

CAPITAL CITY DEVELOPMENT CORPORATION
Board of Commissioners Meeting
Conference Room, Fifth Floor, 121 N. 9th Street
September 11, 2017 12:00 p.m.
A G E N D A

I. **CALL TO ORDER**.....Chair Hale

II. **AGENDA CHANGES/ADDITIONS**.....Chair Hale

III. **CONSENT AGENDA**

A. Expenses

1. Approval of Paid Invoice Report – August 2017

B. Minutes and Reports

1. Approval of Meeting Minutes from August 29, 2017

IV. **ACTION ITEMS**

- A. CONSIDER: Resolution 1503 Approving the Ash Street Property Disposition and Development Agreement (DDA) (10 minutes) Todd Bunderson
- B. CONSIDER: Resolution 1508 Approval of Amended 11th & Myrtle – Pioneer Corner – Type Four Participation Agreement with BVGC Parcel B, LLC (5 minutes) Matt Edmond
- C. CONSIDER: Resolution 1507 Approval of Master License Agreement between CCDC, City of Boise, and Ada County Highway District for Installation and Maintenance of Wayfinding Signage (10 minutes) Matt Edmond

V. **INFORMATION/DISCUSSION ITEMS**

- A. Proposed Shoreline District Eligibility Report (20 minutes)
.....Geoff Dickinson, Senior Vice President, SB Friedman
- B. 8th Street Corridor Improvements (5 minutes) Karl Woods
- C. FY 18 Central District Improvements (5 minutes)..... Doug Woodruff
- D. Operations Report (5 minutes)..... John Brunelle

VI. **ADJOURN**

This meeting is being conducted in a location accessible to those with physical disabilities. Participants may request reasonable accommodations, including but not limited to a language interpreter, from CCDC to facilitate their participation in the meeting. For assistance with accommodation, contact CCDC at 121 N 9th St, Suite 501 or (208) 384-4264 (TTY Relay 1-800-377-3529).



Paid Invoice Report

For the Period 08/01/2017 through 08/31/2017

Payee	Description	Payment Date	Amount
Debt Service:			
US Bank	2015 Bond interest	8/30/2017	40,050.00
US Bank	2015 Bond Principal	8/30/2017	2,250,000.00
US Bank	2011 B Bond interest	8/30/2017	214,343.75
US Bank	2011 B Bond principal	8/30/2017	955,000.00
Zions Bank	2017 A Bond interest	8/30/2017	69,535.55
Zions Bank	2017 A Bond principal	8/30/2017	385,000.00
Zions Bank	2017 B Bond interest	8/30/2017	33,451.08
Zions Bank	2017 B Bond principle	8/30/2017	105,000.00
US Bank	AHA Payment - Civic Plaza	8/8/2017	85,000.00
US Bank Trust	Parking Access Agreement	8/8/2017	317,000.00
Total Debt Payments:			4,454,380.38
Payroll:			
EFTPS - IRS	Federal Payroll Taxes	8/2/2017	12,348.44
Idaho State Tax Commission	State Payroll Taxes	8/2/2017	2,319.00
CCDC Employees	Direct Deposits Net Pay	8/2/2017	30,359.97
PERSI	Retirement Payment	8/2/2017	10,516.18
EFTPS - IRS	Federal Payroll Taxes	8/16/2017	12,365.46
Idaho State Tax Commission	State Payroll Taxes	8/16/2017	2,324.00
CCDC Employees	Direct Deposits Net Pay	8/16/2017	30,402.90
PERSI	Retirement Payment	8/16/2017	10,451.25
EFTPS - IRS	Federal Payroll Taxes	8/30/2017	12,348.44
Idaho State Tax Commission	State Payroll Taxes	8/30/2017	2,319.00
CCDC Employees	Direct Deposits Net Pay	8/30/2017	30,362.24
PERSI	Retirement Payment	8/30/2017	10,513.91
Total Payroll Payments:			166,630.79
Checks and ACH			
Various Vendors	Check and ACH Payments Issued (See Attached)	August 2017	3,414,251.02
Total Paid Invoice, Reported Payments:			3,414,251.02
Total Cash Disbursements:			\$ 8,035,262.19

I (Finance Director/Executive Director/Board Member) have reviewed and approved all cash disbursements in the month listed above.

 Finance Director 9/11/2017 Date	 Executive Director 9/7/17 Date	 Board Member 9/7/2017 Date
---	--	--------------------------------------

Report Criteria:

Detail report type printed

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
3976	620 S. 9th Street LLC	620 S. 9TH S	Contractual Payment (620	08/15/2017	764,999.00	10495	08/31/2017
Total 3976:					764,999.00		
3989	Access Integration	017O1097-1	Override Button For Grove	07/19/2017	991.89	62556	08/28/2017
		25150-1	Service Call for locks	08/01/2017	90.00	62556	08/28/2017
Total 3989:					1,081.89		
1097	Advanced Sign Design	0063331-IN	Suicide Prevention Sign	08/14/2017	370.00	62557	08/28/2017
Total 1097:					370.00		
1139	American Cleaning Service	60255	Trailhead Cleaning - Augus	08/01/2017	892.10	62534	08/14/2017
Total 1139:					892.10		
3952	Atkinsons Mirror and Glass	166930	Fix Window at Watercooler	07/21/2017	149.95	62535	08/14/2017
Total 3952:					149.95		
1274	BDPA Inc	2017 C&C P	Compensation Study	07/17/2017	3,240.00	10470	08/02/2017
Total 1274:					3,240.00		
1316	Blue Cross of Idaho	1718400026	Health Insurance - August	08/01/2017	18,957.33	62530	08/01/2017
Total 1316:					18,957.33		
1331	Boise Centre	8255-IN	Grove maintenance fee - A	08/01/2017	6,922.00	62536	08/14/2017
Total 1331:					6,922.00		
1385	Boise City Utility Billing	0589412001	617 S. Ash Street -2127	08/01/2017	78.31	62537	08/14/2017
Total 1385:					78.31		
1418	Boise Metro Chamber of C	5776192	Leadership Boise, Infra. &	08/01/2017	250.00	10496	08/31/2017
		5776193	Leadership Boise, Grande	08/01/2017	250.00	10496	08/31/2017
Total 1418:					500.00		
3552	Boise Weekly	94405	Booth @ Annual Event - Br	07/31/2017	125.00	62538	08/14/2017
Total 3552:					125.00		
3712	Car Park	JULY 2017	Capitol & Myrtle - Myrtle	07/31/2017	20,485.74	10497	08/31/2017
		JULY 2017	Capitol & Main - Cap T	07/31/2017	33,676.11	10497	08/31/2017
		JULY 2017	9th & Front - City Centre	07/31/2017	28,926.20	10497	08/31/2017
		JULY 2017	Capitol & Front - BLVD	07/31/2017	11,115.62	10497	08/31/2017
		JULY 2017	9th & Main - Eastman	07/31/2017	23,703.91	10497	08/31/2017
		JULY 2017	10th & Front - Grove	07/31/2017	27,179.56	10497	08/31/2017
		JUNE2017	Capitol & Myrtle - Myrtle	06/30/2017	21,008.37	10471	08/02/2017
		JUNE2017	Capitol & Main - Cap T	06/30/2017	31,996.03	10471	08/02/2017

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
		JUNE2017	9th & Front - City Centre	06/30/2017	41,624.16	10471	08/02/2017
		JUNE2017	Capitol & Front - BLVD	06/30/2017	14,515.06	10471	08/02/2017
		JUNE2017	9th & Main - Eastman	06/30/2017	24,091.68	10471	08/02/2017
		JUNE2017	10th & Front - Grove	06/30/2017	30,228.43	10471	08/02/2017
		Total 3712:			308,550.87		
3857	Carew Co	2169	ParkBOI Website Design	08/11/2017	1,450.00	62558	08/28/2017
		Total 3857:			1,450.00		
3898	Carver Thornton Young (C	17-0809	8th Street Corridor Const.	08/14/2017	3,124.08	10498	08/31/2017
		Total 3898:			3,124.08		
1556	Caselle Inc.	81572	Contract support - August	08/01/2017	787.33	62531	08/01/2017
		Total 1556:			787.33		
2810	CenturyLink	1417230137	Grove - Data Service	08/11/2017	1,185.05	62559	08/28/2017
		Total 2810:			1,185.05		
4019	Clowns of Treasure Valley	SUMMER 20	Event Fees	08/31/2017	100.00	62569	08/31/2017
		Total 4019:			100.00		
3947	Crane Alarm Service	AUGUST 20	Fire Alarm System - Monito	08/01/2017	25.00	62539	08/14/2017
		Total 3947:			25.00		
1703	CSHQA	30118	Final Design, Construction	07/31/2017	321.75	10499	08/31/2017
		30118	Grove Plaza Construction	07/31/2017	9,743.50	10499	08/31/2017
		30119	Central district infrastruc	07/31/2017	11,883.83	10499	08/31/2017
		Total 1703:			21,949.08		
1787	Downtown Boise Associati	8088	State Storage & Stage Sup	07/01/2017	1,780.00	62540	08/14/2017
		8094	8th St Clean Team	08/01/2017	546.00	62540	08/14/2017
		8097	State Storage & Stage Sup	07/31/2017	1,780.00	62540	08/14/2017
		Total 1787:			4,106.00		
1838	Elam & Burke P.A.	169029	Ash Street Properties	06/30/2017	5,438.00	10472	08/02/2017
		169030	The Afton	06/30/2017	102.00	10472	08/02/2017
		169031	Multi-Modal Center/Grove	06/30/2017	68.00	10472	08/02/2017
		169032	CD Closeout	06/30/2017	120.00	10472	08/02/2017
		169033	Civic Partners Developmen	06/30/2017	1,502.70	10472	08/02/2017
		169034	1401 W Idaho Dispo.	06/30/2017	102.00	10472	08/02/2017
		169036	Parcel B Hotel Project	06/30/2017	4,666.16	10472	08/02/2017
		169037	Parking Matters	06/30/2017	254.00	10472	08/02/2017
		169038	RM Bond Financing	06/30/2017	1,302.00	10472	08/02/2017
		169039	New URD	06/30/2017	90.00	10472	08/02/2017
		169040	101-0 General	06/30/2017	215.90	10472	08/02/2017
		169041	Street Scape Standards	06/30/2017	60.00	10472	08/02/2017
		169042	RM Implement	06/30/2017	145.00	10472	08/02/2017
		169043	WS District SS	06/30/2017	60.00	10472	08/02/2017

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
		169383	Ash Street Properties	07/31/2017	3,596.45	10500	08/31/2017
		169384	The Afton	07/31/2017	196.00	10500	08/31/2017
		169385	CD Closeout	07/31/2017	520.00	10500	08/31/2017
		169386	Civic Partners Developmen	07/31/2017	80.00	10500	08/31/2017
		169387	Parcel B Hotel Project	07/31/2017	210.00	10500	08/31/2017
		169388	Parking Mats	07/31/2017	60.00	10500	08/31/2017
		169389	RM Bond Financing	07/31/2017	22.50	10500	08/31/2017
		169390	New URD	07/31/2017	1,237.65	10500	08/31/2017
		169391	101-0 General	07/31/2017	383.60	10500	08/31/2017
		169392	RM Implement	07/31/2017	240.00	10500	08/31/2017
	Total 1838:				20,671.96		
1898	Fiberpipe	1575	Email & Audio	08/01/2017	64.90	Multiple	Multiple
	Total 1898:				64.90		
3807	FreedomVoice Systems	2017-080111	Monthly Service	08/01/2017	547.25	62541	08/14/2017
	Total 3807:				547.25		
3986	Frontier Fence Company	1/2 DOWN	Fence Property 429 S 10th	08/07/2017	5,658.00	62542	08/14/2017
	Total 3986:				5,658.00		
3882	Gardner Plaza LLC	OPA REIMB.	OPA Reimbursement for F	08/22/2017	1,000,000.00	Multiple	08/31/2017
	Total 3882:				1,000,000.00		
3832	Glancey Rockwell & Associ	15803	CCDC Garage Add Wayfin	07/31/2017	747.50	62543	08/14/2017
		15804	Design & CA for Exterior P	07/31/2017	1,270.00	62543	08/14/2017
	Total 3832:				2,017.50		
3695	Guho Corp.	160101049-0	LIV District Broad Street	06/30/2017	288,931.93	10473	08/02/2017
	Total 3695:				288,931.93		
3872	Guy Hand Productions	1711A	Grove Plaza Grand Openin	07/01/2017	1,125.00	62544	08/14/2017
	Total 3872:				1,125.00		
3853	Hawkins Companies LLC	08092017	Cap T. Condo: August & S	08/01/2017	8,692.00	62545	08/14/2017
	Total 3853:				8,692.00		
3826	Idaho Airships Inc.	6748	Downtown Boise Portfolio	07/25/2017	450.00	62546	08/14/2017
	Total 3826:				450.00		
2165	Idaho Power	2200406607	9th St outlets #220040660	08/03/2017	4.02	10493	08/18/2017
		2200910368	617 S Ash #2200910368	08/03/2017	5.46	10493	08/18/2017
		2201627995	9th & State # 2201627995	08/02/2017	3.54	10493	08/18/2017
		2202934903	8th St lights #2202934903	08/03/2017	27.41	10493	08/18/2017
		2205983212	Grove Vault #2205983212	08/03/2017	465.24	10493	08/18/2017

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
Total 2165:					505.67		
3900	Idaho Records Manageme	0122241	Records Storage	08/01/2017	98.48	Multiple	Multiple
Total 3900:					98.48		
2186	Idaho Statesman	263244 JULY	Legal Notices	07/31/2017	81.81	62547	08/14/2017
Total 2186:					81.81		
2240	Intermountain Gas Compa	6948213000	617 Ash St #69482130007	07/21/2017	11.57	10506	08/03/2017
Total 2240:					11.57		
3966	Involta	0026701	Website Hosting Services	08/01/2017	1,347.90	62548	08/14/2017
Total 3966:					1,347.90		
4005	IRONSMITH INC	12612-2	Spare Grove 2.0 Tree Grat	07/31/2017	3,069.00	62549	08/14/2017
Total 4005:					3,069.00		
2288	Jensen Belts	1603-18	2016 LIV District Public Infr	07/31/2017	8,723.70	Multiple	Multiple
		1642-8	2017 RMOB SS	07/31/2017	991.38	Multiple	Multiple
		1642-8	2017 WS SS	07/31/2017	184.00	Multiple	Multiple
		1735-1	8th Street Bollards	07/31/2017	4,908.81	Multiple	Multiple
Total 2288:					14,807.89		
2465	Materials Testing & Inspect	145377	10th & Front Garage Evalu	07/28/2017	400.00	Multiple	Multiple
Total 2465:					400.00		
3950	McAlvain Construction Inc.	115013-22	Grove Construction	07/31/2017	42,810.00	10502	08/31/2017
Total 3950:					42,810.00		
3833	Musgrove Engineering P.A.	17-047D	Design and Construction D	07/24/2017	455.94	Multiple	Multiple
Total 3833:					455.94		
2774	Pro Care Landscape Mana	15806	617 Ash Street - Mow, Tre	07/31/2017	326.00	62550	08/14/2017
		15807	621 & 647 Ash Weed Contr	07/31/2017	99.00	62550	08/14/2017
		15808	8th Street Corridor -	07/31/2017	427.00	62550	08/14/2017
		15809	10th & Front Garage - Mow	07/31/2017	222.00	62550	08/14/2017
		15810	Remove 3 Hose Bibs	07/31/2017	766.00	62550	08/14/2017
		15810	Level Tree Wells	07/31/2017	301.84	62550	08/14/2017
		15810	Level Tree Wells	07/31/2017	41.16	62550	08/14/2017
		15811	Pioneer Street Green, Mow	07/31/2017	416.00	62550	08/14/2017
		15812	Plum Street Weed Control	07/31/2017	40.00	62550	08/14/2017
		15932	8th Street Corridor -	07/31/2017	54.90	62550	08/14/2017
		15933	10th & Front Garage - Spri	07/31/2017	6.75	62550	08/14/2017
		15934	Pioneer Street Green - Spri	07/31/2017	10.71	62550	08/14/2017
		Total 2774:					2,711.36

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
3896	Rim View LLC	AUGUST 20	Monthly Rent and NNN - Tr	08/01/2017	12,878.91	62532	08/01/2017
Total 3896:					12,878.91		
3979	Sam Schwartz Engineering	68564	Front & Myrtle Couplet Alte	07/08/2017	6,633.50	10474	08/02/2017
		68754	Front & Myrtle Couplet Alte	07/31/2017	2,972.50	Multiple	Multiple
Total 3979:					9,606.00		
3796	Scheidt & Bachmann USA	27196	December 2016, January 2	07/31/2017	1,507.20	62560	08/28/2017
		27477	February 2017 Merchant F	07/31/2017	873.22	62560	08/28/2017
		27637	March 2017 Merchant Fee'	07/31/2017	1,043.36	62560	08/28/2017
		28053	April 2017 Merchant Fee's	07/31/2017	906.20	62560	08/28/2017
		29113	July 2017 Merchant Fee's	07/31/2017	850.08	62560	08/28/2017
Total 3796:					5,180.06		
3797	Sea Reach Ltd.	BOI-001-12	Wayfinding Contract w/ Am	08/16/2017	6,987.53	10503	08/31/2017
Total 3797:					6,987.53		
3542	Security LLC - Plaza 121	AUGUST 20	Office rent - August 2017	08/01/2017	10,219.30	62533	08/01/2017
		AUGUST 20	Office rent - August 2017,	08/01/2017	500.00	62533	08/01/2017
Total 3542:					10,719.30		
3974	Stability Networks Inc.	24734	Public Wi-Fi @ The Grove	06/14/2017	3,500.00	10475	08/02/2017
		24772	Parking Firewall Upgrade	06/27/2017	1,150.00	10475	08/02/2017
		24772	Parking Firewall Upgrade	06/27/2017	12.98	10475	08/02/2017
		24892	New Computer Equipment	07/17/2017	1,012.32	10475	08/02/2017
		24958	App River SecureTide	07/31/2017	70.00	Multiple	Multiple
		24958	Azure Cloud Backup	07/31/2017	420.00	Multiple	Multiple
		24958	Complete Care Network Su	07/31/2017	1,715.00	Multiple	Multiple
Total 3974:					7,880.30		
3029	State Insurance Fund	16364446	Workers Comp	07/26/2017	965.00	62551	08/14/2017
Total 3029:					965.00		
3242	Suez Water Idaho	0600033719	Eastman office #06000337	07/19/2017	110.44	10481	08/08/2017
		0600357562	Grove & 10th #060035756	07/14/2017	260.39	10480	08/03/2017
		0600557272	Pioneer St Green #060055	07/14/2017	453.92	10480	08/03/2017
		0600634762	617 Ash St water #060063	07/14/2017	176.31	10480	08/03/2017
		0600639143	516 S 9th St iri #06006391	07/14/2017	36.83	10480	08/03/2017
		0600721753	Grove Plaza #0600721753	07/31/2017	2,142.84	10494	08/18/2017
		0600911085	280 N 8th Sprinklers #0600	07/19/2017	111.80	10481	08/08/2017
Total 3242:					3,292.53		
3815	Synoptek LLC	1124826A	DPPS Website Design - Ph	07/31/2017	85.00	62552	08/14/2017
Total 3815:					85.00		
3831	The Land Group Inc.	0138319	8th Street	06/30/2017	815.33	10476	08/02/2017

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
Total 3831:					815.33		
3981	The Sturiale Place LLC	HISTORIC F	Hlstric Facade 1501 W Je	07/31/2017	74,206.00	62553	08/14/2017
Total 3981:					74,206.00		
4012	The Watercooler Project LL	REIMBURSE	Adjusted Sales Price of Wa	08/02/2017	735,000.00	10479	08/04/2017
Total 4012:					735,000.00		
3170	Treasure Valley Coffee Inc.	05129009	Water & Cooler Rental	07/25/2017	75.00	Multiple	Multiple
		05155959	Coffee	07/24/2017	126.05	10477	08/02/2017
		05165856	Coffee & tea	08/07/2017	126.05	Multiple	Multiple
Total 3170:					327.10		
4007	Two Ocean Prints	2936	Park BOI Gear	07/07/2017	112.50	10478	08/02/2017
Total 4007:					112.50		
3248	ULI-Urban Land Institute	2374134	ULI Idaho Silver Sponsorsh	07/01/2017	750.00	62554	08/14/2017
Total 3248:					750.00		
3233	United Heritage	02014-001 A	ST & LT Dissability & Life I	08/01/2017	1,265.64	62555	08/14/2017
Total 3233:					1,265.64		
3835	US Bank - Credit Cards	07.25.2017	Voice, data & webhosting s	07/25/2017	25.00	10505	08/09/2017
		07.25.2017	Office Supplies	07/25/2017	860.04	10505	08/09/2017
		07.25.2017	Postage	07/25/2017	27.63	10505	08/09/2017
		07.25.2017	Dues & Subscriptions	07/25/2017	110.00	10505	08/09/2017
		07.25.2017	Travel & Meeting(non-local	07/25/2017	436.36	10505	08/09/2017
		07.25.2017	Local Meetings & Transpor	07/25/2017	270.19	10505	08/09/2017
		07.25.2017	Professional Services Gen	07/25/2017	4.95	10505	08/09/2017
		07.25.2017	8th Street Operations	07/25/2017	188.92	10505	08/09/2017
		07.25.2017	The Grove - Operations	07/25/2017	99.70	10505	08/09/2017
		07.25.2017	Professional Services Gen	07/25/2017	30.50	10505	08/09/2017
		07.25.2017	Professional Services Gen	07/25/2017	1,117.65	10505	08/09/2017
Total 3835:					3,170.94		
3841	VoiceText Communications	08.13.17-830	Conference calls	08/13/2017	9.79	10504	08/31/2017
		73647	Conference calls	07/16/2017	4.36	Multiple	Multiple
Total 3841:					14.15		
3365	Westerberg & Associates	200	Legislative Advisement Ser	07/31/2017	2,000.00	Multiple	Multiple
Total 3365:					2,000.00		
3374	Western States Equipment	416136	Bldg 8 generator maintena	08/07/2017	233.95	62561	08/28/2017
		417172	Bldg 8 generator maintena	08/08/2017	262.55	62561	08/28/2017
Total 3374:					496.50		

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
3990	Xerox Corporation	090094741	Copier Lease	07/31/2017	447.08	Multiple	Multiple
Total 3990:					447.08		
3867	YMCA	SUMMER 20	Y-Not Tri - Summer 2017	08/01/2017	5,000.00	62562	08/28/2017
Total 3867:					5,000.00		
Grand Totals:					3,414,251.02		

Report Criteria:

Detail report type printed

MINUTES OF SPECIAL MEETING
BOARD OF COMMISSIONERS
CAPITAL CITY DEVELOPMENT CORPORATION
Conference Room, Fifth Floor, 121 N. 9th Street
August 29, 2017 12:00 p.m.

I. CALL TO ORDER

Chairman Hale convened the meeting with a quorum at 12:04 p.m.

Present were: Commissioner David Bieter, Commissioner John Hale, Commissioner Gordon Jones, Commissioner Pat Shalz, Commissioner Ryan Woodings, and Commissioner Dana Zuckerman.

Absent Were: Commissioner Maryanne Jordan, Commissioner Scot Ludwig, and Commissioner Ben Quintana.

Agency staff members present were: John Brunelle, Executive Director; Todd Bunderson, Development Director; Max Clark, Parking & Facilities Director; Mary Watson, Contracts Manager/Attorney, Joey Chen, Controller, Matt Edmond, Project Manager; Doug Woodruff, Project Manager; Karl Woods, Project Manager; Laura Williams, Executive Assistant/Development Specialist. Also present were Agency legal counsel, Ryan Armbruster.

II. AGENDA CHANGES/ADDITIONS

There were no changes/additions to the agenda.

III. CONSENT AGENDA

A. Minutes and Reports

1. Approval of Meeting Minutes from August 14, 2017

Commissioner Zuckerman made a motion to approve the Consent Agenda.

Commissioner Shalz seconded the motion.

All said Aye. The motion carried 6-0.

IV. ACTION ITEMS

A. PUBLIC HEARING: Proposed FY 2017 Amended Budget

Chairman Hale opened the meeting to the public at 12:06 p.m. No public comment was made and no comment in writing was received.

Public Hearing was closed at 12:13 p.m.

B. CONSIDER: Resolution 1504 Adopt FY 2017 Amended Budget

CCDC Controller, Joey Chen, gave a report

Commissioner Zuckerman moved to adopt Resolution 1504 to approve the FY 2017 Amended Budget and authorize the Executive Director to file copies of the budget as required by law.

Commissioner Shalz seconded the motion.

All said Aye. The motion carried 6-0.

C. PUBLIC HEARING: Proposed FY 2018 Original Budget

Chairman Hale opened the meeting to the public at 12:20 p.m. No public comment was made and no comment in writing was received.

Public Hearing was closed at 12:21 p.m.

D. CONSIDER: Resolution 1505 Adopt FY 2018 Original Budget

CCDC Controller, Joey Chen, gave a report

Commissioner Zuckerman moved to adopt Resolution 1505 to approve the FY 2018 Original Budget and authorize the Executive Director to file copies of the budget as required by law.

Commissioner Shalz seconded the motion.

All said Aye. The motion carried 6-0.

E. CONSIDER: Resolution 1506 Adopt FY 2018-2022 Original Capital Improvement Plan

CCDC Director of Development, Todd Bunderson, gave a report

Commissioner Zuckerman moved to adopt Resolution 1506 to adopt the Original CCDC Capital Improvement Plan for FY 2018-2022.

Commissioner Shalz seconded the motion.

All said Aye. The motion carried 6-0.

V. ADJOURNMENT

There being no further business to come before the Board, a motion was made by Commissioner Zuckerman to adjourn the meeting.

Commissioner Shalz seconded the motion.

All said Aye.

The meeting was adjourned at 12:26 p.m.

- - - -

ADOPTED BY THE BOARD OF DIRECTORS OF THE CAPITAL CITY DEVELOPMENT CORPORATION ON THE 11th DAY OF SEPTEMBER, 2017.

John Hale, Chair

Ryan Woodings, Secretary/Treasurer



AGENDA BILL

Agenda Subject: Resolution No.1503 Consider and Approve the Disposition & Development Agreement (DDA) between CCDC and Ash and River Investment, LLC for the Ash Street Townhomes.		Date: 9.11.2017
Staff Contact: Shellan Rodriguez	Attachments: 1) Area Map 2) Resolution 1503 3) Disposition and Development Agreement	
Action Requested: Review key points of the DDA and approve Resolution No. 1503		

Background:

I. Timeline

Staff has been working diligently with the developer, deChase Miksis, throughout the term of the Exclusive Right to Negotiate Agreement ("ERN") period. Below is a project timeline to illustrate progress made to date as well as future milestones based on the developer's estimated schedule.

<u>Dates</u>	<u>Action</u>
September 2016	RFQ/P Published
November 2016	Proposal Submitted, Board interviewed developers
December / January 2016	CCDC Board Approved Resolution 1473, authorizing executing the ERN with deChase Miksis for the Ash Street Townhomes
April 2017	Developer submits data for ReUse Appraisal as per ERN (Attachment 2)
May 5, 2017	CCDC staff approved Design Development Plan, as per ERN
May 10, 2017	City of Boise Design Review Committee Approve
July / August 2017	Re-Use Appraisal final/ ERN Deadline for draft DDA terms
<u>September 11, 2017</u>	<u>DDA Approval by CCDC Board, direction to staff</u>
*November / December 2017	Alley vacation completed
*December 2017	Construction Drawings Submitted
*March 2018	Land Close/ Construction Start
*September 2019	Construction completion (<i>but no later than 3/2021</i>)
*September 2026	Affordability Deed Restriction Expires (seven years post project completion)
<i>*estimated based on expected schedule, for illustrative purposes only.</i>	

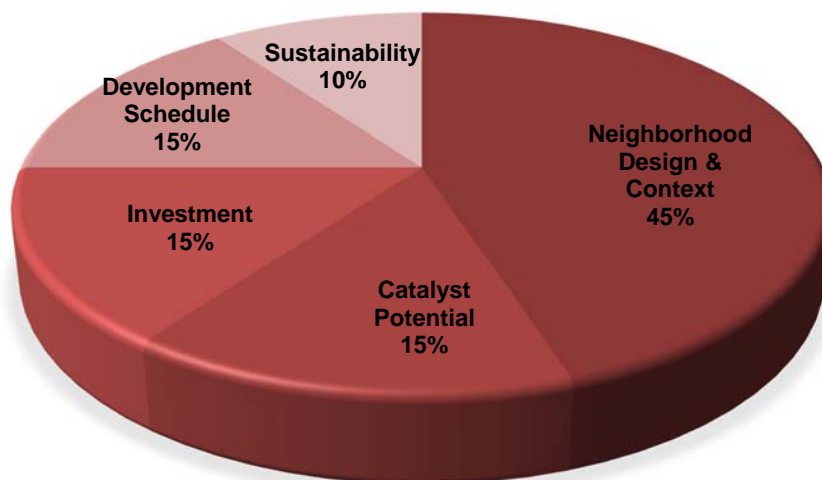
II. Ash Street Workforce Housing RFQ/P Summary

- a) **RFQ/P Minimum Thresholds** were included and are listed below. The desire was to create a proposal that prescribed workforce housing specifically but allowed flexibility for development teams to be creative regarding mix of uses, neighborhood development, types of housing and number of units.

i. Cover Sheet	ii. Acknowledgement & Release
iii. Development Team Information	iv. Portfolio / Resume
v. Project Summary	vi. Development Budget
vii. Timeline	viii. Green Building Certification
ix. Project Drawings	

b) **RFQ/P Stated Priorities:**

WORKFORCE HOUSING: The priorities below illustrate the Agency's stated priorities in the RFQ/P, not requirements. These priorities were used as a basis for selection. Definitions of the priorities are attached hereto.



III. Hayman House - Adjacent CCDC owned property

The property adjacent to the Ash Street Townhomes parcels is commonly known as the Hayman House, it is a small parcel with a single family home previously owned by Erma Hayman. It is currently owned by CCDC. This property was purchased by CCDC in 2011 from Erma Hayman's grandson, Dick Madre, with the intent to preserve the home as a unique piece of Boise History and African American history. The home was constructed in 1907 and is one of the few remaining original residents in the River Street Neighborhood. It is currently vacant and in-tact but is in need of minor updates including replacing some plumbing, venting, windows, upgrading electrical and replacing the ageing roof as well as some paint repair on the exterior of the home.

In 2016 the CCDC Board of Commissioners directed CCDC staff to work with the City Arts and History Department (A&H) as that entity is better suited to preserve maintain and operate the property as a long

term asset to the community. A&H has been working closely with City Parks and Recreation, CCDC staff and the Ash Street Townhomes Developer to design a landscape plan that compliments their future plan for the Erma Hayman house as well as the neighboring Kristen's Park, the Pioneer Pathway and, of course, the Ash Street Townhomes.

City of Boise and CCDC have drafted conveyance documents that transfer the property along with any restrictions associated with the Ash Street Townhomes to the City. The conveyance will hopefully occur in the next 6 months and has been on hold due to the encroachments the design of the Ash Street Townhomes requires of the Hayman House Property. The encroachments from the Townhomes consisted some utility needs and of approximately 35' of landscaped berms encompassing the entire Hayman House property. The landscaping was designed to do two things:

- 1) Provide a parklike environment in the backyard of the Hayman House
- 2) Effectively screen the green roofed covered parking structure from sight lines from River Street

Through a collaborative effort with CCDC staff, the developer and the Department of A&H, the successor of interest in the Hayman House property, the encroachments have been revised to enable more flexibility in use for A&H while still providing screening of the covered parking structure.

IV. Summary of DDA

The document is specific to the Ash Street Townhomes Project which met the requirements of the RFQ/P. Additionally, the document is based on the terms and conditions within previous Agreements that have led to successful disposition processes, including the Watercooler and The Afton.





a) Workforce Housing:

- i. **Deed Restricted Rents for Seven Years After Project Completion:** As per the RFQ/P Submittal, rents will be restricted to be affordable to individuals and families earning between 80-120% of the area median income (AMI). The rents are updated annually and determined by federal standards. A confirmation of leases and rent will be required to be submitted to the Agency annually.

The DDA includes a Deed Restriction (Attachment 11 to the DDA) that will run with the land and will outline the restrictions, provisions, and penalties associated with the rent restrictions on the property. Staff has worked closely with the developer on this provision. Staff suggests a more lenient penalty for rents lower than 80% AMI, whereas stronger penalties (fees) will occur for any rents charged that exceed 120% AMI. In other words, if the owner chooses to charge rents lower than 80% rents, the owner will need CCDC approval but in the event the rents charged are higher than 120% rents monetary penalties will occur.

Rents per HUD Published Income Limits for 2017, Ada County
Source: Novogradac & Company LLP Rent & Income Limit Calculator
4 Person AMI: \$64,300

**Rent Limits for 2017
(Based on 2017 AMI Income Limits)**

Bedrooms (People)	Charts	80.00%	100.00%	120.00%
Efficiency (1.0)		900	1,125	1,350
1 Bedroom (2.0)		1,028	1,285	1,542
2 Bedrooms (3.0)		1,158	1,447	1,737
3 Bedrooms (4.0)		1,286	1,607	1,929

b) Proof of Financing: The land will not be conveyed until all financing for the project is secured and construction documents are in place in a form acceptable to CCDC.

c) Sales Price: The framework for determining land sales price was outlined in the RFQ/P and meets the disposition requirements set forth in Idaho Code § 50-2011. The developer will purchase the property and pay the appraised value, \$645,000 at the time of land conveyance plus the additional cost to vacate alley, currently estimated at \$34,000.

Staff recommends a total estimated initial sales price of \$679,000.

i. Additional Land (Alley): In addition to the land currently owned by CCDC, the developer requested the Agency vacate the adjacent ACHD controlled alley. Based on ACHD process, ACHD will vacate alleys in exchange for the agreed upon appraised value of the alley. ACHD will not agree upon the alley's value until the application is reviewed, but a completed third party appraisal concludes the value is \$34,000. The agreed upon value of the vacated alley will be included in the initial sales price of the land to the developer.

d) Adjusted Land Price Upon Project Completion: After CCDC's issuance of a Certificate of Project Completion (Attachment 9 of the DDA), CCDC may adjust the land price as per the DDA. CCDC cannot adjust to less than the value determined within the ReUse Appraisal and cannot adjust to less than \$0. In other words, CCDC cannot pay the developer for the land. The Re-Use value is negative \$1,160,000 and is attached hereto.

Staff is recommending a reimbursement of the land price of \$679,000 upon completion of the full project (all residential, commercial buildings).

e) Public Improvements Reimbursement: The developer has requested approximately \$318,000 in public improvements to be reimbursed by CCDC at project completion. The reimbursement will only be for expenses CCDC staff deems eligible and will be outlined and depicted in the DDA as Attachments 17 and 18. The public improvements reimbursement will occur at the same time of any site write down and will be entirely based upon the completion of the entire mixed use workforce housing project. This includes Sidewalk and ROW work along Ash Street, some minor work within the Pioneer Pathway ROW allowing the patio to meet the pathway, and utility work that affects the Hayman House and modernizes it, including sewer and undergrounding electricity.

Although the current ReUse Appraisal does include some of the public improvements as project cost staff is working with the appraiser to provide an amendment to the appraisal to revise the project costs appropriately and the amendment will be included in the final DDA.

Staff is recommending a reimbursement of the qualified public improvements not to exceed \$318,000 upon completion of the full project (all residential, commercial buildings, and public improvements). This would occur at the same time as the land price reimbursement all subject to the Schedule of Performance (Attachment 3 of the DDA).

- f) **Project Design Revisions:** As per the ERN, CCDC Staff reviewed the project drawings, the Design Development Plan (DDP) on May 5, 2017. The DDP as approved by staff included minor revisions notably related to the Ash Street Townhomes off-site improvements. The modifications included a smaller landscape berming extending into the Hayman House property, this design modification has since been approved by both the developer and the Department of Arts and History staff. Design Review will have the opportunity to review and comment on this modification, according to the developer, as part of the Design Review required 60% construction drawing approval in the coming months. Since the DDP was approved by CCDC the developer has recommended the off-site berm plantings be a temporary license agreement allowing for more robust future landscape improvements on the Hayman House property as designed by the Department of Arts and History and their design team.
- g) **Green Building:** The DDA will include the same requirements as advertised within the RFQ/P and that the developer committed to within their proposal. This includes committing to the City's Green Building code or an approved equivalent, and committing to LEED certification.

Fiscal Notes:

I. Ash Street Townhomes

Re Use Value: Negative \$1,160,000
Land Value: \$645,000 + \$34,000* = \$679,000
Final Land Cost after full write down: \$0
Net Reuse Value: Negative \$481,000
Reimbursement of offsite public improvements: \$318,000**
Net value of the project: Negative \$163,000

Staff recommends full reimbursement of land value of \$679,000.

*The alley value will be determined by ACHD as per their alley vacation process. The cost to the agency will be slightly higher than the alley value in staff time, legal counsel review, administrative and application fees. Estimated additional costs not greater than \$5,000.

