or such new lease only for the period of time that the Lender Party remains the Lessee thereunder, provided that the Lender Party attorns to the Lessor and agrees to be subject to the restrictions of this Lease. Furthermore, the parties specifically agree that the Buildings and Improvements, and all alterations and additions thereto, shall be the property of Lessee until the expiration or earlier termination of the Lease Term, and that the Buildings and Improvements, and all alterations and additions thereto, may be subject to a security interest created by mortgage, deed of trust or otherwise.

iv. Lessor’s consent and approval shall not be required in connection with any the transfer of Lessee's interest in this Lease and the Buildings and Improvements through a judicial or non-judicial sale proceeding pursuant to a Leasehold Mortgage or any transfer pursuant to a deed or assignment in lieu of foreclosure, any sale or transfer in any bankruptcy or insolvency proceedings, or any similar transfer pursuant to any exercise of remedies under any Leasehold Mortgage (collectively, a “Foreclosure”), subject to compliance with the terms of this Section 11.02.

v. Upon any Foreclosure and resulting transfer of the Buildings and Improvements or any portion thereof, Lessor will recognize Leasehold Mortgagee, any affiliate or nominee of Leasehold Mortgagee, or any other person, firm or corporation acquiring the Premises or portion thereof as lessee under this Lease pursuant to any foreclosure, deed or assignment in lieu of foreclosure, or similar transfer pursuant to any exercise of remedies under any Leasehold Mortgage (collectively, a “Purchaser”), on the same terms and provisions and with all of the rights and privileges of Lessee, provided such Purchaser agrees to assume and be bound by all of the terms, covenants and conditions of this Lease pursuant to an assumption agreement as described above, and provided that Leasehold Mortgagee or other Purchaser shall cure all defaults under this Lease as required under the provisions of this Section 11.02, including those with regard to the

payment of past due rentals, within the curative period provided in subsection (a) above. No consent or approval by Lessor shall be required in connection with the commencement or completion of any Foreclosure or any assignment or transfer of Lessee's rights under this Lease in connection with any such Foreclosure.

vi. In the event that any Purchaser shall acquire the rights of Lessee pursuant to the provisions of this Section, such Purchaser will attorn to Lessor, and Lessor will recognize Purchaser as the lessee under this Lease. The Purchaser shall thereupon be deemed to have assumed all of the obligations of the Lessee to Lessor under this Lease, and provided that the Purchaser shall not be deemed to have assumed any responsibility or liability for any unsatisfied indemnification obligations of Lessee under the Lease, nor any responsibility or liability to any third party for any liabilities or obligations of the Lessee under this Lease, arising prior to the Purchaser's acquisition of the Leasehold Interest.

vii. In the event that the Leasehold Mortgagee or any affiliate or nominee thereof shall acquire the Leasehold Interest pursuant to the Leasehold Mortgage and the provisions set forth above, Leasehold Mortgagee or such affiliate or nominee shall be entitled to further assign the Leasehold Interest in connection with the sale and assignment of such interest and the Buildings and Improvements, without the further consent or approval of the Lessor. Any subsequent assignment of the Leasehold Interest shall be subject to such consent as required under the terms of this Lease.

viii. Any such mortgage or deed of trust shall grant to the Lessor the right to cure any default by Lessee. The exercise of such right to cure shall be in the sole discretion of the Lessor.

ix. Lessor hereby consents to Lessee granting one or more Leasehold Mortgages to [name of leasehold mortgagee] on all or any portion of the Buildings and Improvements in connection with the financing of construction of the Affordable Apartments. For so long as [name of leasehold mortgagee] holds a Leasehold Mortgage, all notices to [name of leasehold mortgagee] as a Leasehold Mortgagee hereunder shall be sent to:

[name of leasehold mortgagee]

[ ]

[ ]

b. Lessor's Estate. Lessor shall have the right to freely mortgage Lessor's Estate; provided that Lessor gives notice of its intent to make such an encumbrance

to Lessee and any Leasehold Mortgagee and provided any such mortgage shall in no way impair the rights of the Lessee under this Section 13, and provided that any such mortgage shall be expressly subject and subordinate to this Lease and the prior lien of any Leasehold Mortgage. Lessor shall not transfer or otherwise dispose of the property without Lessee's consent, which consent shall not be unreasonably withheld provided that such transfer will not disturb this Lease or any interest of any Leasehold Mortgagee in the leasehold estate or the Buildings and Improvements. Lessor agrees to enter into, and to cause any fee lender to enter into, a subordination, nondisturbance and attornment agreement if requested by any Leasehold Mortgagee.

c. Payment of Mortgages. Lessee covenants to and agrees with Lessor that all sums which fall due under any note secured by any mortgage on Lessee's leasehold interest or in the Buildings and Improvements will be paid as and when due, and that Lessee, as borrower, will comply with all its obligations under the mortgage and the related loan documents. Lessee, on a monthly basis, shall, upon written request of Lessor, provide Lessor evidence, in form and substance reasonably satisfactory to Lessor, that such payments have been made.

d. Estoppel Certificate. Lessor agrees at any time and from time to time when requested by Lessee (including, without limitation, during the Compliance Period) or the holder of any mortgage or deed of trust, to execute, acknowledge and deliver to Lessee or the holder of such instrument within 30 days after receipt of such written request, a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications); that there are no defaults hereunder by Lessee, if such is the fact and otherwise specifying such defaults in detail; and the dates to which the rent and other charges have been paid. It is intended that any such statement delivered pursuant to this section may be relied upon by the holder of any such mortgage, deed of trust, or other instrument of security or any prospective purchaser of Lessee's leasehold estate. Lessor agrees to use its best efforts to provide such statement in a shorter period of time than requested by Lessee or any other interest holder.

e. Liens and Encumbrances. The parties hereto understand and agree that any liens are subordinate to the Lease and that the Lease is superior and prior in time to such liens.

### **11.03 Leasehold Mortgagee's Protection Clause.**

a. Each party hereto agrees to send to any Leasehold Mortgagee or holder of a leasehold deed of trust, by electronic transmission, such as e-mail, or by registered or certified mail, return receipt requested, a copy of any notice of default under this Lease served upon the other party simultaneously with such notice and

upon prior written notice of any modification, amendment or termination of this Lease, provided that prior to such notice such party has been notified, in writing or by electronic transmission, such as e-mail, of the address of such mortgagees or holders of deeds of trust. Each party further agrees that if the other party shall have failed to cure such default within the time provided for in this Lease, then the Leasehold Mortgagee or holders of deeds of trust shall have an additional 90 days from the end of such expired cure period within which to (i) cure such default or if such default cannot be cured within that time, then in such additional time as may be necessary if within such 90 days any Leasehold Mortgagee or holder of a deed of trust has commenced and is diligently pursuing the remedies necessary to cure such default (including, but not limited to, commencement of foreclosure proceedings, if necessary to effect such cure) in which event this Lease shall not be terminated while such remedies are being so diligently pursued, or (ii) if this Lease is terminated due to a default by Lessee hereunder, give Lessor written notice of its intention to enter into a lease with Lessor as described below. If this Lease is terminated due to a default by Lessee hereunder, or if this Lease otherwise terminates, whether by operation of law or otherwise, Lessor shall give prompt written notice of such termination to each Leasehold Mortgagee. Provided Lessor receives notice not later than the 60<sup>th</sup> day after Lessor gives notice to each Leasehold Mortgagee that the Lease has terminated and Lessor receives timely notice of the intention of a mortgagee or holder of a deed of trust to enter into a lease with Lessor, Lessor shall enter into a lease on the same terms and conditions as this Lease for a term of no shorter than the remaining term on the Lease (including rights to all extension or renewal options that have not been exercised) with any such mortgagee or holder of a deed of trust or any partner thereof covering the leasehold estate or the Buildings and Improvements, if such mortgagee or holder of a deed of trust so desires, on the condition that the mortgagee or holder of a deed of trust pay to the Lessor the monetary obligations of Lessee due hereunder up to and including the date such lease commences and that such mortgagee or holder of a deed of trust agrees to use the Premises for the purposes set forth in Section 5 hereof. If more than one (1) Leasehold Mortgagee timely gives Lessor a written request for such a new lease, then Lessor shall enter into such new lease with the Leasehold Mortgagee holding, immediately prior to such termination, the lien which is senior, in terms of lien priority (determined by taking all subordination agreements into account), to the liens held by the other requesting Leasehold Mortgagees. Nothing in this Section 11.03 shall be construed to obligate any Leasehold Mortgagee to remedy any default of the Lessee, and any failure of any Leasehold Mortgagee to complete any such cure after commencing the same shall not give rise to any liability of any Leasehold Mortgagee (or its designee) to the Lessor or the Lessee.