**The off-site public improvements include:

1.	Landscaping / berms encroaching into the Hayman House property and providing a visual barrier to the covered parking structure:	\$35,000
2.	Streetscape improvements on Ash Street:	\$134,00

3.	Water / Sewer Utility improvements in ROW	\$44,000
4.	Power utility improvements Ash Street, includes undergrounding Hayman House power:	\$54,000
5.	Pedestrian Connections in Pioneer Pathway Right of Way	\$24,000
6.	Contingency (10%)	\$27,000
	TOTAL	\$318,000

The DDA includes up to \$318,000 in reimbursement for eligible public improvements upon completion of the Ash Street Townhomes Project. This is currently contemplated within the CIP for the RMOB District in FY 2019. The reimbursements will be based on acceptable proof of costs.

II. Hayman House

Hayman House Capital Improvements is itemized in the FY2018 budget for \$70,000. Staff is working on completing those improvements in the next six months.

Staff Recommendation:





Direct staff to execute the Disposition and Development Agreement for the Ash Street Townhomes.

Suggested Motion:

I move to adopt Resolution No.1503 to authorize the Executive Director to execute the DDA and all associated documents as required to implement the Agreement.

Attachment 1



-  Ash Street Townhomes
-  Hayman House
-  Parks & Rec
-  Alley to be vacated

RESOLUTION NO. 1503

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, AND ASH AND RIVER INVESTMENT, LLC; AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY, RESPECTIVELY, TO EXECUTE AND ATTEST SAID AGREEMENT SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY TO EXECUTE ALL NECESSARY DOCUMENTS REQUIRED TO IMPLEMENT THE AGREEMENT AND TO MAKE ANY NECESSARY TECHNICAL CHANGES TO THE AGREEMENT SUBJECT TO CERTAIN CONDITIONS; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of Boise City, Idaho, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, as amended, Chapter 20, Title 50, Idaho Code (the "Law"), as a duly created and functioning urban renewal agency for Boise City, Idaho (hereinafter referred to as the "Agency").

WHEREAS, the City Council of the City of Boise City, Idaho (the "City"), after notice duly published, conducted a public hearing on the River Street-Myrtle Street Urban Renewal Plan (the "River Street Plan") and following said public hearing, the City adopted its Ordinance No. 5596 on December 6, 1994, approving the River Street Plan and making certain findings; and,

WHEREAS, the City, after notice duly published, conducted a public hearing on the First Amended and Restated Urban Renewal Plan River Street-Myrtle Street Urban Renewal Project (annexation of the Old Boise Eastside Study Area and Several Minor Parcels) and renamed River Myrtle-Old Boise Urban Renewal Project (the "River Myrtle-Old Boise Plan") and following said public hearing, the City Council adopted its Ordinance No. 6362 on November 30, 2004, approving the River Myrtle-Old Boise Plan and making certain findings; and,

WHEREAS, the jurisdictional area of the River Myrtle-Old Boise Plan is referred to herein as the "Project Area"; and,

WHEREAS, in order to achieve the objectives of the River Myrtle-Old Boise Plan, the Agency is authorized to acquire real property for the revitalization of areas within the

Project Area; and,

WHEREAS, the Agency owns certain real property generally located at 503, 509, 511, 623, and 647 South Ash Street, Boise, Idaho 83702 (the "Site") which parcels were acquired by the Agency between 2006 and 2011; and,

WHEREAS, the Agency seeks to initiate a redevelopment project to revitalize the Project Area, in compliance with the River Myrtle-Old Boise Plan, through the redevelopment of the Site which could also serve as a catalyst for redevelopment of other properties in the Project Area; and,

WHEREAS, following the publication of a Request For Qualifications / Proposals (RFQ/P) in the *Idaho Statesman* newspaper on September 30, October 8, 14, and 19, 2016, the Agency received two (2) proposals for redevelopment of the Site; and,

WHEREAS, at a special public meeting of the Agency Board on November 29, 2016, the two (2) respondents delivered presentations; and,

WHEREAS, at a public meeting of the Agency Board on December 12, 2016, the Agency Board selected the proposal from J. Dean Papé, di Chase Miksis, which is the predecessor in interest to Ash and River Investment, LLC ("Developer"), as the highest ranked proposal; and,

WHEREAS, as authorized by Resolution No. 1473 passed by the Agency Board on December 12, 2016, Agency staff and Developer executed the Agreement to Negotiate Exclusively ("Agreement"), effective as of February 1, 2017, which contemplated the negotiation of an agreement concerning the disposition of the Site to Developer by Agency and the development of the Site by Developer; and,

WHEREAS, following negotiations over the terms between Agency staff and Developer, in compliance with the Agreement, Developer has provided Agency with a proposed final Disposition and Development Agreement ("DDA"), a copy of which is attached hereto as Exhibit A and incorporated herein as if set forth in full; and,

WHEREAS, Agency staff recommends approval of the DDA by the Agency Board; and,

WHEREAS, the Agency Board of Commissioners finds it in the best public interest to approve the DDA and to authorize the Executive Director to execute the DDA, subject to certain conditions, and to execute all necessary documents to implement the transaction, subject to the conditions set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, AS FOLLOWS:

Section 1: That the above statements are true and correct.

Section 2: That the DDA, a copy of which is attached hereto as Exhibit A and incorporated herein as if set out in full, is hereby approved as to both form and content.

Section 3: That the Executive Director and Secretary of the Agency is hereby authorized to sign and enter into the DDA and, further, is hereby authorized to execute all necessary documents required to implement the actions contemplated by the DDA, subject to representations by Agency legal counsel that all conditions precedent to actions and any necessary technical changes to the DDA or other documents are acceptable and that said changes are consistent with the provisions of the DDA and the comments and discussions received at the September 11, 2017, Agency Board meeting.

Section 4: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED By the Urban Renewal Agency of Boise City, Idaho, on September 11, 2017. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners on September 11, 2017.

URBAN RENEWAL AGENCY OF BOISE CITY

By: _____
John Hale, Chairman

ATTEST:

By: _____
Ryan Woodings, Secretary

DISPOSITION AND DEVELOPMENT AGREEMENT

CAPITAL CITY DEVELOPMENT CORPORATION

&

**ASH AND RIVER INVESTMENT, LLC,
an Idaho Limited Liability Company**

_____, 2017

Ash Street Development Project

LIST OF ATTACHMENTS

Attachment 1	Site Plan of the Ash Street Development Project (“Site Plan”)
Attachment 2	Legal Description of the Property (“Legal Description”)
Attachment 3	Schedule of Performance
Attachment 4	Design Development Plan
Attachment 5	Title Report
Attachment 6	Reuse Appraisal
Attachment 7	Form of Deed
Attachment 8	Form of Memorandum
Attachment 9	Certificate of Completion
Attachment 10	Green Building Certification
Attachment 11	Form of Deed Restriction
Attachment 12	Form of Annual Rent Report
Attachment 13	Form of Landscape License Agreement
Attachment 14	Form of Construction License Agreement
Attachment 15	Form of Escrow Instruction Letter
Attachment 16	Alley Vacation Map
Attachment 17	Public Project Improvements Map and Description
Attachment 18	Schedule of Eligible Public Improvement Costs

TABLE OF CONTENTS

1.	DEFINITIONS	1
2.	SUBJECT OF AGREEMENT.....	5
2.1.	Purpose of This Agreement.	5
2.2.	The Redevelopment Plan.....	5
2.3.	The Project Area.	5
2.4.	Parties to This Agreement.	6
2.4.1.	Agency.....	6
2.4.2.	Developer.....	6
2.4.3.	Developer’s General Contactor	6
2.5.	The Project.	6
2.6.	Disposition Does Not Contemplate Land Speculation.....	7
2.7.	Selection of Developer.....	7
3.	RIGHT OF ENTRY/REVIEW OF TITLE.....	9
3.1	Right of Entry; Developer's Investigations.....	9
3.2	Review of Title; Approved Title Exceptions	10
3.3	Compliance with Laws.	11
4.	EVIDENCE OF PROJECT FINANCING	11
4.1.	Submission of Preliminary Evidence of Financing	11
4.2.	Time to Approve Evidence of Financing	11
4.3.	Public Records Law	12
4.4.	Lender Modifications.....	12
5.	DISPOSITION AND CONVEYANCE OF THE PROPERTY	12
5.1.	Disposition and Conveyance of the Property.	12
5.1.1.	Purchase Price.....	12
5.1.2.	Payment of Purchase Price	13
5.2.	Escrow.....	13
5.2.1.	Payment of Costs	13
5.2.2.	Close of Escrow	14
5.2.3.	Deliveries by Agency	14
5.2.4.	Deliveries by Developer	14
5.2.5.	[RESERVED]	15
5.2.6.	Termination.....	15
5.2.7.	Amendment	16
5.2.8.	No Real Estate Commissions or Fees	16
5.3.	Conditions to Property Transfer	16
5.3.1.	Conditions to Agency’s Obligations	16
5.3.2.	Conditions to Developer’s Obligations	17
5.4.	Satisfaction of Conditions	19
5.5.	Waiver	19
5.6.	Termination.....	19
6.	CONDITION OF THE PROPERTY	20
6.1.	“As Is”	20

6.2.	Agency Representations.	20
6.3.	Environmental Release and Waiver.....	20
7.	DEVELOPMENT OF THE PROPERTY	20
7.1.	Scope of Development.....	20
7.2.	Local, State, and Federal Laws.....	20
7.3.	Antidiscrimination During Construction	21
7.4.	Design Development Plan and Design Review Drawings	21
7.5.	Final Construction Documents.....	21
7.6.	Agency Approval of Plans, Drawings, and Related Documents.....	22
7.7.	Communication; Revisions.....	22
7.8.	Prompt Review.....	22
7.9.	Changes to Final Construction Documents.....	23
7.10.	Construction Reporting.....	23
	7.10.1. Developer’s Obligations.....	23
	7.10.2. Agency’s Obligations.....	24
	7.10.3. Meeting Attendance	24
	7.10.4. Access to the Property.....	24
	7.10.5. Reasonableness.....	25
	7.10.6. Cost of Construction.	25
8.	INSURANCE AND INDEMNIFICATION	25
8.1.	Bodily Injury, Property Damage, and Workers’ Compensation Insurance.....	25
8.2.	Indemnification	27
9.	POST PROJECT COMPLETION PURCHASE PRICE ADJUSTMENT	28
9.1.	Certificate of Completion.....	28
9.2.	Reuse Appraisal.....	28
9.3.	Adjusted Purchase Price	28
9.4.	Request for the Purchase Price Adjustment.....	29
10.	CAPITAL IMPROVEMENT REIMBURSEMENT	30
10.1.	Construction of the Public Project.....	30
10.2.	Commencement of the Public Project.....	30
10.3.	Initial Construction Funding.....	31
10.4.	Approvals of Project and Public Project.	31
10.5.	Warranty on Public Project.....	31
10.6.	Maintenance.	31
10.7.	Estimated Costs for Public Project.....	31
10.8.	Determining Actual Eligible Costs.....	32
10.9.	Conditions Precedent to Agency’s Payment Obligation.....	33
10.10.	Deadline to Complete Public Project.....	33
10.11.	Payment Terms.	33
10.12.	Indemnification Regarding the Public Project.	33
10.13.	Default.....	34
11.	DEVELOPER’S POST-DEVELOPMENT AND CONSTRUCTION OBLIGATIONS.	34
11.1.	Estimated Value of Completed Project.....	35
11.2.	Taxes, Encumbrances, and Liens.	35

11.3.	Tax Appeals/Exemptions.....	35
11.4.	In-Lieu-of Taxes.....	35
11.5.	Use of the Property During Term of the Redevelopment Plan.	36
11.6.	Obligation to Refrain from Discrimination.	36
11.7.	Effect and Duration of Covenants.....	36
11.8.	Provisions That Run with the Land.	37
11.9.	Deed Restriction Compliance.....	37
12.	DEFAULTS, REMEDIES, AND TERMINATION.....	37
12.1.	Defaults—General.....	37
12.2.	Written Notice.	38
12.3.	No Waiver.	38
12.4.	Materiality of Provisions.	38
12.5.	Legal Actions.	38
	12.5.1. Institution of Legal Actions	38
	12.5.2. Applicable Law	38
	12.5.3. Acceptance of Service of Process	39
	12.5.4. Rights and Remedies.....	39
	12.5.5. Specific Performance	39
	12.5.6. Limitation on Agency’s Remedies Prior to Developer’s Acquisition of the Property	39
12.6.	Remedies and Rights of Termination Prior to Conveyance of the Property to Developer.....	40
	12.6.1. Termination by for Cause Developer	40
	12.6.2. Termination for Cause by Agency.....	40
13.	GENERAL PROVISIONS.....	42
13.1.	No Assignment of Rights.....	42
13.2.	Notices, Demands, and Communications Between the Parties.	42
13.3.	Conflicts of Interest.....	42
13.4.	Warranty Against Payment of Consideration for Agreement.	42
13.5.	Nonliability of Agency Officials and Employees.....	43
13.6.	Forced Delay; Extension of Times of Performance.....	43
13.7.	Inspection of Books and Records.....	43
13.8.	Reports, Studies and Test.	43
13.9.	Attorney Fees.....	44
14.	SPECIAL PROVISIONS.....	44
14.1.	Amendment of Redevelopment Plan.	44
14.2.	Submission of Documents for Approval.	44
14.3.	Computation of Time.	44
14.4.	No Third-Party Beneficiary.....	45
14.5.	Dispute Resolution.....	45
14.6.	Good Faith and Cooperation.....	45
14.7.	Entire Agreement, Waivers, and Amendments.....	45
14.8.	Effective Date of Agreement.	46

DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT ("Agreement") is entered into by and between THE URBAN RENEWAL AGENCY OF BOISE, IDAHO, also known as the CAPITAL CITY DEVELOPMENT CORPORATION and ASH AND RIVER INVESTMENT, LLC, an Idaho limited liability company ("Developer"), individually referred to as a "Party" and collectively referred to as the "Parties." The Parties agree as follows:

1. DEFINITIONS

"Actual Eligible Costs" has the meaning ascribed to it in Section 11.1.

"ACHD" has the meaning ascribed to it in Section 5.1.1.

"Adjusted Purchase Price" has the meaning ascribed to it in Section 9.3.

"Agency" means the Urban Renewal Agency of Boise, Idaho, also known as the Capital City Development Corporation, and any assignee of or successor to its rights, powers, and responsibilities under this Agreement.

"Agency Closing Conditions" has the meaning ascribed to it in Section 5.3.1.

"Agreement" has the meaning ascribed to it in the first paragraph of this document.

"Agreement to Negotiate Exclusively" means the Agreement to Negotiate Exclusively executed by the Agency on February 1, 2017, and by a predecessor of Developer on January 30, 2017.

"Alley Vacation" has the meaning ascribed to it in Section 5.1.1.

"Alley Vacation Property" means certain real property currently owned by ACHD and located adjacent to the Site as depicted on **Attachment 16**.

"Annual Rent Report" means the annual rent report in the substance and form of the draft annual rent report attached hereto as **Attachment 12**.

"Approving Entities" has the meaning ascribed to them in Section 10.4.

"Certificate of Completion" means the Certificate of Completion for the Project, as ascribed to it in Section 9.1 and in the substance and form of the draft certificate of completion attached to this Agreement as **Attachment 9**.

"City" means the City of Boise, Idaho.

“Close” and “Closing” refer to that point in time when a deed held in Escrow is recorded in the office of the Recorder of the county in which the subject property is located and funds due to Agency upon delivery of the such deed are available for distribution from the Escrow to Agency, notwithstanding that such funds may not actually be distributed due to wire transfer deadlines or similar circumstances.

“Closing” has the meaning ascribed to it in Section 5.2.2.

“Closing Date” means the date of the Closing.

“Construction License Agreement” means an agreement in the substance and form of the draft construction license agreement attached hereto as **Attachment 14**.

“Cost Documentation” has the meaning ascribed to it in Section 10.8.

“Deed” means the Special Warranty Deed.

“Deed Restriction” means the deed restriction in the substance and form of the draft deed restriction attached hereto as **Attachment 11**.

“Deposit” has the meaning ascribed to it in Section 5.1.2.

“Design Development Plan” means the Design Development Plan accepted by the Agency on May 5, 2017, attached hereto as **Attachment 4**.

“Design Review Drawings” has the meaning ascribed to it in Section 7.4, including any approved revisions.

“Developer” means Ash and River Investment, LLC, an Idaho limited liability company, any Developer Affiliate that takes title to any portion of the Property under this Agreement, and any other permitted assignee or successor in interest as herein provided.

“Developer Affiliate” has the meaning ascribed to it in Section 2.4.2.

“Developer Closing Conditions” has the meaning ascribed to it in Section 5.3.2.

“Effective Date” has the meaning ascribed to it in Section 14.8.

“Environmental Reports” means the Phase I Environmental Site Assessment, Hayman Estate Property, 617 Ash Street, dated January 14, 2011, the Phase I Environmental Site Assessment, 511 Ash Street dated, August 1, 2011, and the Phase I Environmental Site Assessment (Ash Street), dated July 27, 2016.

“Escrow” means the escrow set up by the Parties with the Escrow Agent with respect to the acquisition of the Property.

“Escrow Agent” has the meaning ascribed to it in Section 5.2.

“Escrow Instruction Letter” means the joint escrow instructions for the Escrow signed by the Parties in the substance and form of the draft Escrow Instruction Letter attached hereto as **Attachment 15**.

“Estimated Costs” has the meaning ascribed to it in Section 10.9.

“Estimated Value” has the meaning ascribed to it in Section 11.1.

“Final Construction Documents” means those drawings, plans, and specifications sufficient in detail to obtain a building permit for the Project, including a final landscaping and grading plan.

“Green Building Certification” means the Green Building Certification executed by a predecessor of Developer on November 15, 2016, attached hereto as **Attachment 10**.

“Green Building Code” means the Boise City Green Construction Code, Boise City Code, Title 4, Chapter 7, as amended.

“Hazardous Materials” means any substance, material, or waste which is (1) defined as a “hazardous waste,” “hazardous material,” “hazardous substance,” “extremely hazardous waste,” or “restricted hazardous waste” under any provision of federal or Idaho law; (2) petroleum; (3) asbestos; (4) polychlorinated biphenyls; (5) radioactive materials; (6) designated as a “hazardous substance” pursuant to Section 311 of the Clean Water Act, 33 U.S.C. § 1251, *et seq.* (33 U.S.C. § 1321), or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. § 1317); (7) defined as a “hazardous substance” pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, *et seq.* (42 U.S.C. § 6903); (8) defined as a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601, *et seq.* (42 U.S.C. § 9601); or (9) determined by Idaho, federal, or local governmental authority to be capable of posing a risk of injury to health, safety, or property, including underground storage tanks.

“Landscape License Agreement” means an easement in the substance and form of the draft landscape license agreement attached hereto as **Attachment 13**.

“Memorandum” means a summary of this Agreement in the substance and form attached hereto as **Attachment 8**, to be recorded in the office of the Recorder of Ada County, Idaho.

“Party” has the meaning ascribed to it in the first paragraph of this document.

“Parties” has the meaning ascribed to it in the first paragraph of this document.

“Permitted Title Exceptions” has the meaning ascribed to it in Section 5.3.2(d).

“Plan Area” means the area under the jurisdictional scope of the Redevelopment Plan.

“Project” means the project that is the subject of this Agreement and more particularly described in Section 2.5 below.

“Project Area” means the Project Area identified in the Redevelopment Plan.

“Project Budget” has the meaning ascribed to it in Section 4.1(a).

“Property” means the real property legally described on **Attachment 2**, and is intended to include the Site and Alley Vacation.

“Public Project” means the certain utility and public improvements in or adjacent to, or being relocated to, the public right-of-way adjacent to the Site and has the meaning ascribed to it in Section 10 and as further described in **Attachment 17**.

“Public Project Construction Documents” has the meaning ascribed to it in Section 10.1.

“Purchase Price” has the meaning ascribed to it in Section 5.1.1.

“Purchase Price Adjustment Request” has the meaning ascribed to it in Section 9.4.

“Redevelopment Plan” means the River Myrtle-Old Boise Urban Renewal Plan as recommended by Agency and approved by City on December 6, 2004.

“Reuse Appraisal” has the meaning ascribed to it in Section 9.2, and as attached hereto as **Attachment 6**.

“Reuse Appraiser” has the meaning ascribed to it in Section 5.1.1.

“Reuse Appraisal Data” has the meaning ascribed to it in Section 9.2.

“Schedule of Eligible Public Improvement Costs” means the schedule of eligible costs for the Public Project attached hereto as **Attachment 18**.

“Schedule of Performance” means the schedule attached to this Agreement as **Attachment 3**.

“Schedule of Value” has the meaning ascribed to it in Section 10.8.

“Site” means certain real property located at Ash and River Streets (the "Site"), as depicted on **Attachment 1**.

“Special Warranty Deed” means a deed in the substance and form of the draft deed attached hereto as **Attachment 7**.

“Supplemental Title Objections” has the meaning ascribed to it in Section 3.2.

“Title Company” means TitleOne Corporation, having an address of 1101 W. River St., Suite 201, Boise, ID 83702.

“Title Policy” has the meaning ascribed to it in Section 5.3.2(d).

“Title Report” has the meaning ascribed to it in Section 3.2 and as attached to this Agreement as **Attachment 5**.

“Urban Renewal Law” has the meaning ascribed to it in Section 2.4.1.

“Workforce Housing” for purposes of this Project means housing for the workforce earning between 80% to 120% of the Area Median Income (“AMI”) that is rent restricted pursuant to the Deed Restriction and is intended to consume no more than 30% of a household’s income. The AMI shall be established annually by the Department of Housing and Urban Development of the United States of America (“HUD”) for the Ada County – Boise City, Idaho Metropolitan Statistical Area.

2. SUBJECT OF AGREEMENT

2.1. Purpose of This Agreement.

The purpose of this Agreement is to effectuate the Redevelopment Plan by memorializing the disposition of Agency owned property to Developer to facilitate the Project, for construction of a mixed-use development within the Plan Area.

2.2. The Redevelopment Plan.

This Agreement is subject to the provisions of the Redevelopment Plan.

2.3. The Project Area.

The Project Area is located in the Plan Area, and the exact boundaries thereof are specifically described in the Redevelopment Plan.

2.4. Parties to This Agreement.

2.4.1. Agency

Agency is an independent public body, corporate and politic, exercising governmental functions and powers and organized and existing under the Idaho Urban Renewal Law of 1965, title 50, chapter 20, Idaho Code, as amended and the Local Economic Development Act, title 50, chapter 29, Idaho Code, as amended (collectively the "Urban Renewal Law"). The office of Agency is located at 121 N. 9th Street, Ste. 501, Boise, Idaho.

2.4.2. Developer

Developer is Ash and River Investment, LLC, an Idaho limited liability company. The principal office of Developer is located at 4176 North Hackberry Way, Boise, Idaho, 83702. Developer reserves the right to transfer its rights under this Agreement as authorized herein, including the right to have the Property to which it is to take title hereunder conveyed to and developed by an affiliated entity that it has a majority ownership stake in and controls ("Developer Affiliate").

2.4.3. Developer's General Contactor

Developer has selected Visser Building Co., L.C. as its general contractor on the Project as of this date. The qualifications and identity of Developer's general contractor are of particular concern to Agency. In the event Developer desires to select another general contractor for the Project other than the contractor identified in materials supplied to the Agency by Developer, Developer agrees to notify Agency of such desire and provide the identity of the substitute general contractor for Agency's approval in writing.

2.5. The Project.

The Project that is the subject of this Agreement is a mixed-use development project, which includes thirty-four residential units of Workforce Housing, 500 s.f. +/- retail space with patio, and pedestrian supported amenities. The Workforce Housing residential component of the Project includes twenty-three, three-bedroom townhomes with garage parking for one automobile, two two-bedroom apartments and nine one-bedroom apartments with covered surface level parking at one space per apartment. Additional Project improvements will include a covered carport with a green roof and solar panels to power on-site utilities. The Workforce Housing units will be rent restricted as set forth in the Deed Restriction (**Attachment 11**). The Project shall be LEED Certified. Developer is bound by the Green Building Certification, dated November 15, 2016, executed by a predecessor of Developer and submitted with the response to the Request for Proposal, Workforce Housing Development, 503, 509, 511, 623 and 647 Ash Street. (**Attachment 10**). The Project shall be constructed consistent with the City of Boise's Green Construction Code. In the event the Green Construction Code does not pertain to the construction type, Developer will obtain written confirmation from a Boise City building official

that the Project meets or exceeds the Green Construction Code consistent with the requirements set forth in Boise City Code, Title 4, Chapter 7 as if the Project was governed by the Green Construction Code.

Additional improvements include updated streetscape improvements, native landscaping, and bicycle and pedestrian access to Ash Street and Pioneer Pathway.

In addition to the mixed-use development project, including Workforce Housing and retail, the Project also includes the Public Project as more specifically described in Section 10. Collectively, the mixed-use development and the Public Project are referred to as the "Project."

The Project will substantially conform to the Design Development Plan, attached hereto as **Attachment 4** (the "Design Development Plan").

2.6. Disposition Does Not Contemplate Land Speculation.

Developer represents and warrants that each of its undertakings pursuant to this Agreement are and will be used for the purpose of the development of the Project in compliance with the Urban Renewal Law, and not for speculation in landholding. The Agency's conveyance of the Property to Developer is for the express purpose of constructing the Project and no substitution or replacement project is permitted under the terms of this Agreement without the express written permission from the Agency Board of Commissioners.

2.7. Selection of Developer.

Developer further recognizes that in view of:

- (1) The importance of the Project as part of the development of the Property to the general welfare of the community;
- (2) the reliance by Agency on the real estate expertise of Developer and the continuing interest which Developer will have in the Project to assure the quality of the use, operation, and maintenance of the development thereof; and
- (3) the fact that a change in control of Developer or any other act or transaction involving or resulting in a significant change in the ownership or a change with respect to the identity of the parties in control of Developer or the degree thereof may be for practical purposes a transfer or disposition of any portion of the Project;

the qualifications and identity of Developer are of particular concern to Agency, and it is because of such qualifications and identity that Agency has entered into this Agreement with Developer. No voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement except as expressly set forth herein. Except as provided herein, Developer

shall not assign all or any part of this Agreement without the prior written approval of Agency, which consent shall not be unreasonably withheld, conditioned or delayed.

Developer warrants and represents to Agency that Developer is a manager-managed limited liability company. The sole manager of Developer is Ash and River Developer, LLC, an Idaho limited liability company, whose manager is J. Dean Papé. The manager of Developer has full and exclusive authority, power and discretion to manage and control the business and affairs of Developer relating to the acquisition and development of the Project, without the need for approval by the members of Developer. Although the manager is and intends to remain a member of Developer, the authority of the manager of Developer is not dependent upon the manager's ownership of a membership interest in Developer. The following shall not be changed without the prior written approval of Agency until the Certificate of Completion and Temporary Certificate of Occupancy: (a) the structure of Developer as a manager-managed limited liability company; (b) the identity of the manager of Developer; (c) the number of managers of Developer; and (d) the authority of the manager as it relates to the Property and the Project. The representations and warranties made in this paragraph are true and correct as of the Effective Date.

It shall not be unreasonable for Agency to withhold its approval when using criteria such as those used by this and other redevelopment agencies in selecting redevelopers for similar developments, or because the proposed transferee does not have a current financial strength, experience, or reputation for integrity equal to or better than J. Dean Papé as the manager of Ash and River Developer, LLC, the sole manager of Developer as of the date this Agreement has been executed by Agency. Developer shall promptly notify Agency of any and all changes whatsoever in the identity of the parties having control of Developer. This Agreement may be terminated by Agency if there is any significant change (voluntary or involuntary) in the management or control of Developer in violation of this Agreement (other than such changes occasioned solely by the death or incapacity of an individual) that has not been approved by Agency prior to the time of such change, if such change occurs prior to the issuance of the Certificate of Completion referred to in Section 9.1.

Notwithstanding any other provisions hereof, Developer reserves the right, at its discretion and without the prior written consent of Agency, subject to the disclosure requirements set forth below, to join and associate with other persons in joint ventures, partnerships, or other entities for the purpose of acquiring and developing the Property, or portions thereof, provided that Developer maintains operating control of such entities and remains fully responsible to Agency as provided in this Agreement with respect to the Property. This section is not deemed to preclude mortgage-lender participation and conditions therein, provided such mortgage-lender participation complies with this Agreement.

Provided further, however, Developer is required to make full disclosure to Agency of its principals, officers, managers, joint venturers, and key managerial employees involved in the Project and all similar material information concerning Developer, to the extent relevant to the performance hereunder.

3. RIGHT OF ENTRY/REVIEW OF TITLE

3.1 Right of Entry; Developer's Investigations.

Subject to the conditions set forth herein, including the insurance and indemnity provisions set forth in Section 8, Developer and its agents, contractors, consultants, and employees are hereby given permission to access the Property at all reasonable times until the Closing (or earlier termination of this Agreement), during normal business hours, for the purpose of conducting tests and inspections of the Property, including surveys and architectural, engineering, geotechnical and environmental inspections and tests; provided, however, any intrusive or invasive investigations (e.g., core sampling, and including, without limitation, any environmental testing other than a Phase I or Phase II Environmental Site Assessment or update to any prior environmental assessments) shall be subject to Agency's prior written consent, which consent shall not be unreasonably withheld.

Developer shall provide to Agency, promptly upon completion and at no cost or expense to Agency, a list of all reports, studies and test results prepared by Developer's consultants and copies of any of the above-listed materials Agency might request. All of the foregoing inspections shall be performed by Developer at Developer's sole cost and expense.

As a condition to any such entry, inspection or testing, Developer shall (a) notify Agency in advance of the date and purpose of the intended entry and provide to Agency the names and/or affiliations of the persons entering the Property; (b) conduct all studies in a diligent, expeditious and safe manner and not allow any dangerous or hazardous conditions to occur on the Property; (c) comply with all applicable laws and governmental regulations; (d) keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed by or on behalf of Developer; (e) maintain or assure maintenance of workers' compensation insurance on all persons entering the Property in the amounts required by the State of Idaho; and (f) promptly repair any and all damage to the Property caused by Developer, its agents, employees, contractors, or consultants and return the Property to its original condition following Developer's entry.

Developer shall indemnify, defend, and hold harmless Agency, and its officers, officials, representatives, members, employees, volunteers and agents from and against any and all loss, cost, liability or expense (including reasonable attorneys' fees) arising from the entries of Developer, its agents, contractors, consultants, and employees upon the Property or from Developer's failure to comply with the conditions to Developer's entry onto the Property provided for herein; provided, however, the indemnity shall not extend to protect Agency from any pre-existing liabilities for matters merely discovered by Developer (e.g., latent environmental contamination). Such indemnity shall survive the Close of Escrow or the termination of this Agreement for any reason.

3.2 Review of Title; Approved Title Exceptions.

Prior to the Effective Date of this Agreement, Developer reviewed the Commitment for Title Insurance (**Attachment 5**) and underlying title documents disclosed therein for the Property, issued by the Title Company under File No. 15262350, having an effective date of _____ (the "Title Report"). Developer agrees it shall accept title to the Property with the exceptions disclosed in the Title Report and the Permitted Title Exceptions, as defined herein.

Not less than fifteen business days prior to the Close of Escrow, Developer shall obtain a supplement to the Title Report (with the understanding that Developer shall have the right to order updates to the Title Report at any time prior to Close of Escrow) disclosing any new title matters that will adversely affect the development of the Project, not disclosed to Developer prior to the expiration of the Effective Date, Developer shall have five (5) business days from receipt of such supplemental title report (and all underlying documents referenced therein) to notify Agency of any objections ("Supplemental Title Objections") it may have with respect to the supplemental title report. Agency shall cause an updated Title Report to be delivered to Developer 15 days prior to the Closing Date to allow Developer to confirm there has been no changes to the Title Report.

If Developer does not give such notice within such five (5) business day period, such failure shall be conclusively deemed to be Developer's approval of those matters.

If Developer has any Supplemental Title Objections, Agency shall have five (5) business days after receipt thereof to notify Developer that Agency (a) will cause or (b) elects not to cause any or all of the Supplemental Title Objections disclosed therein to be removed or insured over by the Title Company in a manner reasonably satisfactory to Developer. Agency's failure to notify Developer within such five (5) business day period as to any Supplemental Title Objections that Agency is willing to cure or cause to be insured over shall be deemed an election by Agency not to remove or have the Title Company insure over such Supplemental Title Objections.

If Agency notifies or is deemed to have notified Developer that Agency shall not remove nor have the Title Company insure over any or all of the Supplemental Title Objections, Developer shall have three (3) business days after the expiration of Agency's five (5) business day period to respond to Developer's Supplemental Title Objections to either (a) terminate this Agreement; or (b) waive such Supplemental Title Objections and proceed to Closing, without any abatement or reduction in the purchase price on account of such Supplemental Title Objections; or (c) propose an abatement or reduction in the purchase price on account of such Supplemental Title Objections, which the Agency shall have 10 days to accept or reject.

If Developer does not give notice within said period, Developer shall be deemed to have elected to waive the Supplemental Title Objections.

3.3 Compliance with Laws.

Developer shall comply with applicable laws and building codes with respect to any work or investigations on the Property prior to Closing, including the City's Erosion Control Program and Green Building Code.

4. EVIDENCE OF PROJECT FINANCING

4.1. Submission of Preliminary Evidence of Financing.

No later than one hundred eighty (180) days after the Effective Date or such later time as may be approved by Agency, Developer shall submit to Agency's Executive Director evidence satisfactory to the Executive Director that Developer will have at or before Closing the financial capability necessary for the acquisition of the Property and the development of the Project thereon pursuant to this Agreement. Such preliminary evidence of financial capability shall include all of the following:

- (a) Reliable cost estimates for Developer's total cost of acquiring the Property and developing the Project (including both "hard" and "soft" costs) ("Project Budget").
- (b) A copy of the loan commitment or commitments obtained by Developer from a qualified lender supervised, approved, regulated, or insured by any agency of the Federal government, or proof of funds from an equity partner, for all of the sources of funds to finance acquisition of the Property and construction of the Project, including those from public agencies. Each commitment for financing shall be in such form and content acceptable to Agency's Executive Director and shall reasonably evidence a firm and enforceable commitment, with only those contingencies and conditions that are standard or typical for similar projects prior to land closing.
- (c) If the total Project Budget exceeds the amount of financing commitments received pursuant to subparagraph (b) above, evidence satisfactory to the Executive Director demonstrating that Developer has adequate funds available and committed to cover such difference.
- (d) For purposes of compliance with this Section 4.1, non-binding loan commitments or loan term sheets from a qualified lender will be acceptable.

4.2. Time to Approve Evidence of Financing.

Agency shall approve or disapprove of Developer's evidence of financing within twenty (20) days of receipt of a complete submission. Agency's approval shall not be unreasonably withheld. If Agency's Executive Director shall disapprove such evidence of financing, he or she shall do so by written notice to Developer stating the reasons for such disapproval and Developer shall promptly resubmit its evidence of financial capability, as modified to conform to Agency's requirements, not more than twenty (20) days after receipt of the Agency Executive Director's disapproval.

4.3. Public Records Law.

All information submitted to Agency may be subject to the Idaho Public Records Law. As an alternative to formal submittal of this required information, Developer may allow an inspection and review of such information by Agency. In such case, Agency shall provide a notice of approval of the evidence of financing in writing within the time allotted in Section 4.2.

4.4. Lender Modifications.

The Parties acknowledge that substantial debt financing will be necessary for the development of the Project. Developer may submit for Agency approval, and Agency shall reasonably consider, modifications to this Agreement requested by Developer's lenders or prospective lenders for the Project.

5. DISPOSITION AND CONVEYANCE OF THE PROPERTY

5.1. Disposition and Conveyance of the Property.

In accordance with and subject to all the terms, covenants, and conditions (including the attachments) of this Agreement, Agency agrees to convey the entire fee estate of the Property in the condition required pursuant to Section 6 of this Agreement to Developer.

Developer agrees to develop the Property and complete construction of the Project within twenty-four (24) months from the Closing Date, for the consideration, and subject to the terms, conditions, and provisions of this Agreement, including, without limitation, as provided in the Schedule of Performance (**Attachment 3**) and the other attachments. Agency agrees to meet its obligations herein provided with respect to the Property including, without limitation, as provided in the Schedule of Performance. The time periods set forth in the Schedule of Performance may be extended for up to 90 days in total if the delays are caused by matters beyond Developer's reasonable control or otherwise consented to by Agency. Any extension must be agreed upon in writing by Agency's Executive Director.

5.1.1. Purchase Price

The purchase price for the Property (the "Purchase Price") is estimated to be Six Hundred Seventy-Nine Thousand Dollars (\$679,000). The Purchase Price includes the fair market value of the Property unencumbered by this Agreement, as determined by the Parties based upon the commercial appraisal obtained by Agency from Valbridge Property Advisors/ Mountain States Appraisal & Consulting, Inc. (the "Reuse Appraiser") dated July 20, 2017, in the amount of Six Hundred Forty-Five Thousand Dollars (\$645,000), plus the cost to acquire the Alley Vacation Property from the Ada County Highway District ("ACHD") through the vacation process (the "Alley Vacation") in the estimated amount of Thirty-Four Thousand Dollars (\$34,000), provided

however, the Alley Vacation Property acquisition price comprising a portion of Purchase Price shall be adjusted at Closing to reflect the actual amount paid by Agency to ACHD.

5.1.2. Payment of Purchase Price

(a) **Deposit.** Developer previously deposited with Agency the sum of Ten Thousand Dollars (\$10,000) under the terms of the Agreement to Negotiate Exclusively. Upon full execution of this Agreement, the Agreement to Negotiate Exclusively shall be of no further effect and such sum shall become a deposit under this Agreement ("Deposit"). The Deposit shall be credited to the Purchase Price upon the Closing.

(b) **Closing Funds.** Prior to the Closing, the balance of the Purchase Price shall be deposited into Escrow by Developer by (i) a wire transfer of funds, (ii) cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of Idaho, or (iii) cash.

5.2. Escrow.

Within five (5) business days after the Effective Date of this Agreement, the Parties agree to open an escrow (the "Escrow") with TitleOne Corporation (the "Escrow Agent"). A duplicate original of this Agreement and the Escrow Instruction Letter (**Attachment 15**) shall be delivered to the Escrow Agent upon the opening of the Escrow. Agency and Developer shall provide such additional escrow instructions as shall be necessary and consistent with this Agreement. The Escrow Agent hereby is empowered to act under this Agreement and the Escrow Instruction Letter and, upon indicating its acceptance of the provisions of this Section in writing delivered to Agency and to Developer within five (5) days after the opening of the Escrow, shall carry out its duties as Escrow Agent hereunder.

5.2.1. Payment of Costs

Developer and Agency shall each pay one-half of the Escrow fee, any charges for recording the Deed, the Memorandum, the Deed Restriction and the other documents to be recorded hereunder (to the extent the County Recorder's Office does not waive such charges). Agency shall pay the charge for an ALTA standard owner's policy in the amount of the Purchase Price. Developer shall pay the charge for any additional title coverage requested by Developer, including an ALTA extended owner's policy, if Developer obtains such policies. Developer will be responsible for paying endorsements desired by Developer except for the cost of any endorsements Agency agrees to provide to cure any Supplemental Title Objections pursuant to Section 3.2. Agency and Developer shall each be responsible for their respective attorneys' fees and costs. Taxes and assessments, if any, applicable to periods before and after Closing shall be allocated to the Property and prorated between the Parties in an equitable manner. Agency shall cause all utilities serving the Property to be terminated on or before Closing and shall be responsible for costs associated with such utility services prior to Closing. All other costs of the

Escrow not specifically allocated in this Agreement shall be allocated to the Parties as is customary in a commercial real estate transaction in Ada County, Idaho.

5.2.2. Close of Escrow

The Close of Escrow ("Closing") shall occur within ten (10) days after the date all of the Agency Closing Conditions and the Developer's Closing Conditions in Sections 5.3.1 and 5.3.2 (other than the conditions on the delivery of documents and funds into Escrow, which shall occur during said ten (10) day period) are satisfied or waived by the benefited party, but in no event later than the date that is ten (10) months after the Effective Date. The Close of Escrow means the fulfillment of the Escrow terms and conclusion of the Escrow, including, without limitation, the execution of unexecuted documents, the recordation of documents specified for recording, the issuance of title insurance policies, the payment of fees and the delivery of funds and documents as directed in the Escrow Instruction Letter. The Escrow shall close as provided in the Escrow Instruction Letter on or before the Closing.

5.2.3. Deliveries by Agency

On or before the scheduled Closing Date, Agency shall deliver the following to Escrow Agent:

- (a) the Special Warranty Deed, duly executed and acknowledged by Agency;
- (b) the Memorandum, duly executed and acknowledged by Agency;
- (c) the Deed Restriction, duly executed and acknowledged by Agency;
- (d) Construction License Agreement (**Attachment 14**), duly executed and acknowledged by Agency;
- (e) Temporary license agreement for landscaping and berm to be installed on adjacent property owned by Agency (the "Landscape License Agreement") (**Attachment 13**);
- (f) all documents necessary to replat the Property into one single legal parcel as of the Closing, which shall be completed at Agency's sole cost and expense; and
- (g) all other documents reasonably required by Escrow Agent from Agency to carry out and close the Escrow pursuant to this Agreement, including Agency's portion of the Escrow fees and prorations

5.2.4. Deliveries by Developer

On or before the scheduled Closing Date, Developer shall deliver the following to Escrow Agent:

- (a) the balance of the Purchase Price;
- (b) the Special Warranty Deed, duly executed and acknowledged by Developer;
- (c) the Memorandum, duly executed and acknowledged by Developer;
- (d) executed construction loan documents for the Project consistent with the evidence of financing as approved by Agency pursuant to Section 4;
- (e) the Deed Restriction, duly executed and acknowledged by Developer;
- (f) Construction License Agreement, duly executed and acknowledged by Developer;
- (g) Landscape License Agreement, duly executed and acknowledged by Developer;
and
- (h) all other sums and documents reasonably required by Escrow Agent from Developer to carry out and close the Escrow pursuant to this Agreement, including Developer's portion of the Escrow fees and prorations.

5.2.5. [RESERVED]

5.2.6. Termination

If the Escrow is not in condition to close before the time for conveyance established in this Agreement, either Party who then shall have fully performed the acts to be performed before the Closing, may, in writing, terminate this Agreement in the manner set forth in Section 12.6 hereof, and demand the return of its money, papers, and documents. Thereupon all obligations and liabilities of the Parties under this Agreement shall cease and terminate in the manner set forth in Section 12.6 hereof. If neither Agency nor Developer shall have fully performed the acts to be performed before the time for conveyance established in the Schedule of Performance, no termination or demand for return shall be recognized until ten (10) days after the Escrow Agent shall have mailed copies of such demand to the other Party or Parties at the address of its or their principal place or places of business. If any objections are raised within the 10-day period, the Escrow Agent is authorized to hold all money, papers, and documents until instructed in writing by both Agency and Developer or upon failure thereof by a court of competent jurisdiction. If no such demands are made, the Parties shall cause the Closing to occur as soon as possible. The terms of this paragraph shall not affect the rights of Agency or Developer to terminate this Agreement under Section 12 hereof. Nothing in this Section shall be construed to impair or affect the rights or obligations of Agency or Developer to specific performance.

5.2.7. Amendment

Any amendment to the Escrow Instruction Letter shall be in writing and signed by both Agency and Developer. At the time of any amendment, the Escrow Agent shall agree to carry out its duties as Escrow Agent under such amendment.

5.2.8. No Real Estate Commissions or Fees

Agency represents that it has not engaged any broker, agent, or finder in connection with this transaction. Developer represents that it has not engaged a broker in connection with this transaction. Developer agrees to hold Agency harmless from any claim concerning any real estate commission or brokerage fees arising out of Developer's actions and agrees to defend and indemnify Agency from any such claim asserted concerning the commission or brokerage fees. Agency agrees to hold Developer harmless from any claim concerning any real estate commission or brokerage fees arising out of Agency's actions and agrees to defend and indemnify Developer from any such claim asserted concerning the commission or brokerage fees. Provided, however, nothing herein shall prevent Developer from preleasing or preselling space within the Project, thus incurring real estate commissions or brokerage fees. In no event, though, shall Agency be liable for any real estate commission or brokerage fees on account of any such preleasing or preselling activity.

5.3. Conditions to Property Transfer.

5.3.1. Conditions to Agency's Obligations

In addition to any other condition set forth in this Agreement in favor of Agency, Agency shall have the right to condition its obligation to convey the Property to Developer and close the Escrow upon the satisfaction, or written waiver by Agency, of each of the following conditions precedent on the Closing Date or such earlier time as provided for herein (collectively, the "Agency Closing Conditions");

(a) **Permits and Approvals.** Developer shall have obtained all land use approvals and entitlements for the conveyance of the Property and for the development of the Project from all governmental agencies with jurisdiction, with the exception of grading permits, building permits and final condominium plat approvals. The time period for appealing or challenging such approvals and entitlements shall have expired with no challenge outstanding. Developer shall have obtained approval of its final grading plans and building plans for the Project and grading permits and building permits shall be ready to be issued upon payment of fees on or after Closing. If available, Developer shall provide written confirmation from the City that the permits and approvals are ready to be issued upon the payment of fees on or after Closing.

(b) **Developer Deliveries Made.** Developer has deposited with Escrow Agent all sums and documents required of Developer by this Agreement for the Closing.

- (c) **Insurance.** Developer shall have timely submitted and obtained Agency's approval of the insurance required pursuant to Section 8.1 of this Agreement.
- (d) **Evidence of Financing.** Agency shall have approved Developer's evidence of financing in accordance with Section 4 of this Agreement, and the financing for the Project shall close and be available to Developer upon Developer's acquisition of the Property.
- (e) **No Default.** Developer shall not be in material default of any of its obligations under this Agreement (and shall not have received notice of a default hereunder which has not been cured or is in the cure process), and all representations and warranties of Developer contained herein shall be true and correct in all material respects as of the date of this Agreement and the Closing Date.
- (f) **Construction Contract.** Prior to Closing, Developer shall submit to Agency a construction contract, or other evidence satisfactory to Agency, with Visser Building Co. for the Project that requires the Project to be constructed for an amount that does not substantially exceed the Project Budget, as described in Section 4.1(a).
- (g) **Alley Vacation.** Developer shall have obtained from ACHD evidence of the vacation of the Alley Vacation Property vacating all of ACHD's right, title and interest into the Alley Vacation Property as further shown and described in **Attachment 16**. Agency has agreed to submit to ACHD the application to vacate the Alley Vacation Property prepared by Developer within fifteen (15) days of the Effective Date.

5.3.2. Conditions to Developer's Obligations

In addition to any other condition set forth in this Agreement in favor of Developer, Developer shall have the right to condition its obligation to purchase the Property and close the Property Escrow upon the satisfaction, or written waiver by Developer, of each of the following conditions precedent on the Closing Date or such earlier time as provided for herein (collectively, the "Developer's Closing Conditions"):

- (a) **Permits and Approvals.** Developer shall have obtained all land use approvals and entitlements for the conveyance of the Property and for the development of the Project from all governmental agencies with jurisdiction, with the exception of grading permits, building permits and final condominium plat approvals. The time period for appealing or challenging such approvals and entitlements shall have expired with no challenge outstanding. Developer shall have obtained approval of its final grading plans and building plans for the Project and grading permits and building permits shall be ready to be issued upon payment of fees on or after Closing.
- (b) **Replatting of Property.** Developer shall have received confirmation that the City of Boise has approved the consolidation and replatting by Agency of the parcels currently

comprising the Property to create one legal parcel concurrently with the Closing, which shall be completed at Agency's sole cost and expense.

(c) **Agency Deliveries Made.** Agency has deposited with Escrow Agent all documents required of Agency by this Agreement for the Closing.

(d) **Title Policy.** The Title Company is unconditionally and irrevocably committed to issue to Developer at Closing an ALTA standard coverage owner's title policy, or, upon Developer's request, an ALTA extended coverage owner's policy of title insurance ("Title Policy"), insuring Developer's title to the Property in the amount of the Purchase Price, subject only to the following (collectively, the "Permitted Title Exceptions"): the standard exceptions and exclusions from coverage contained in such form of the policy; matters created by, through or under Developer; items disclosed by the Survey; items that would have been disclosed by a physical inspection of the Property on the Effective Date; real estate taxes not yet due and payable; any deed restrictions, including the declaration of deed restriction preventing Developer from erecting a fence, hedge, or any other landscape plantings that would restrict vision and that exceed three feet in height; the documents to be recorded under this Agreement; any mutually agreed upon Supplemental Title Objections; and the exceptions disclosed in the Title Report. If Developer requests ALTA extended coverage, any standard exceptions shall not be Permitted Title Exceptions.

(e) **No Default.** Agency shall not be in material default of any of its obligations under this Agreement (and shall not have received notice of a default hereunder which has not been cured or is in the cure process), and Agency's representations and warranties contained herein shall be true and correct in all material respects as of the date of this Agreement and the Closing Date.

(f) **Debt and Equity Financing.** That Developer is able to obtain financing reasonably acceptable to Developer, and submit to Agency reasonably acceptable evidence of financing pursuant to Section 4.1 and as approved by the Agency, and that all conditions to any financing commitments for the Project are satisfied and such commitments are fulfilled by the lenders and other third parties involved. A commitment to make a construction loan shall be considered fulfilled upon execution of the loan agreement by Developer and the lender and depositing with Escrow Agent the mortgage or deed of trust securing the loan to be executed by Developer as of the Closing Date.

(g) **Adjacent Property Easement Agreements.** That Developer is able to obtain utility and sewer usage and easement agreements with the City of Boise related to the joint use of those utilities on the adjacent property to the Project more commonly known as the Hayman House property.

(h) **Alley Vacation.** Developer shall have obtained from ACHD evidence of the vacation of the alleyway vacating all of ACHD's right, title and interest into the alleyway

running along the boundary of the Property as further shown and described in **Attachment 16**. Agency has agreed to submit to ACHD the application to vacate the alleyway prepared by Developer.

5.4. Satisfaction of Conditions.

Where satisfaction of any of the foregoing conditions requires action by Developer or Agency, each party shall use its diligent efforts, in good faith, and at its own cost, to expeditiously satisfy such condition. If a party is not in a position to know whether or not a condition precedent has been satisfied, then the party that is aware of the status of the condition shall immediately notify the other party.

5.5. Waiver.

Agency may at any time or times, at its election, waive any of the Agency Closing Conditions set forth in Section 5.3.1, but any such waiver shall be effective only if contained in a writing signed by Agency and delivered to Developer. Developer may at any time or times, at its election, waive any of the Developer's Closing Conditions set forth in Section 5.3.2, but any such waiver shall be effective only if contained in a writing signed by Developer and delivered to Agency.

5.6. Termination.

In the event each of the Agency Closing Conditions set forth in Section 5.3.1 is not fulfilled by the outside date for the Closing Date, or such earlier time period as provided for herein, or waived by Agency pursuant to Section 5.5, and provided Agency is not in default of this Agreement, Agency may at its option terminate this Agreement and the Escrow opened hereunder. In the event that each of the Developer's Closing Conditions set forth in Section 5.3.2 is not fulfilled by the outside date for the Closing Date, or such earlier time period as provided for herein, or waived by Developer pursuant to Section 5.5, and provided Developer is not in default of this Agreement, Developer may at its option terminate this Agreement and the Escrow opened hereunder. No termination under this Agreement shall release either party then in default from liability for such default. In the event this Agreement is terminated, all closing documents and funds delivered by Agency to Developer or Escrow Agent shall be returned immediately to Agency and all closing documents and funds delivered by Developer to Agency or Escrow Agent shall be returned immediately to Developer; provided, however, that Agency shall retain the Deposit so long as Agency has fully performed the obligations required to be performed by Agency prior to that time.

6. CONDITION OF THE PROPERTY.

6.1. "As Is".

Subject to Agency's representations and warranties expressly set forth in this Agreement, Developer acknowledges and agrees that any portion of the Property that it acquires from Agency pursuant to this Agreement shall be purchased "as is."

Agency makes no representations or warranties with respect to whether the Property is currently, or in the future, located either wholly or partially in a flood plain or a flood hazard boundary or similar area.

6.2. Agency Representations.

Agency represents and warrants to Developer as follows: (1) Agency has given Developer complete copies of the Title Report and the Environmental Reports; (2) the Title Report and Environmental Reports constitute all information of which Agency has actual knowledge concerning the physical condition of the Property, including, without limitation, information about any Hazardous Materials or violations of any applicable laws; (3) the individuals entering into this Agreement on behalf of Agency have the authority to bind Agency; (4) entering into this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary Agency action and do not violate the laws governing Agency's activities or any other agreement to which Agency is a party; (5) upon Close of Escrow, there will be no tenants, occupants or other parties in possession of the Property. These representations and warranties shall survive Close of Escrow and delivery of the Deed to Developer.

6.3. Environmental Release and Waiver.

Subject to Agency's representations and warranties expressly set forth in this Agreement, Developer hereby releases and waives all rights, claims, or causes of action Developer may have in the future against Agency arising out of or in connection with any Hazardous Materials at, on, in, beneath, or from the Property.

7. DEVELOPMENT OF THE PROPERTY.

7.1. Scope of Development.

The Property shall be developed subject to the terms and conditions of this Agreement.

7.2. Local, State, and Federal Laws.

Developer shall carry out any required construction of the Project in conformity with all applicable laws, including all applicable federal and state labor standards.

7.3. Antidiscrimination During Construction.

Developer, for itself and its successors and assigns, agrees that in the construction of the improvements provided for in this Agreement, Developer will not discriminate against any employee or applicant for employment because of physical disability, race, color, creed, religion, sex, sexual orientation, gender identity/ expression, marital status, ancestry, or national origin.

7.4. Design Development Plan and Design Review Drawings.

The Parties acknowledge Developer has submitted to Agency the Design Development Plan (**Attachment 4**). Agency approved the Design Development Plan for development of the Property. Prior to submitting or re-submitting design review drawings to the City Design Review Committee (the "Design Review Drawings"), Developer shall provide Agency all updated and revised Design Review Drawings and a clear chart showing itemized changes from the approved Design Development Plan. Agency shall have fifteen (15) days to review, approve, disapprove, or modify the Design Review Drawings, or any changes thereto. Any disapproval shall state in writing the reasons for disapproval and the changes which Agency requests to be made. Such reasons and changes must be consistent with any items previously approved or deemed approved hereunder. Developer, upon receipt of a disapproval based upon powers reserved by Agency hereunder, shall revise such plans, drawings, and related documents (or such portions thereof) and resubmit them to Agency as soon as possible after receipt of the notice of disapproval. Developer shall not submit any Design Review Drawings to the City without Agency's prior approval of such Design Review Drawings.

7.5. Final Construction Documents.

Thirty (30) days prior to Closing, Developer shall submit to Agency Final Construction Documents and a clear chart showing changes from the Design Development Plan including:

- square footage by type of uses
- number of parking spaces
- perspective renderings
- floor plans
- site plan
- elevations/sections listing exterior finishes

The Final Construction Documents shall be approved, approved conditionally, or disapproved within the time established in the Schedule of Performance and subject to the provisions of Sections 7.6, 7.7, 7.8, and 7.9, provided, City's approval of the Final Construction Documents shall constitute Agency's approval unless Agency notifies Developer in writing within fifteen (15) days after Developer notifies Agency that City has approved the Final Construction Documents that Agency disapproves of the Final Construction Documents.

7.6. Agency Approval of Plans, Drawings, and Related Documents.

Subject to the terms of this Agreement, Agency shall have the right of reasonable architectural review of all plans and drawings, including any substantial changes therein. In reviewing the Final Construction Documents, Agency shall be guided by the Redevelopment Plan for the Project Area and Developer's Ash Street – Workforce Housing Development Proposal dated November 15, 2016, and approved by the Agency on December 12, 2016. Developer shall make every reasonable effort to present drawings and plans in compliance with the guidelines. In the event Developer seeks deviation or waiver from those guidelines, Developer shall so indicate when those drawings and plans are submitted. The guidelines shall be applicable unless specifically waived by Agency.

7.7. Communication; Revisions.

Agency and Developer shall communicate and consult informally as frequently as is necessary to ensure that the formal submittal of any documents to Agency can receive prompt and speedy consideration. If any revisions or corrections of plans approved by Agency shall be required by any government official, agency, department, or bureau having jurisdiction or any lending institution involved in financing, Developer and Agency shall cooperate in efforts to revise or correct the plans or obtain a waiver of such requirements or to develop a mutually acceptable alternative.

7.8. Prompt Review.

Agency shall promptly approve (but in not less than 20 days) the Final Construction Documents to the extent such plans, drawings, and related documents are consistent with plans (including the Design Development Plan) previously approved by Agency. Agency may designate a committee of its members and staff to expedite plan approvals. Failure by Agency either to approve or to disapprove plans that are consistent with plans previously approved by Agency within the times established in the Schedule of Performance shall be deemed an approval. Any such approved plans, drawings, and related documents shall not be subject to subsequent disapproval. Provided, however, if Developer proposes or advances any material change to the exterior design of the Project previously approved by Agency, Agency shall have the right to review and approve or disapprove such changes within the time frames and in compliance with the procedures stated herein. Any disapproval shall state in writing the reasons for disapproval and the changes which Agency requests to be made. Developer, upon receipt of a disapproval based upon powers reserved by Agency hereunder, shall review such plans, drawings, and related documents (or such portions thereof) and resubmit them to Agency as soon as possible after receipt of the notice of disapproval. Plans approved or deemed approved hereunder shall be deemed in all respects to be in accordance with the Redevelopment Plan.

7.9. Changes to Final Construction Documents.

If Developer desires to make any substantial change in the Final Construction Documents after their approval, such proposed change shall be submitted to Agency for approval. For purposes of this section, and this section only, “substantial change” is defined as any change in the Final Construction Documents which by such change will revise the value or cost of the Project (following completion) by more than fifteen percent (15%), change the size of the Project by more or less than fifteen percent (15%), or any change to the number of residential and retail units in the Project (such numbers and anticipated uses are set forth in Section 2.5). If Final Construction Documents, as modified by the proposed change, conform to the requirements of Section 7.5 of this Agreement, the proposed change shall be approved and the Party submitting such change shall be notified in writing within ten (10) days after submission. Such change in the Final Construction Documents shall, in any event, be deemed approved unless rejected, in whole or in part, by written notice thereof setting forth in detail the reason therefore, and such rejection shall be made within such 10-day period.

7.10. Construction Reporting.

The Parties acknowledge and agree that communication and cooperation between the Parties is imperative to the successful completion of the Project and to achieve the objectives of the Redevelopment Plan. Therefore, the Parties shall endeavor to keep the other Party sufficiently informed regarding matters related to the development and construction of the Project so the other Party can have a meaningful opportunity to review, comment, and respond on matters relating to the other Party’s performance of its obligations under this Agreement.

7.10.1. Developer’s Obligations

Developer, as requested by Agency, shall:

- (a) Permit Agency staff to attend weekly and/or monthly construction progress and design meetings for the Project to permit Agency to assess the progress of development and construction and assess compliance with the Schedule of Performance, and the adherence of the development and construction to the plans approved by Agency;
- (b) Provide Agency with a monthly written status report on the Project (consisting of a simple narrative of the status, an update as to the progress on the schedule of performance and a summary of the percentage of completion) in sufficient time to allow for their distribution to Agency’s board of directors prior to their regular monthly meetings; such monthly report shall include any photos taken by Developer in the normal course of project supervision that would be helpful to supplement the simple written narrative in the monthly status reports;
- (c) If requested, attend and provide oral status reports on the Project at regular monthly meetings of Agency’s board of directors;

(d) To the extent the meetings described in Section 7.10.1(a) above are not adequate as determined by Agency, schedule and attend meetings at the request of the Agency with Agency's staff, Agency's consultants, and representatives from the City of Boise or other public entities (if necessary) for general coordination and review of the progress and schedule of the Project, any implementation agreements or other documents to be submitted by either Party, and any other tasks necessary or convenient for development of the Project to achieve the objectives of the Redevelopment Plan; and

(e) If requested, include Agency name and logo on construction signs, fencing and other locations in and around the Project Site during construction.

7.10.2. Agency's Obligations

In furtherance of this Section, Agency shall:

(a) provide timely and meaningful comments to the information, reports, and other documents submitted to Agency by Developer; and

(b) upon Developer's request, provide Developer with all of Agency's comments, conditions, and requirements regarding Developer's plans for the Project in sufficient time (provided that Developer provides Agency with a reasonable period of time for Agency to review Developer's plans) for Developer to respond to Agency's comments, conditions, and requirements prior to filing an application with City for the Project.

7.10.3. Meeting Attendance

The Parties shall use their best reasonable efforts to have their respective principals and staff members available, as needed, to participate in meetings, hearings, and work sessions if requested by the other Party.

7.10.4. Access to the Property

For the purpose of assuring compliance with this Agreement, agents and employees of Agency shall have the reasonable right of access to the Property without charges or fees and at normal construction hours during the period of construction for the purposes of this Agreement, including, but not limited to, the inspection of the work being performed in constructing the improvements. Agency shall cause anyone who comes onto the Property on Agency's behalf to comply with applicable OSHA or other safety regulations, and to provide no less than 48 hours' notice prior to exercising its rights of access pursuant to this Section. To the extent permitted by law, Agency shall indemnify, defend, and hold harmless Developer and its respective officers, officials, representatives, members, employees, and agents from and against any and all loss, cost, liability or expense (including reasonable attorneys' fees) arising from the gross negligence or willful misconduct of Agency, its agents, and employees upon entry on the Property pursuant

to this Section. Such indemnity shall survive the Close of Escrow or the termination of this Agreement for any reason.

7.10.5. Reasonableness

Developer shall reasonably comply with the requirements of the Redevelopment Plan and shall prepare Final Construction Documents consistent with the Design Development Plan. Agency will not unreasonably impose requirements regarding materials, design elements, construction methods or other elements that materially affect the costs of the Project, or which would cause development of the Project to become economically infeasible as set forth in Subsection 12.6.1(d). Nothing herein shall limit the reviewing authority of Agency granted under this Agreement, provided, however, that Agency and, Developer acknowledge that cooperation between the Parties is essential to the development of the Project.

7.10.6. Cost of Construction.

As between the Parties the cost of developing and constructing all improvements on the Property under this Agreement shall be borne by Developer unless agreed to otherwise in writing.

8. INSURANCE AND INDEMNIFICATION.

8.1. Bodily Injury, Property Damage, and Workers' Compensation Insurance.

Developer shall, or through its contractor shall, at its sole cost, obtain and maintain in force from and after the Closing (as specified below) insurance of the following types, with limits not less than those set forth below with respect to the Project, and with the following requirements:

(a) Commercial General Liability Insurance (Occurrence Form) with a minimum combined single limit liability of \$2,000,000 each occurrence for bodily injury and property damage; with a minimum limit of liability of \$2,000,000 each person for personal and advertising injury liability. Such policy shall have an aggregate products/completed operations liability limit of not less than \$2,000,000 and a general aggregate limit of not less than \$2,000,000. The products/completed operations liability coverage shall be maintained in full force and effect for not less than eighteen months following completion of the Project issuance of a certificate of occupancy, whichever is later. The policy shall be endorsed to name Agency, including its respective affiliates, the financing parties and the respective officers, directors, and employees of each as additional insureds. All policies shall be occurrence form policies and not a claims-made policy.

(b) During the construction of the Project, Builder's Risk Insurance upon the Project covering one hundred percent (100%) of the replacement cost of the Project. This policy shall be written on a builder's risk "all risk" or open peril or special causes of loss policy

form that shall at least include insurance for physical loss or damage to the construction, temporary buildings, falsework, and construction in transit, and shall insure against at least the following perils: (i) fire; (ii) lighting; (iii) explosion; (iv) windstorm or hail; (v) smoke; (vi) aircraft or vehicles; (vii) riot or civil commotion; (viii) theft; (ix) vandalism and malicious mischief; (x) leakage from fire extinguishing equipment; (xi) sinkhole collapse; (xii) collapse; (xiii) breakage of building glass; (xiv) falling objects; (xv) debris removal; (xvi) demolition occasioned by enforcement of laws and regulations; (xvii) weight of snow, ice, or sleet; (xviii) weight of people or personal property;

(c) Workers' Compensation Insurance, including occupational illness or disease coverage, in accordance with the laws of the nation, state, territory, or province having jurisdiction over Developer's employees, and Employer's Liability Insurance with minimum limits as required by law. Developer shall not utilize occupational accident or health insurance policies, or the equivalent, in lieu of mandatory Workers' Compensation Insurance or otherwise attempt to opt out of the statutory Workers' Compensation system.

(d) Automobile Liability Insurance covering use of all, non-owned, and hired automobiles with a minimum combined single limit of liability for bodily injury and property damage of \$1,000,000 per occurrence.

(e) All insurance provided by Developer under this Agreement shall include a waiver of subrogation by the insurers in favor of Agency. Developer hereby releases Agency, including its respective affiliates, directors, and employees, for losses or claims for bodily injury, property damage, or other insured claims arising out of Developer's performance under this Agreement or construction of the Project unless otherwise as the result of the negligence or willful misconduct of Agency or its respective affiliates, directors, and employees.

(f) Developer (or Developer's contractor(s), as applicable) shall provide certificates of insurance satisfactory in form to Agency (ACORD form or equivalent) to Agency evidencing that the insurance required above is in force, that, to the extent commercially reasonable, not less than thirty (30) days' written notice will be given to Agency prior to any cancellation or restrictive modification of the policies, and that the waivers of subrogation are in force. Developer (or Developer's contractor(s), as applicable) shall also provide, with its certificate of insurance, executed copies of the additional insured endorsements and dedicated limits endorsements required in this Agreement. At Agency's request, Developer shall provide a certified copy of each insurance policy required under this Agreement.

(g) All policies of insurance required by this Agreement shall be issued by insurance companies with a general policyholder's rating of not less than A and a financial rating of AAA (or equivalent ratings if such are changed) as rated in the most current available "Best's Insurance Reports" and qualified to do business in the State of Idaho.

(h) The foregoing insurance coverage shall be primary and non-contributing with respect to any other insurance or self-insurance that may be maintained by Agency. Developer's General Liability Insurance policy shall contain a Cross-Liability or Severability of Interest clause. The fact that Developer has obtained the insurance required in this Section shall in no manner lessen or affect Developer's other obligations or liabilities set forth in the Agreement.

8.2. Indemnification.

Developer shall indemnify and hold Agency, and its officers, agents, and employees harmless from and against all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses, including reasonable architect and attorney fees (collectively referred to in this Section as "claim"), which may be imposed upon or incurred by or asserted against Agency, or its respective officers, agents, and employees by reason of any of the following occurrences:

(a) Any work or thing done in connection with the Project by or at the direction of Developer, including, without limitation, inspection of the Property prior to Closing, any work on the Property prior to Closing, and the construction of any improvements, or any tenant improvements, in each case by or at the direction of Developer; or

(b) Any use, nonuse, possession, occupation, condition, operation, maintenance, or management of the Project or any part thereof by Developer; or

(c) Any negligence on the part of Developer or any of its agents, contractors, servants, employees, subtenants, operators, licensees, or invitees; or

(d) Any accident, injury, or damage to any person or property occurring in, on, or about the Property or any part thereof during construction of the Project by or at the direction of Developer; or

(e) Any failure on the part of Developer to perform or comply with any of the terms, provisions, covenants, and conditions contained in this Agreement to be performed or complied with on its part.

(f) In case any action or proceeding is brought against Agency, or its respective officers, agents, and employees by reason of any such claim for which Developer is required to provide indemnification hereunder, Developer, upon written notice from Agency shall, at Developer's expense, resist or defend such action or proceeding.

(g) Notwithstanding the foregoing, Developer shall have no obligation to indemnify and hold Agency and its respective officers, agents, and employees harmless from and against any matter to the extent it arises from the negligence or willful act of Agency, or its respective officers, agents, or employees or from conduct resulting in an award of

punitive damages against Agency. The obligations of Developer under this Section are not intended to run with the land or to be binding upon subsequent owners of portions of the Property.

9. POST PROJECT COMPLETION PURCHASE PRICE ADJUSTMENT.

9.1. Certificate of Completion.

Promptly after completion of all construction and development to be completed by Developer for the Project, Developer shall submit to Agency a request for a certificate of completion for the Project ("Certificate of Completion"). A form of the Certificate of Completion is attached hereto as **Attachment 9**. Subject to Agency discretion, Agency shall promptly issue the Certificate of Completion if (a) City has issued a temporary certificate of occupancy for 100% of the residential units of the Project and a certificate of completion of at least the shell and core of the retail use of the Project, and (b) if Developer is not in default under this Agreement and Agency has not sent notice to Developer of any event which with the passing of time could give rise to a default under this Agreement. The Parties acknowledge the failure to construct the Project within the time frame set forth in the Schedule of Performance may, after Agency provided Developer with written notice of default and an opportunity to cure any such default as set forth in Sections 12.1 and 12.2, be considered by Agency as a default by Developer under this Agreement. Agency shall not unreasonably withhold the Certificate of Completion.

The Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a mortgage or any insurer of a mortgage securing money loaned to finance the improvements or any part thereof. Such Certificate of Completion is not notice of completion as referred to under other laws of the State of Idaho.

9.2. Reuse Appraisal.

By law, Agency may dispose of real property for no less than the fair reuse value. In order to determine the fair reuse value, Agency engaged the Reuse Appraiser to determine the fair reuse value for the Property (the "Reuse Appraisal") at Agency's expense. Developer submitted data required by the Reuse Appraiser, which data (the "Reuse Appraisal Data") was used by the Reuse Appraiser to prepare the Reuse Appraisal. That report was done by the Reuse Appraiser and dated July 20, 2017. The Reuse Appraisal is attached hereto as **Attachment 6**.

9.3. Adjusted Purchase Price.

The adjusted purchase price for the Property (the "Adjusted Purchase Price"), subject to the conditions set forth in the following section, shall be Zero Dollars (\$0.00).

The Adjusted Purchase Price is based upon Reuse Appraisal Data including but not limited to market conditions; density of development; costs expected to be incurred and revenues

expected to be realized in the course of developing and disposing of the Project; sizes and expected sales prices or rents; square footages of uses of the residential spaces; leasing or sales prices for other uses and assets such as commercial and retail spaces; assumptions regarding soft costs such as marketing and insurance; risks of Agency; risks of Developer; Developer participation in the funding of public facilities and amenities; estimated or actual Developer return including assumptions regarding entrepreneurial incentive, overhead and administration; and restrictions, limitations, or requirements upon use and development of the Property as these factors apply to the Project; estimated market value for the Property as a part of the Project; and estimated costs for any anticipated public improvements.

9.4. Request for the Purchase Price Adjustment.

Upon completion of the construction of the Project and Agency's issuance of the Certificate of Completion, Developer shall submit to Agency a request for a purchase price adjustment for the Property (the "Purchase Price Adjustment Request"). The Purchase Price Adjustment Request shall include a written explanation of the final completed Project with emphasis on how the final completed Project as built construction substantially conforms to the Design Development Plan and Final Construction Documents approved by Agency.

(a) The request shall include a detailed statement of construction costs, including, but not limited to, contractor payment requests, construction draws and change orders approved for payment, evidence of payment and determination whether certain expense items were incurred which were not previously identified in the construction and renovation estimate or within the drawings and construction plans submitted pursuant to this Agreement. In the event Agency is unsatisfied with the information, Agency may request and Developer shall provide such information as certified by an independent certified public accountant who is a member of the American Institute of Certified Public Accountants.

(b) Upon Agency's request, Developer shall coordinate a tour of the completed Project by Agency Board members and/or staff to review the Project and assess whether or not the completed Project conforms to the Design Development Plan and the Final Construction Documents.

(c) Developer shall provide written confirmation to the Agency from ACHD that the necessary approvals for all encroachments along the Pioneer Pathway have been approved by ACHD.

(d) Agency shall have thirty (30) days to review the Purchase Price Adjustment Request and confirm Developer's performance of its obligations under this Agreement.

(e) The purpose of the written explanation and the tour is to allow Agency to determine whether or not the as built Project substantially conforms to the Design Development Plan and Final Construction Documents. If the as built Project substantially conforms to the Design Development Plan and Final Construction Documents, the Purchase Price shall be

adjusted and Agency shall, within thirty (30) calendar days of Agency's receipt of the Purchase Price Adjustment Request, remit to Developer the difference between the Purchase Price and the Adjusted Purchase Price. If the Project, as built, does not substantially conform to the Design Development Plan and the Final Construction Documents, the Purchase Price shall not be adjusted.

The Purchase Price shall not be adjusted unless and until Developer acknowledges and certifies in writing that the Project shall adhere to the requirements set forth in the Master License Agreement for Regulation and Control of the Sidewalk and Parking facilities in the Greater Downtown Area.

10. CAPITAL IMPROVEMENT REIMBURSEMENT

Developer intends to construct certain utility and public improvements in or adjacent to, or being relocated to, the public right-of-way adjacent to the Site (the "Public Project"). The Public Project is more accurately depicted on **Attachment 17**.

Agency will reimburse the Developer for the cost of the Public Project consistent with the Agency's obligations set forth in Section 10. Agency's commitment in this Section 10 is designed to comply with Agency's authority under the Act and the Redevelopment Plan and is intended to constitute an expenditure of Agency funds for a public purpose and not be deemed a gift or donation of public funds.

10.1. Construction of the Public Project.

The Public Project shall be constructed in accordance with the overall City infrastructure plans, policies, and design standards and in conjunction with the Project. Upon Agency's request, Agency shall have the right and the opportunity to review Developer's construction plans, budgets, and bids for the Public Project (collectively the "Public Project Construction Documents"). Developer will utilize commercially reasonable contracting, budgeting, and bidding practices to ensure that the Public Project is constructed consistent with the Public Project Construction Documents and are undertaken in a commercially reasonable manner. Developer shall be presumed to have utilized commercially reasonable contracting, budgeting, and bidding practices if its general contractor solicits or solicited competitive bids for the Public Project and such work is not performed by an affiliate or subsidiary of Developer.

A Schedule of Estimated Eligible Costs is described and set forth on **Attachment 18**. Any other public improvements constructed by Developer as part of the Project are not eligible for reimbursement pursuant to this Agreement. Additionally, Agency's reimbursement obligation is limited to the Estimated Costs set forth in Section 10 of this Agreement.

10.2. Commencement of the Public Project.

Developer shall commence construction of the Public Project consistent with the timelines set forth in the Schedule of Performance. In the event Developer fails to construct the

Public Project within the time period set forth in Section 5.1, Agency will not reimburse Developer for the costs of the Public Project.