b. Lessor shall accord to persons who are limited partners or members of Lessee the same rights granted to mortgagees and holders of deeds of trust under

this Section 11.03, and any performance by such limited partner(s) or member(s) of Lessee shall be considered performance by the Lessee hereunder.

c. Notwithstanding anything to the contrary set forth herein, in no event shall any election by Lessee to terminate this Lease in connection with any casualty, condemnation or similar event have any force or effect unless the Tax Credit Investor and each Leasehold Mortgagee with a recorded leasehold deed of trust consents to such termination, in writing, in its sole and absolute discretion. In all events, the Lessee election to terminate this Lease hereunder shall not take effect until 180 days after written receipt by the Lessor of such election to terminate. In no event shall any abandonment of the Premises or the Leasehold Interest or any action by Lessee to terminate this Lease be effective without the prior written consent of each Leasehold Mortgagee. Lessor agrees that it shall give notice of any such abandonment or action by Lessee to each Leasehold Mortgagee, and Leasehold Mortgagee shall thereupon be entitled to exercise its rights and remedies under its Leasehold Mortgage and the provisions of this Section 11.03.

d. In any case in which there shall be more than one Leasehold Mortgage, each Leasehold Mortgagee shall be entitled to the benefit of the provisions of this Section 11.03; provided, that (i) any actions or elections permitted to be taken or made hereunder shall be determined and exercised by the Leasehold Mortgagee whose Leasehold Mortgage is most senior in priority (unless otherwise directed in writing by such senior Leasehold Mortgagee), and (ii) the time periods in this Section 11.03 for any action or response by a Leasehold Mortgagee shall run concurrently for all Leasehold Mortgagees.

## ARTICLE XII – HAZARDOUS MATERIALS

**12.01 Definitions.** “Hazardous Materials” will mean any material, substance or waste that, due to its characteristics or interaction with one or more other substances, wastes, chemicals, compounds or mixtures, is or has the characteristic of being damaging or threatening to health, safety, or the environments; is hazardous, toxic, ignitable, reactive or corrosive, including, without limitation, petroleum, PCBs, asbestos, materials known to cause cancer or reproductive problems and those materials, substances and/or wastes, including infectious waste, medical waste, and potentially infectious biomedical waste, which are or later become regulated by any local governmental authority, the State of Idaho or the United States Government, including substances defined as “hazardous substances,” “hazardous materials,” “toxic substances” or “hazardous wastes” in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq.; or the Solid Waste Disposal Act, 42 U.S.C. § 6901 et seq.; all corresponding and related State of Idaho and local statutes, ordinances and regulations, including without limitation any dealing with

underground storage tanks; and in any other environmental law, regulation or ordinance now existing or hereinafter enacted (collectively, “**Hazardous Materials Laws**”).

**12.02 Use of Premises by Lessee; Remediation of Contamination Caused by Lessee.**

a. Use. Lessee hereby agrees that Lessee and Lessee’s officers, directors, employees, representatives, agents, contractors, subcontractors, successors, assigns, lessees, sublessees, concessionaires, invitees and any other occupants of the Premises (for purpose of this Section 12.02, referred to collectively herein as “**Lessee’s Representatives**”) will not use, generate, manufacture, refine, produce, process, store or dispose of, on, under or about the Premises or transport to or from the Premises in the future for the purpose of generating, manufacturing, refining, producing, storing, handling, transferring, processing or transporting Hazardous Materials, except in compliance with all applicable Hazardous Materials Laws. Furthermore, Lessee will, at its own expense, procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for the storage or use by Lessee or any of Lessee’s Representatives of Hazardous Materials on the Premises, including without limitation, discharge of appropriately treated materials or wastes into or through any sanitary sewer serving the Premises.

b. Remediation. If at any time during the Term any contamination of the Premises by Hazardous Materials occurs where the contamination is caused by the act or omission of Lessee or Lessee’s Representatives (“**Lessee Contamination**”), then Lessee, at its sole cost and expense, will promptly and diligently remove the Hazardous Materials from the Premises, or the groundwater underlying the Premises, to the extent reasonably possible in accordance with the requirements of the applicable Hazardous Materials Laws and industry standards then prevailing in the Hazardous Materials management and remediation industry in Idaho. However, Lessee will not take any required remedial action in response to any Lessee Contamination in, on or about the Premises or enter into any settlement agreement, consent, decree or other compromise in respect to any claims relating to any Lessee Contamination without first notifying Lessor of Lessee’s intention to do so and affording Lessor the opportunity to appear, intervene or otherwise appropriately assert and protect Lessor’s interest with respect thereto. In addition to all other rights and remedies of the Lessor hereunder, if Lessee does not promptly and diligently take all steps to prepare and obtain all necessary approvals of a remediation plan for any Lessee Contamination, and thereafter commence the required remediation of any Hazardous Materials released or discharged in connection with Lessee Contamination within thirty (30) days after Lessor has reasonably approved Lessee’s remediation plan and all necessary approvals and consents have been obtained and thereafter continue to prosecute said remediation to completion in accordance with the approved remediation plan, then Lessor, at



its sole discretion, will have the right, but not the obligation, to cause said remediation to be accomplished, and Lessee will reimburse Lessor within fifteen (15) business days of Lessor's demand for reimbursement of all amounts reasonably paid by Lessor (together with interest from the date of expenditure on said amounts at Lessor's Interest Rate until paid), when the demand is accompanied by proof of payment by Lessor of the amounts demanded. Lessee will promptly deliver to Lessor copies of hazardous waste manifests reflecting the legal and proper disposal of all Hazardous Materials removed from the Premises as part of Lessee's remediation of any Lessee Contamination.

c. Disposition of Hazardous Materials. Except as discharged into the sanitary sewer or otherwise removed from the Premises in strict accordance and conformity with all applicable Hazardous Materials Laws, Lessee will cause any and all Hazardous Materials removed from the Premises as part of the required remediation of Lessee Contamination to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of the materials and wastes.

**12.03 Notice of Hazardous Materials Matters.** Each party (for purposes of this Section, "Notifying Party") will immediately notify the other party (the "Notice Recipient") in writing of: (a) any enforcement, clean-up, removal or other governmental or regulatory action instituted, contemplated or threatened concerning the Premises pursuant to any Hazardous Materials Laws; (b) any claim made or threatened by any person against the Notifying Party or the Premises relating to damage contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Materials on or about the Premises; and (c) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials in or removed from the Premises including any complaints, notices, warnings or asserted violations in connection therewith, all upon receipt by the Notifying Party of actual knowledge of any of the foregoing matters. Notifying Party will also supply to Notice Recipient as promptly as possible, and in any event within five (5) business days after Notifying Party first receives or sends the same, with copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Premises or Lessee's use thereof.