10.3. Initial Construction Funding.

Subject to Agency's reimbursement obligation, Developer shall pay for all of the costs of construction for the Public Project. The reimbursement payment to Developer by Agency shall be made pursuant to subsections 10.8 – 10.11. Agency acknowledges the Schedule of Eligible Public Improvement Costs (**Attachment 18**) is an estimate by Developer and that actual total costs, as well as each line item of cost, may be more or less than is shown on **Attachment 18**.

10.4. Approvals of Project and Public Project.

Developer shall be responsible for obtaining necessary approvals for design, construction, installation and operation of the Public Project from the governmental and other entities, including to the extent necessary, but not limited to, City, ACHD, Idaho Transportation Department, and other governmental entities having approval authority for the Public Project ("Approving Entities").

Developer shall keep Agency advised of the approval process of the Approving Entities and advise Agency immediately if any action of Approving Entities shall affect the scope and purpose of this Agreement.

10.5. Warranty on Public Project.

Developer warrants that the materials and workmanship employed in the construction of the Public Project shall be good and sound and shall conform to generally accepted standards within the construction industry. Such warranty shall extend for a period of one (1) year after the issuance of the Certificate of Completion by Agency, provided nothing herein shall limit the time within which Agency may bring an action against Developer on account of Developer's failure to otherwise construct the Public Project in accordance with this Agreement or the Public Project Construction Documents. The one-year warranty period does not constitute a limitation period with respect to the enforcement of Developer's other obligations under the Agreement.

10.6. Maintenance.

Developer recognizes Agency has no authority to accept maintenance responsibility of the Project and therefore does not accept any maintenance obligations for the Project.

10.7. Estimated Costs for Public Project.

Developer has estimated the cost of the Public Project to be Three Hundred Eighteen Dollars and No Cents (\$318,000.00) (the "Estimated Costs"), as set forth on **Attachment 18**.

10.8. Determining Actual Eligible Costs.

Developer is responsible for submitting invoices or receipts for work performed as part of the Public Project (the "Cost Documentation") at the time Developer submits to Agency a request for a Certificate of Completion as set forth in Section 9.1. Cost Documentation shall include the following:

- (a) Schedule of values that includes line items for the Public Project improvements approved by Agency for reimbursement so they are identifiable separate from other line items ("Schedule of Values").
- (b) Invoices from Developer's general contractor, subcontractor(s) and material suppliers for each type of eligible cost item (e.g. concrete, pavers, benches, historic street lights, overhead). Invoices shall specify quantities and unit costs of installed materials, and a percentage estimate of how much installed material was used for the Public Project in comparison to the amount used for the remainder of Developer's Project.
- (c) Explanation of any significant deviation between the Schedule of Eligible Public Improvement Costs and the actual costs in the Cost Documentation.

Agency shall have the right to review the Cost Documentation and to obtain independent verification that the quantities of work claimed, the unit costs and the total costs for eligible costs are commercially reasonable and consistent with the cost estimates provided by Developer to Agency prior to construction. In the event Developer fails to timely deliver the Cost Documentation, Agency may, in its discretion, elect to terminate its payment obligations under this Agreement by providing Developer with written notice of such default. Developer shall have thirty (30) days from such written notice to cure the default. In the event Developer fails to timely cure such a default, Agency's payment obligations under this Section 10 may be terminated in Agency's sole discretion.

Within fifteen (15) days of Agency's receipt of the Cost Documentation, Agency will notify Developer in writing of Agency's acceptance or rejection of the Cost Documentation and Agency's determination of the "Actual Eligible Costs" to be reimbursed. Agency shall, in its discretion, determine the Actual Eligible Costs following its review of the Cost Documentation, verification of the commercial reasonableness of the costs and expenses contained in such Cost Documentation, and comparison of the amounts in the Cost Documentation to the amounts in the Schedule of Eligible Public Improvement Costs. **In no event will the Actual Eligible Costs exceed the Estimated Costs.**

If Developer disagrees with Agency's calculation of the Actual Eligible Costs, Developer must respond to Agency in writing within three (3) days explaining why Developer believes Agency's calculation was in error and providing any evidence to support any such contentions Developer wants Agency to consider. Agency shall respond to Developer within three (3) days

with a revised amount for the Actual Eligible Costs or notifying Developer that Agency will not revise the initial amount calculated. At that point, the determination of the Actual Eligible Costs will be final.

Agency's determination of the Actual Eligible Costs is within its sole discretion.

10.9. Conditions Precedent to Agency's Payment Obligation.

The conditions set forth in Section 5 and Section 9 must be met before Agency has any obligation to reimburse Developer for the Actual Eligible Costs for the Public Project.

Failure to comply with all Agreement provisions shall be a basis for termination of Agency's reimbursement obligation.

10.10. Deadline to Complete Public Project.

In order to be eligible for any reimbursement for the Public Project under this Agreement, Developer must complete the Project within the timeframe set forth in the Schedule of Performance, but in no event later than twenty-four (24) months from the Closing Date. Upon written request, Agency may grant extensions as set forth in Section 5.1. If Developer does not complete the Project within the time period set forth in the Schedule of Performance, Agency shall have no obligation to reimburse Developer for the costs of the Public Project.

10.11. Payment Terms.

Upon completion of the construction of the Project and Agency's issuance of the Certificate of Completion Agency shall reimburse Developer for the amount of the Actual Eligible Costs up to, but not exceeding, the amount of Estimated Costs.

10.12. Indemnification Regarding the Public Project.

Developer shall indemnify, defend, and hold Agency and its respective officers, agents, and employees harmless from and against all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses, including reasonable architect and attorney fees, which may be imposed upon or incurred by or asserted against Agency or its respective officers, agents, and employees relating to the construction or design of the Public Project. Notwithstanding the foregoing, Developer shall have no obligation to indemnify and hold Agency and its respective officers, agents, and employees harmless from and against any matter to the extent it arises from the negligence or willful act of Agency or its respective officers, agents, or employees or from conduct resulting in any award of punitive damages against the Agency. In the event an action or proceeding is brought against Agency or its respective officers, agents, and employees by reason of any such claims, Developer, upon written notice from Agency, shall, at Developer's expense, resist or defend such action or proceeding.

10.13. Default of Section 10.

Section 10.13 shall be limited solely to defaults under Section 10 and no default under Section 10 shall be governed by any other provision in this Agreement. Neither Party shall be deemed to be in default of this Section 10 except upon the expiration of forty-five (45) days (ten [10] days in the event of failure to pay money) from receipt of written notice from the other Party specifying the particulars in which such Party has failed to perform its obligations under this Section 10 unless such Party, prior to expiration of said 45-day period (ten [10] days in the event of failure to pay money), has rectified the particulars specified in said notice of default. In the event of a default, the nondefaulting Party may do the following:

- (a) The nondefaulting Party may terminate the agreement to reimburse Developer for the costs of the Public Project set forth in Section 10 upon written notice to the defaulting Party and recover from the defaulting Party all direct damages incurred by the nondefaulting Party.
- (b) The nondefaulting Party may seek specific performance of those elements of the reimbursement agreement set forth in Section 10 which can be specifically performed, in addition, recover all damages incurred by the nondefaulting Party. The Parties declare it to be their intent that elements of Section 10 requiring certain actions be taken for which there are not adequate legal remedies may be specifically enforced.
- (c) The nondefaulting Party may perform or pay any obligation or encumbrance necessary to cure the default and offset the cost thereof from monies otherwise due the defaulting Party or recover said monies from the defaulting Party.
- (d) The nondefaulting Party may pursue all other remedies available at law regarding a default of Section 10, it being the intent of the Parties that remedies be cumulative and liberally enforced so as to adequately and completely compensate the nondefaulting Party.
- (e) In the event Developer defaults under the requirements set forth in Section 10, Agency (the nondefaulting Party) shall have the right to suspend or terminate its payment as set forth in Section 10, for so long as the default continues and if not cured, Agency's obligation for payment as set forth in Section 10 may be deemed extinguished by Agency in its discretion. In addition, if Agency funds shall have been paid, Developer shall reimburse Agency for any such funds Developer received.

11. DEVELOPER'S POST-DEVELOPMENT AND CONSTRUCTION OBLIGATIONS.

Anything to the contrary in this Agreement notwithstanding, the following provisions set forth in this Section are the only obligations of Developer intended to survive with respect to the Property following the issuance of a Certificate of Completion.

11.1. Estimated Value of Completed Project.

For purposes of this Agreement, Developer estimates the total value of the Project upon completion will be at least Seven Million Five Hundred Thousand (\$7,500,000.00) (the "Estimated Value").

11.2. Taxes, Encumbrances, and Liens.

Developer or Developer Affiliate shall pay when due all real estate and personal property taxes and assessments assessed and levied on the Property for any period subsequent to Developer's acquisition of the Property from Agency. Nothing herein contained shall be deemed to prohibit Developer from contesting the validity or amounts of any encumbrance, or lien or to limit the remedies available to Developer with respect thereto. Provided, Developer may appeal the assessed values or seek any property tax exemption for the Property if the Ada County Assessor determines the value of the Property is greater than the Estimated Value upon receipt of Agency's written authorization, such authorization shall not be unreasonably withheld and shall be provided in timely manner. Any appeal of an assessed value or request for property tax exemption for the Property for an assessment less than the Estimated Value requires Agency's written authorization, which shall be provided in Agency's sole discretion.

11.3. Tax Appeals/Exemptions.

Developer, Developer Affiliate, or their successors shall not, without Agency's written authorization, contest or appeal the assessed value or seek any property tax exemption for any of the parcels within the Site, including but not limited to an exemption or reduction under Idaho Code § 63-602NN or Idaho Code Section 63-606A, for property taxes assessed for any property tax year up to and including property tax year 2025, seeking a lower tax assessment for any of the parcels within the Site. The property tax year runs from January 1 to December 31.

11.4. In-Lieu-of Taxes.

In the event the Property or any improvements thereon or any possessory interest therein should at any time be subject to ad valorem taxes or privilege taxes levied, assessed, or imposed on the Property, Developer shall pay taxes upon the assessed value of the entire Property and any improvements thereon and not merely upon the assessed value of its ownership of the Property interest. In the event the Property or any portion of the Site not dedicated to the City, or leasehold interest is leased, conveyed, or transferred to an entity exempt or partially exempt from ad valorem taxes and to the extent that ad valorem, privilege, or any other taxes or assessments levied on the Property or any improvements thereon are of a lesser amount than would be levied if the Property or any portion thereof were entirely in private, nonexempt ownership, the then owner of the Property shall be responsible to pay as in-lieu-of taxes the difference between the taxes and assessments actually levied and the taxes and assessments which would be levied if the Property or any portion thereof were privately owned. Developer shall pay such difference to Agency within thirty (30) days after the taxes for such year become

payable to the taxing agencies and in no event later than the delinquency date of such taxes established by law. Any in-lieu-of taxes received by Agency pursuant to this Section shall be treated by Agency as incremental tax revenues and promptly deposited upon receipt into the appropriate Agency account. The obligation set forth in this Section shall terminate and cease to be of any effect upon the payment of taxes for tax year 2025, the date upon which the current Redevelopment Plan expires. Developer acknowledges payments in lieu of taxes for taxes levied and imposed in 2025 are due and payable in 2026.

11.5. Use of the Property During Term of the Redevelopment Plan.

Developer covenants and agrees for itself, its successors, its assigns, and every successor in interest that during construction and thereafter, Developer, its successors, and assignees shall devote the Property to the uses specified in the Redevelopment Plan, the Deed, the Deed Restriction and this Agreement for the periods of time specified therein. Notwithstanding the foregoing, Developer shall have no obligation or liability for the failure of any unrelated third-party successor, assign or successor in interest in the Property to adhere to this Section and shall be limited as provided in Section 11.8 to those periods Developer or Developer Affiliate, or other related entity, owned the Property.

11.6. Obligation to Refrain from Discrimination.

Developer covenants by and for Developer and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of physical disability, race, color, creed, religion, sex, sexual orientation, gender identity/ expression, marital status, ancestry, or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of Property, nor shall Developer establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property. The foregoing covenants shall run with the land. Notwithstanding the foregoing, Developer shall have no obligation or liability for the failure of any unrelated third-party successor, assign, or successor in interest in the Property to adhere to this Section and shall be limited as provided in Section 11.8 to those periods Developer or Developer Affiliate, or other related entity, owned the Property.

11.7. Effect and Duration of Covenants.

Except as otherwise provided in this Section and the Deed, the covenants contained in this Section shall remain in effect until December 31, 2025 (the termination date of the Redevelopment Plan). The covenants provided in the Deed Restriction shall remain in effect until seven (7) years after the Agency issues its Certificate of Completion. The covenants against discrimination shall remain in effect in perpetuity. The covenants established in this Agreement that expressly run with land and the Special Warranty Deed and Deed Restriction shall, without regard to technical classification and designation, be binding for the benefit and in favor of

Agency, Agency's successors and assigns, City, and any successors in interest to the Property or any part thereof.

11.8. Provisions That Run with the Land.

Agency is deemed the beneficiary of those terms and provisions of this Agreement that expressly run with the land for and in its own rights and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Agreement and the covenants running with the land have been provided. The covenants that expressly run with the land shall run in favor of Agency without regard to whether Agency has been, remains, or is an owner of any land or interest therein in the Property, any parcel or subparcel, or in the Project Area. Agency shall have the right, if the covenants that expressly run with the land are breached, to exercise all rights and remedies and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of such covenants may be entitled. Notwithstanding the foregoing, if Developer or any subsequent owner of any portion of the Property conveys any portion of the Property, such owner shall, upon the conveyance, be released and discharged from all of its obligations in connection with the portion of the Property conveyed by it arising under this Agreement after the conveyance but shall remain liable for all obligations in connection with the portion of the Property so conveyed arising under this Agreement prior to the conveyance. The new owner of any such portion of the Property shall be liable for all obligations arising under this Agreement with respect to such portion of the Property after the conveyance.

11.9. Deed Restriction Compliance.

For the duration of the rent restriction as set forth in the Deed Restriction, within sixty (60) days of the close of Developer's fiscal year, Developer shall submit to Agency an Annual Rent Report (**Attachment 12**) certifying compliance with the Deed Restriction.

12. DEFAULTS, REMEDIES, AND TERMINATION.

12.1. Defaults—General.

Failure or delay by either Party to perform any term or provision of this Agreement after receiving notice and an opportunity to cure as set forth herein shall constitute a default under this Agreement. Upon receipt of such notice, a Party must immediately commence to cure, correct, or remedy such failure or delay and shall complete such cure, correction, or remedy with reasonable diligence. A Party so acting and during any period of curing shall not be in default as further set forth in Section 12.2.

12.2. Written Notice.

The Party claiming a failure or delay in performance shall give written notice of default to the Party failing or delaying performance specifying the default complained of by the injured Party. Except as required to protect against further damages, the Party claiming default may not institute proceedings against the Party in default until sixty (60) days after giving such notice, said sixty (60) days constituting the period to cure any default, provided, however, in the event such default cannot be cured within said sixty (60) days and diligently pursues the same to cure.

12.3. No Waiver.

Except as otherwise expressly provided in this Agreement, any failure or delay by either Party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies or deprive such Party of its right to institute and maintain any actions or proceedings that it may deem necessary to protect, assert, or enforce any such rights or remedies.

12.4. Materiality of Provisions.

It is expressly understood and agreed that each of the covenants, promises, stipulations, and agreements of the Parties hereto and under the provisions of this Agreement are an integral and indivisible part of the consideration given by each to the other and that each covenant, promise, stipulation, and agreement of the Parties shall be deemed and construed as material. Subject to Sections 12.1 and 12.2 above, it is further understood and agreed that time is of the essence of this Agreement; that failure, refusal, or neglect for any reason whatsoever of either Party hereto to perform any of the covenants, promises, stipulations, or agreements to be performed by the Party pursuant to the terms and provisions of this Agreement shall constitute a material default on the part of the Party failing to perform such covenant, promise, stipulation, or agreement; and that the occurrence of any such default on the part of either Party shall give the other Party the right to terminate or otherwise enforce this Agreement in accordance with the provisions of this Section.

12.5. Legal Actions.

12.5.1. Institution of Legal Actions

Subject to the express limitations herein, either Party may institute legal action to cure, correct, or remedy any default or recover damages for any default or to obtain any other remedy consistent with the purpose of this Agreement.

12.5.2. Applicable Law

The laws of the State of Idaho shall govern the interpretation and enforcement of this Agreement.

12.5.3. Acceptance of Service of Process

In the event that any legal action is commenced by Developer against Agency, service of process on Agency shall be made by personal service upon the Chair of Agency or in such other manner as may be provided by law. In the event that any legal action is commenced by Agency against Developer, service of process on Developer shall be made by personal service upon Developer or in such other manner as may be provided by law and shall be valid whether made within or without the State of Idaho.

12.5.4. Rights and Remedies

Subject to the express limitation herein, the rights and remedies of the Parties are cumulative, and the exercise by any Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by the other Party.

12.5.5. Specific Performance

If any Party has provided notice and an opportunity to cure to the other Party pursuant to Section 12.1 and 12.2, the default is not cured, the nondefaulting Party, at the nondefaulting Party's option, may institute an action for specific performance of the terms of this Agreement provided that specific performance shall be limited to those actions which necessitate action on the part of a Party but not for any action where damages (including, without limitation, liquidated damages pursuant to Section 12.5.6 below) are otherwise available.

12.5.6. Limitation on Agency's Remedies Prior to Developer's Acquisition of the Property

If Developer defaults in its obligation to acquire the Property or to satisfy any conditions relating to the acquisition of the Property, Agency's sole and exclusive remedy shall be to terminate this Agreement and retain the Deposit relating to the Property as liquidated damages. Such amount to be retained by Agency has been agreed by the Parties to be reasonable compensation and the exclusive remedy in those events, because the precise amount of damages in those events would be difficult to determine.

12.6. Remedies and Rights of Termination Prior to Conveyance of the Property to Developer.

12.6.1. Termination for Cause by Developer

In the event that prior to Closing for the Property, as applicable:

- (a) Agency does not tender title to the Property, as applicable, or possession thereof in the manner and condition and by the dates provided in this Agreement, on or before the Closing Date; or
- (b) Agency is unable to perform its obligations as set forth in this Agreement subject to any cure periods, provided such cure periods shall not extend the outside Closing Date; or
- (c) the zoning of the Property, as applicable, does not permit the development, construction, use, operation, or maintenance of the Project and improvements specified in this Agreement to be developed and constructed thereon; or
- (d) Developer, after and despite reasonably diligent effort and prior to the dates established therefore in the Schedule of Performance, is unable to obtain and submit the evidence of financing reasonably acceptable to Agency or on or before Agency's approval of Developer's evidence of financing, Developer notifies Agency in writing that, in Developer's judgment, it is not economically or financially feasible for Developer to perform (or cause Developer to perform) or finance its obligations under this Agreement in the time established therefore in the Schedule of Performance;

then this Agreement may, at the option of Developer, be terminated by written notice thereof to Agency. Upon such termination, neither Agency, Developer shall have any further rights against or liability to the other under this Agreement, unless otherwise specifically identified to survive Closing or an earlier termination or expiration of this Agreement. In the event this Agreement is so terminated, all closing documents and funds delivered by Agency to Developer or Escrow Agent shall be returned immediately to Agency and all closing documents and funds delivered by Developer to Agency or Escrow Agent shall be returned immediately to the delivering Party; provided, however, that Agency shall retain any Deposit so long as such termination did not arise from Sections 12.6.1(a) or 12.6.1(b).

12.6.2. Termination for Cause by Agency

In the event that prior to the conveyance of the Property, as applicable, to Developer:

- (a) Developer fails to pay the Deposit as required by Section 5.1.2(a) of this Agreement;

(b) Developer transfers or assigns or attempts to transfer or assign this Agreement or any rights herein or in the Property or the buildings or improvements thereon in violation of this Agreement; or

(c) there is any significant change in the legal structure or control of Developer contrary to the provisions of Section 2.7 hereof; or

(d) Developer, after and despite reasonably diligent effort and prior to the dates established therefore in the Schedule of Performance, is unable to obtain and submit the evidence of financing reasonably acceptable to Agency or on or before Agency's approval of Developer's evidence of financing, Developer notifies Agency in writing that, in Developer's judgment, it is not economically or financially feasible for Developer to perform (or cause Developer to perform) or finance its obligations under this Agreement in the time established therefore in the Schedule of Performance;

(e) Developer fails to submit to Agency Final Construction Documents subject to the cure provisions set forth in Section 12 of this Agreement; or

(f) Subject to the cure provisions set forth in of Section 12 of this Agreement, Developer does not pay the Purchase Price and take title to the Property under tender of conveyance by Agency pursuant to this Agreement; or

(g) Developer is in breach or default with respect to any other obligation of Developer under this Agreement, subject to the cure provisions set forth in of Section 12 of this Agreement; or

(h) the zoning of the Property does not permit the development, construction, use, operation, or maintenance of the improvements specified in this Agreement to be developed and constructed thereon;

then this Agreement may, at the option of Agency, be terminated by Agency by written notice thereof to Developer. Upon such termination, neither Agency nor Developer shall have any further rights against or liability to the other under this Agreement, unless otherwise specifically identified to survive Closing or an earlier termination or expiration of this Agreement. In the event this Agreement is so terminated, all closing documents and funds delivered by Agency to Developer, or Escrow Agent shall be returned immediately to Agency and all closing documents and funds delivered by Developer to Agency or Escrow Agent shall be returned immediately to the delivering Party so long as Developer has fully performed the obligations required to be performed by Developer prior to that time.

13. GENERAL PROVISIONS.

13.1. No Assignment of Rights.

Prior to the issuance by Agency of a Certificate of Completion pursuant to Section 9 with respect to the Property, Developer shall not, except as expressly permitted by this Agreement, sell, transfer, convey, assign, or lease the whole or any part of such Property or the buildings or improvements thereon without the prior written approval of Agency, which approval shall not be unreasonably withheld. Conveyance to Developer Affiliate shall be permitted and shall not be subject to further review or approval by Agency. This prohibition shall not apply subsequent to the issuance of the Certificate of Completion, which shall signify Agency's acknowledgment that the work required on the Property has been completed. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the Project or to prohibit or restrict the leasing of any part or parts of a building or structure when said improvements are completed or to prohibit or restrict the preleasing or preselling of any part or parts of the structure so long as the lessee or buyer shall obtain no rights under this Agreement and that any right to occupy or acquire any part of the Project prior to Developer completing all the necessary improvements shall be terminable by Agency in the event Developer fails to complete all the necessary improvements. In the absence of specific written agreement by Agency, no such transfer, assignment, or approval by Agency shall be deemed to relieve Developer from any obligations under this Agreement until completion of the Project as evidenced by the issuance of a Certificate of Completion.

13.2. Notices, Demands, and Communications Between the Parties.

Formal notices, demands, and communications between the Parties shall be sufficiently given upon dispatch if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the Parties as set forth in Section 2.4 hereof. Such written notices, demands, and communications may be sent in the same manner to such other addresses as either Party may from time to time designate by mail.

13.3. Conflicts of Interest.

No member, official, or employee of Agency shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is directly or indirectly involved.

13.4. Warranty Against Payment of Consideration for Agreement.

Developer warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement other than normal costs of conducting business and costs of professional services such as for architects, engineers, and attorneys.

13.5. Nonliability of Agency Officials and Employees.

No member, official, or employee of Agency shall be personally liable to Developer in the event of any default or breach by Agency or for any amount which may become due to Developer or on any obligations under the terms of this Agreement.

13.6. Forced Delay; Extension of Times of Performance.

In addition to the specific provisions of this Agreement, performance by any Party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; unusually severe weather; inability to secure necessary labor, material, or tools; acts of another Party; proceedings before or acts or failures to act of any public or governmental agency or entity, including approvals by any historic preservation agency (other than acts or failures to act of Agency shall not excuse performance by Agency); approvals by building officials for issuance of building permits; and temporary cessation of work for archeological digs, environmental analysis, or removal of hazardous or toxic substances; or any causes beyond the control or without the fault of the Party claiming an extension of time to perform. An extension of time for any such cause shall only be for the period of the forced delay, which period shall commence to run from the time of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the Parties.

13.7. Inspection of Books and Records.

Agency has the right, upon not less than seventy-two (72) hours' notice, at all reasonable times, to inspect the books and records of Developer pertaining to the Project as pertinent to the purposes of this Agreement. Developer also has the right, upon not less than seventy-two (72) hours' notice, at all reasonable times, to inspect the books and records of Agency pertaining to the Project as pertinent to the purposes of this Agreement.

13.8. Reports, Studies and Test.

If Developer does not proceed with the purchase of the Property and development of the Project, Agency may retain possession of any reports, studies and test results prepared by Developer's consultants, including any soils or engineering tests concerning the Property, previously submitted by Developer. Building and improvement designs, plans and specifications are not intended to be covered by the preceding sentence. However, Developer agrees not to prevent Agency from obtaining building and improvement designs, plans, and specifications from Developer's design professionals if Agency and such design professionals enter into a separate arrangement for Agency to obtain such designs, plans, and specifications. Agency or any other person or entity designated by Agency shall be free to use such reports, studies, and test results for any reason whatsoever without cost or liability thereof to Developer or any other person,

except to the extent Agency may have to reach agreement with Developer's consultants. Developer does not make and hereby expressly disclaims any representation or warranty as to the accuracy of any such information or Agency's right to rely thereon.

13.9. Attorney Fees.

In the event of any action or proceeding at law or in equity between the Parties to enforce any provision of this Agreement or to protect or establish any right or remedy of any Party hereunder, the unsuccessful Party to such litigation shall pay to the prevailing Party all costs and expenses, including reasonable attorney fees incurred therein by such prevailing Party (including such costs and fees incurred on appeal), and if such prevailing Party shall recover judgment in any such action or proceeding, such costs, expenses, and attorney fees shall be included in and as a part of such judgment.

14. SPECIAL PROVISIONS.

14.1. Amendment of Redevelopment Plan.

Pursuant to the provisions of the Redevelopment Plan or modification or amendment therefore, Agency agrees that no amendment that changes the uses or development permitted on the Property or changes the restrictions or controls that apply to the Property or otherwise affects the Property shall be made or become effective without the prior written consent of Developer. Amendments to the Redevelopment Plan applying to other property in the Project Area shall not require the consent of Developer. Additionally, an amendment to the Redevelopment Plan seeking to deannex the Property from the revenue allocation area shall not require Developer consent provided however the affected portion of the Property shall no longer be subject to Section 11.4 regarding the payment of In-Lieu-of Taxes upon the deannexation.

14.2. Submission of Documents for Approval.

Whenever this Agreement requires any Party to submit plans, drawings, or other documents to another Party for approval, which shall be deemed approved if not acted on by the approving Party within a specified time, said plans, drawings, or other documents shall be accompanied by a letter stating that they are being submitted and shall be deemed approved unless rejected by the approving Party within the stated time. If there is no time specified herein for such Party's action, the approving Party may submit a letter requiring approval or rejection of documents within thirty (30) days after submission or such documents shall be deemed approved.

14.3. Computation of Time.

In computing any period of time prescribed or allowed under this Agreement, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last calendar day of the period so computed shall be included, unless it is a

Saturday, Sunday, or legal holiday, in which event the period runs until the end of the next day which is not a Saturday, Sunday, or legal holiday. As used herein, "legal holiday" means a legal holiday recognized by Agency on which the offices of Agency are closed for regular business.

14.4. No Third-Party Beneficiary.

The provisions of this Agreement are for the exclusive benefit of Agency, Developer and their successors and assigns, and not for the benefit of any third person; nor shall this Agreement be deemed to have conferred any rights, express or implied, upon any third person except for provisions expressly for the benefit of a mortgagee or lender of Developer, or its successors and assigns.

14.5. Dispute Resolution.

In the event that a dispute arises between the Parties concerning (i) the meaning or application of the terms of, or (ii) an asserted breach of this Agreement, the Parties shall meet and confer in a good faith effort to resolve their dispute. The first such meeting shall occur within thirty (30) days of the first written notice from either Party evidencing the existence of the dispute. The Chair of Agency and the manager of Developer shall both be included among the individuals representing the Parties at the first such meeting. If the Parties shall have failed to resolve the dispute within thirty (30) days after delivery of such notice, the Parties agree to first consider settling the dispute in an amicable manner by mediation, as the Parties may mutually agree before resorting to litigation. The costs of such mediation shall be equally split between the Parties. Should the Parties be unable to resolve the dispute to their mutual satisfaction within thirty (30) days after such completion of mediation, or if the Parties cannot mutually agree to attempt to settle any dispute by mediation, each Party shall have the right to pursue any rights or remedies it may have at law or in equity.

14.6. Good Faith and Cooperation.

It is agreed by all Parties hereto to act in good faith in compliance with all of the terms, covenants, and conditions of this Agreement and shall deal fairly with each other.

14.7. Entire Agreement, Waivers, and Amendments.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof including, without limitation, the Agreement to Negotiate Exclusively. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of Agency and Developer, and all amendments hereto must be in writing and signed by the appropriate authorities of Agency and Developer.

14.8. Effective Date of Agreement.

This Agreement, when executed by Developer and delivered to Agency, must be authorized, executed, and delivered by Agency within forty-five (45) days after the date of signature by Developer or this Agreement shall be void, except to the extent that Developer shall consent in writing to further extensions of time for the authorization, execution, and delivery of this Agreement. Developer recognizes that Agency must comply with certain notice, solicitation, and comment periods and a disclosure process as required by law. Because of that process Agency may be unable to execute this Agreement as proposed, and in such event, this Agreement shall be void. The effective date of this Agreement (the "Effective Date") shall be the date when this Agreement has been signed by Agency.

[signatures on following page]

AGENCY:

THE CAPITAL CITY DEVELOPMENT CORPORATION

By _____
John Brunelle
Executive Director

_____, 2017

DEVELOPER:

ASH AND RIVER INVESTMENT, LLC,
an Idaho limited liability company

By: ASH AND RIVER DEVELOPER, LLC,
an Idaho limited liability company, Manager

By _____
J. Dean Papé
Its: Manager

_____, 2017

STATE OF IDAHO)
) ss.
County of _____)

On this _____ day of _____, 2017, before me, _____, the undersigned notary public in and for said county and state, personally appeared John Brunelle, known or identified to me to be the Executive Director of THE URBAN RENEWAL AGENCY OF THE CITY OF BOISE, IDAHO, ALSO KNOWN AS THE CAPITAL CITY DEVELOPMENT CORPORATION, the public body, corporate and politic, that executed the within instrument on behalf of said Agency, and acknowledged to me that such Agency executed the same for the purposes herein contained.

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 _____
Commission Expires _____

STATE OF IDAHO)
) ss.
County of _____)

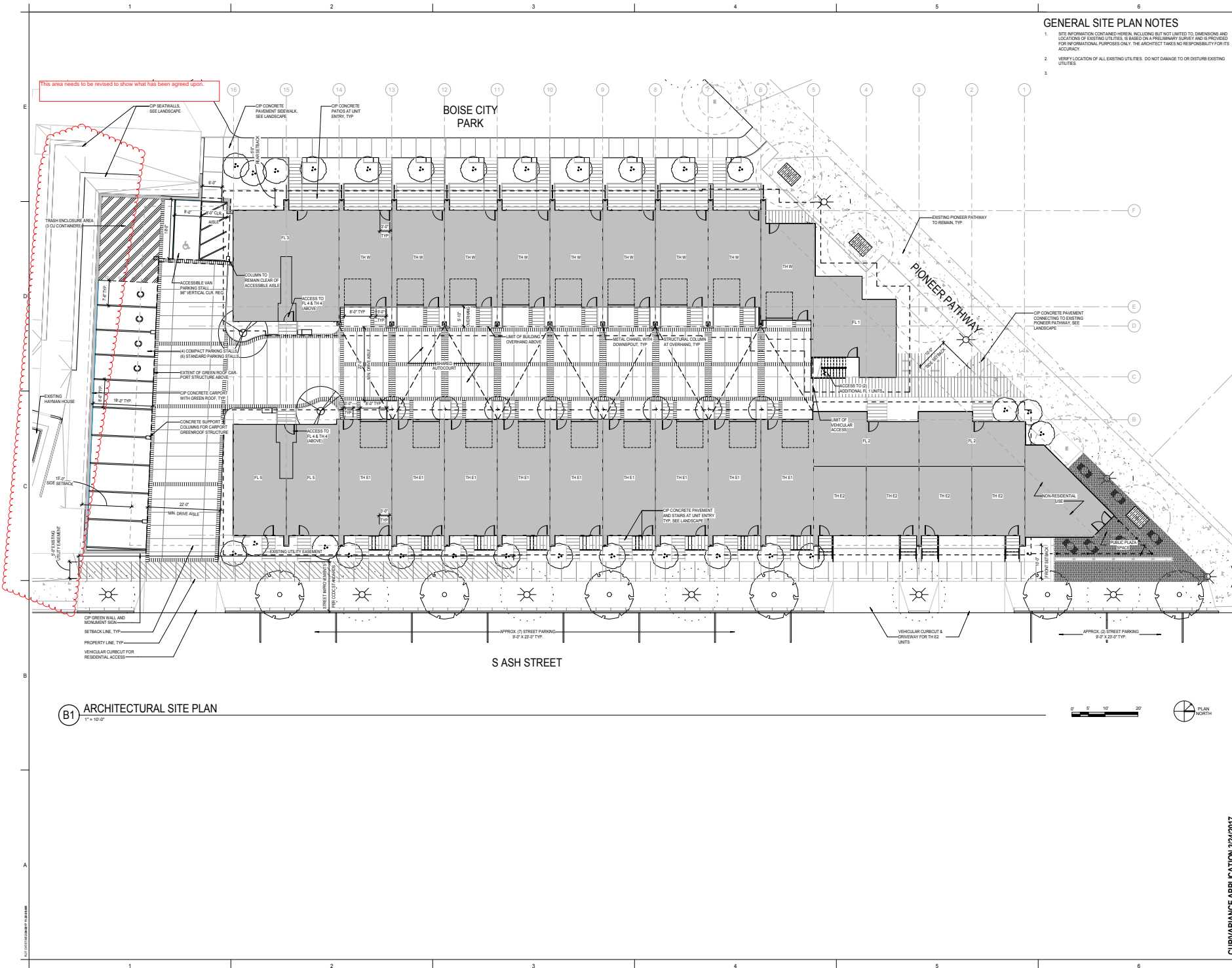
On this _____ day of _____, 2017, before me, _____, the undersigned notary public in and for said county and state, personally appeared J. Dean Papé, known or identified to me to be the manager of ASH AND RIVER DEVELOPER, LLC, an Idaho limited liability company, the manager of ASH AND RIVER INVESTMENT, LLC, an Idaho limited liability company, "Developer" herein, and acknowledged to me that he executed the within instrument on behalf of such Developer for the purposes herein contained.

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 _____
Commission Expires _____

Attachment 1

Site Plan of the Ash Street Development Project



GENERAL SITE PLAN NOTES

1. SITE INFORMATION CONTAINED HEREIN, INCLUDING BUT NOT LIMITED TO, DIMENSIONS AND LOCATIONS OF EXISTING UTILITIES, IS BASED ON A PRELIMINARY SURVEY AND IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY. THE ARCHITECT TAKES NO RESPONSIBILITY FOR ITS ACCURACY.
2. VERIFY LOCATION OF ALL EXISTING UTILITIES. DO NOT DAMAGE TO OR DISTURB EXISTING UTILITIES.
- 3.

GGLO
DESIGN

1301 First Avenue, Suite 301
Seattle, WA 98101
http://www.gglo.com

PIVOT NORTH
architecture



KEY PLAN

PROJECT:

D ASH STREET WORKFORCE HOUSING

PROJECT ADDRESS:

503.508.511.623.647 ASH STREET
BOISE, IDAHO 83702

OWNER:

DEAN PAPE, DECHASE MKSIS
P.O. BOX 11942
EUGENE, OR 97440

MARK DATE DESCRIPTION
B REVISIONS

A 03/04/2017 CUPVARIANCE APPLICATION
MARK DATE DESCRIPTION
ISSUE INFORMATION

PROJECT NO: 2017001.00
GOLD PRINCIPAL IN CHARGE: TOM SWELDON
GOLD PROJECT MANAGER: JENNIFER W. HART
OWNER APPROVAL:

SHEET TITLE
SITE PLAN

SHEET NO.

A-101

CUPVARIANCE APPLICATION 3/24/2017

Attachment 2

Legal Description of the Property

Attachment 2 Legal Descriptions of site and alley

File Number: 15262350

SCHEDULE C

Legal Description:

Parcel I:

Lots 1 and 2 in Block 1 of Lover's Lane Addition, according to the official plat thereof, filed in Book 2 of Plats at Page 90, official records of Ada County, Idaho.

Except a triangular strip of Lot 2 in Block 1 of Lover's Lane Addition, described as follows:

Beginning at the Southeast corner of Lot 2; thence 6 feet in a Northerly direction along the East boundary; thence Northwesterly (formerly shown as Southwesterly) to a point 37 feet 9 inches from East boundary and connecting with South boundary line at this point; thence 38 feet 6 inches Southeasterly to Southeast corner of Lot 2 in Block 1 to the Point of Beginning.

Parcel II:

Lots 3 and 4 in Block 1 of Lover's Lane Addition, according to the official plat thereof, filed in Book 2 of Plats at Page 90, official records of Ada County, Idaho.