**12.04 Environmental Indemnification.** Lessee will indemnify, defend, and hold Lessor, and each of Lessor's elected and appointed officials, employees, agents, attorneys, successors and assigns, harmless from and against any and all claims, actions, causes of action, liabilities, penalties, forfeitures, damages, losses or expenses (including, without limitation, reasonable attorneys' fees and costs through litigation and all appeals) resulting from death of or injury to any person or damage to any property whatsoever, or government mandated remediation plans arising from or caused in whole or in part, directly or indirectly by (a) any Lessee Contamination, (b) Lessee's failure to comply with any Hazardous Materials Laws with respect to the Premises, or (c) a breach of any covenant,

warranty or representation of Lessee under Article XIII of this Lease. Lessee's obligations hereunder will include, without limitation, and whether foreseeable or unforeseeable, all costs of any required or necessary repair, clean-up or detoxification or decontamination of the Premises, and the preparation and implementation of any closure, remedial action or other required plans in connection therewith. For purposes of the indemnity provisions hereof, any acts or omissions of Lessee or Lessee's employees, agents, assignees, members, volunteers, lessees, sublessees, contractors or subcontractors or others acting for or on behalf of Lessee (whether or not they are negligent, intentional, willful or unlawful) will be strictly attributable to Lessee. The foregoing indemnification shall survive the dissolution of the Lessee and any transfer of the Premises but will not extend to conditions not attributable to Lessee or which existed prior to the Effective Date.

### **ARTICLE XIII – REPRESENTATIONS AND WARRANTIES**

**13.01 Lessee's Representations and Warranties.** Lessee makes the following express representations and warranties to City, which are continuing during the term of this Lease. Lessee will promptly notify City if Lessee discovers any of Lessee's representations or warranties are not true and correct in any material respect (either when initially made or any time thereafter). Upon City's request, Lessee will provide reasonable evidence confirming these representations and warranties.

- a. Lessee is lawfully organized as a limited partnership and is duly authorized to do business in the State of Idaho and the United States;
- b. Lessee has the full right, power, and authority to make, execute, deliver and perform this Lease;
- c. The execution, delivery and performance of this Lease have been duly authorized by all requisite entity action of Lessee and there is no provision in its charter documents or other documents requiring further consent by any other person or entity;
- d. This Lease constitutes the legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms, reorganization, moratorium or similar laws affecting or limiting creditors' rights generally or by equitable principles relating to enforceability; and
- e. Lessee is financially solvent, able to pay its debts as they mature except as enforceability may be limited by applicable bankruptcy, mature and has sufficient capital to complete its obligations under this Lease.
- f. There is no action, suit, litigation or proceeding pending or, to Lessee's knowledge, threatened against Lessee that could prevent or impair Lessee's entry into this Lease and/or performance of its obligations thereunder.

g. If Lessee becomes liable under any statute, regulation, ordinance or other provision of federal, state, or local law pertaining to the protection of the environment or otherwise pertaining to public health or employee health and safety, including, without limitation, protection from hazardous waste, lead-based paint, asbestos, methane gas, urea formaldehyde insulation, oil, toxic substance, underground storage tanks, polychlorinated biphenyls (PCBs), and radon, the Lessee is required to discharge such costs, expenses, damages, or liabilities in whole or in part from any source. The foregoing indemnification shall survive the dissolution of the Lessee and any transfer of the Premises.

**13.02 City's Representation and Warranties.** City makes the following express representations and warranties to Lessee, which are continuing during the term of this Lease. City will promptly notify Lessee if City discovers any of City's representations or warranties are not true and correct in any material respect (either when initially made or any time thereafter). Upon Lessee's request, City will provide reasonable evidence confirming these representations and warranties:

a. Lessor owns fee simple title to the Real Property, free and clear of all liens, charges, encumbrances, encroachments, easements, restrictions, leases, tenancies, occupancies or agreements and other matters affecting title, except for those matters affecting title which are of record. The Real Property is in compliance with all easements, restrictions, and other matters affecting title as of the date hereof. As of the Effective Date, Lessor has good and marketable title to the Real Property. Lessor has, at Lessee's sole cost and expense, provided Lessee with a policy of title insurance covering the Real Property, receipt of which is hereby acknowledged;

b. Authorization for Lessor to enter into this Lease is governed by Idaho Code § 50-1407. In accordance therewith, and notwithstanding anything to the contrary herein, the authorization for the execution, delivery and performance of this Lease will occur when it is approved by resolution of the City of Boise's City Council. The execution, delivery, and performance of this Lease will occur when executed by the Mayor of the City of Boise, in accordance with such prior authorization. There is no provision in its charter documents or other documents requiring further consent by any other person or entity;

c. This Lease constitutes the legal, valid and binding obligation of City, enforceable against City in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, reorganization, moratorium or similar laws affecting or limiting creditors' rights generally or by equitable principles relating to enforceability; and

d. Upon Lessee's payment of all Rent due under this Lease and Lessee's performance of the covenants, conditions, and agreements of Lessee under this Lease, Lessee will and may peaceably and quietly have, hold, and enjoy the Premises for the Term.

e. Lessee shall have full access to the Premises for the Project. In connection therewith, in the ordinary course of its business and in furtherance of renovating or constructing the Buildings and Improvements and pursuing the Project, Lessee may unilaterally seek and procure any easements, rights of way, utility agreements, or other related documents that relate to or otherwise encumber the Premises so long as they benefit or otherwise facilitate Lessee completing the Project and using the Premises in the manner permitted hereunder. Lessor agrees to accommodate in all reasonable respects with such rights of Lessee. Lessor shall have no liability under any encumbrance of the Premises by Lessee, and Lessee shall indemnify and hold harmless Lessor from any such claims.

f. There are no unpaid special assessments of which Lessor has received notice, or of which Lessor is otherwise aware, for sewer, sidewalk, water, paving, gas electrical or utility improvements or other capital expenditure, matured or unmatured, affecting the Premises.

g. Lessor is not obligated under any contract, lease or agreement, oral or written, with respect to ownership, use, operation, management, maintenance, lease, sale or financing of the Premises except as previously disclosed to Lessee.

h. No representation, statement or warranty by Lessor contained in this Lease or in any exhibit attached hereto contains any untrue statement or omits a material fact necessary to make the statement of fact therein recited not misleading.

i. There is no action, suit, litigation or proceeding pending or, to Lessor's knowledge, threatened against Lessor and/or the Premises which could prevent or impair Lessor's entry into this Lease and/or performance of its or any of Lessee's obligations hereunder or materially and adversely impact Lessee's rights hereunder.

j. There are no pending condemnation proceedings relating to any portion of the Premises, and Lessor has received no notices of the institution or the proposed institution of condemnation proceedings relating to any portion of the Premises or of any other proceedings against or any taking of all or any part of the Premises.

k. There are no special assessments assessed or due with respect to pending or completed public improvements.

l. There is no pending or threatened litigation, governmental proceedings, notice of action required to be taken, judgment or cause of action against or related to the Premises, or any portion thereof, or against the Lessor or Lessor's agents with respect to the Premises or any portion thereof.

m. Except as may be referenced in any environmental assessment prepared at Lessee's request and provided to Lessor, Lessor has not received written notice from any governmental entity of a violation of, and to Lessor's actual knowledge,

the Premises are not in violation of, nor is it currently under investigation for, a violation of, any federal, state or local law, ordinance or regulation relating to industrial hygiene, worker health and safety, or environmental conditions in, at, on, under or about the Premises, including, but not limited to, soil and groundwater conditions. Lessor has not, and to Lessor's actual knowledge, no one else has used, generated, manufactured, stored or disposed in, at, on, under or about the Premises or transported to or from the Premises any Hazardous Materials, and to Lessor's actual knowledge there are no Hazardous Materials on, under or about the Premises there has been no discharge, migration, or release of any Hazardous Materials from, into, on, under or about the Premises, to Lessor's actual knowledge, there is not now, nor has there ever been on or in the Premises, any underground or above ground storage tanks or surface impoundments, any asbestos-containing materials or any polychlorinated biphenyls, including without limitation those used in hydraulic oils, electric transformers, or other equipment.