Together with a triangular strip of Lot 2 in Block 1 of Lover's Lane Addition, according to the official plat thereof, filed in Book 2 of Plats at Page 90, records of Ada County, Idaho, being more particularly described as follows:

Beginning at the Southeast corner of Lot 2 in Block 1 of Lover's Lane Addition; thence 6 feet in a Northerly direction along the East boundary; thence Northwesterly (formerly shown as Southwesterly) to a point 37 feet 9 inches from East boundary and connecting with South boundary line at this point; thence 38 feet 6 inches Southeasterly to Southeast corner of Lot 2 in Block 1 to the Point of Beginning.

Parcel III:

Lots 5 and 6 in Block 1 of Lover's Lane Addition to Boise City, Idaho, and that portion of Lot 7 in Block 1 of Lover's Lane Addition to Boise City, according to the official plat thereof, filed in Book 2 of Plats at Page 90, official records of Ada County, Idaho, and more particularly described as follows:

Commencing at the Northwest corner of said Lot 7; running thence in a Southerly direction along the alley line a distance of 20 feet; running thence in an Easterly direction to a point on the boundary line between said Lots 6 and 7, which point is 93 feet and 9 inches distant from the Place of Beginning; running thence Westerly along said boundary line between Lots 6 and 7 to the Place of Beginning.

Excepting from said Lot 6 all that portion thereof described as follows:

Commencing at the Southeast corner of said Lot 6; running thence Northerly along the Westerly line of Ash Street a distance of 6 feet; running thence Westerly to a point on the boundary line between said Lots 6 and 7 which point is 93 feet and 9 inches distance from the Northwest corner of said Lot 7 and the Southwest corner of said Lot 6; running thence Easterly along the boundary line between said Lots 6 and 7 to the Place of Beginning.

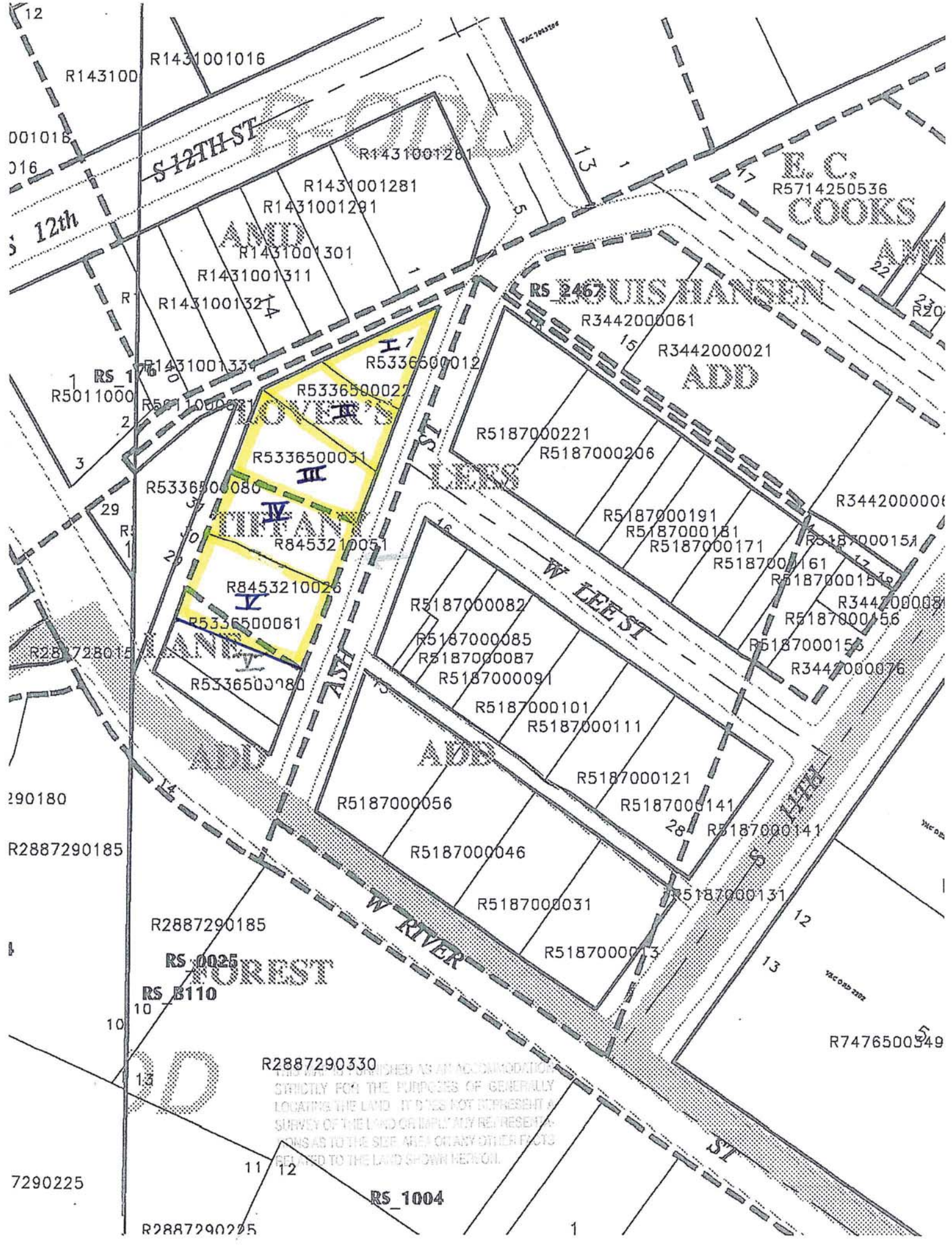
Parcel IV:

Lot 2 of Tiffany Subdivision, according to the official plat thereof, filed in Book 53 of Plats at Page 4586, official records of Ada County, Idaho.

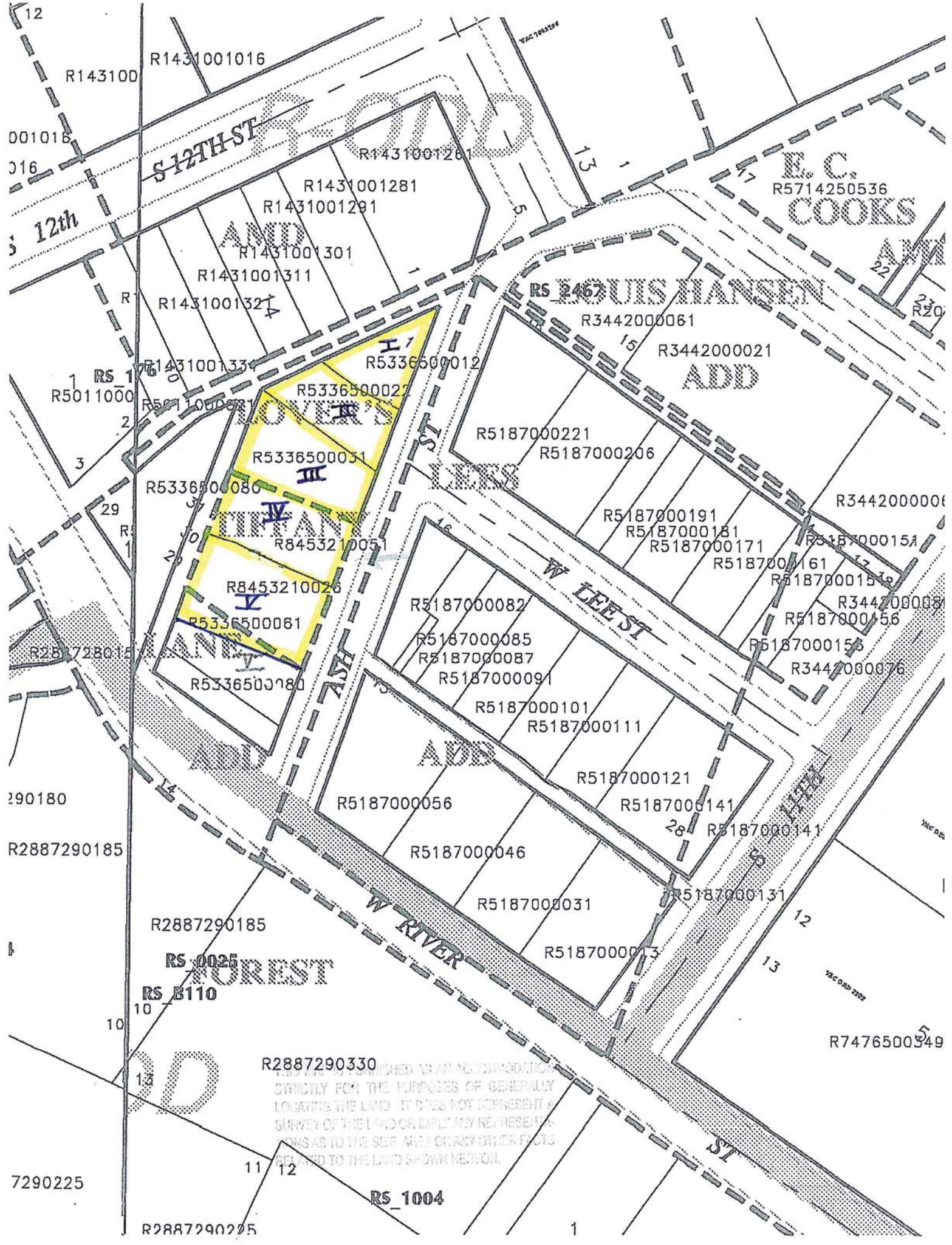
Parcel V:

A parcel of land being a portion of Lot 12 in Block 1 of Lover's Lane Addition, recorded in Book 2 of Plats at Page 90 of Ada County Records, and a portion of Lot 1 in Block 1 of Tiffany Subdivision, recorded in Book 83 of Plats at Page 4586 of Ada County Records, located in the Northwest quarter of Section 10, Township 3 North, Range 2 East, Boise Meridian, City of Boise, Ada County, Idaho, being more particularly described as follows:

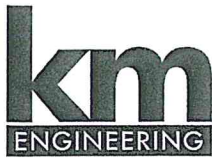
Commencing at the Southeast corner of Lot 12 in Block 1 of said Lover's Lane Addition (from which point the West quarter corner of said Section 10 bears South 16°05'19" West, 563.32 feet distant), said point being common with the Westerly right-of-way line of South Ash Street, and being the Point of Beginning; thence North 67°21'14" West, a distance of 118.01 feet; thence North 20°07'50" East, a distance of 77.15 feet on the Westerly lot line of Lot 1 in Block 1 of said Tiffany Subdivision to the Northwest corner of said Lot 1 in Block 1; thence South 69°51'54" East, a distance of 26.00 feet on the Northerly line of said Lot 1 in Block 1; thence South 64°50'45" East, a distance of 52.13 feet on the Northerly line of said Lot 1 in Block 1; thence South 67°18'53" East, a distance of 40.00 feet on the Northerly line of said Lot 1 in Block 1 to the Northeast corner of said Lot 1 in Block 1; thence South 20°07'50" West, a distance of 75.98 feet on the Easterly line of said Lot 1 in Block 1 to the Point of Beginning.



THIS PLAT IS PROVIDED AS AN ACCOMMODATION
STRICTLY FOR THE PURPOSES OF GENERALLY
LOCATING THE LAND. IT DOES NOT REPRESENT A
SURVEY OF THE LAND OR IMPLY ANY REPRESENTATIONS
AS TO THE SIZE, AREA OR ANY OTHER FACTS
RELATING TO THE LAND SHOWN HEREON.



THIS PLAT IS PROVIDED AS AN ACCOMMODATION
STRICTLY FOR THE PURPOSES OF GENERALLY
LOCATING THE LAND. IT DOES NOT REPRESENT A
SURVEY OF THE LAND OR IMPLY ANY REPRESENTATIONS
AS TO THE SIZE, AREA OR ANY OTHER FACTS
RELATING TO THE LAND SHOWN HEREON.



9233 WEST STATE STREET | BOISE, ID 83714 | 208.639.6939 | FAX 208.639.6930

June 29, 2017
Project No. 17-017
City of Boise
Legal Description
ACHD Alley Vacation

A portion of the Alley within Block 1 of Lover's Lane Addition (Book 2 of Plats at Page 90, records of Ada County, Idaho), situated in a portion of the Northwest 1/4 of Section 10, Township 3 North, Range 2 East, Boise Meridian, City of Boise, Ada County, Idaho, and being more particularly described as follows:

COMMENCING at a found brass plug monument marking the intersection of the easterly right-of-way line of said Alley and the southeasterly right-of-way line of Pioneer Pathway, which bears $S64^{\circ}24'20''W$ a distance of 168.78 feet from a found 5/8-inch rebar marking the northerly corner of Lot 1, Block 1 of said Lover's Lane Addition; Thence leaving said southeasterly right-of-way line and following said easterly right-of-way line, $S20^{\circ}10'41''W$ a distance of 209.73 feet to the **POINT OF BEGINNING**.

Thence continuing along said easterly right-of-way line, $S20^{\circ}10'41''W$ a distance of 52.00 feet to the northeasterly right-of-way line of River Street;

Thence leaving said easterly right-of-way line and following said northeasterly right-of-way line, $N35^{\circ}00'37''W$ a distance of 19.49 feet to the westerly right-of-way line of said Alley;

Thence leaving said northeasterly right-of-way line and following said westerly right-of-way line, $N20^{\circ}10'41''E$ a distance of 40.87 feet;

Thence leaving said westerly right-of-way line, $S69^{\circ}49'19''E$ a distance of 16.00 feet to the **POINT OF BEGINNING**.

Said parcel contains 743 square feet (0.017 acres), more or less, and is subject to all existing easements and/or rights-of-way of record or implied.

Attached is **EXHIBIT B** and by this reference made a part of.



Attachment 3

Schedule of Performance

Schedule of Performance, Ash Street Townhomes; CCDC DDA

	Action	Due Date	Section
1	<u>Execution & Delivery of Agreement by Developer.</u> Developer shall execute and deliver this Agreement to Agency.		
2	<u>Execution and Delivery of Agreement by Agency.</u> Agency shall consider approval of this Agreement, and if approved, shall deliver one executed original to Developer.	Within forty-five (45) days of execution and delivery by Developer to Agency.	
3	<u>Effective Date</u>	Upon Execution by Agency	
4	<u>Escrow Opening.</u> Agency shall open escrow for the sale of Parcel to Developer.	Within 5 business days of Execution of Agreement by Agency.	
5	<u>Submission of Final Construction Documents.</u> Developer shall prepare and submit to Agency and City for review and approval construction plans sufficient to obtain a building permit for the Project. Agency's approval shall be presumed upon City's approval unless otherwise indicated by Agency in writing within fifteen (15) days of Developer's written notice to Agency of City's approval.	30 days prior to Closing	
6	<u>Developer Submission of Evidence of Financing.</u> Developer shall submit its evidence of financing for the Project.	Within one hundred eighty (180) days of Execution of Agreement by Agency	
7	<u>Agency Approval of Developer Evidence of Financing.</u> Agency shall approve or disapprove Developer's evidence of financing.	Within twenty (20) Days of submission by the Developer.	
8	<u>Insurance.</u> Developer shall furnish evidence of the insurance required under the Agreement to Agency.	Prior to Closing.	
9	<u>City and Government Permits.</u> Developer shall secure all necessary permits, other than building permits and condominium plat approvals, for the Project.	Prior to Closing.	
10	<u>Construction Loan Closings.</u> Developer shall have closed its loan for the construction of the Project	Concurrently with Closing	
11	<u>Conditions Precedent to Closing.</u> All Conditions Precedent to Closing shall be satisfied or waived as appropriate.	Prior to Closing.	
12	<u>Closing.</u> Agency shall close escrow and convey Parcel to Developer.	In no event later than ten (10) months after the Effective Date.	
13	<u>Commencement of Construction</u> of the Project	Within 30 days following Closing.	
14	<u>Completion of Construction.</u> Developer shall complete construction of Project.	Within twenty-four (24) months after Closing Date	

15	<p><u>Certificate of Completion.</u> Agency shall provide Certification of Completion to Developer.</p>	<p>Subject to Agency discretion, Agency shall promptly issue the Certificate of Completion if (a) City has issued a temporary certificate of occupancy for 100% of the residential units of the Project and a certificate of completion of at least the shell and core of the retail use of the Project, and (b) if Developer is not in default under this Agreement and Agency has not sent notice to Developer of any event which with the passing of time could give rise to a default under this Agreement.</p>	
16	<p><u>Purchase Price Adjustment.</u> Subject to the terms of the Agreement, Agency shall reimburse Developer the difference between the Purchase Price and the Adjusted Purchase Price.</p>	<p>Within thirty (30) days of receipt of Developer's Request</p>	

Attachment 4

Design Development Plan



2017/04/24

RE: Boise Green Construction Code Compliance

To whom it may concern,

1. Regarding the status of the Ash Street Town Home project, the design team is currently on track to receive LEED Gold certification from the USGBC LEED for Homes program. Attached with this document is our current pre-application check list and planning document generated with help from our LEED consultant, Sharron Patterson with Eco Edge. Additionally, the owners group has confirmed and hired our 3rd party rater, Jolyon Sawrey with Vital Spec. Please see attached for current checklist.
2. In regard to the status of meeting the requirements of the Boise Green Construction code. The Boise Green Construction code allows for the use of USGBC certification at a silver level as a replacement for compliance with the prescriptive requirements of the code per section 105.6 Boise Green Construction code.

Sincerely,

Gunnar R. Gladics, AIA

EcoEdge LEED for Homes Checklist

LEED for Homes v4 Expanded Checklist
Provided by Sharon Grant, LEED AP Homes



Project Name: Ash Street Townhomes
Address:
Contact: Gunnar Gladics
Date: Feb 2, 2017

Credit	Description	Avail Pts	Exemp. Perf.	Yes	May be	No	Responsible Party	Supporting Party	Resources/Documentation Requirements	Notes
C1	Integrative Process	2	1	2			Gunnar		Option 1: Integrative Project Team of at least 3 key team members meet at least monthly (1) and/or Option 2: Design Charrette of 8 hours (1) and/or Option 3: Trades Training for 8 hours (1)	EP by choosing all 3 options
Location and Transportation										
P1	Floodplain Avoidance	REQ		Yes			Civil		Provide floodplain map that demonstrates project is above 100-year floodplain, also known as 1% flood	
	Performance Path									
C1	LEED for Neighborhood Development Location	15				15			Locate the project within the boundary of a development certified under LEED ND	Projects claiming this credit cannot earn other LT points
	Prescriptive Path									
C2	Site Selection	8	1	8			Civil		Option 1: Previously Developed (4) or Avoidance of Sensitive Lands (3) and/or Option 2: Infill (2) and/or Option 3: Open Space (1) and/or Option 4: Street Network (1) and/or Option 5: Bicycle Network and Storage (1)	EP for earning all 8 points
C3	Compact Development	3	1	3			LEED AP		Meet DU/acre of buildable land. ≥ 7 (1) or ≥ 12 (2) or ≥ 20 (3)	EP for ≥ 35 DU/acre
C4	Community Resources	2	1	2			LEED AP		Community resources within 1/2-mile walking distance of building entrance: 4-7 uses (1) or 8-11 uses (1.5) or ≥ 12 (2). Provide site map of connectivity. See use types in rating system. No more than 2 of each use type allowed.	EP for 16 or more uses (0.5) or 20 or more (1)
C5	Access to Transit	2	1	2			LEED AP		Project within 1/4-mile walking distance of bus stops or within 1/2-mile of rapid transit/rail stops (see table). Provide transit schedule and calculation of rides, map with transit stops circled.	
Sustainable Sites										
P1	Construction Activity Pollution Prevention	REQ		Yes			GC		Provide ESC/SWPPP Plan and photos of all pollution control measures	
P2	No Invasive Plants	REQ		Yes			Landscape		Provide plant list and identify resources used to confirm that no plants are invasive	
C1	Heat Island Reduction	2	1	1		1	Gunnar		Shade or install nonabsorptive material for 50-75% (1) or > 75% of hardscape. Provide site plan to show shading with calculations, provide nonabsorptive product name and installed area	
C2	Rainwater Management	3	1	3			Civil		Use LID techniques, calculate % of lot area that is permeable or can direct water to infiltration. 50-64% (1) or 65-79% (2) or $\geq 80\%$ (3)	EP for managing 100% of stormwater on-site
C3	Non-Toxic Pest Control	2	1	2			GC		Choose from measures in rating system. Multifamily projects must develop an integrated pest mgt policy.	EP for earning measures beyond 2 points.
Water Efficiency										
P1	Water Metering	REQ		Yes			Owner		Install a water meter or submeter for each unit or the entire building. Encourage residents to share data with USGBC.	
	Performance Path									
C1	Total Water Use	12	1			12			Use Water Reduction Calculator/EPA WaterSense Water Budget Tool to calculate % savings vs. baseline. Reduce 10%-65% (1 to 12 pts). Provide water calculator, cut sheets, list of plants, landscape plan, irrigation product details.	EP for achieving 70% reduction. Note that projects earning this credit are not eligible for prescriptive credits.
	Prescriptive Path									
C3	Indoor Water Use	6		5		1	Mechanical	Plumber	Provide product literature and WaterSense label for all toilets, showerheads, faucets and/or clothes washers.	
C1	Outdoor Water Use	4		4			Landscape		area.	
Energy and Atmosphere										
P1	Minimum Energy Performance	REQ		Yes			Mechanical	HVAC	Meet ENERGY STAR v3, at least one of 3 appliances must be ES, no building cavities used as ducts. Or HERS rating.	
P2	Energy Metering	REQ		Yes			Owner		Install an electric meter or submeter for each unit or the entire building and a gas meter for the entire building or a gas meter or sub-meter for each unit. Encourage residents to share data with USGBC.	
P3	Education of the Homeowner, Tenant or Building Manager	REQ		Yes			LEED AP		Provide an O&M manual, binder or CD that meets list in rating system and conduct a 1-hour walkthrough of the home with each occupant (and building manager if applicable)	
	Performance Path									
C1	Annual Energy Use	29	1	14	15		Mechanical	Rater	HERS (home energy rating system) index of 70 (5) to 0 (29). Provide plans used to calculate size of each unit.	EP for HERS index of -10 or better
	Both Paths									
C2	Efficient Hot Water Distribution System	5		2	2		Mechanical	Plumber	Install an efficient system based on pipe length or volume (2) - note pumps and controls for hot water circulation loops - or performance test (3) or install R-4 pipe insulation on all domestic hot water piping (2).	
C3	Advanced Utility Tracking	2			2		Owner		Option 1: install a permanent energy monitoring system or submeter for irrigation and/or Option 2: share utility data	EP for metering at least 4 end uses (e.g. water heating)
C4	Active Solar Ready Design	1	1	1			Gunnar		Meet EPA's solar PV or direct hot water system specs for a renewable energy-ready home.	EP for both solar PV and DHW
C5	HVAC Start-Up Credentialing	1			1		HVAC		Have all HVAC systems commissioned by a tech with H-QUITO and complete ES checklist.	
	Prescriptive Path									
P4	Home Size	REQ							Earn 1 point for ever 4% decrease in SF compared to reference home based on ESv3.	
C6	Building Orientation for Passive Solar	3				3			Calculations for glazing area, south-facing roof area, building orientation and seasonal shading.	
C7	Air Infiltration	2				2			BlowerDoor test each unit or whole building to 2.75 ACH50 (1) or 2.0 ACH50 (2)	
C8	Envelope Insulation	2				2			Exceed 2012 IECC insulation R-value requirements by 10% (1) or 20% (2). Install to RESNET Grade 1 specs.	
C9	Windows	3				3			Homes with a WFA ratio of 15% or more must meet a more stringent U-factor of ≤ 0.26 (1.5) or ≤ 0.22 (3)	
C10	Space Heating and Cooling Equipment	4				4			Install HVAC equipment that is more efficient than table for ES v3. Provide spec sheets for equipment with efficiency rating.	
C11	Heating and Cooling Distribution Systems	3				3			If ducts are not all in conditioned space, then test for duct air leakage.	
C12	Efficient Domestic Hot Water Equipment	3				3			Install an ES-qualified water heater or solar water heater. Provide spec sheets for equipment with efficiency rating.	

Credit	Description	Avail Pts	Exemp. Perf.	Yes	May be	No	Responsible Party	Supporting Party	Resources/Documentation Requirements	Notes
C13	Lighting	2				2			Install high-efficacy lighting based on a reduction from ES baseline of 35% (0.5) or 45% (1) or 55% (1.5) and/or Dark Sky qualified exterior lighting (0.5). Provide ES lighting calculation.	
C14	High Efficiency Appliances	2				2			Install ES fridge (1) and/or ceiling fan (0.5) and/or dishwasher (0.5). Provide product materials to demonstrate ES.	
C15	Renewable Energy	4	1			4			Install renewable electricity generation system and earn 1 point for every 500 kWh produced per year. RECs must be maintained by the building owner.	
Materials and Resources										
P1	Certified Tropical Wood	REQ		Yes			GC		All wood must be nontropical, reused or reclaimed or certified by FSC or USGBC-approved equivalent. Provide FSC COC to demonstrate that any tropical woods (other than reclaimed) are FSC certified.	
P2	Durability Management	REQ		Yes			HVAC	Plumber	Meet ESv3 water management system builder checklist. Comply with moisture control measures in rating system.	
C1	Durability Management Verification	1			1		Rater		Rater inspect and verify each measure in ESv3 water management system builder checklist.	
C2	Environmentally Preferable Products	4	1	3	1		GC		Option 1: Local products extracted, processed and manufactured within 100 miles or install components that are environmentally preferable per rating system. Provide product literature	
C2	Construction Waste Management	3	1				GC		Reduce or divert waste compared to the baseline in the rating system. Log all waste and track diversion in lbs or volume, provide waste slips	EP for diverting over 50% compared to baseline.
C3	Material Efficient Framing	2	1	2			Structural	Framer	Implement advanced framing techniques per the rating system.	EP for each 1/2 point beyond 2 points.
Indoor Environmental Quality										
P1	Ventilation	0		Yes			Mechanical		ASHRAE 62.2-2010 compliance for local exhaust and outdoor air ventilation, provide calcs	
P2	Combustion Venting	0		Yes			Mechanical	GC	No unvented combustion appliances (ovens and ranges excluded), install CO monitor in each unit, ensure fireplaces have doors or seal.	
P3	Garage Pollutant Protection	1		Yes			GC		Tightly seal shared surfaces between garage and conditioned space or earn EPA Indoor airPLUS. No HVAC air-handling equipment or ductwork in garage.	
P4	Radon-Resistant Construction	1		Yes			GC		If in EPA Zone 1, build with radon-resistant construction techniques per standards in rating system.	EP for passive radon system in Zones 2 and 3.
P5	Air Filtering	1		Yes			GC	HVAC	Install air filters with minimum MERV 8 or earn EPA Indoor airPLUS.	
P6	Environmental Tobacco Smoke	1		Yes			Owner		Provide building rental or lease agreement that prohibits smoking in all common areas of building or within 25' of openings on property.	
P7	Compartmentalization	1		Yes			GC		Minimize air leakage between units and blowerdoor test. Follow protocols of RESNET or ES.	
C1	Enhanced Ventilation	1		3			Mechanical		Option 1: Use occ sensor, humidistat or continuously operating exhaust fan or timer to enhance local exhaust in bathrooms (1) or Option 2: Enhance whole-house ventilation by installing balanced system not exceeding by > 10%.	
C2	Contaminant Control	1	0.5	0.5		1.5	Gunnar	GC	Option 1: permanent walk-off mats at primary entries (0.5) and/or Option 2: shoe removal and storage (0.5) and/or Option 3: pre-occupancy flush for 48 hours (0.5) and/or Option 4: air quality testing (1)	EP for projects that achieve 2.5 pts can earn another 0.5 pts
C3	Balancing of Heating and Cooling Distribution Systems	1		1	2		Mechanical		Option 1: At least 2 zones with independent thermostats (unless unit less than 1200 SF) (1) and/or Option 2: supply air-flow testing (1) and /or Option 3: pressure balancing (1), (assumes forced air system)	
C4	Enhanced Compartmentalization	1			1		GC		Even less leakage between units per RESNET protocols.	
C5	Enhanced Combustion Venting	1		2			Mechanical		Option 1: No fireplace or woodstove (2) or Option 2: enhanced combustion venting measures or earn EPA Indoor airPLUS (1). Provide product details if EPA-qualified or proving on list of safety testing facility.	
C6	Enhanced Garage Pollutant Protection	1			1		Mechanical		Install exhaust fan in garage to run continuously or with CO sensor that turns fan off when ambient CO levels reach 35 ppm.	
C7	Low-Emitting Products	1		1.5	1.5		GC		Use low emitting products and provide docs on VOC levels on interior paints and coatings (0.5), flooring (0.5), insulation (0.5), adhesives and sealants (0.5) and/or composite wood products (1)	
Innovation										
C1.1	Innovation: Exemplary Performance for Compact Develop	1		1					Option 1: Document Innovation intent, proposed requirements and submittals and design approach. Option 2: Pilot Credit from USGBC Library. Option 3: Exemplary Performance.	
C1.2	Innovation:	1		1					Option 1: Document Innovation intent, proposed requirements and submittals and design approach. Option 2: Pilot Credit from USGBC Library. Option 3: Exemplary Performance.	
C1.3	Innovation:	1			1				Option 1: Document Innovation intent, proposed requirements and submittals and design approach. Option 2: Pilot Credit from USGBC Library. Option 3: Exemplary Performance.	
C1.4	Innovation:	1			1				Option 1: Document Innovation intent, proposed requirements and submittals and design approach. Option 2: Pilot Credit from USGBC Library. Option 3: Exemplary Performance.	
C1.5	Innovation:	1			1				Option 1: Document Innovation intent, proposed requirements and submittals and design approach. Option 2: Pilot Credit from USGBC Library. Option 3: Exemplary Performance.	
C2	LEED AP for Homes	1		1			LEED AP		Confirmation of LEED AP status	
Regional Priority										
C1	Regional Priority: Annual Energy	1		1					6 regional priority credits have been identified for each zip code. 1 point per credit up to 4 points.	
C2	Regional Priority: Site Selection	1		1					6 regional priority credits have been identified for each zip code. 1 point per credit up to 4 points.	
C3	Regional Priority: Active Solar Ready	1		1					6 regional priority credits have been identified for each zip code. 1 point per credit up to 4 points.	
C4	Regional Priority: Compact Development	1		1					6 regional priority credits have been identified for each zip code. 1 point per credit up to 4 points.	
TOTAL		110		69	30.5	59				
Credit	Description	Avail Pts	Exemp. Perf.	Yes	May be	No	Responsible Party	Supporting Party	Resources/Documentation Requirements	Notes

Certified: 40 to 49 points, Silver: 50 to 59 points, Gold: 60 to 79 points, Platinum: 80 to 110 points

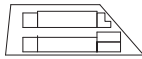
ASH STREET WORKFORCE HOUSING



GGLO
DESIGN

1301 First Avenue, Suite 301
Seattle, WA 98101
http://www.gglo.com

PIVOT NORTH
architecture



KEY PLAN

PROJECT:

ASH STREET WORKFORCE HOUSING

PROJECT ADDRESS:

503, 509, 511, 623, 647 ASH STREET
BOISE, IDAHO 83702

OWNER:

DEAN PAPE, DECHASE MKKIS
P.O. BOX 11942
EUGENE, OR 97440

MARK DATE DESCRIPTION

REVISIONS

A 03/04/2017 CUPVARIANCE APPLICATION

MARK DATE DESCRIPTION

ISSUE INFORMATION

PROJECT NO. 2017001.00

GOLD PRINCIPAL IN CHARGE TOM SHELDON

GOLD PROJECT MANAGER JENNIFER W HATT

OWNER APPROVAL

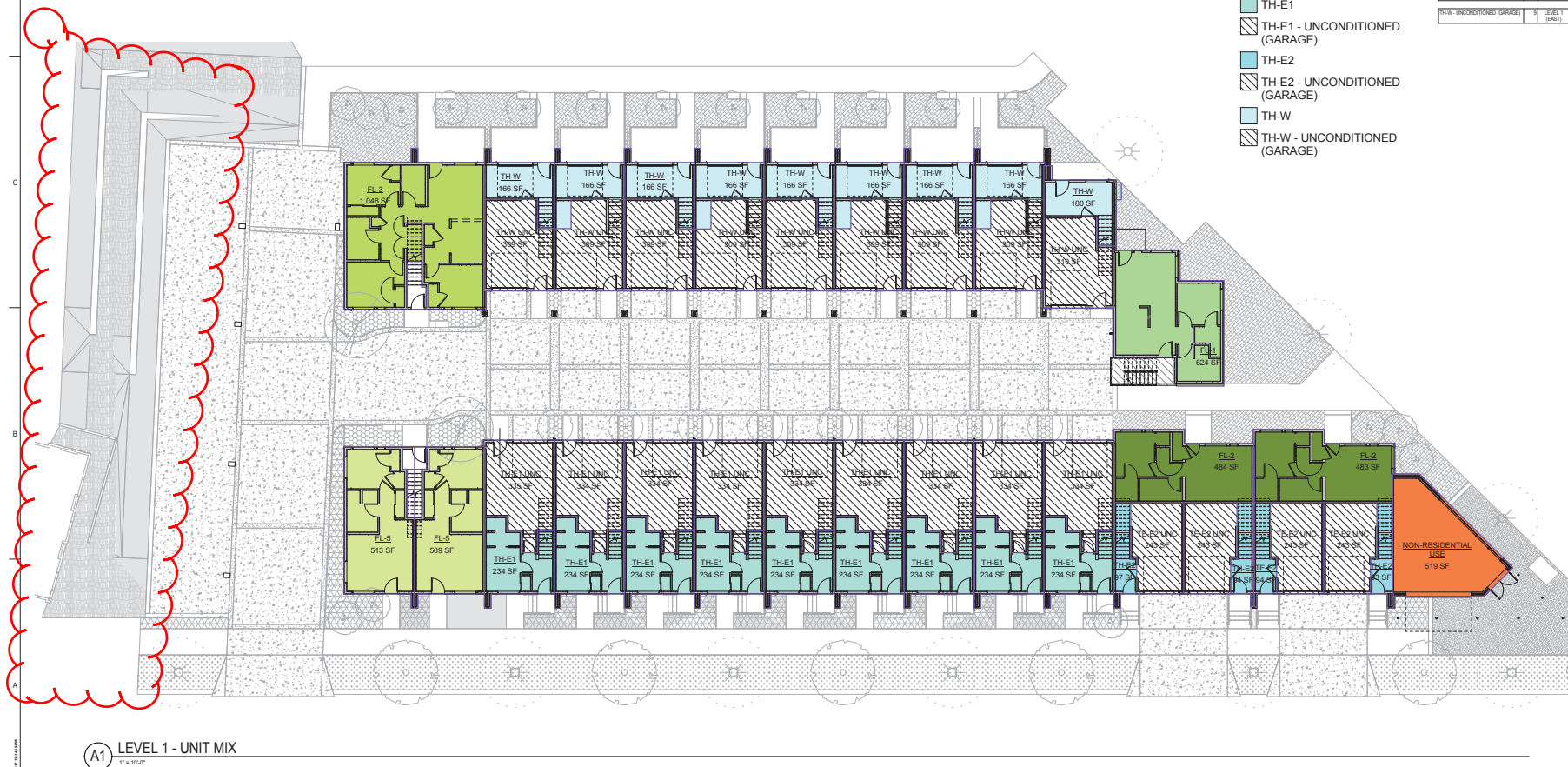
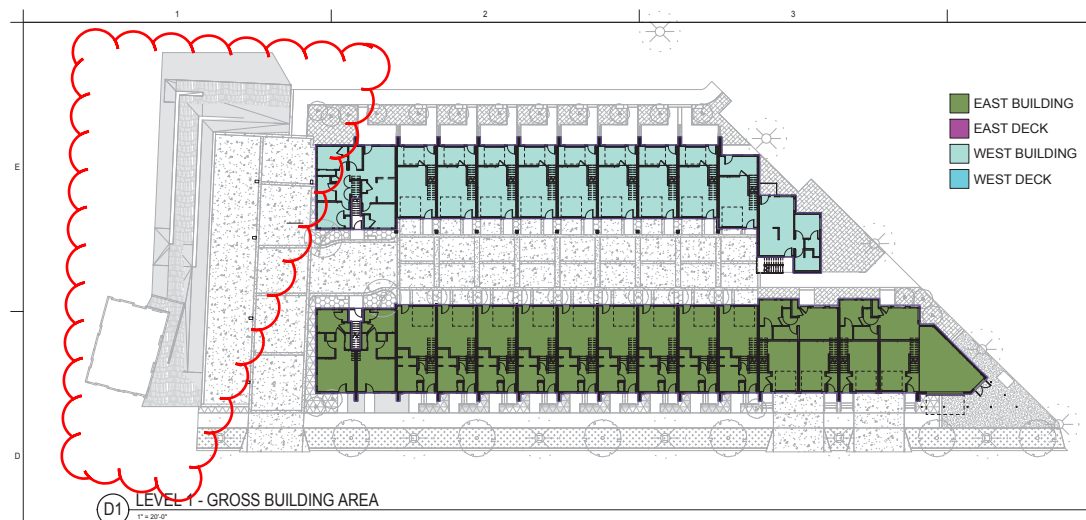
SHEET TITLE

COVER SHEET

SHEET NO.