#### **ARTICLE XIV - GENERAL PROVISIONS**

**14.01 Inspection.** Lessee shall submit an annual report to Lessor in a form satisfactory to Lessor, together with a certification that the Project is in compliance with this Lease, including Lessee eligibility, income requirements, rents, maintenance and repairs, and tenancy rates and vacancy rates. Under the reasonable discretion of Lessor, Lessor agrees to accept annual recertification reporting documents required by IHFA. Upon reasonable request, Lessee shall permit representatives of Lessor to enter and inspect the Project during regular business hours to verify compliance with this Lease. The provisions contained in this section shall not increase Lessor's obligations under this Lease, and the right and authority hereby reserved does not impose upon Lessor any responsibility for the repair, care or supervision of the Premises, Buildings and Improvements, or any building, equipment or appurtenance thereto.

**14.02 No Abatement.** Except as otherwise specifically provided herein, there shall be no abatement or reduction of any Rent payable by Lessee for any reason, including, but without limiting the generality of the foregoing: (a) by reason of any damage or destruction of the Premises whether caused by an insured or uninsured peril, condemnation or other matters like or unlike the foregoing, or during any period of restoration, or (b) by reason of diminution of the amount of usable space caused by legally required changes in the construction, equipment, operation or use of the Premises.

**14.03 Time is of the Essence.** Time is and shall be deemed of the essence in respect to the performance of each provision of this Lease.

**14.04 Unavoidable Delay.** If either Party will be delayed or prevented from the performance of any act required by this Lease by reason of acts of God, strikes, lockouts, labor troubles, inability to procure materials, restrictive governmental laws, or regulations or other cause, without fault and beyond the reasonable control of the Party obligated (financial inability excepted), the Party so delayed will provide Lessor with prompt notice

detailing the delay and then performance of the act will be excused for a reasonable period of the delay, and the period for the performance of any act will be reasonably extended for a period equivalent to the period of the delay; provided, however, nothing in this Section will excuse Lessee from the prompt payment of any Rent or other charge required of Lessee except as may be expressly provided elsewhere in this Lease. In any case where work shall be paid for out of insurance proceeds or condemnation awards, due allowance shall be made, both to the party required to perform such work and to the party required to make such payment, for delays in the collection of such proceeds and awards.

**14.05 Business Days.** If any amount payable hereunder becomes due on a Saturday, Sunday, or banking holiday, then such amount shall be due and payable on the next business day following such Saturday, Sunday, or holiday.

**14.06 Headings.** The headings contained in this Lease are for convenience of reference only and shall not be considered in the construction or interpretation of any provision hereof.

**14.07 Notices.** All notices provided to be given under this Lease shall be given by certified or registered mail, return receipt requested, postage fully prepaid, addressed to the proper party at the following addresses:

LESSOR: City of Boise City  
Attn: Strategic Real Estate Manager  
150 N. Capitol Blvd.  
Boise, Idaho 83702

With copy to: Boise City Attorney's Office  
150 N. Capitol Blvd.  
Boise, Idaho 83702

LESSEE: BOISE CITY HOUSING AUTHORITY  
Attn:  
[Address]  
[City][State][Zip]

With copy to:

With copy to:

LEASEHOLD MORTGAGEES:  
[Add notice addresses]

TAX CREDIT INVESTOR:

[Add notice address]

Any notice so given shall be deemed properly delivered, given, served, or received on the date shown for delivery or rejection on the return receipt. Any party may change the address to which notices shall thereafter be given upon five (5) days prior written notice to all other parties in the manner set forth in this paragraph.

Notwithstanding the foregoing, a notice party may, in its discretion, agree to accept notices and other communications to it under this Lease by electronic communications (including email and internet or intranet websites) pursuant to procedures approved by said recipient party. In furtherance of the foregoing, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an internet or intranet website shall be deemed received upon the "receipt" by the intended recipient, at its e-mail address as described in clause (i), of notification that such notice or communication is available and identifying the website address, provided, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day.

**14.08 Attorney's Fees.** If either party brings any action or proceedings to enforce, protect or establish any right or remedy under the terms and conditions of this Lease, the prevailing party shall be entitled to recover reasonable attorney's fees, as determined by a court of competent jurisdiction, in addition to any other relief awarded.

**14.09 Idaho Law and Venue.** The laws of the State of Idaho shall govern the validity, interpretation, performance and enforcement of this Lease. The Parties irrevocably agree that venue for any action between them in connection with this Lease shall be exclusively brought and maintained in the Fourth Judicial District of the Idaho state courts located in Ada County, Idaho.

**14.10 Interpretation.** Words of gender used in this Lease shall be held and construed to include any other gender, and words in the singular shall be held to include the plural and vice versa unless the context otherwise requires.

**14.11 Entire Agreement.** This Lease contains the entire agreement between the Parties and supersedes any other agreements or understandings, oral or written, whether previous to the execution hereof or contemporaneous herewith..

**14.12 Amendments.** This Lease may not be modified orally or in any manner other than by agreement executed by authorized signatories for each Party. Notwithstanding anything to the contrary set forth in this Lease, this Lease may not be

amended, modified, changed, cancelled, waived or terminated without the prior written consent of Lessor, Lessee, all Leasehold Mortgagees and the Tax Credit Investor, which consent shall not be unreasonably withheld, delayed or conditioned.

**14.13 Additional Documents.** The parties hereto agree that they will, at any time hereafter, upon reasonable request of the other, execute and deliver such bills of sale, deeds, releases, and waivers, and other instruments, papers or documents as the other party may reasonably require for the purpose of giving full effect to the provisions of this Agreement.

**14.14 Severability.** If any provision of this Lease is found by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remainder of this Lease will not be affected, and in lieu of each provision which is found to be illegal, invalid, or unenforceable, there will be added as part of this Lease a provision as similar to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid and enforceable.

**14.15 Successors and Assigns.** All of the terms, provisions, covenants and conditions of this Lease shall inure to the benefit of and be binding upon Lessor and Lessee and their successors, assigns, legal representatives, heirs, executors and administrators.

**14.16 No Partnership or Joint Venture.** The relationship created hereby between the parties is one of Lessor and Lessee. Nothing contained in this Lease shall create or be construed to create a partnership or joint venture between Lessor and Lessee.

**14.17. Limited Third-Party Rights.** Notwithstanding anything to the contrary set forth elsewhere in this Lease, the Tax Credit Investor and each Leasehold Mortgagee shall be deemed a third-party beneficiary of the provisions of this Lease that reference the Tax Credit Investor or limited partner and/or the Leasehold Mortgagees, and the Tax Credit Investor and each Leasehold Mortgagee shall have rights to enforce such terms (as applicable). The foregoing rights of the Tax Credit Investor and each Leasehold Mortgagee to be a third-party beneficiary under this Lease shall be the only rights (express or implied) of the Tax Credit Investor and each Leasehold Mortgagee, to be a third-party beneficiary under this Lease.

**14.18 No Merger.** There shall be no merger of this Lease or any interest in this Lease nor of the leasehold estate created hereby, with the fee estate in the Premises, by reason of the fact that this Lease or such interest therein, or such leasehold estate may be directly or indirectly held by or for the account of any person who shall hold the fee estate in the Premises, or any interest in such fee estate, nor shall there be such a merger by reason of the fact that all or any part of the leasehold estate created hereby may be conveyed or mortgaged in a Leasehold Mortgage to a Leasehold Mortgagee who shall hold the fee estate in the Premises or any interest of the Lessor under this Lease.



**14.19 Lease Execution.** This Lease may be executed electronically and in or more counterparts, each executed counterpart constituting an original agreement altogether constituting only one agreement.

**14.20 Short Form.** The parties hereto shall execute and record a memorandum of this Lease in short form and with the content contained in Exhibit C, attached hereto and incorporated by reference, to evidence Lessee's interest in the Premises.

[Signatures to Follow]

DRAFT

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Lease the day and year first above written.

**LESSOR:**

BOISE CITY,  
a municipal corporation

By: \_\_\_\_\_  
Lauren McLean  
MAYOR

**LESSEE:**

BOISE CITY HOUSING AUTHORITY, an Idaho independent  
public body corporate

By: \_\_\_\_\_  
Deanna Watson  
EXECUTIVE DIRECTOR

[when assigned]

**[the NWRECC entity],  
an Idaho limited partnership,**

By: Company  
Its: Title

By: Company  
Its: Title

By: \_\_\_\_\_  
Name:  
Its: President and CEO

STATE OF IDAHO                    )  
  )  SS  
COUNTY OF ADA                    )

On this \_\_\_\_ day of \_\_\_\_\_, 202\_\_, before me appeared **LAUREN McLEAN**, to me known to be the person described in and who executed the foregoing instrument, as the **MAYOR** of **BOISE CITY**, a municipal corporation, and acknowledged that she executed the said instrument and acknowledged to me that such municipal corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year first above written.

\_\_\_\_\_  
Notary Public for Idaho  
Residing at Boise, Idaho

My Commission Expires: \_\_\_\_\_

DRAFT

STATE OF IDAHO )  
 ):ss  
COUNTY OF ADA )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2023, before me, a Notary Public in and for said State, personally appeared Deanna Watson, known or identified to me to be the Executive Director of BOISE CITY HOUSING AUTHORITY, an Idaho independent public body corporate, and acknowledged to me that she executed said instrument on behalf of said entity.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

\_\_\_\_\_  
Notary Public for Idaho  
Residing at \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**EXHIBIT A**

**REAL PROPERTY DESCRIPTION  
AND DEPICTION**

**[Insert Legal]**

DRAFT

**EXHIBIT B**

**PROJECT DESCRIPTION (BUILDINGS AND IMPROVEMENTS)  
SITE PLAN**

DRAFT

**EXHIBIT C**

**MEMORANDUM OF GROUND LEASE**

After recording, please return to:

City of Boise City  
Housing and Community Development Division  
Department of Planning and Development Services  
150 North Capitol Boulevard, 2nd Floor  
Boise, Idaho 83706  
Attention: Manager

---

[FOR RECORDER'S USE ONLY]

**MEMORANDUM OF GROUND LEASE**

This Memorandum of Ground Lease is dated as of [\_\_\_\_\_], 2024, by and between the city of Boise City, Idaho, a municipal corporation of the State of Idaho ("City" or "Lessor") and BOISE CITY HOUSING AUTHORITY, an Idaho independent public body corporate ("Lessee.").

1. Lease Agreement. Pursuant to a Ground Lease dated as of [\_\_\_\_\_], 2024, Lessor has leased to Lessee and Lessee has leased from Lessor the property located at the addresses commonly known as 860 W. Sherwood Street, Boise, Ada County, Idaho and more particularly depicted and described on Exhibit A attached hereto and incorporated herein (the "Real Property").

2. Term. The term of the Ground Lease begins on the Effective Date of the Ground Lease and continues for 75 years following the Rent Commencement Date, unless extended or sooner terminated.

3. Purpose of Memorandum. This memorandum is prepared for the purpose of recordation to give notice of the Ground Lease. This memorandum shall not constitute an amendment or modification of the Ground Lease, and in the event of any conflict between the terms of this memorandum and the Ground Lease, the terms of the Ground Lease shall control.

*[Signatures Follow]*

IN WITNESS WHEREOF, the parties have executed this Memorandum of Ground Lease as of the day and year first above written.

LESSOR: BOISE CITY

By: \_\_\_\_\_

Name: Lauren McLean  
Title: Mayor

LESSEE: BOISE CITY HOUSING AUTHORITY

By: \_\_\_\_\_  
Deanna Watson  
EXECUTIVE DIRECTOR

DRAFT



**EXHIBIT D**

**SPECIAL WARRANTY DEED**

*RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:*

\_\_\_\_\_  
\_\_\_\_\_

*(Space Above For Recorder’s Use)*

**SPECIAL WARRANTY DEED**

For value received, City of Boise City (“Grantor”), whose current address is 150 N. Capitol Blvd., Boise, Idaho 83702, conveys, grants, bargains, and transfers to the Boise City Housing Authority, an Idaho independent public body corporate (“Grantee”), whose current address is 1001 S. Orchard St., Boise, Idaho 83706, the following described real property situated in Ada County, State of Idaho:

A 47-unit apartment complex consisting of 42 two-bedroom units and 5 three-bedroom units (the “**Improvements**”), located on the +/- 1.33 acres of real property located at 860 W. Sherwood Street, Boise, Idaho 83702 (the “**Property**”), legally described as:

Lots 1 to 8 including Lots 13 to 20 including Block 14, Boise City  
Park Subdivision #9291344

This conveyance hereby of Improvements include all estate, right, title, interest, appurtenances to the land, and all improvements thereon, but *excludes*: the land; easement rights; mineral rights; water and water rights appurtenant to, or used on, the Property including (but not limited to) any right to receive natural flow and/or stored water delivered through any spring, ditch, canal, drain, or facilities, or under entitlements held by a third party for use on the Property.

Grantor covenants to the Grantee that Grantor is the owner in fee simple of the Improvements, that the Improvements are free from encumbrances made, done or suffered by Grantor excepting (a) real property taxes that are not yet due and payable; (b) matters recorded in the public records of Ada County, Idaho; or (c) matters made, done or suffered by Grantee, Grantor will warrant and defend the same from all lawful claims whatsoever arising by or through Grantor, but not otherwise.

DATED EFFECTIVE as of the date this Special Warranty Deed is recorded in the real property records of Ada County, Idaho

[ add signature block and notary block ]

NWRECC and BCHA Agreement

Agreement begins on following page

## OPTION TO PURCHASE AGREEMENT

THIS OPTION TO PURCHASE AGREEMENT ("*Agreement*") is made and entered into as of the 23<sup>rd</sup> day of July, 2024 ("*Effective Date*") by and between the Boise City Housing Authority ("*BCHA*" or "*Seller*") and Northwest Real Estate Capital Corp., an Idaho corporation, or its permitted assigns ("*Developer*" or "*Buyer*").

### RECITALS

A. Seller is under contract with the City of Boise City ("*City*" or "*Lessor*"), pursuant to that certain *Real Estate Donation Agreement* between the City and Seller, to acquire from the City a 47-unit apartment complex consisting of 42 two-bedroom units and 5 three-bedroom units, 65 parking spaces and related amenities including a play structure (the "*Improvements*"), located on real property situated in Ada County, State of Idaho, at 860 W. Sherwood Street, Boise, Idaho 83702, more particularly described as: Lots 1 to 8 including Lots 13 to 20 including Block 14, Boise City Park Subdivision #9291344 (the "*Real Property*"). The Real Property may also be referred to as "*City Property*." The Improvements include all appurtenances to the land and all improvements thereon, but *exclude*: the land; easement rights; mineral rights; water and water rights appurtenant to, or used on, the Real Property including (but not limited to) any right City may have to receive natural flow and/or stored water delivered through any spring, ditch, canal, drain, or facilities, or under entitlements held by a third party for use on the Real Property.

B. Such Improvements will be subject to a Ground Lease (the "*Ground Lease*"), by and between the Seller and the City, as Lessor and owner of the Real Property.

C. The City and Buyer are parties to that certain *Second Project Addendum* effective as of the 12th day of March, 2024 (the "*Addendum*") with respect to the redevelopment, financing, construction, and operation of the "*Project*," as defined by the Addendum. A copy of the Addendum is attached hereto as Exhibit A.

D. The terms "*Party*," when referred to individually, and "*Parties*," when referred to collectively, when used herein shall only refer to Seller and Buyer, and not to the City, which shall be referred to herein specifically as the City.