G-001

CUPVARIANCE APPLICATION 3/24/2017



GROSS BUILDING SQUARE FOOTAGE				
INTERSECTION	UNIT	LEVEL	AREA TYPE	AREA (SQ FT)
EAST BUILDING	LEVEL 1 (EAST)	1	Gross Building Area	9,000 SF
EAST BUILDING	LEVEL 2 (EAST)	2	Gross Building Area	9,000 SF
EAST BUILDING	LEVEL 3 (EAST)	3	Gross Building Area	9,000 SF
EAST DECK	LEVEL 1 (EAST)	1	Exterior Area	48 SF
WEST BUILDING	LEVEL 1 (WEST)	1	Gross Building Area	9,000 SF
WEST BUILDING	LEVEL 2 (WEST)	2	Gross Building Area	9,000 SF
WEST BUILDING	LEVEL 3 (WEST)	3	Gross Building Area	9,000 SF
WEST DECK	LEVEL 1 (WEST)	1	Exterior Area	48 SF

TOTAL BUILDING AREA: 45,300 GSF
 EAST BUILDING: 28,800 GSF
 WEST BUILDING: 16,500 GSF
 TOTAL DECK AREA: 1,871 GSF
 EAST DECK: 1,200 GSF
 WEST DECK: 671 GSF

- FL-1
- FL-2
- FL-3
- FL-4
- FL-5
- NON-RESIDENTIAL USE
- TH-4
- TH-E1
- TH-E1 - UNCONDITIONED (GARAGE)
- TH-E2
- TH-E2 - UNCONDITIONED (GARAGE)
- TH-W
- TH-W - UNCONDITIONED (GARAGE)

UNIT MIX SQUARE FOOTAGE			
UNIT TYPE	UNIT	LEVEL	AREA (SQ FT)
FL-1	1	LEVEL 1 (EAST)	924 SF
FL-1	1	LEVEL 2 (EAST)	927 SF
FL-1	1	LEVEL 3 (EAST)	927 SF
FL-2	2	LEVEL 1 (EAST)	484 SF
FL-3	3	LEVEL 1 (EAST)	1,048 SF
FL-4	4	LEVEL 2 (EAST)	913 SF
FL-5	5	LEVEL 1 (EAST)	913 SF
NON-RESIDENTIAL USE	1	LEVEL 1 (EAST)	919 SF
TH-4	2	LEVEL 2 (EAST)	989 SF
TH-4	2	LEVEL 3 (EAST)	989 SF
TH-E1	9	LEVEL 1 (EAST)	249 SF
TH-E1	9	LEVEL 2 (EAST)	989 SF
TH-E1	9	LEVEL 3 (EAST)	989 SF
TH-E1 - UNCONDITIONED (GARAGE)	9	LEVEL 1 (EAST)	335 SF
TH-E2	4	LEVEL 1 (EAST)	97 SF
TH-E2	4	LEVEL 2 (EAST)	989 SF
TH-E2	4	LEVEL 3 (EAST)	989 SF
TH-E2 - UNCONDITIONED (GARAGE)	4	LEVEL 1 (EAST)	243 SF
TH-W	9	LEVEL 1 (EAST)	189 SF
TH-W	9	LEVEL 2 (EAST)	989 SF
TH-W	9	LEVEL 3 (EAST)	989 SF
TH-W - UNCONDITIONED (GARAGE)	9	LEVEL 1 (EAST)	919 SF

GGLO
 1301 First Avenue, Suite 301
 Seattle, WA 98101
 http://www.gglo.com

PIVOT NORTH
 architecture



PROJECT:
 D ASH STREET WORKFORCE HOUSING

PROJECT ADDRESS:
 503, 509, 511, 623, 647 ASH STREET
 BOISE, IDAHO 83702

OWNER:
 DEAN PAPE, DECHASSE MKSIS
 P.O. BOX 11942
 EUGENE, OR 97440

MARK DATE DESCRIPTION

B REVISIONS

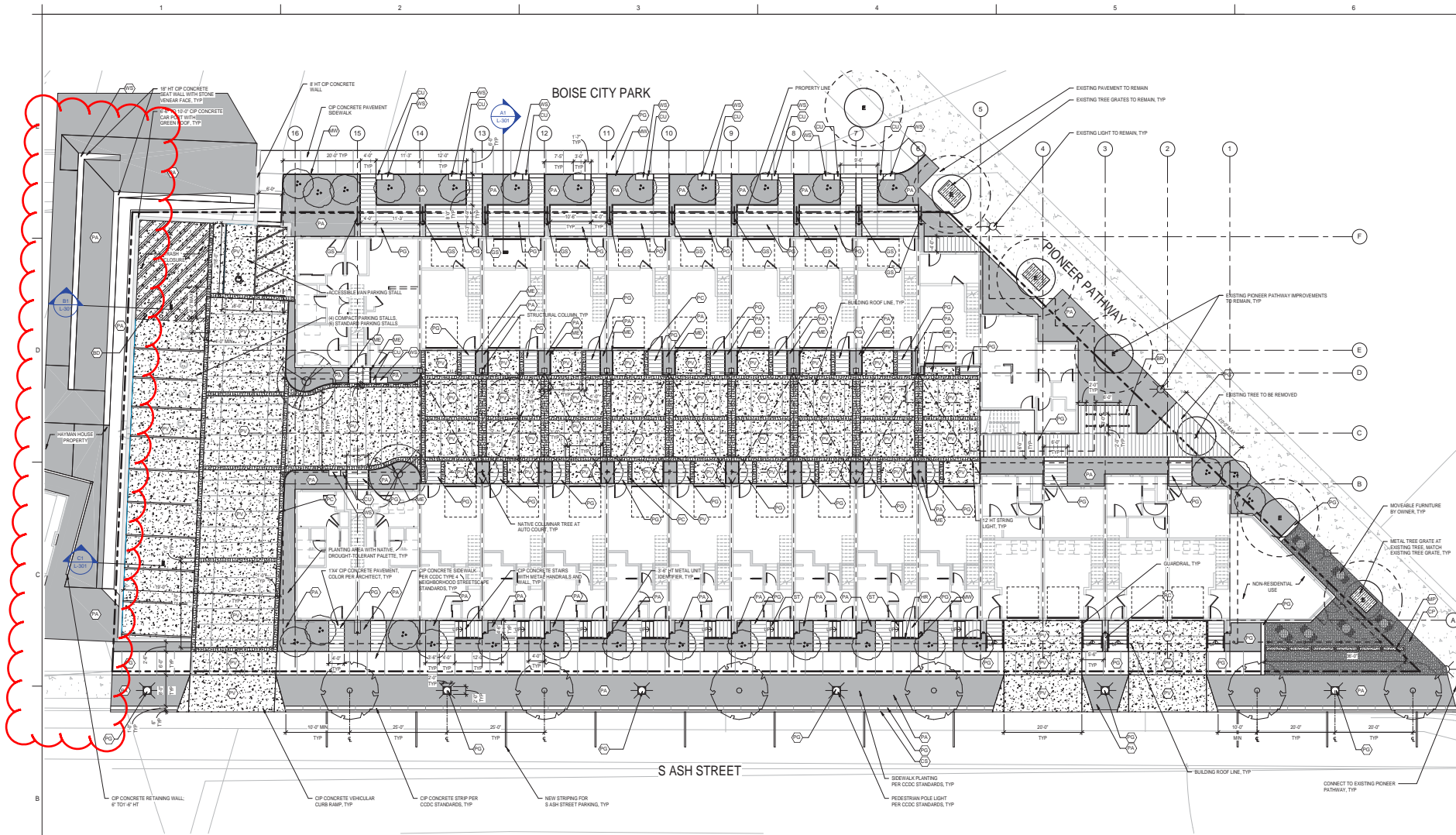
A 03/04/2017 CUPURANCE APPLICATION
 MARK DATE DESCRIPTION
 ISSUE INFORMATION

PROJECT NO: 2017001.00
 GOLD PRINCIPAL IN CHARGE: TOM WHELAN
 GOLD PROJECT MANAGER: JENNIFER W. HATT
 OWNER APPROVAL:

SHEET TITLE
 AREA PLAN - LEVEL 1

SHEET NO.
 G-005

CUPURANCE APPLICATION 3/24/2017



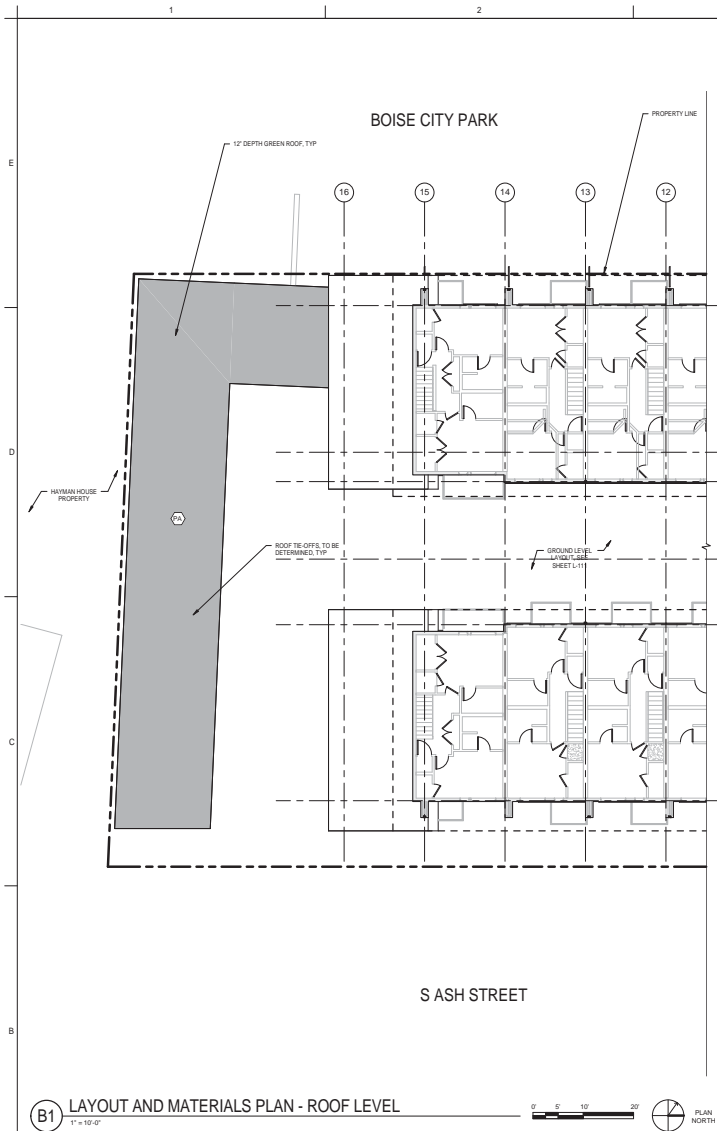
B1 LAYOUT AND MATERIALS PLAN - GROUND LEVEL
1" = 10'-0"

TAG	VISUAL	DESCRIPTION	DETAIL
101		3 HT CP CONCRETE CURB ON GRADE	
102		3 HT CP CONCRETE UNIT IDENTIFIER	
103		8 HT METAL MESH GREEN SCREEN	
104		HANDRAILS	
105		6" METAL PLANTER WALL	
106		6" X 18" 30" METAL PLANTER	
107		6" TO 34" HT METAL PLANTER WALL	
108		CP CONCRETE STAIR	
109		CP CONCRETE WALL ON GRADE	
110		18" HT CP CONCRETE SEAT WALL ON GRADE	

TAG	VISUAL	DESCRIPTION	DETAIL
201		METAL HOLLAND	
202		BIKE RACK	
203		6" X 12" SAND-SET CONCRETE PAVING	
204		PLANTING AREA	
205		4" X 6" CONCRETE PERMEABLE PAVING BAND	
206		CP CONCRETE PAVING ON GRADE	
207		CP CONCRETE VEHICULAR PAVING ON GRADE	
208		CRUSHED ROCK	
209		CONTROL JOINT	

- LANDSCAPE GENERAL NOTES:
1. IT IS THE REVIEW OF THE CONTRACT DOCUMENTS THAT ALL WORK COMPLY WITH THE IDAHO STATE BUILDING CODE, THE IDAHO STATE ENERGY CODE, AND OTHER APPLICABLE CODES, RULES, AND REGULATIONS OF JURISDICTIONS HAVING AUTHORITY.
 2. PRIOR TO COMMENCEMENT OF ANY PORTION OF THE WORK, THE CONTRACTOR SHALL NOTIFY THE LANDSCAPE ARCHITECT IMMEDIATELY WHEN FOLLOWING ISSUES ARE NOTED: ANY DISCREPANCIES NOTED AMONG OR BETWEEN THE CONTRACT DOCUMENTS; OWNER-PROVIDED INFORMATION; SITE CONDITIONS; MANUFACTURER RECOMMENDATIONS; OR CODES, REGULATIONS OR RULES OF JURISDICTIONS HAVING AUTHORITY.
 3. PRIOR TO COMMENCEMENT OF ANY PORTION OF THE WORK, THE CONTRACTOR SHALL BECOME FAMILIAR WITH THE CONTRACT DOCUMENTS, OWNER-PROVIDED INFORMATION, AND SITE CONDITIONS, INCLUDING TAKING FIELD MEASUREMENTS AS NECESSARY.
 4. THE CONTRACTOR SHALL SECURE AND PAY FOR ALL GOVERNMENTAL PERMITS, FEES, LICENSES, AND INSPECTIONS NECESSARY FOR PROPER EXECUTION AND COMPLETION OF THE WORK, EXCEPT FOR THE GENERAL BUILDING PERMIT.
 5. REPETITIVE FEATURES NOT INDICATED IN THE DRAWINGS EVERYWHERE THEY OCCUR SHALL BE PROVIDED AS IF DRAWN IN FULL.
 6. DO NOT SCALE THE DRAWINGS.
 7. SITE IN ANY INFORMATION CONTAINED HEREIN, INCLUDING BUT NOT LIMITED TO DIMENSIONS AND LOCATION OF EXISTING UTILITIES, IS BASED UPON SURVEY INFORMATION PROVIDED BY THE OWNER. THE LANDSCAPE ARCHITECT TAKES NO RESPONSIBILITY FOR ITS ACCURACY.
 8. CONTRACTOR SHALL VERIFY LOCATION OF ALL EXISTING UTILITIES. CARE SHOULD BE TAKEN TO AVOID DAMAGE TO OR DISTURBANCE OF EXISTING UTILITIES.
 9. WHERE POSSIBLE, RUN IRRIGATION AND ELECTRICAL CONDUIT UNDER DECKING OR PLANTING AREAS.
 10. DRAINAGE FEATURES WITH PROPOSED ON-SITE RETENTION PER CAVE.

CUMPLIANCE APPLICATION 3/24/2017



LAYOUT AND MATERIALS LEGEND			
TAG	VISUAL	DESCRIPTION	DETAIL
		PLANTING AREA ON STRUCTURE	

LANDSCAPE GENERAL NOTES

- IT IS THE INTENT OF THE CONTRACT DOCUMENTS THAT ALL WORK COMPLY WITH THE IDAHO STATE BUILDING CODE, THE IDAHO STATE ENERGY CODE, AND OTHER APPLICABLE CODES, RULES, AND REGULATIONS OF JURISDICTIONS HAVING AUTHORITY.
- PRIOR TO COMMENCEMENT OF ANY PORTION OF THE WORK, THE CONTRACTOR SHALL NOTIFY THE LANDSCAPE ARCHITECT IMMEDIATELY WHEN FOLLOWING ISSUES ARE NOTED: ANY DISCREPANCIES NOTED AMONG OR BETWEEN THE CONTRACT DOCUMENTS, OWNER-PROVIDED INFORMATION, SITE CONDITIONS, MANUFACTURER RECOMMENDATIONS, OR CODES, REGULATIONS OR RULES OF JURISDICTIONS HAVING AUTHORITY.
- PRIOR TO COMMENCEMENT OF ANY PORTION OF THE WORK, THE CONTRACTOR SHALL BECOME FAMILIAR WITH THE CONTRACT DOCUMENTS, OWNER-PROVIDED INFORMATION, AND SITE CONDITIONS, INCLUDING TAKING FIELD MEASUREMENTS AS NECESSARY.
- THE CONTRACTOR SHALL SECURE AND PAY FOR ALL GOVERNMENTAL PERMITS, FEES, LICENSES, AND INSPECTIONS NECESSARY FOR PROPER EXECUTION AND COMPLETION OF THE WORK, EXCEPT FOR THE GENERAL BUILDING PERMIT.
- REPETITIVE FEATURES NOT INDICATED IN THE DRAWINGS EVERYWHERE THEY OCCUR SHALL BE PROVIDED AS IF DRAWN IN FULL.
- DO NOT SCALE THE DRAWINGS.
- SITE PLAN INFORMATION CONTAINED HEREIN, INCLUDING BUT NOT LIMITED TO DIMENSIONS AND LOCATION OF EXISTING UTILITIES, IS BASED UPON SURVEY INFORMATION PROVIDED BY THE OWNER. THE LANDSCAPE ARCHITECT TAKES NO RESPONSIBILITY FOR ITS ACCURACY.
- CONTRACTOR SHALL VERIFY LOCATION OF ALL EXISTING UTILITIES. CARE SHOULD BE TAKEN TO AVOID DAMAGE TO OR DISTURBANCE OF EXISTING UTILITIES.
- WHERE POSSIBLE, RUN IRRIGATION AND ELECTRICAL CONDUIT UNDER DECKING OR PLANTING AREAS.
- DRAINAGE FEATURES WITH PROPOSED ON-SITE RETENTION PER CAVE.

2017001.00

PROJECT NO. TOW SHELDON

GGLO PRINCIPAL IN CHARGE JENNIFER N. WATT

GGLO PROJECT MANAGER

OWNER APPROVAL:

SHEET TITLE: LAYOUT AND MATERIALS PLAN - ROOF LEVEL

SHEET NO. L-112

LEGEND: ALL RIGHTS RESERVED. ORIGINAL SHEET L-112 OF 112.

GGLO
DESIGN

1301 First Avenue, Suite 301
Seattle, WA 98101
http://www.gglo.com

PIVOT NORTH
architecture

PROJECT:
D ASH STREET WORKFORCE HOUSING

PROJECT ADDRESS:
503, 509, 511, 623, 647 ASH STREET
BOISE, IDAHO 83702

OWNER:
DEAN PAPE, DECHASE MKKIS
P.O. BOX 11942
EUGENE, OR 97440

MARK DATE DESCRIPTION

B REVISIONS

A 03/04/2017 CUPVARIANCE APPLICATION

MARK DATE DESCRIPTION

ISSUE INFORMATION

PROJECT NO. 2017001.00

GGLO PRINCIPAL IN CHARGE TOW SHELDON

GGLO PROJECT MANAGER JENNIFER N. WATT

OWNER APPROVAL:

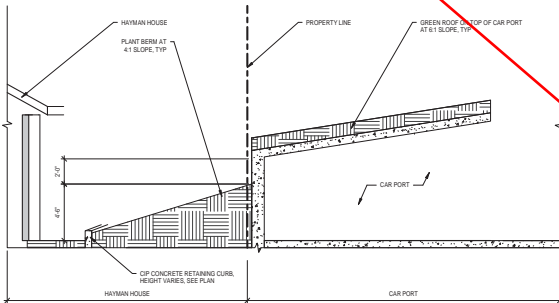
SHEET TITLE: LAYOUT AND MATERIALS PLAN - ROOF LEVEL

SHEET NO. L-112

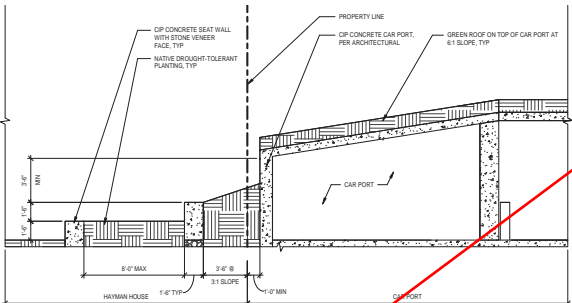
CUPVARIANCE APPLICATION 3/24/2017

BERM PLAN ON HAYMAN HOUSE PROPERTY

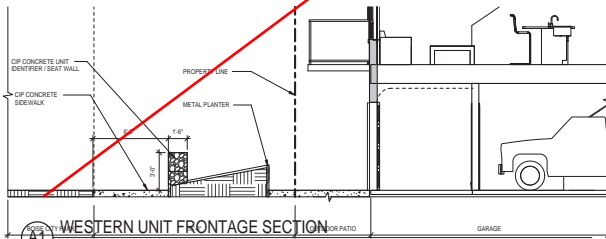
MUST BE REVISED



C1 ASH STREET ENTRY SECTION
1/4" = 1'-0"



B1 AMPHITHEATER SECTION
1/4" = 1'-0"



A1 WESTERN UNIT FRONTAGE SECTION
1/4" = 1'-0"

GGLO
DESIGN

1301 First Avenue, Suite 301
Seattle, WA 98101
http://www.gglo.com

PIVOT NORTH
architecture

PROJECT:
D ASH STREET WORKFORCE
HOUSING

PROJECT ADDRESS:
503, 509, 511, 623, 647 ASH STREET
BOISE, IDAHO 83702

OWNER:
DEAN PAPE, DECHASE MKKIS
P.O. BOX 11942
EUGENE, OR 97440

MARK DATE DESCRIPTION
B REVISIONS

A 03042017 CLIPBOARD APPLICATION
MARK DATE DESCRIPTION
ISSUE INFORMATION

PROJECT NO: 2017001.00
GGLO PRINCIPAL IN CHARGE: TOM SWELDON
GGLO PROJECT MANAGER: JENNIFER H WATT
OWNER APPROVAL:

SHEET TITLE
SITE SECTIONS

SHEET NO:
L-301

Copyright 2017 GGLO, All Rights Reserved
Original, Printed, and Reproduced

CUP/VARIANCE APPLICATION 3/24/2017

GENERAL SITE PLAN NOTES

1. SITE INFORMATION CONTAINED HEREIN, INCLUDING BUT NOT LIMITED TO, DIMENSIONS AND LOCATIONS OF EXISTING UTILITIES, IS BASED ON A PRELIMINARY SURVEY AND IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY. THE ARCHITECT TAKES NO RESPONSIBILITY FOR ITS ACCURACY.
2. VERIFY LOCATION OF ALL EXISTING UTILITIES. DO NOT DAMAGE TO OR DISTURB EXISTING UTILITIES.
- 3.

GGLO DESIGN

1301 First Avenue, Suite 301
Seattle, WA 98101
http://www.gglo.com

PIVOT NORTH
architecture



KEY PLAN

PROJECT:

D ASH STREET WORKFORCE HOUSING

PROJECT ADDRESS:

503. 509. 511. 623. 647 ASH STREET
BOISE, IDAHO 83702

OWNER:

DEAN PAPE, DECHASE MKSIS
P.O. BOX 11942
EUGENE, OR 97440

MARK DATE DESCRIPTION
B REVISIONS

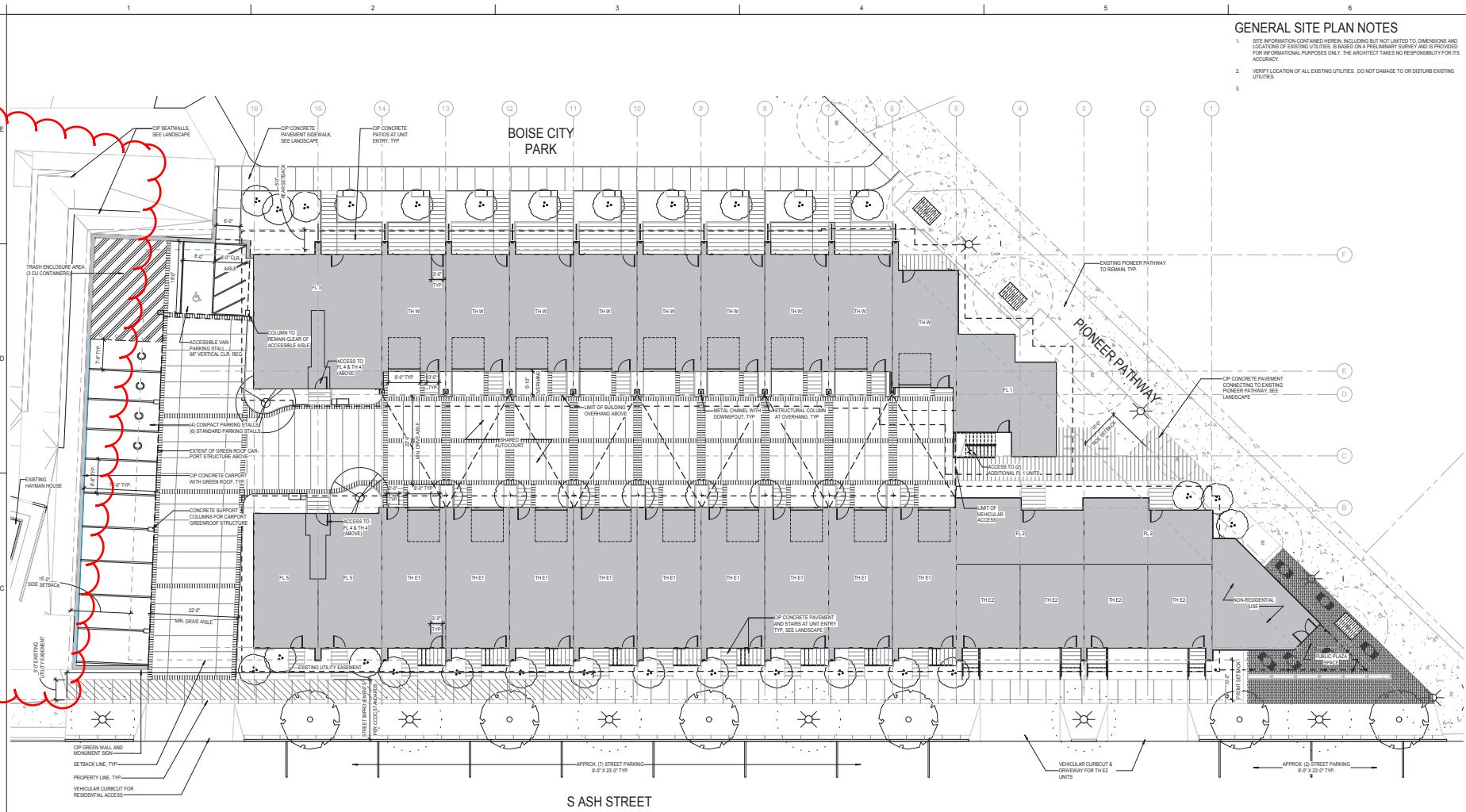
A 03/04/2017 CUPVARIANCE APPLICATION
MARK DATE DESCRIPTION
ISSUE INFORMATION

PROJECT NO: 2017001.00
GOLD PRINCIPAL IN CHARGE: TOM SWELDON
GOLD PROJECT MANAGER: JENNIFER W. HART
OWNER APPROVAL:

SHEET TITLE
SITE PLAN

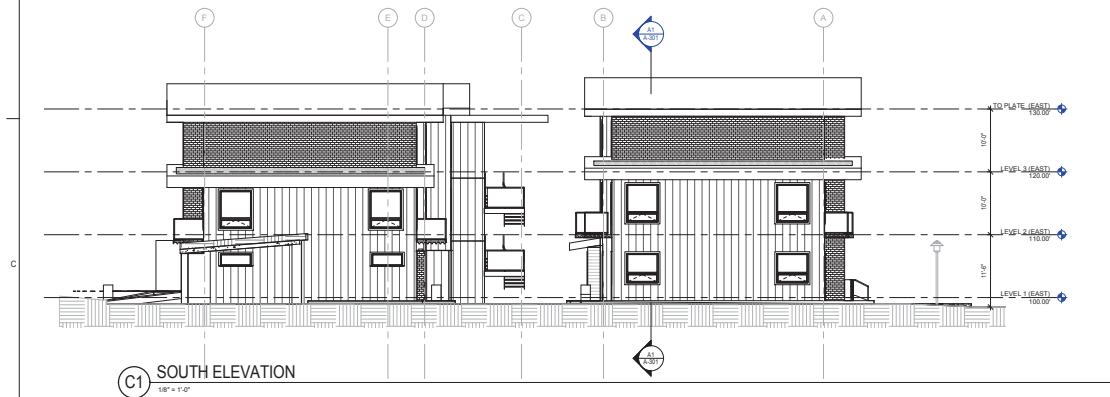
SHEET NO.
A-101

CUPVARIANCE APPLICATION 3/24/2017



B1 ARCHITECTURAL SITE PLAN
1" = 10'-0"

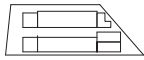




GGLO

DESIGN
1301 First Avenue, Suite 301
Seattle, WA 98101
http://www.gglo.com

PIVOT NORTH
architecture



KEY PLAN

PROJECT

D ASH STREET WORKFORCE HOUSING

PROJECT ADDRESS:

503. 509. 511. 623. 647 ASH STREET
BOISE, IDAHO 83702

OWNER:

DEAN PAPE, DECHASE MKSIS
P.O. BOX 11942
EUGENE, OR 97440

C

MARK DATE DESCRIPTION

B REVISIONS

A 03/04/2017 CUPVARIANCE APPLICATION
MARK DATE DESCRIPTION
ISSUE INFORMATION

PROJECT NO: 2017001.00
GGLO PRINCIPAL IN CHARGE: TOW SHELDON
GGLO PROJECT MANAGER: JENNIFER W HATT
OWNER APPROVAL:

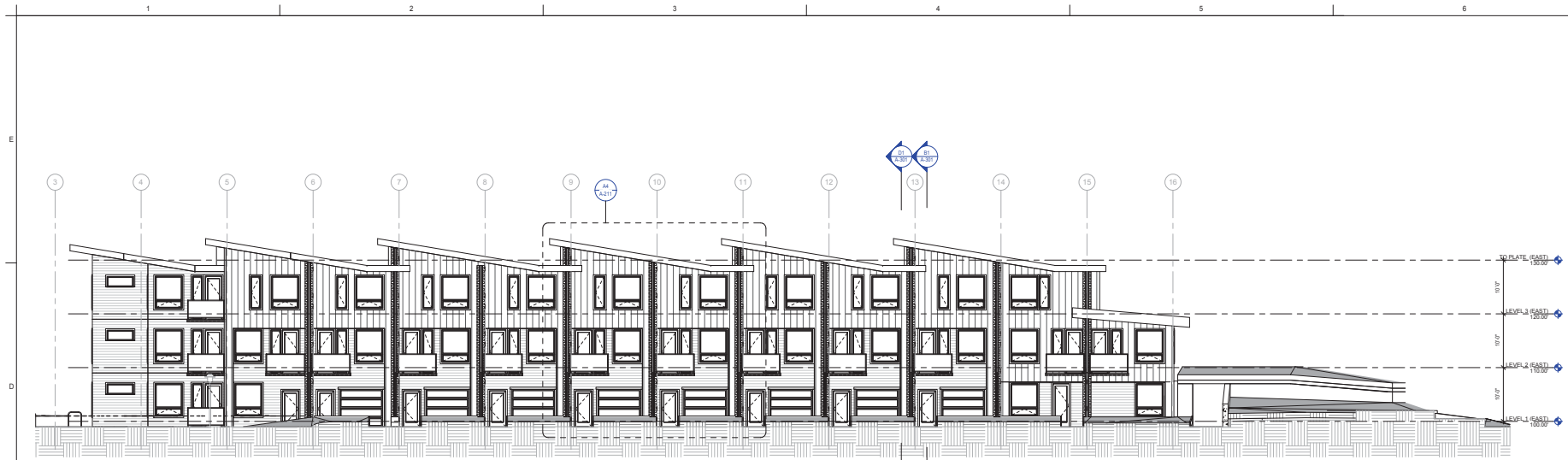
SHEET TITLE
**EAST/NORTH
ELEVATION**

SHEET NO.

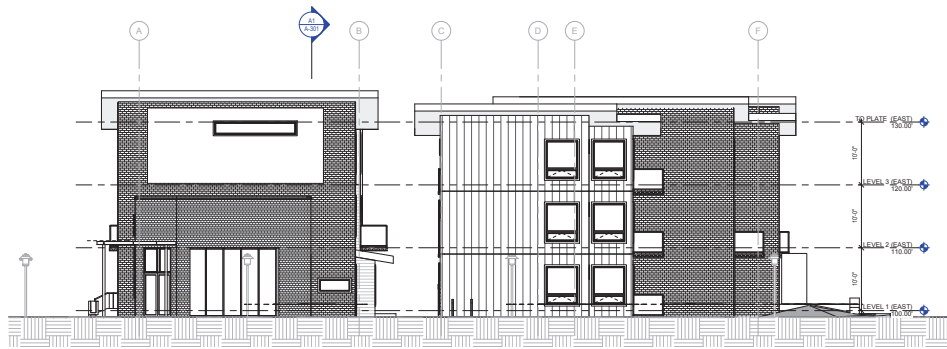
A-201

COPYRIGHT 2017 ALL RIGHTS RESERVED
ORIGINAL SHEET 105 OF 104

CUPVARIANCE APPLICATION 3/24/2017



D1 WEST ELEVATION
1/8" = 1'-0"



C1 NORTH ELEVATION
1/8" = 1'-0"

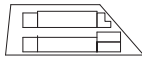


A1 WEST BLDG - EAST ELEVATION
1/8" = 1'-0"

GGLO
DESIGN

1301 First Avenue, Suite 301
Seattle, WA 98101
http://www.gglo.com

PIVOT NORTH
architecture



KEY PLAN

PROJECT:

D ASH STREET WORKFORCE
HOUSING

PROJECT ADDRESS:

503, 509, 511, 623, 647 ASH STREET
BOISE, IDAHO 83702

OWNER:

DEAN PAPE, DECHASE MKKIS
P.O. BOX 11942
EUGENE, OR 97440

C

MARK DATE DESCRIPTION
B REVISIONS

A 03/04/2017 CUPVARIANCE APPLICATION
MARK DATE DESCRIPTION
ISSUE INFORMATION

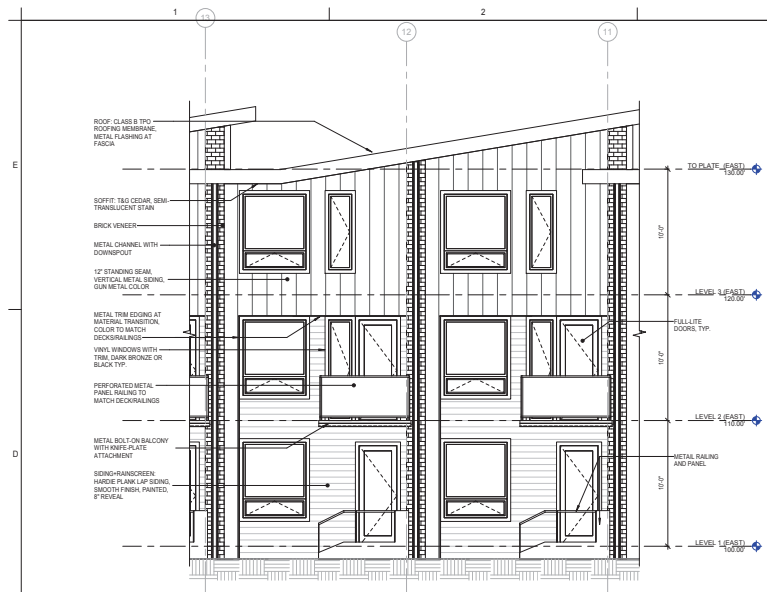
PROJECT NO. 2017001.00
GGLO PRINCIPAL IN CHARGE TOW SHELTON
GGLO PROJECT MANAGER JENNIFER W HART
OWNER APPROVAL

A SHEET TITLE
WEST/SOUTH
ELEVATION

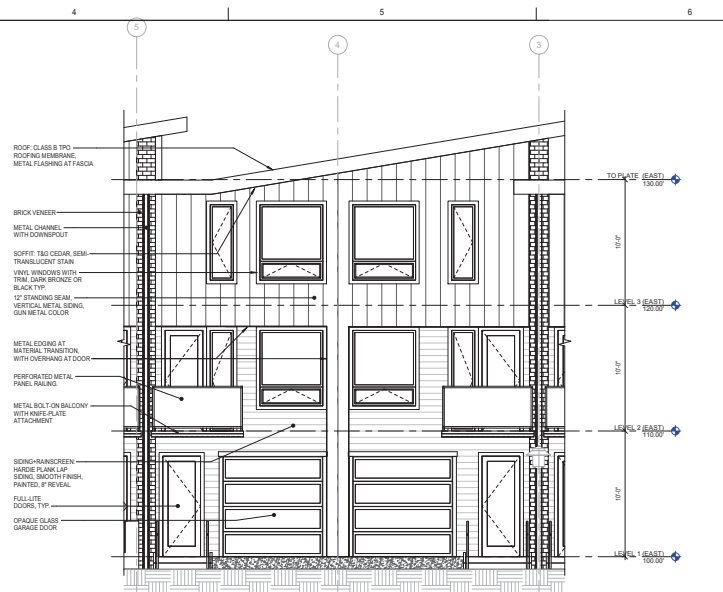
SHEET NO.