E. Following execution of the Addendum, Buyer has advanced the Project by performing various pre-construction activities in a good faith attempt to realize the terms of the Addendum.

F. BCHA, as Seller, has the common goal with the City of meeting the rising demand for permanent supportive housing, recognizing that the establishment of housing and provision of care and services to support continued housing are critical to addressing the homelessness in the community, and benefits the community as a whole regarding the public health and safety, economic stability, and overall general welfare.

G. Consistent with the Purpose and Scope of the Addendum, the Parties desire to enter into this Agreement to provide the Buyer with an option to purchase the Improvements for the Project on City Property upon terms and conditions as mutually agreed upon by the Parties.

H. This Agreement is intended to provide the Buyer with the confidence necessary to expend its resources and funds necessary to advance the Project while simultaneously using good faith efforts to negotiate any additional terms and conditions of the sale and purchase, as well as assumption of the City Ground Lease.

I. The Parties expressly acknowledge that the terms and conditions of this Agreement are not intended to and shall not affect the rights and/or obligations of the City under the Ground Lease unless agreed to in writing by the City.

### AGREEMENT

For good and valuable consideration, the sufficiency of which is hereby expressly acknowledged, the Parties agree as follows:

1. **Incorporation of Recitals and Exhibits.** The foregoing Recitals and Exhibits that follow are incorporated herein and made a part hereof by this reference.

2. **Capitalized Terms.** Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Addendum and/or the Ground Lease.

3. **Option to Purchase.** Seller hereby grants Buyer a binding option to purchase the Improvements and the leasehold interest in the Ground Lease (the "***Option***") on the following terms:

3.1. At any time prior to expiration of the Term (as defined below), Buyer may deliver written notice to Seller that Buyer elects to exercise the Option pursuant to the terms of this Agreement (the "***Option Exercise Notice***").

3.2. If Buyer fails to timely exercise the Option pursuant to Section 3.1 above, the Option shall automatically terminate and be of no further force and effect.

3.3. If Buyer timely delivers the Option Exercise Notice, the Parties shall, exercising good faith and commercially reasonable efforts, promptly proceed to negotiate and finalize the terms and conditions of the sale and purchase of the Improvements (the "***Sale***") within one hundred and eighty (180) calendar days following delivery of the Option Exercise Notice (the "***Option Period***"), with the following minimum terms:

3.3.1. The purchase price shall be within the range of twelve and one-half percent (12.5%) above and below Two Million Eight Hundred Fifty Thousand Dollars (\$2,850,000.00).

3.3.2. Buyer shall pay Seller the entire Purchase Price by wire transfer or other form of immediately available funds at the time of the Sale.

3.3.3. Execution of the Donation Agreement and Ground Lease are conditions precedent to the Sale.

3.3.4. Buyer shall fully assume Seller's rights and obligations under the Ground Lease.

3.4. The Option Period may be extended by mutual agreement of the Parties. In the event the Parties are unable to agree upon a final form of the purchase and sale documents and have not mutually agreed to extend the Option Period prior to its expiration, then Buyer may elect: (i) to extend the Option Period up to an additional one hundred and eighty (180) calendar days as is necessary to agree upon a final form of the purchase and sale documents, or (ii) terminate this Agreement by delivering written notice to the Seller (the "**Termination Notice**"). The Termination Notice will not effectuate termination of the Addendum, for which any notice of termination shall be provided by the terms provided for therein.

3.5. Within forty-five (45) days following delivery of the Termination Notice, Seller shall provide the Reimbursement (as defined below) to Buyer. This Agreement shall automatically terminate upon Seller's full payment of the Reimbursement and any interest accrued thereon in accordance with Section 5 below ("**Termination Date**").

4. **Term.** Subject to an extension pursuant to Section 3.4 above, the term of this Agreement shall commence on the Effective Date and continue until the date which is the earlier of: (i) the date the Parties complete the Sale, or (ii) one (1) year from the Effective Date of this Agreement, unless extended by written mutual agreement of the parties thereto (the "**Term**").

5. **Reimbursement.** In accordance with Section 3.4 above, if Buyer delivers the Termination Notice, then Seller shall reimburse Buyer for any earnest money or other deposits paid to Seller following the delivery of the Option Exercise Notice (the "**Reimbursement**"). The Reimbursement shall be payable within forty-five (45) days following delivery of the Termination Notice via cash, check, or wire to the location and/or financial institution account identified by Buyer in the Termination Notice. In the event Seller fails to timely deliver the Reimbursement, interest at a rate of twelve percent (12.0%) per annum shall accrue on the outstanding Reimbursement beginning on the forty-sixth (46th) day following delivery of the Termination Notice until paid in full.

6. **Public Disclosure and Confidentiality.** In general, this Agreement and other records relating to the Project may be subject to disclosure as required by the Idaho Public Records Act, as well as disclosure to the board of the Seller and/or the Boise City Council in its capacity as governing body of the City, as it relates to the Ground Lease and Donation Agreement. The Parties agree that, unless disclosure is required by applicable law or by required City process for approval, the Parties will not publicly disclose or discuss the terms of this Agreement and any oral or written information exchanged between the Parties in connection herewith without the agreement of the Parties. If disclosure is required under applicable law, then the disclosing Party will notify the other Party and will coordinate such disclosure to the extent practicable.

7. **Exclusivity.** During the Term, Seller shall not directly or indirectly: (i) solicit, initiate, or encourage the submission of any proposal or offer from any person or entity relating to, or enter into or consummate any transaction in relation to, the Improvements; (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate any other effort or attempt by any person or entity to do or seek any of the foregoing; or (iii) default on any term or condition of the Ground Lease, once executed. Seller will immediately notify Buyer in writing if any person or entity makes a proposal, offer, inquiry, or contact with respect to any of the foregoing, whether unsolicited or solicited, or if Seller is in default on any term or condition of the Ground Lease.

8. **Relationship of the Parties.** The relationship among the Parties is that of independent entities. Nothing in this Agreement shall be construed as creating an agency, partnership, joint venture or other form of joint enterprise, employment or other fiduciary relationship between the Parties and no Party shall have the authority to contract for or bind another Party in any manner.

9. **Memorandum of Agreement.** If requested by Buyer, within five (5) business days following the Effective Date, the Parties shall execute the Memorandum of Agreement, in substantially the form attached hereto as Exhibit B, and Seller shall thereafter record the same in the recorder's office of Ada County, Idaho, and delivery a copy of the recorded Memorandum of Agreement to Buyer.

10. **Legal Compliance.** The Parties assume full responsibility for their performance under the terms of this Agreement and acknowledge that time is of the essence. If at any time either Party is unable to perform their duties or responsibilities under this Agreement as required herein, the non-defaulting Party shall immediately provide written notice to the defaulting Party to establish a mutually agreed upon and reasonable date for resolution of the identified default.

11. **Assignability.** This Agreement may not be assigned without the written consent of the non-assigning Party; provided, however, Buyer may assign the same to a special purpose entity created solely for the Project.

12. **Notices.** Any notice or communication required or permitted under this Agreement shall be sufficiently given if delivered in person, by email, or by certified mail, return receipt requested, to the address set forth below or to such other address that has been delivered to the other party in writing.

Seller: Boise City Housing Authority  
Attn: Deanna Watson  
Executive Director  
1001 S. Orchard St.  
Boise, ID 83705

Buyer: Northwest Real Estate Capital Corp.  
Attn: Noel Gill  
President  
210 W. Mallard Drive, Ste. A  
Boise, ID 83706

13. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Idaho. In the event of a dispute, venue shall be in the courts of Ada County, Idaho.

14. **Amendment.** Amendments to this Agreement shall only be effective when agreed to in writing and signed by an authorized officer of each Party.

15. **Authority.** By the signature of its authorized representative on this Agreement, each Party declares and warrants such representatives are authorized to execute this Agreement on behalf their respective Party.

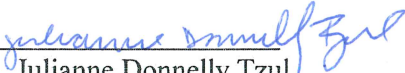
16. **Counterparts and Electronic Signatures.** This Agreement may be executed in one (1) or more counterparts via traditional or electronic means, each of which will be deemed an original and all of which, when taken together, will constitute one and the same original instrument.

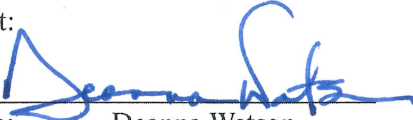
[Remainder of page left intentionally blank. Additional pages follow.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

**SELLER:**

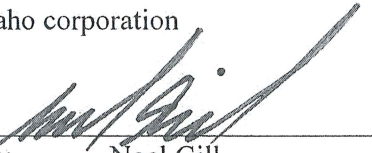
BOISE CITY HOUSING AUTHORITY, IDAHO,  
an independent public body corporate

By:   
Name: Julianne Donnelly Tzul  
Its: Board Chair  
Date: 7/23/24

Attest:  
By:   
Name: Deanna Watson  
Its: Executive Director  
Date: 7/23/24

**BUYER:**

NORTHWEST REAL ESTATE CAPITAL CORP.,  
an Idaho corporation

By:   
Name: Noel Gill  
Its: President  
Date: 7/23/24



**EXHIBIT A**

(Addendum)

*See attached.*

SECOND PROJECT ADDENDUM  
RFQ 22-220(E)  
860 W Sherwood St

This Second Project Addendum (the "Addendum") is entered into on March 12th, 2024 (the "Effective Date"), by and between Northwest Real Estate Capital Corp., an Idaho corporation ("NWRECC"), located at 210 W. Mallard Drive, Ste. A, Boise, Idaho 83706 ("Developer" or "Lessee"), and City of Boise located at 150 N Capitol Blvd, Boise, Idaho 83702 ("City" or "Lessor"). Lessee and City may be referred to individually as the "Party", or collectively, the "Parties".

1. PURPOSE AND SCOPE

The Parties hereby enter into this Addendum to the Master Services Contract RFQ 22-220(E) to summarize their mutual agreements for NWRECC to finance the rehabilitation of the 47-unit apartment complex consisting of 42 two-bedroom units and 5 three-bedroom units located on real property located at 860 W Sherwood Street, Boise, ID 83702 and to subsequently operate a Permanent Supportive Housing project (the "Project"). A depiction of the subject property ("Property") is attached hereto as Exhibit A. This Addendum is intended to set forth some of the material elements of the Project and material terms that each party will require in a final agreement, be that agreement a master lease ("Master Lease") or, if the improvements are conveyed, a ground lease (the "Ground Lease"); either may be referred to as "Lease" unless otherwise specified. The Lease will include additional terms and conditions which are not contained forth herein. The parties agree to negotiate in good faith the terms and provisions of the Lease and to use reasonable, diligent efforts to finalize and execute such Lease.

2. RESPONSIBILITIES AND OBLIGATIONS OF LESSEE

NWRECC agrees that the Project shall be developed under the following terms, conditions, and constraints:

- a. Not less than 80% of the subcontractors used for onsite construction work at the Project will be local subcontractors (which shall have an Idaho Public Works license if and to the extent required by Idaho State Code), unless it is impossible, infeasible or impractical for NWRECC to do so, in which case NWRECC agrees to use diligent, good faith efforts to use local subcontractors for as much of the onsite construction work as is feasible and practical.
- b. The Project will comply with all local and state building codes, and NWRECC will obtain any necessary planning and zoning approvals, including any conditional use permits or other entitlements necessary for the rehabilitation.
- c. 100% of the units will be designated as Permanent Supportive Housing, for a minimum period of 25 years except for potentially one unit set aside for any on-site staffing needs if those needs are not met elsewhere on the site. NWRECC will use Our Path Home CONNECT, Boise City and Ada County's Coordinated Entry System, for tenant referrals and unit vacancies will be filled by households exiting homelessness.
- d. NWRECC must implement, in alignment with the Housing First model:
  - i. A Property Management Plan that includes pre-eviction mediation planning;  
and

- ii. A Support Service Plan that (a) adheres to an evidence-based delivery model and (b) leverages available Medicaid billing or other mainstream resources (such as may be available to families with school-age children or with dependents in the household) which may include a developer-paid contribution.
- e. NWRECC shall secure financing. If a leasehold interest, contemplated by a Ground Lease, is intended to be pledged as security for a loan, NWRECC shall submit a substantially final version of all documents proposed in the loan transaction(s) along with a request for the City's consent in accordance with the terms of the Ground Lease, which consent shall not be unreasonably withheld.
- f. NWRECC will promptly obtain all necessary approvals, execute and deliver such papers, documents and instruments reasonably necessary or proper to effectuate a Lease.
- g. NWRECC will begin the rehabilitation on the Project as near to July 1, 2024, as is practical depending on the final agreement structure and subsequent financing, or such other feasible date that may be mutually agreed to by the parties after execution of this Addendum.
- h. If the City and NWRECC enter a Ground Lease, NWRECC shall notify the City prior to any assignment of the rights of NWRECC to enter into the Ground Lease, pursuant to this Addendum, to a special purpose limited partnership that will own the Project. Lessee will provide City copies of all pertinent documents executed by NWRECC to the special purpose limited partnership.

### 3. RESPONSIBILITIES AND OBLIGATIONS OF CITY

City of Boise agrees that the Project shall be developed under the following terms, conditions, and constraints:

- a. City, as Lessor, will retain an ownership stake, be it only in the land or in both the land and improvements.
- b. NWRECC will be allowed to conduct surveying and/or testing, as required for permitting prior to the execution of a Lease.
- c. Parties will negotiate a lease price that is contingent and will finalize upon the securing of all financing for the Project, but the parties hereto have contemplated that charged rents will:
  - i. be deferred for a period of not less than five (5) years;
  - ii. may escalate in five (5) year increments until on or around lease year seventeen, whether based on fixed rates or percentage of cash flow, and will thereafter increase annually; and
  - iii. will be negotiated based on overall project feasibility.
- d. City will provide project management services to proactively assist with required planning approvals, building permits and construction inspections through issuance of certificate of occupancy. City will promptly obtain all necessary approvals, execute and deliver such papers, documents and instruments reasonably necessary or proper to effectuate a Lease.
- e. City will use good faith, diligent efforts to cooperate with NWRECC in being able to begin rehabilitation by the date set forth above in Section 2(g) and to otherwise cooperate with NWRECC in seeking its applicable approvals, permits and financing for the Project.
- f. If the City and NWRECC enter a Ground Lease, City will allow NWRECC to assign its rights to enter into the Ground Lease to a special purpose limited partnership that will

own the Project. City shall maintain approval rights of the partners within the limited partnership.

#### 4. TERM OF ADDENDUM

The term of this Addendum shall be for a period of 48 months from the Effective Date and may be extended upon written mutual agreement of both Parties. Upon execution hereof, the parties will use diligent, good faith efforts to finalize and execute a Lease. If any provisions of the Lease conflict with this Addendum, the terms of the Lease will control.

#### 5. TERMINATION

Either party may decide not to proceed with the proposed Project and Lease for any reason or no reason by giving notice to the other Party 30 days prior to the effective date of termination, until a Lease is signed by both parties.

#### 6. LEGAL COMPLIANCE

The Parties acknowledge and understand that they must be able to fulfill their responsibilities under this Addendum in accordance with the provisions of the law and regulations that govern their activities. Nothing in the Addendum is intended to negate or otherwise render ineffective any such provisions or operating procedures. The Parties assume full responsibility for their performance under the terms of this Addendum. If at any time either Party is unable to perform their duties or responsibilities under this Addendum consistent with such Party's statutory and regulatory mandates, the affected Party shall immediately provide written notice to the other Party to establish a date for resolution of the matter.