A-202

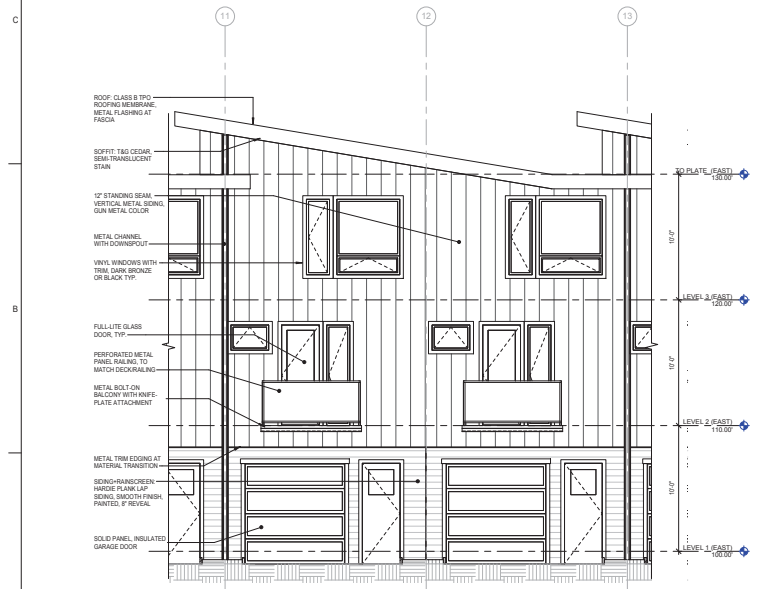
CUPVARIANCE APPLICATION 3/24/2017



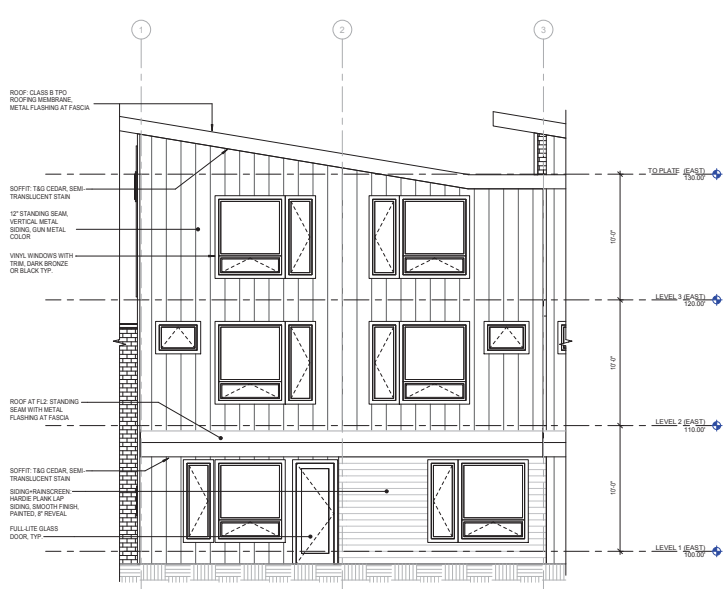
C1 TYP. TH-E1 EAST ELEVATION
1/4" = 1'-0"



C4 TYP. TH-E2 EAST ELEVATION
1/4" = 1'-0"



A1 TYP. TH-E1 WEST ELEVATION
1/4" = 1'-0"

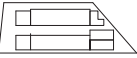


A4 TYP. TH-E2 WEST ELEVATION
1/4" = 1'-0"

GGLO
DESIGN

1301 First Avenue, Suite 301
Seattle, WA 98101
http://www.gglo.com

PIVOT NORTH
architecture



KEY PLAN

PROJECT:
D ASH STREET WORKFORCE HOUSING

PROJECT ADDRESS:
**503, 509, 511, 623, 647 ASH STREET
BOISE, IDAHO 83702**

OWNER:
**DEAN PAPE, DECHASE MKSIS
P.O. BOX 11942
EUGENE, OR 97440**

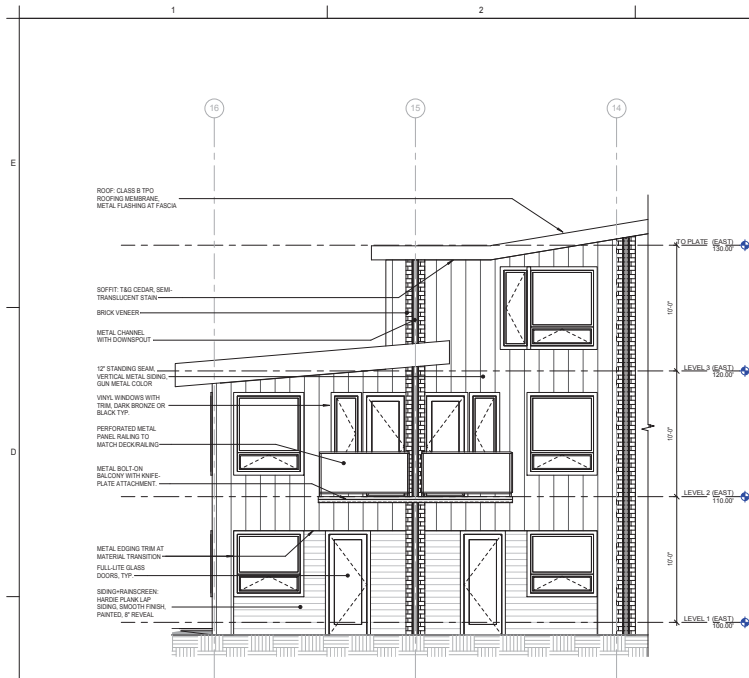
MARK DATE DESCRIPTION
B REVISIONS

A 03/04/2017 CUPVARIANCE APPLICATION
MARK DATE DESCRIPTION
ISSUE INFORMATION
PROJECT NO: **2017001.00**
GOLD PRINCIPAL IN CHARGE: **TOM SWELOON**
GOLD PROJECT MANAGER: **JENNIFER W HATT**
OWNER APPROVAL:

A
**SHEET TITLE
ENLARGED ELEVATIONS**

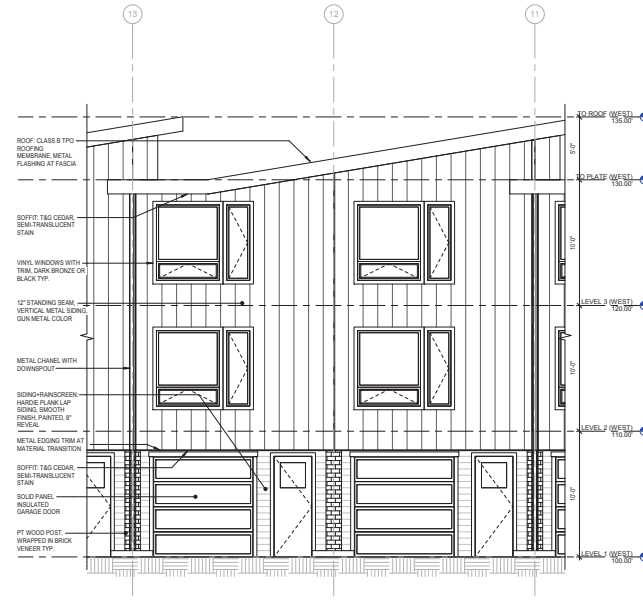
SHEET NO:
A-210

CUPVARIANCE APPLICATION 3/24/2017



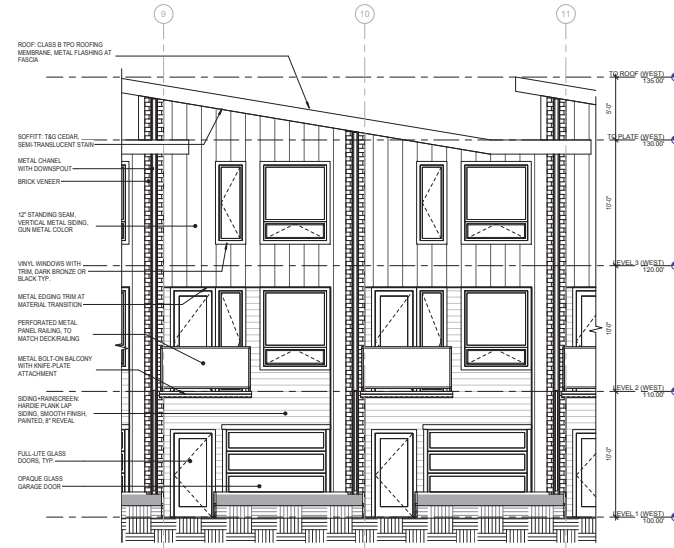
C1 TYP. STACKED FLATS ELEVATION

1/4" = 1'-0"



C4 TYP. TH-W EAST ELEVATION

1/4" = 1'-0"



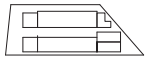
A4 TYP. TH-W WEST ELEVATION

1/4" = 1'-0"

GGLO DESIGN

1301 First Avenue, Suite 301
Seattle, WA 98101
http://www.gglo.com

PIVOT NORTH
architecture



KEY PLAN

PROJECT:

D ASH STREET WORKFORCE HOUSING

PROJECT ADDRESS:

503. 509. 511. 623. 647 ASH STREET
BOISE, IDAHO 83702

OWNER:

DEAN PAPE, DECHASE MKKIS
P.O. BOX 11942
EUGENE, OR 97440

C

MARK DATE DESCRIPTION
B REVISIONS

A 03/04/2017 CUPVARIANCE APPLICATION
MARK DATE DESCRIPTION
ISSUE INFORMATION

PROJECT NO. 2017001.00
PROJECT PRINCIPAL IN CHARGE: TOM WHELDON
GOLD PROJECT MANAGER: JENNIFER W HATT
OWNER APPROVAL:

A SHEET TITLE
ENLARGED ELEVATIONS

SHEET NO.
A-211

CUPVARIANCE APPLICATION 3/24/2017



COPYRIGHT © 2010 ALL RIGHTS RESERVED.
PRINTED IN THE U.S.A.

SD PROGRESS SET

—

APPROVAL STAMPS

PLACEHOLDER
WILL BE UPDATED BEFORE EXECUTING

Attachment 6

Reuse Appraisal



Valbridge
PROPERTY ADVISORS

Appraisal Report

Ash Street Townhomes (Proposed)
Re-Use Appraisal
503-647 Ash Street
Boise, Idaho 83702

July 20, 2017



FOR:

John Brunelle, Executive Director
Capital City Development Corporation
121 N. 9th Street, Suite 501
Boise, Idaho 83702

Valbridge Property Advisors |
Mountain States Appraisal & Consulting, Inc.
1459 Tyrell Ln., Suite B
Boise, ID 83706
208-336-1097 phone
208-345-1175 fax
valbridge.com

Valbridge Job No: ID02-17-0060-000



Joe Corlett, MAI, SRA
Moe Therrien, MAI
Kevin Ritter, MAI
Derek Newton, CGA
Jeff Vance, MAI
Dave Pascua, RT
Paul Dehlin, MAI

1459 Tyrell Lane
Suite B
Boise, ID 83706
208-336-1097 phone
208-345-1175 fax
valbridge.com

July 20, 2017

John Brunelle, Executive Director
Capital City Development Corporation
121 N. 9th Street, Suite 501
Boise, Idaho 83702

RE: Appraisal Report
Ash Street Townhomes (Proposed)
Re-Use Appraisal
503-647 Ash Street
Boise, Idaho 83702
Valbridge Job #ID02-17-0060-000

Mr. Brunelle:

In accordance with your request, we have prepared an appraisal of the above-referenced real property. The subject of this appraisal is a proposed 45,299 square foot townhome project to be situated on a 0.81-acre site. The project will contain 34 residential apartment units and 1 commercial unit. The project will be subject to workforce housing requirements with rental rates affordable to households earning 80% to 120% of Area Median Income (AMI).

The subject was appraised using generally accepted principles and theory. We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client as we understand them. The report is presented in Appraisal Report format and complies with the requirements set forth under Standards Rule 2-2(a) of USPAP. It presents a narrative discussion, in condensed format, of the pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions. The depth of the discussion contained in this report is specific to the needs of the client and the intended use.

The purpose of this appraisal is to provide an opinion of Fair Re-Use Value for the subject property. Fair Re-Use Value is the most probable sale price of a property (or rights to develop) assuming a specific future development or redevelopment of the property. Fair Re-Use Value is typically a residual value derived by subtracting total development costs, including an allowance for developer profit, from the estimate of market value of the property assuming the proposed development is complete. If the seller is a public agency, the exact terms of the sale are typically set forth in the Disposition and Development Agreement executed by the buyer and seller. Redevelopment of a given property may include extraordinary restrictions agreed to by the parties, such as historic preservations, revitalization, rent or sale price limits, and employment among others. As such, highest and best use and market value are not considered in the appraisal or conclusions.

Capital City Development Corporation (CCDC) is the client in this assignment. The intended use is to provide a basis for negotiating a potential sale of the property to the developer Dean Pape. The effective date of value is October 1, 2017, prospective to the date title to the property is projected to be transferred to the developer. The intended users of this report include the client and any duly appointed representatives of the client, specifically authorized by the client to view or use this appraisal in accordance with the stated purpose or function.

The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are contingent on the following extraordinary assumptions and/or hypothetical conditions:

Extraordinary Assumptions:

- 1) The project is proposed. The appraisal and its conclusions relied upon preliminary construction plans, projected construction costs, and development specifications provided by the developer. This appraisal is subject to the extraordinary assumption that the improvements will be constructed as described herein.
- 2) A public alley extends along the west boundary of the subject. Ownership of the public alley is vested in the Ada County Highway District (ACHD). The developer, Dean Pape', plans to purchase the northernmost 3,225 square feet for vacation of the public alley to be developed in conjunction with the proposed Ash Street Townhome Project. Our conclusion of Fair Re-use Value includes the extraordinary assumption the developer will purchase the aforementioned portion of the alley. The purchase represents an additional cost to the development resulting in a pro rata reduction of the Fair Re-Use Value.
- 3) A portion of the project will encroach onto the CCDC owned property adjoining the subject to the south; the adjoining property is known as the Hayman House property. This appraisal is subject to the extraordinary assumption that the project will be allowed to encroach on the Hayman House property as shown on the site plan.
- 4) As per the developer's proposed schedule, transfer of title to the property is projected to occur by October 1, 2017, which is the prospective date of value in this appraisal. Construction is projected to begin shortly thereafter and is anticipated to be complete by September 1, 2018. As presented in this report, we anticipate the subject to reach stabilized occupancy by December 1, 2018. The stabilization period inherently assumes the local economy will continue to improve and demand will remain at minimum consistent with the past one to two years.

The use of these extraordinary assumptions might have affected assignment results. If any of these extraordinary assumptions are later proven to be false, the value conclusion(s) reported herein could be rendered invalid, and further valuation analysis would be warranted.

Hypothetical Conditions:

None

Based on the analysis contained in the following report, our value conclusion(s) for the subject property are summarized as follows:

Value Conclusion(s)				
Valuation <u>Premise</u>	Premise <u>Qualifier</u>	Interest <u>Appraised</u>	Effective Date <u>of Value</u>	Value <u>Conclusion</u>
Fair Re-Use Value	Prospective To Date Of Acquisition	Fee Simple	10/1/2017	Negative \$1,160,000
(Includes \$679,000 land purchase price as a cost to the developer)				

This letter of transmittal must be accompanied by all sections of this report as outlined in the Table of Contents for the value opinions set forth above to be valid.

Respectfully submitted,
Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc.



Jeff Vance, MAI
Senior Appraiser
State of Idaho Certification No. CGA-2828
Certification Expiration Date: 4/18/18
E-mail: jvance@valbridge.com



Moe Therrien, MAI
Senior Managing Director
State of Idaho Certification No. CGA-8
Certification Expiration Date: 12/31/17
E-mail: mtherrien@valbridge.com

Table of Contents

Cover Page

Letter of Transmittal

Table of Contents i

Summary of Salient Facts..... ii

Aerial and Front Views..... iii

Introduction 1

Neighborhood Description..... 5

Site Description 9

Improvements Description 16

Real Estate Assessment & Tax Data 25

Appraisal Methodology 26

Market Value: Upon Stabilization 27

Income Capitalization Approach 27

Reconciliation – Market Value: Upon Stabilization 49

Development Cost Estimates..... 51

Fair Re-Use Value Conclusion..... 55

General Assumptions & Limiting Conditions 57

Certification..... 63

Addenda

Summary of Salient Facts

Property Description

Property name	Ash Street Townhomes
Property type	Multi-family
Address	503-647 Ash Street
City & state	Boise, Idaho
Parcel number(s)	R5336500012, R5336500022, R336500031, R8453210051, R8453210010
Zoning	R-ODD; Residential Office District with Downtown Design Review District Overlay
Land size	35,374 square feet; 0.81 acres (includes portion of vacated alley at 3,225 sf or 0.074 acres)
Property owner	Capital City Development Corporation (CCDC); Ada County Highway District (ACHD) owns alley

Proposed Improvements

Gross building area	45,299 sf (per building plans)
Rentable building area	Apartments: 37,067 sf; Garages: 6,777 sf; Commercial: 519 sf
No. of units	34 apartment units plus 1 commercial unit
Unit mix	(9) 1BR,1BA; (2) 2BR,2.5BA; (23) 3BR,2-3.5BA
Style	Flats to 3-story townhomes
Average unit size	1,090 sf
Year built	To be completed September 1, 2018; stabilized occupancy by December 1, 2018
Quality/condition	Good quality construction; new condition
Common amenities	None

Appraisal Description

Scope of Work

Purpose of the appraisal	Provide an opinion of Fair Re-Use Value
Extraordinary assumptions	Yes, see letter of transmittal
Hypothetical conditions	None
Interest valued	Fee Simple
Valuation methods completed	Cost Approach: Not applicable Income Capitalization Approach: Yes Sales Comparison Approach: Not completed

Appraisal Dates

Property inspection date	May 31, 2017
Date of value	October 1, 2017, prospective to date of acquisition
Date of report completion	July 20, 2017

Value Summary

Market Value: Upon Stabilization	\$8,050,000
Less: Development Costs Including Profit	(\$9,280,000)
Add: Non CCDC Cost Reimbursements	<u>\$70,000</u>
Fair Re-Use Value (Includes \$679,000 Land Purchase Price)	(\$1,160,000)

Aerial and Front Views

AERIAL VIEW



**ELEVATION VIEW
(As Proposed)**



Introduction

Client and Other Intended Users of the Appraisal

The intended users of this report include the client, Capital City Development Corporation, and any duly appointed representatives of the client, specifically authorized by the client to view or use this appraisal in accordance with the stated purpose or function.

Intended Use of the Appraisal

The intended use is to provide a basis for negotiating a sale of the site subject to a specific development proposal.

Real Estate Identification

The subject is comprised of five parcels located at 503-647 S. Ash Street, Boise, Idaho 83702. The Ada County Assessor identifies the subject as Parcel Numbers R5336500012, R5336500022, R336500031, R8453210051, and R8453210010. These parcels are owned by the Capital City Development Corporation (CCDC), Boise's redevelopment agency. CCDC owned properties are exempt from taxation.

The subject also includes a portion of a public alley extending between River Street and the Pioneer Pathway in Boise, Idaho. No parcel number is associated with the alley. The alley is owned by the Ada County Highway District (ACHD). ACHD owned properties are exempt from taxation.

Legal Description

The subject is legally described as:

Lots 1-7, Block 1, Lover's Lane Addition, Lot 2, Block 1, Tiffany Subdivision, and Parcel A, Record of Survey Property Boundary Adjustment for Capital City Development Corporation, Boise, Idaho

The metes and bounds legal description for the public alley is presented following. The subject includes the northernmost 3,225 square feet (approximate).

A portion of the Alley within Block 1 of Lover's Lane Addition (Book 2 of Plats at Page 90, records of Ada County, Idaho), situated in a portion of the Northwest 1/4 of Section 10, Township 3 North, Range 2 East, Boise Meridian, City of Boise, Ada County, Idaho, and being more particularly described as follows:

BEGINNING at a found brass plug monument marking the intersection of the easterly right-of-way line of said Alley and the southeasterly right-of-way line of Pioneer Pathway, which bears S64°24'20"W a distance of 168.78 feet from a found 5/8-inch rebar marking the northerly corner of Lot 1, Block 1 of said Lover's Lane Addition.

Thence leaving said southeasterly right-of-way line and following said easterly right-of-way line, S20°10'41"W a distance of 261.73 feet to a point being the intersection of said easterly right-of-way line and the northeasterly right-of-way line of River Street;

Thence leaving said easterly right-of-way line, N35°00'37"W a distance of 19.49 feet to a point on the westerly right-of-way line of said Alley;

Thence following said westerly right-of-way line, N20°10'41"E a distance of 234.16 feet to a point being the intersection of said westerly right-of-way line and said southeasterly right-of-way line of Pioneer Pathway;

Thence leaving said westerly line, N64°24'20"E a distance of 22.94 feet to the **POINT OF BEGINNING**.

Said parcel contains 0.091 acres (3,967 square feet), more or less, and is subject to all existing easements and/or rights-of-way of record or implied.

Real Property Interest Appraised

We have appraised the fee simple interest in the subject property.

Type and Definition of Value

We developed opinions of the following types of value for the subject property.

VALUATION SCENARIOS

Valuation	Completed
Fair Re-Use Value	Yes

Fair Re-Use Value – Fair Re-Use Value is the most probable sale price of a property (or rights to develop) assuming a specific future development or redevelopment of the property. If the seller is a public agency, the exact terms of the sale are typically set forth in the Disposition and Development Agreement executed by the buyer and seller. Redevelopment of a given property may include extraordinary restrictions agreed to by the parties, such as historic preservations, revitalization, rent or sale price limits, and employment among others. As such, highest and best use and market value are not considered in the appraisal or conclusions.

The re-use appraisal encompasses a review of the developer's proposal, including preliminary estimates of development costs and cash flow considerations. This information was then gauged against prevailing costs, sales, rents, and expenses for similar or competing developments. The reconciled data was then submitted to a valuation process, primarily relying on the Income Capitalization Approach, to yield an estimate of property value following completion of the proposed project. The process compares development cost to the value estimate with the difference representing value for the property prior to development. The conclusion is termed Fair Re-Use Value. Significant assumptions to the process specific to the subject are outlined within the report.

Please refer to the Glossary in the Addenda section for further definitions for terms employed in this report.

Effective Date(s) of Value

The effective date of value is October 1, 2017, prospective to the date title of the property is projected to be transferred to the developer Dean Pape.

Date of Report

The date of this report is July 20, 2017. Our conclusions are reflective of market conditions as of the effective date of value.

Scope of Work

The scope of work includes all steps taken in the development of the appraisal. This includes 1) the extent to which the subject property is identified, 2) the extent to which the subject property is inspected, 3) the type and extent of data researched, 4) the type and extent of analysis applied, and the type of appraisal report prepared.

The subject site was legally identified via city, county, and public records. Architectural drawings and specifications provided by the developer were relied upon for describing the proposed improvements.

Jeff Vance, MAI, completed a site inspection of the subject on May 31, 2017. This included viewing the property from several different angles and driving the neighborhood. Moe Therrien, MAI, also completed a current inspection of the subject property.

We researched and analyzed: 1) market area data, 2) property-specific, market-analysis data, and 3) current data on comparable listings, sales, and rentals in the competitive market area. We then appraised the subject considering the proposed re-use, relying on the Income Capitalization Approach to value. Direct and indirect costs, including an allowance for developer's profit, were then deducted from the estimate of market value resulting in a residual value prior to development, also termed Fair Re-Use Value.

This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a) of USPAP. It presents a narrative discussion, in condensed format, of the pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions. The depth of the discussion contained in this report is specific to the needs of the client and the intended use.

Use of Real Estate

As of the Date of Value: The subject site is currently vacant. The subject site is proposed to be developed with a 45,299 square foot townhome project. The project will contain 34 residential apartment units and 1 commercial unit. The project will be subject to workforce housing requirements with rental rates affordable to households earning 80% to 120% of Area Median Income (AMI).

As of the Date of this Report: Same as above.

Person Property/FF&E

As is typical in apartment complexes, personal property includes appliances and window coverings. These items are typically included in sale; the segregation of the personal property from the real estate was not completed in this assignment.

Ownership and Sales History

According to Ada County Assessor records, title in the subject is vested in Capital City Development Corporation, which purchased the properties in several transactions over the past decade. Parcel R5336500012 was purchased in June 2006 for \$128,249 or \$32.71/sf. The site was improved with an 816 square foot house built in 1895. Parcel R5336500022 was purchased in May 2007 for \$197,000 or \$38.00/sf. The site was unimproved. Parcel R5336500031 was purchased in August 2011 for \$265,948 or \$38.64/sf. The site was improved with a 2,192 square foot house/apartment built in 1939. Parcels R8453210051 and R8453210026 (now R8453210010) were purchased in June 2013 for \$301,129 or \$39.81/sf and \$300,000 or \$39.10 respectively. Each was improved with a 3,360 square foot 4-plex apartment building built in 1985.

List of Items Requested but Not Provided

None.

Extraordinary Assumptions:

- 1) The project is proposed. The appraisal and its conclusions relied upon preliminary construction plans, projected construction costs, and development specifications provided by the developer. This appraisal is subject to the extraordinary assumption that the improvements will be constructed as described herein.

- 2) A public alley extends along the west boundary of the subject. Ownership of the public alley is vested in the Ada County Highway District (ACHD). The developer, Dean Pape', plans to purchase the northernmost 3,225 square feet for vacation of the public alley to be developed in conjunction with the proposed Ash Street Townhome Project. Our conclusion of Fair Re-use Value includes the extraordinary assumption the developer will purchase the aforementioned portion of the alley. The purchase represents an additional cost to the development resulting in a pro rata reduction of the Fair Re-Use Value.
- 3) A portion of the project will encroach onto the CCDC owned property adjoining the subject to the south; the adjoining property is known as the Hayman House property. This appraisal is subject to the extraordinary assumption that the project will be allowed to encroach on the Hayman House property as shown on the site plan.
- 4) As per the developer's proposed schedule, transfer of title to the property is projected to occur by October 1, 2017, which is the prospective date of value in this appraisal. Construction is projected to begin shortly thereafter and is anticipated to be complete by September 1, 2018. As presented in this report, we anticipate the subject to reach stabilized occupancy by December 1, 2018. The stabilization period inherently assumes the local economy will continue to improve and demand will remain at minimum consistent with the past one to two years.

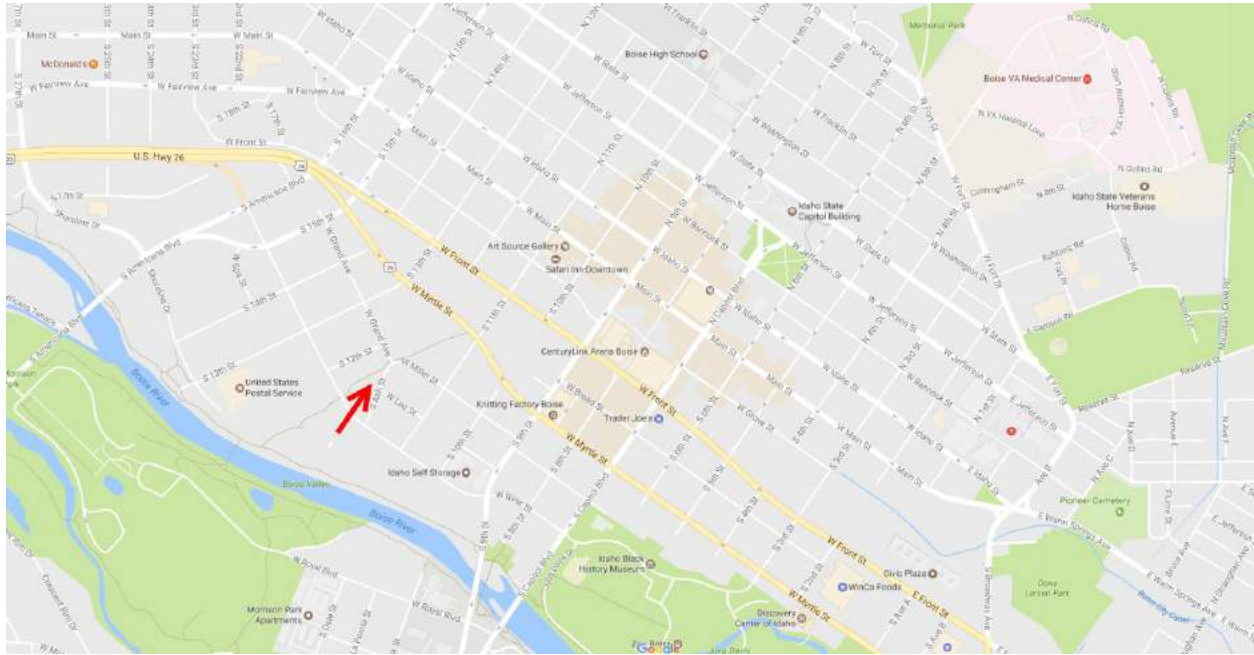
The use of these extraordinary assumptions might have affected assignment results. If any of these extraordinary assumptions are later proven to be false, the value conclusion(s) reported herein could be rendered invalid, and further valuation analysis would be warranted.

Hypothetical Conditions

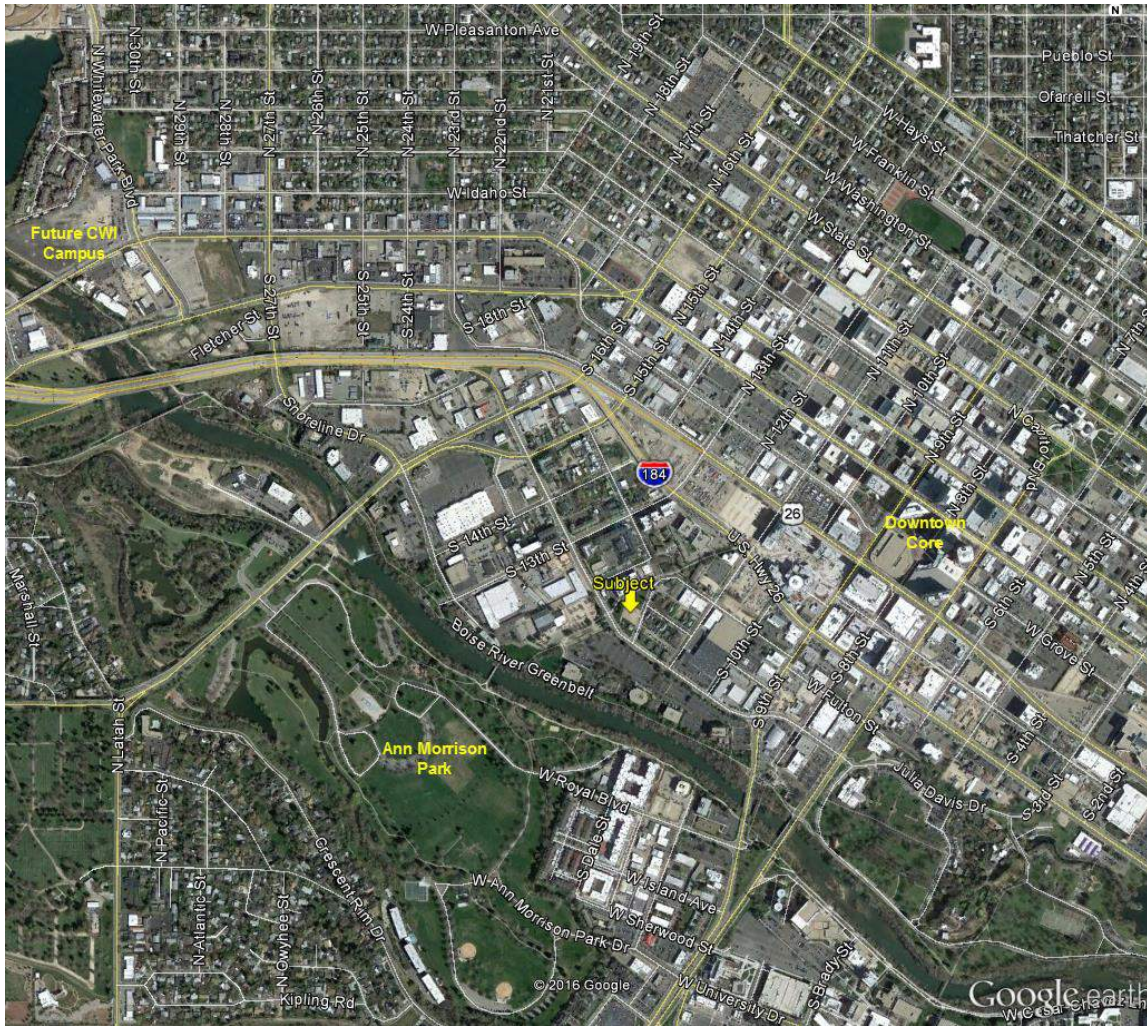
None.

Neighborhood Description

Neighborhood Map



Neighborhood Aerial



Immediate Neighborhood

The subject is located in the southwest peripheral area of downtown Boise. Downtown Boise has four Urban Renewal Districts, which the City of Boise created to regulate, stimulate, and assist in redevelopment. Development is subject to approval by the Capital City Development Corporation (CCDC). The subject area is a part of the River Myrtle – Old Boise Urban Renewal District, which was established in 1996.

The immediate area is primarily developed with a mix of apartment complexes, 2-4 story office buildings, and some older single-family residences. The immediate neighborhood is in a stage of revitalization as evidenced by a number of recently renovated and newly constructed buildings south of River Street and east of 13th Street. A mixed-use building was recently completed at the corner of 13th Street and River Street. The building includes a mix of office space and a dormitory for students of Riverstone International School, a private school in east Boise. Idaho Self Storage was recently completed adjacent south of this building, fronting River Street. Further south, an older 36,000 square foot office/warehouse building was recently renovated for brewery use. Payette Brewery, which is the largest micro-beer producer in the state, occupies the building.

Recent Downtown Boise Development: There are several significant developments that have been recently completed or are currently under construction in downtown Boise. The 17-story 8th & Main Building is located at the corner of 8th Street and Main Street. It was completed in early 2014 and reached stabilized occupancy in late 2015. Notable tenants include Ruth's Chris Steakhouse, Holland and Hart Attorneys LLP, First American Title, and Zions Bank. Also completed in early 2014 was a Trader Joe's store located at the corner of Capitol Boulevard and Front Street. Whole Foods and Walgreens, located at the eastern fringe of downtown along Broadway Avenue, were completed in late 2012. Jacks Urban Meeting Place (JUMP), a \$100 million mixed-use development located at 9th and Front Street, was completed in 2016. The JR Simplot Company corporate office headquarters building was recently completed at 9th and Front Street adjacent to the JUMP project. The building is 9-stories and contains 334,000 square feet of office space to be occupied by more than 900 Simplot Co. employees. Simplot Co. will consolidate/expand to the headquarters building from other locations in Boise. City Center Plaza, a \$70 million mixed-use development located at the southeast corner of 8th Street and Main Street was completed in late 2016. City Center Plaza includes a nine story, 206,000 square foot office/retail building, an underground urban transit mall, and a second multi-story office building with two levels of parking. The project was nearly 100% pre-leased. Construction of the OneNineteen Condominiums began in 2015 at the northwest corner of Grove Street and 10th Street. The project is six-stories and includes 26 residential condominium units and two levels of garage parking. It is nearing completion. Construction recently began on The Afton Condominiums at the northeast corner of River Street and 9th Street. The project will contain 67 residential condominium units to be developed in two phases over a five year period. Two large scale hotels are currently under construction at the corner of Capitol Boulevard and Myrtle Street. The Inn at 500 Capitol is a six-story, 112-room boutique hotel. It was complete at year-end 2016. The Residence Inn by Marriott will be a 10-story, 186-room hotel, and is scheduled for completion in the spring of 2017. Another large scale hotel, Hyatt Place, is under construction on Bannock Street between 10th Street and 11th Street. The hotel will feature 152 rooms, and is scheduled for completion in 2017. Four apartment complexes were recently completed between Ann Morrison Park and S. Capitol Boulevard (across the Boise River). The complexes total 541 units and space for nearly 1,500 beds. The apartments are targeted for Boise State University students. In 2016, construction began on the Fowler Apartments located at the corner of Myrtle Street and S. 5th Street. The Fowler Apartments will be a 7-story, 159-unit, luxury apartment complex with main level commercial and two levels of garage parking. Construction is scheduled for completion in August 2017. Construction recently began on the Watercooler Apartments located at the corner of Idaho Street and S. 14th Street. The Watercooler Apartments will be a 3-story, 37-unit, apartment complex with main level commercial. Construction is scheduled for completion in mid-to-late 2017. The Gardner Company recently broke ground on a large scale \$70 million mixed-use development called Pioneer Crossing. Pioneer Crossing, located adjacent west of JUMP between Front Street and Myrtle Street, will include a 5-story, 135,000 square foot office, a 650 space parking garage, retail, and a 150 room Hilton Garden Inn hotel.