#### 7. LIMITATION OF LIABILITY

No rights or limitation of rights shall arise or be assumed between the Parties because of the terms of this Addendum.

#### 8. NOTICE

Any notice or communication required or permitted under this Addendum shall be sufficiently given if delivered in person or by certified mail, return receipt requested, to the address set forth in the opening paragraph or to such address as one may have furnished to the other in writing.

#### 9. ASSIGNMENT

The qualifications and identity of NWRECC are of particular importance for the City based the award of a contract RFQ 22-220(E). Accordingly, except for the allowed assignment as provided for in provisions 2(h) and 3(f), any rights or obligations under this Addendum are not assignable or transferrable except with the written consent of the City. Any purported voluntary or involuntary assignment or transfer of NWRECC's rights and obligations hereunder, to any entity other than the special purpose limited partnership that will own the Project, without such written consent shall be null and void.

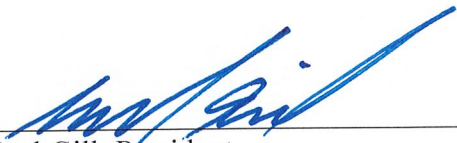
#### 10. GOVERNING LAW


This Addendum shall be governed by and construed in accordance with the laws of the State of Idaho.


## 11. AUTHORIZATION AND EXECUTION

By signing this Addendum, each Party represents and warrants it has received all the appropriate authorization and approvals to enter into this agreement.

This Addendum shall be signed by NWRECC and City of Boise and shall be effective as of the date first written above.

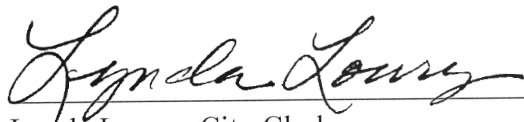
  
\_\_\_\_\_  
Noel Gill, President  
Northwest Real Estate Capital Corp.  
210 W. Mallard Drive, Ste. A  
Boise, Idaho 83706

  
\_\_\_\_\_  
(Date)

  
\_\_\_\_\_  
Lauren McLean, Mayor  
City of Boise  
150 N Capitol Blvd  
Boise, Idaho 83702

3/12/2024  
\_\_\_\_\_  
(Date)

ATTEST:

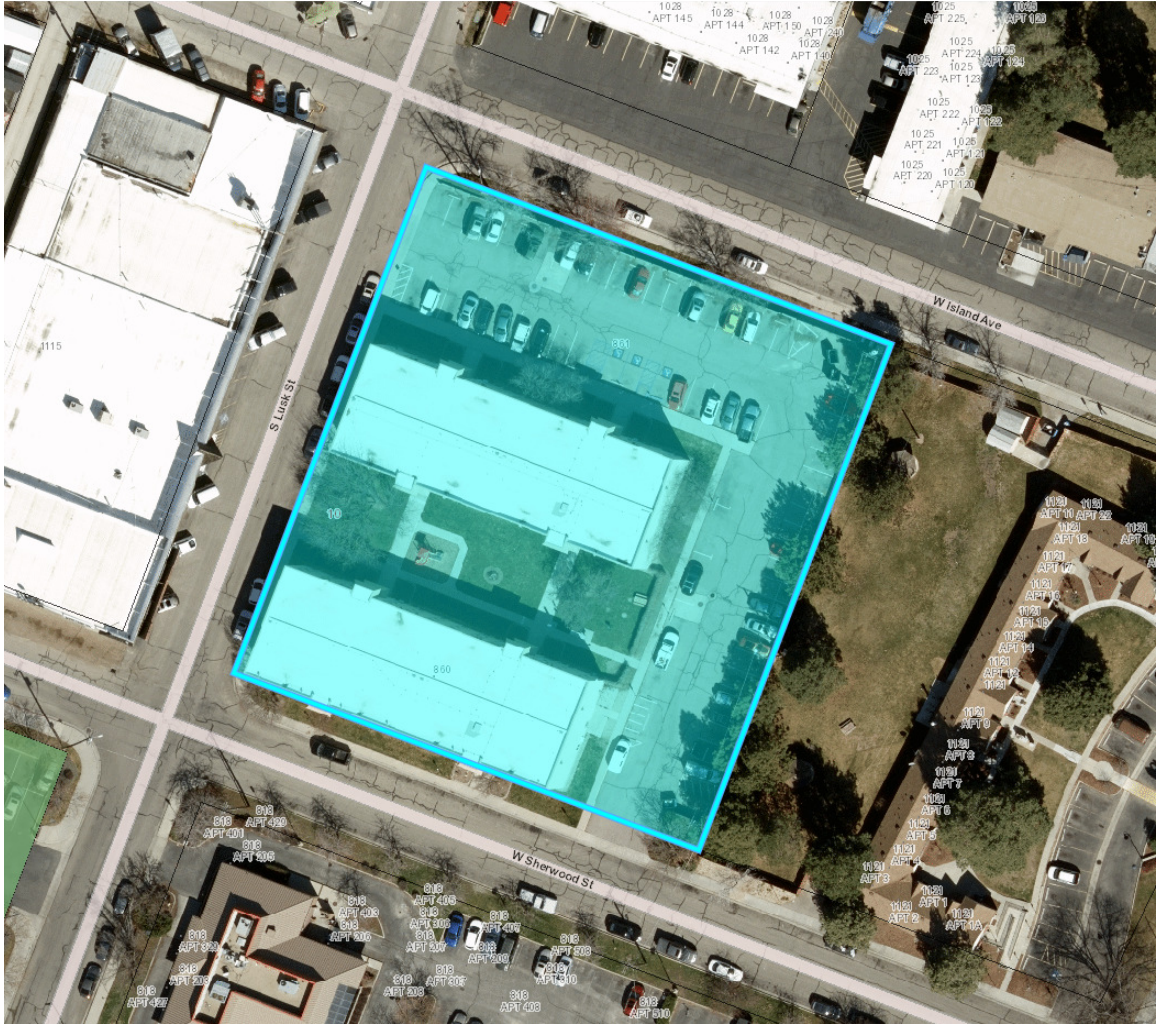
  
\_\_\_\_\_  
Lynda Lowry, City Clerk

3/12/2024  
\_\_\_\_\_  
(Date)



# EXHIBIT A

## PARCEL DEPICTION



**EXHIBIT B**

(Memorandum of Agreement)

*See below.*

WHEN RECORDED, RETURN TO:  
Northwest Real Estate Capital Corp.  
Attn: Noel Gill, President  
210 W. Mallard Drive, Ste. A  
Boise, Idaho 83706

Affecting Parcel Number(s):

---

MEMORANDUM OF AGREEMENT

*THIS MEMORANDUM OF AGREEMENT (“**Memorandum**”) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the Boise City Housing Authority (“**BCHA**” or “**Seller**”) and Northwest Real Estate Capital Corp., an Idaho corporation, or its permitted assigns (“**Buyer**”).*

This Memorandum provides record notice that Seller and Buyer have entered into that certain Option to Purchase Agreement, dated as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the “**Agreement**”), whereby the Seller has agreed to negotiate the terms of a purchase and sale of the “**Improvements**” (as defined in the Agreement), and Buyer has a certain rights and option to purchase as further described in the Agreement (“**Option**”), with respect to such Improvements located upon certain real property identified on Exhibit A attached hereto and incorporated herein by this reference, owned by the City of Boise City and subject to that certain Ground Lease, dated as of the \_\_\_\_ day of \_\_\_\_\_, 2024 (“**Ground Lease**”).

Seller and Buyer consent to the recording of this Memorandum in the public records of Ada County, Idaho and agree that this Memorandum shall be executed in recordable form. This Memorandum may be executed in counterparts, each of which shall constitute an original instrument.

[Signature blocks, notary acknowledgements, and Exhibit A shall be attached prior to execution.]