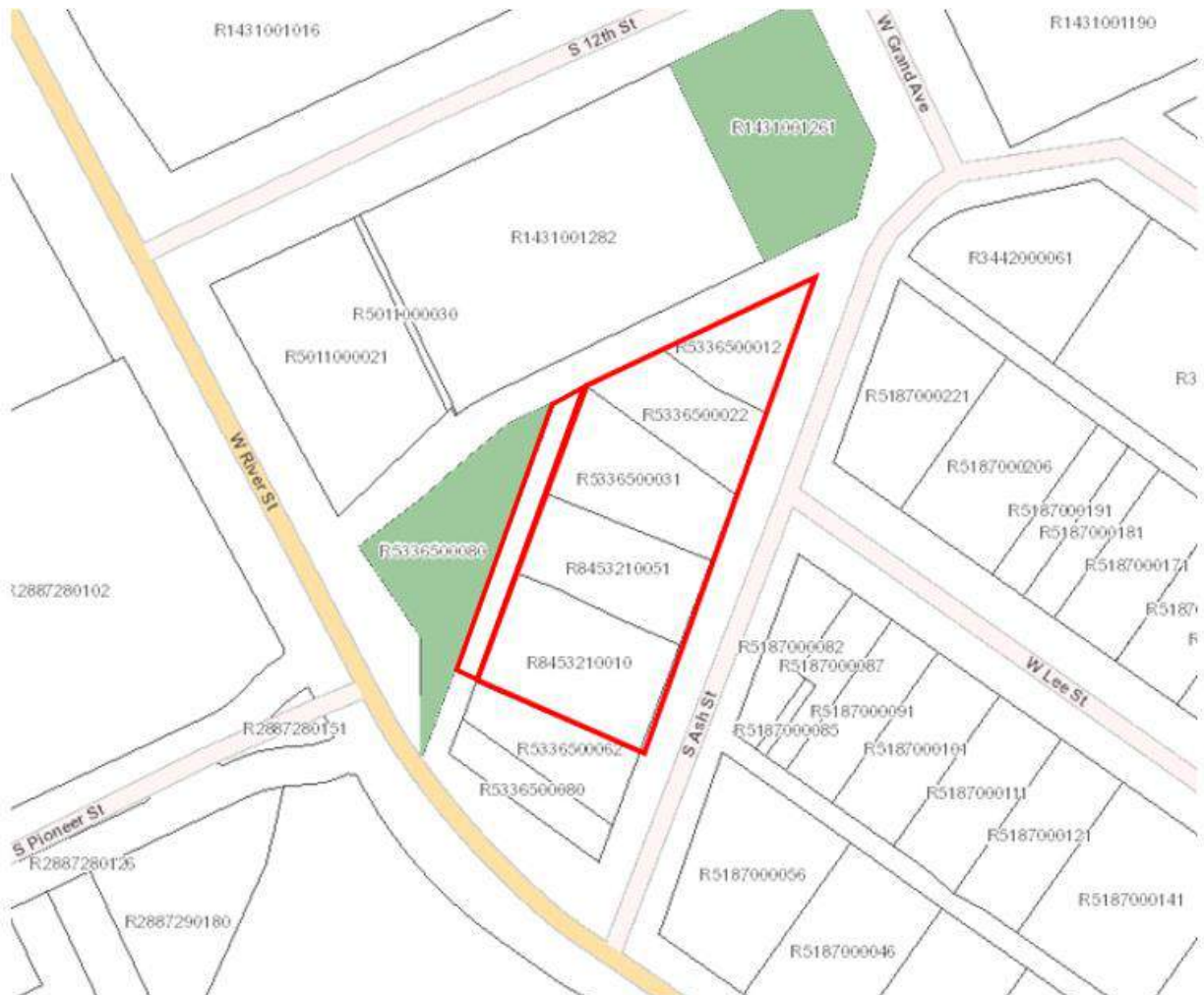
Subject Location: The subject has an interior block location just north of the intersection of Ash Street and River Street, approximately 1/2 mile southwest of Boise's downtown core. Located east of the subject across Ash Street are apartment buildings constructed in the 1980's and several single-family residences constructed in the early 1900's. South is the historic "Hayman House" constructed in 1895. Further south across River Street is Forest River, an office subdivision containing several 2-4 story office buildings constructed in the 1990's. North is the Pioneer Community Center and several low-moderate income apartment complexes. West is a city park and senior low income apartments constructed in 2012. Further west across River Street is Payette Brewery and the Boise River and Greenbelt. The Pioneer Pathway extends along the north boundary of the subject. It is a new pathway connecting the Boise Greenbelt to Front Street, and will eventually extend to the downtown core.

Conclusion

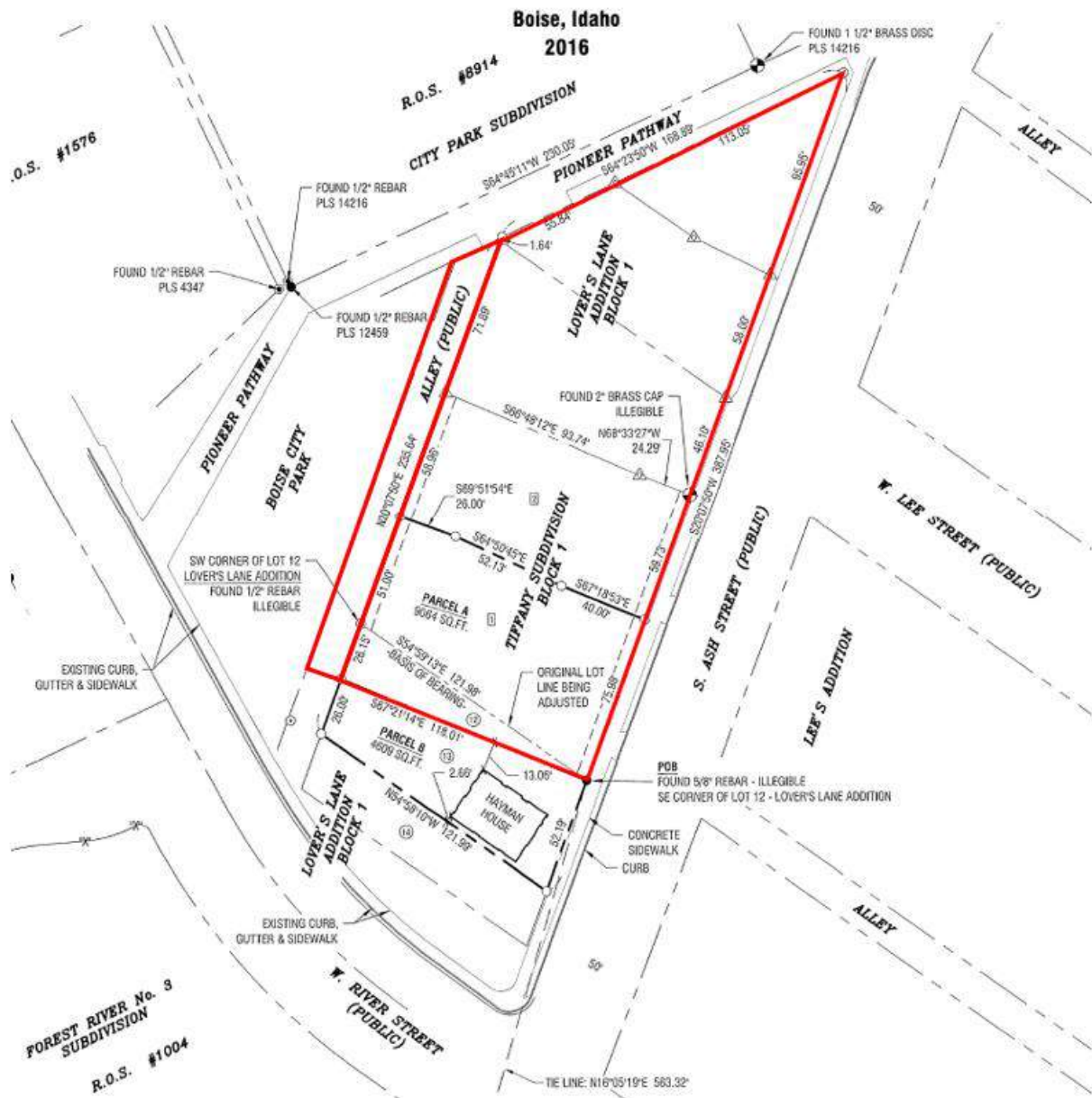
The subject location is rated good. It is located approximately 1/2 mile southwest of Boise's downtown core in a transitioning mixed-use neighborhood. A desirable amenity in the immediate neighborhood is the Boise River and Greenbelt, an extensive walking and biking path which parallels the river. The greater downtown Boise market has experienced significant new commercial development during the past several years with several large projects recently completed, under construction, or planned near-term.

Site Description

Assessor's Parcel Map



Record of Survey (Close-up)



General Data

Street Address: 503-647 Ash Street, Boise, Idaho 83702
Assessor Parcel Number(s): R5336500012, R5336500022, R336500031, R8453210051, R8453210010

Adjacent Land Uses

North: Apartments
South: Hayman House, office uses across River Street
East: Apartments and single-family residential
West: Senior apartments and Pioneer Community Center

Physical Characteristics

Site Area: 32,149 square feet; 0.74 acres (Ash Street Parcels)
3,225 square feet; 0.074 acres (subject portion of alley)
Gross Land Area: 35,374 square feet; 0.81 acres
Land Size Determination: Record of survey
Usable Land Area: All of the land is usable/developable
Configuration: Slightly irregular (triangular north portion)
Topography: Generally level

Primary Access/Exposure

Street Name/Type: Access is from Ash Street which connects to River Street to the south, an arterial street extending through the southwest periphery of downtown Boise. Ash Street connects to Grand Avenue and Miller Street to the north, which are secondary arterials.
At Signalized Intersection: No
Overall Visibility: The subject does not front an arterial street, but visibility is rated average.
Access: Average

Site Improvements

Utilities: All typical utilities are available to the subject including municipal water and sewer, electricity, gas, and telephone service.
On-Site Improvements: None

Flood Zone Data

Flood Map Panel: 16001C0277H; 2/19/2003
Flood Zone: The subject property is located within an "X500" flood zone, an area of 0.2% annual chance of flood; areas of 1% annual chance of flood with average depths of less than one foot or with drainage area less than one square mile; areas protected by levies from 1% annual chance of flood. Properties within an "X500" flood zone are not required to carry flood insurance. The flood map and definitions are located in the addenda of this report.

Other Site Conditions

Soils:

Subsoil and drainage appear adequate to support the existing use.

Environmental Issues:

During the property inspection, we did not observe any obvious environmental concerns. As real estate appraisers, we are not qualified to determine if any environmental hazards exist on the property, whether such hazards are obvious or not. Therefore, this appraisal assumes any environmental hazards to be nonexistent or minimal.

Easements & Restrictions:

The property has one known atypical easement or restriction.

The alley way portion of the subject is encumbered by a public utilities easement which limits development potential. No building improvements can be developed on the site. The land area can be used to help satisfy set back and density requirements (as a part of the larger parcel). This area can also be improved with hard surface site improvements and landscaping.

A title report was not provided in connection with this assignment, which may confirm possible atypical easements or restrictions not reported herein. Based on our own observations, no other adverse easements or restrictions exist. This appraisal assumes only standard utility easements and governmental restrictions exist, none of which are assumed to impact value. An A.L.T.A survey is recommended if further assurance is needed. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.

Earthquake Zone:

The subject is located within Earthquake Zone 2B, considered a moderate zone with respect to seismic activity.

Zoning Designation

Zoning Code:

R-ODD, Residential Office District with Downtown Design Review Overlay District

Zoning Jurisdiction:

City of Boise

Zoning Definition:

R-O, Residential Office District

According to Boise City zoning, this zone is defined as "established to fulfill the needs of providing an urban transitional buffer between high intensity commercial areas and adjacent higher density residential areas, or institutional and government uses; and to implement mixed use development in those areas identified for mixed use in the Comprehensive Plan, the Downtown Boise Plan and the River Street-Myrtle Street Urban Design Plan. The R-O zone is intended to provide for higher density residential and office uses with an emphasis on high quality urban design and pedestrian orientation."

DD; Downtown Design Review District

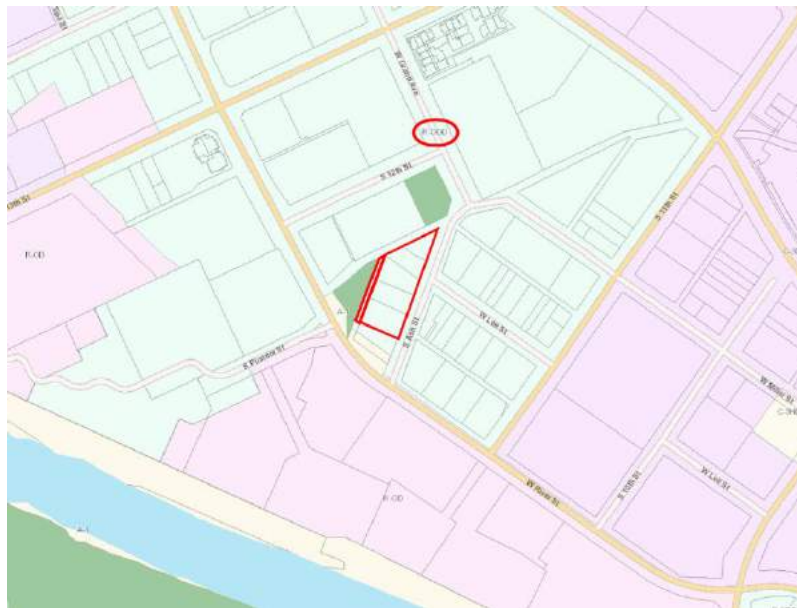
Boise City zoning defines this zone as "established to insure that the general appearance of the development on the land shall not be in conflict with the Comprehensive General Plan or other development plans adopted by Boise City for specific areas. It shall be further purpose of this act to protect property rights and values, enhance important environmental features of the city and the physical

characteristics of the land; and further to insure that the general appearance of buildings and structures, and the development of land, shall not impair or preclude the orderly and harmonious development of the community. To accomplish said objectives, it shall be the further purpose of this act to coordinate design input from other jurisdictions, to regulate landscaping, to review building design, site planning, sign grading, development and beautification, including but not limited to the regulation and restriction of the type, number of stories, size, construction, reconstruction, alteration, repair or use of buildings and structures to insure compliance with the requirements of the respective use district with which the "D", "HD", and "DD" district is combined.

Permitted Uses:

This zoning allows for office, boarding house, nursing home, single-family, and multifamily uses. Restaurant and retail uses are allowable uses via a conditional use permit.

Zoning Map



Parking Requirements

On-site Parking:

33 spaces; 22 garage, 11 carport (5 spaces reserved for visitors)

Parking District:

The subject is located in the P-3 parking district which reduces required on-site parking from standard.

Zoning Required Parking:

As stated on the building plans, 45 on-site parking spaces are required by zoning. However, it is assumed the subject will be granted a parking variance which would approve the proposed development with 33 on-site spaces. In addition to on-site parking, 9 on-street parking spaces fronting Ash Street will be available to tenants. Thus, one parking space (garage, covered, or on-street) will be available to each subject unit, which meets minimum market expectations for multi-family projects in the downtown market.

Site Rating

Location:	Good
Access:	Average
Exposure:	Average
Functional Utility:	Average
Overall Site:	Average

Improvements Description

Proposed Improvements Description

The subject is a proposed 45,299 square foot, two-building, townhome apartment project. The project will contain 34 residential apartment units and 1 commercial unit. The apartments include a mix of 1, 2, and 3 bedroom unit types. Construction will be wood frame with 12" standing seam vertical metal and cement board horizontal plank lap siding. Roof cover will be white rubber membrane (TPO) and HVAC will be rooftop condenser units with in-unit heat pumps. The buildings will include various energy efficient upgrades including R-30 walls, R-50 roof, high performance windows, outside air infiltration control, and solar photovoltaics and green roof above the covered parking area. LEED Gold certification will be targeted. Interior finishes will be of good quality. Flooring will be laminate and/or carpet with laminate or ceramic tile in bathrooms. Each full bathroom will include a shower/tub, sink, and toilet. The kitchen and bathrooms will have quartz or granite countertops and wood cabinetry. Appliances will include refrigerator, oven/range, microwave, dishwasher, garbage disposal, and washer/dryer. Each unit will have a small patio or balcony (<50 sf). The 22 – 3 bedroom townhome units will include a single car garage on the main level. The project will also include an 11-space covered parking area. The 519 square foot commercial space, located at the corner of Ash Street and Miller Street, is planned for coffee shop or deli/sandwich shop use and will include an outdoor patio area.

Building Size (per building plans)

GROSS BUILDING SQUARE FOOTAGE				
INTERIOR/EXTERIOR	QTY.	LEVEL	AREA TYPE	AREA (GSF)
EAST BUILDING	1	LEVEL 1 (EAST)	Gross Building Area	9,000 SF
EAST BUILDING	1	LEVEL 2 (EAST)	Gross Building Area	8,595 SF
EAST BUILDING	1	LEVEL 3 (EAST)	Gross Building Area	8,212 SF
EAST DECK	25	LEVEL 2 (EAST)	Exterior Area	48 SF
WEST BUILDING	1	LEVEL 1 (EAST)	Gross Building Area	5,963 SF
WEST BUILDING	1	LEVEL 2 (EAST)	Gross Building Area	6,969 SF
WEST BUILDING	1	LEVEL 3 (EAST)	Gross Building Area	6,560 SF
WEST DECK	13	LEVEL 2 (EAST)	Exterior Area	49 SF
WEST DECK	1	LEVEL 3 (EAST)	Exterior Area	34 SF

TOTAL BUILDING AREA:	45,299 GSF
EAST BUILDING	25,807 GSF
WEST BUILDING	19,492 GSF
TOTAL DECK AREA:	1,871 GSF
EAST DECKS	1,200 GSF
WEST DECKS	671 GSF

Apartment Unit Mix

Unit Mix			
Unit Type	Count	AVG SF	% of Total
1BR,1BA Flat (FL-1, FL-2, FL-4, FL-5)	9	543	26%
2BR,2.5BA TH (TH-4)	2	1,130	6%
3BR, 2BA Flat (FL-3)	1	1,048	3%
3BR,3BA TH (TH-E2)	4	1,206	12%
3BR,3BA TH (TH-W)	9	1,302	26%
3BR,3.5BA TH (TH-E1)	9	1,370	26%
Unit Total	34	37,067	100%
Average Unit SF		1,090	

Age / Life Analysis

Year Built:	To be 2017/2018
Actual Age:	0 years at completion
Effective Age:	0 years at completion
Typical Economic Life:	60 years
Remaining Economic Life:	60 years

Improvement Ratings

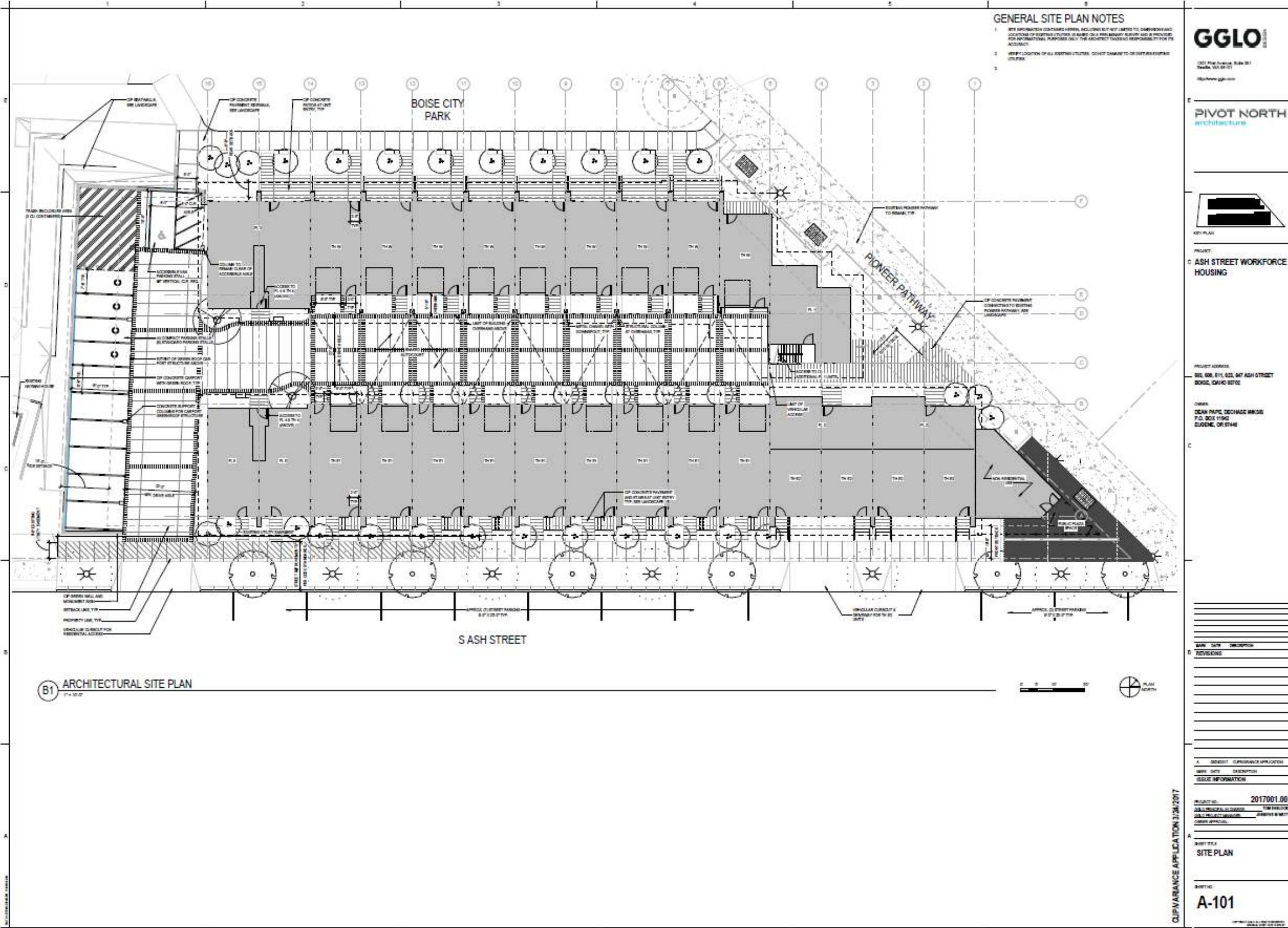
Quality/Design:	Good
Age/Condition:	New at completion
Deferred Maintenance:	No deferred maintenance at completion.
Overall Rating:	Good

Color renderings and architectural drawings of the site plan, floor plans, and elevation plans are provided on the following pages. Individual unit floor plans are included in the addenda section.

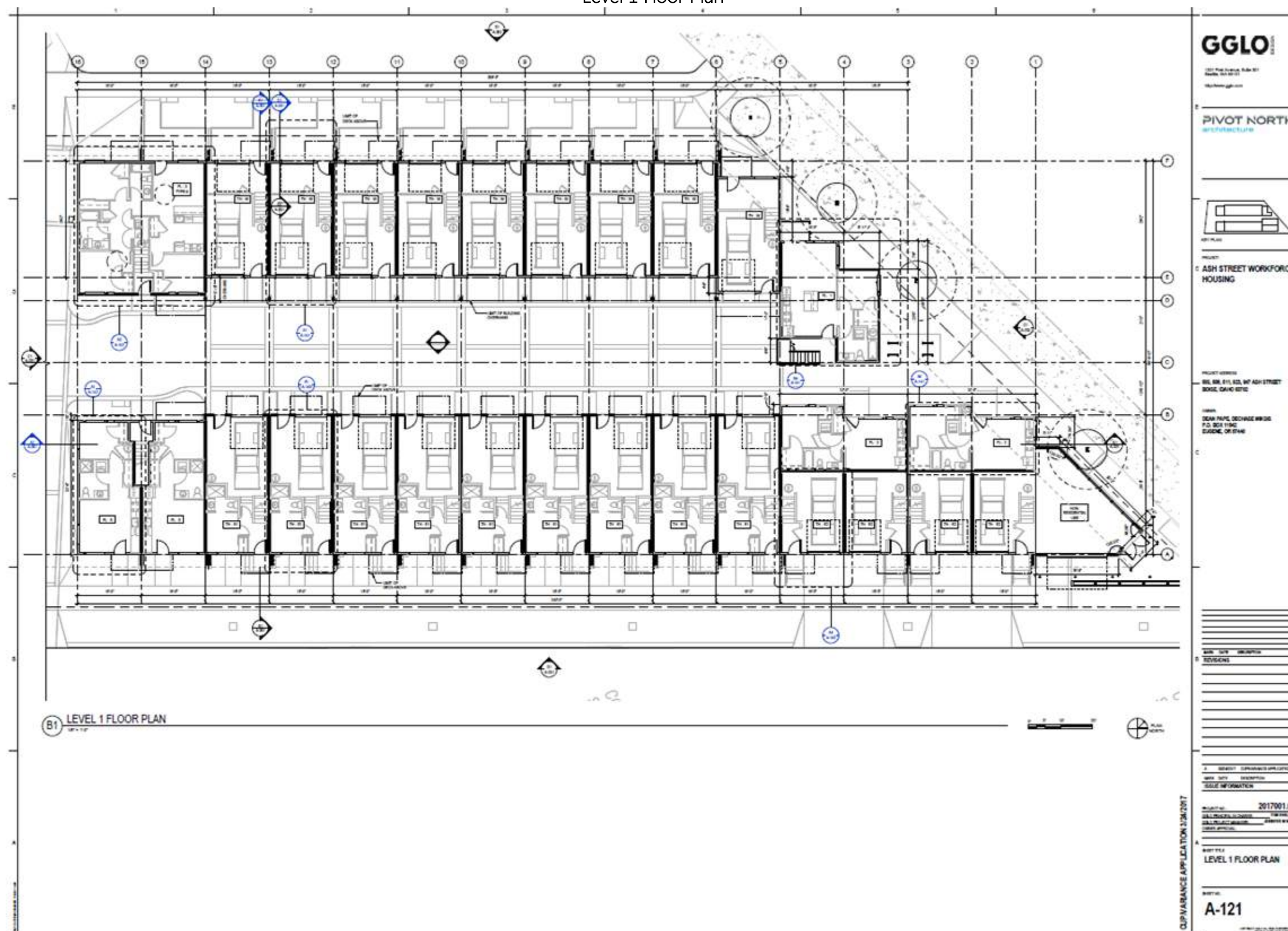
Color Renderings



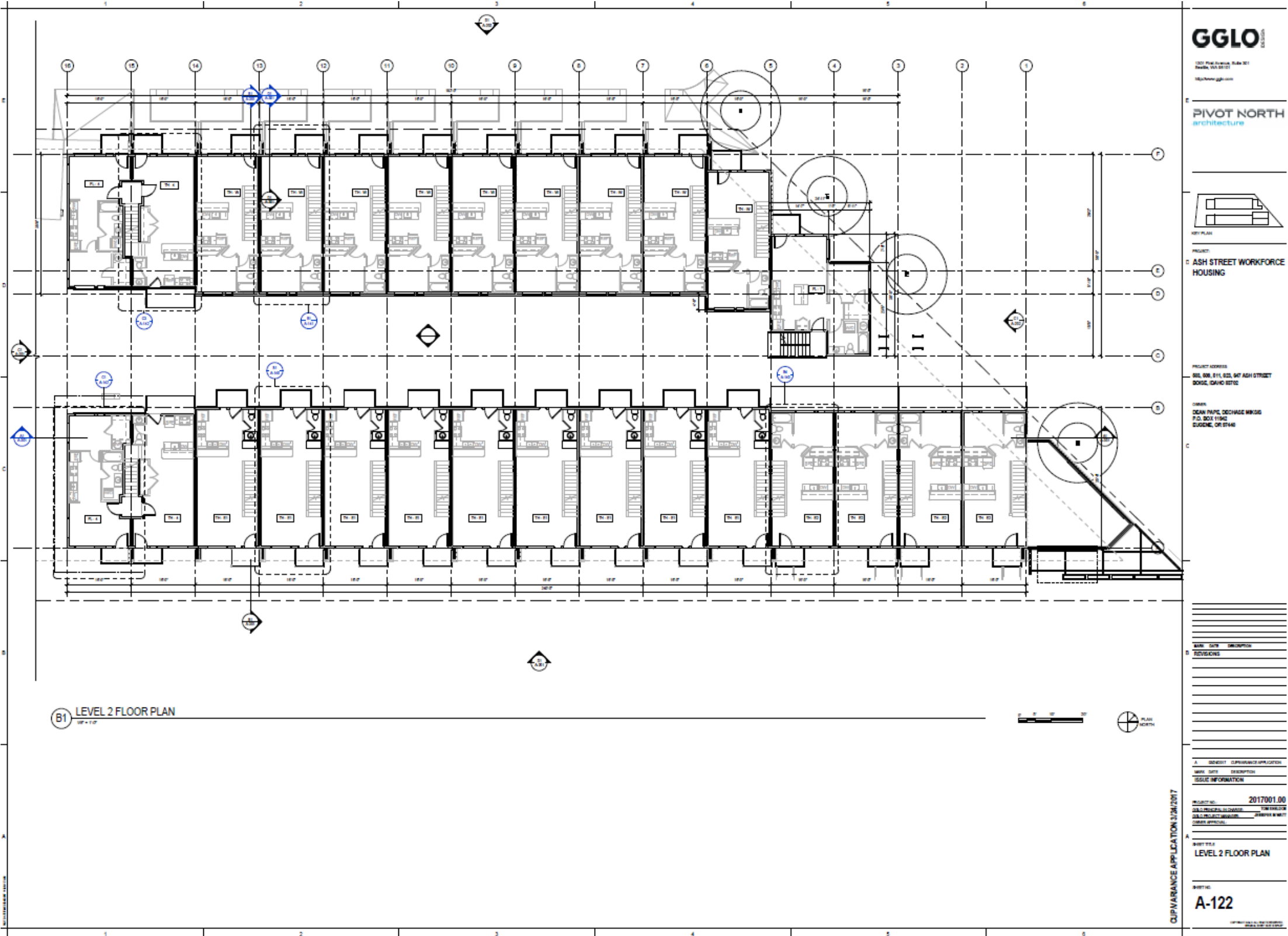
Site Plan



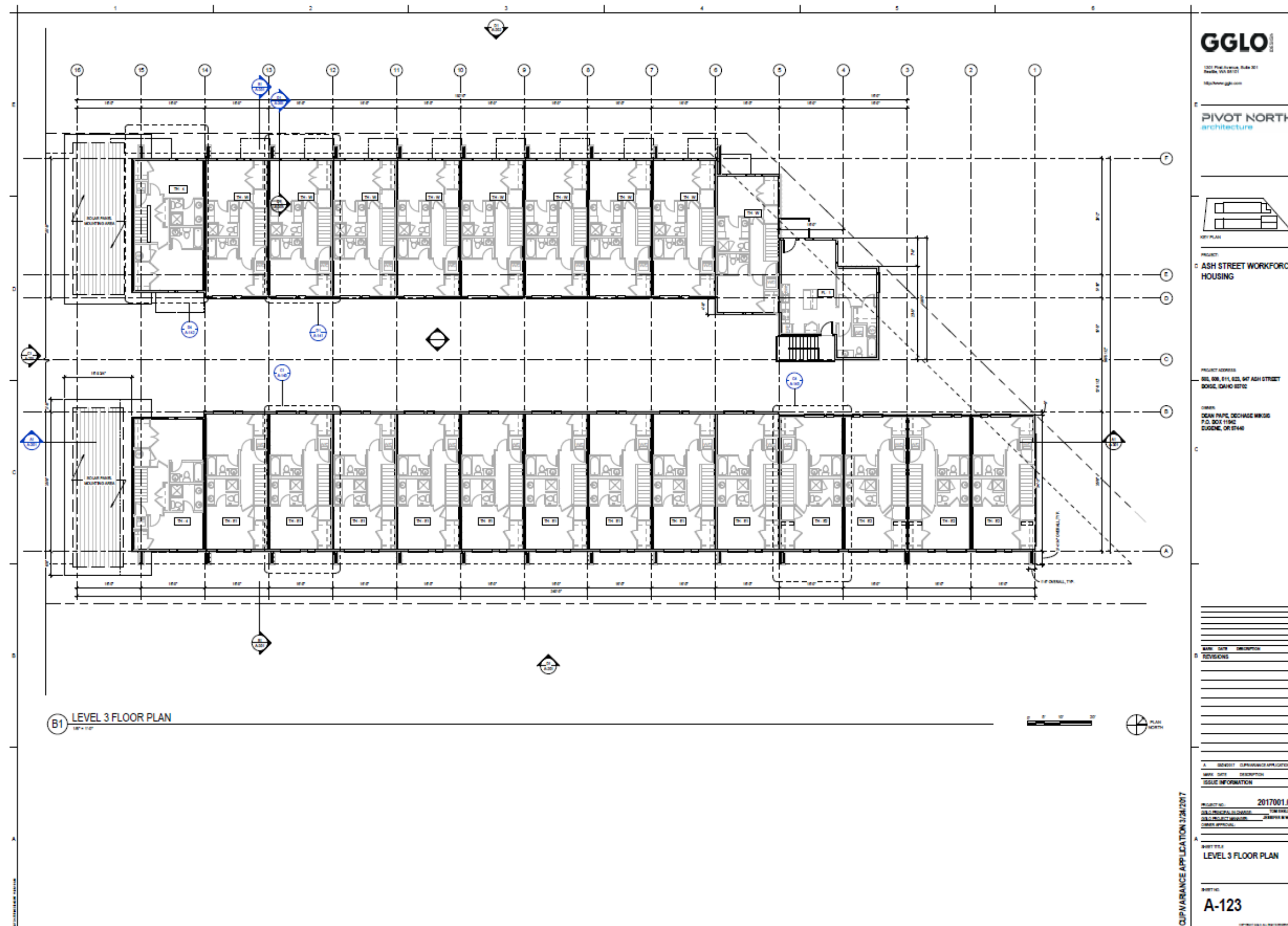
Level 1 Floor Plan



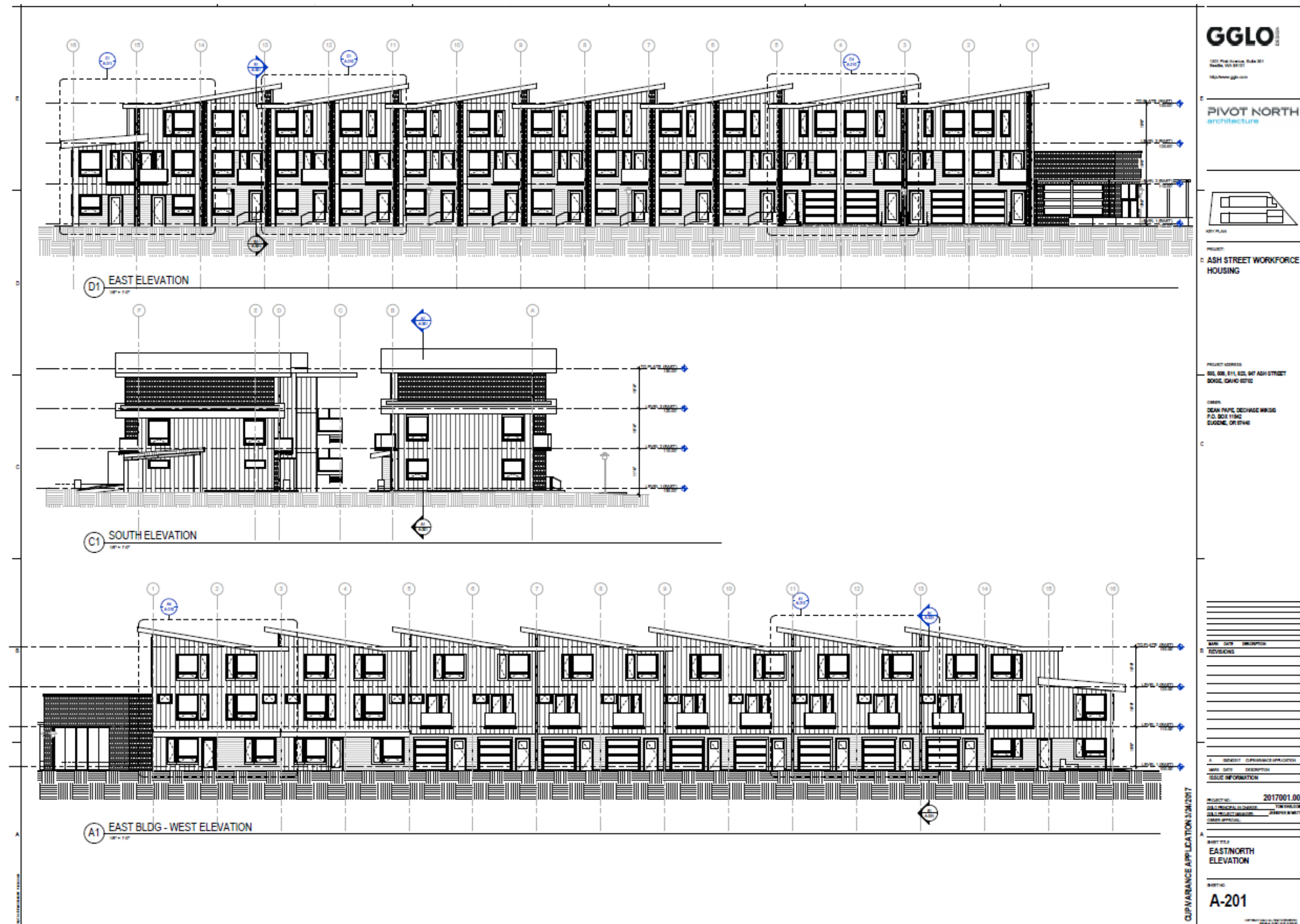
Level 2 Floor Plan



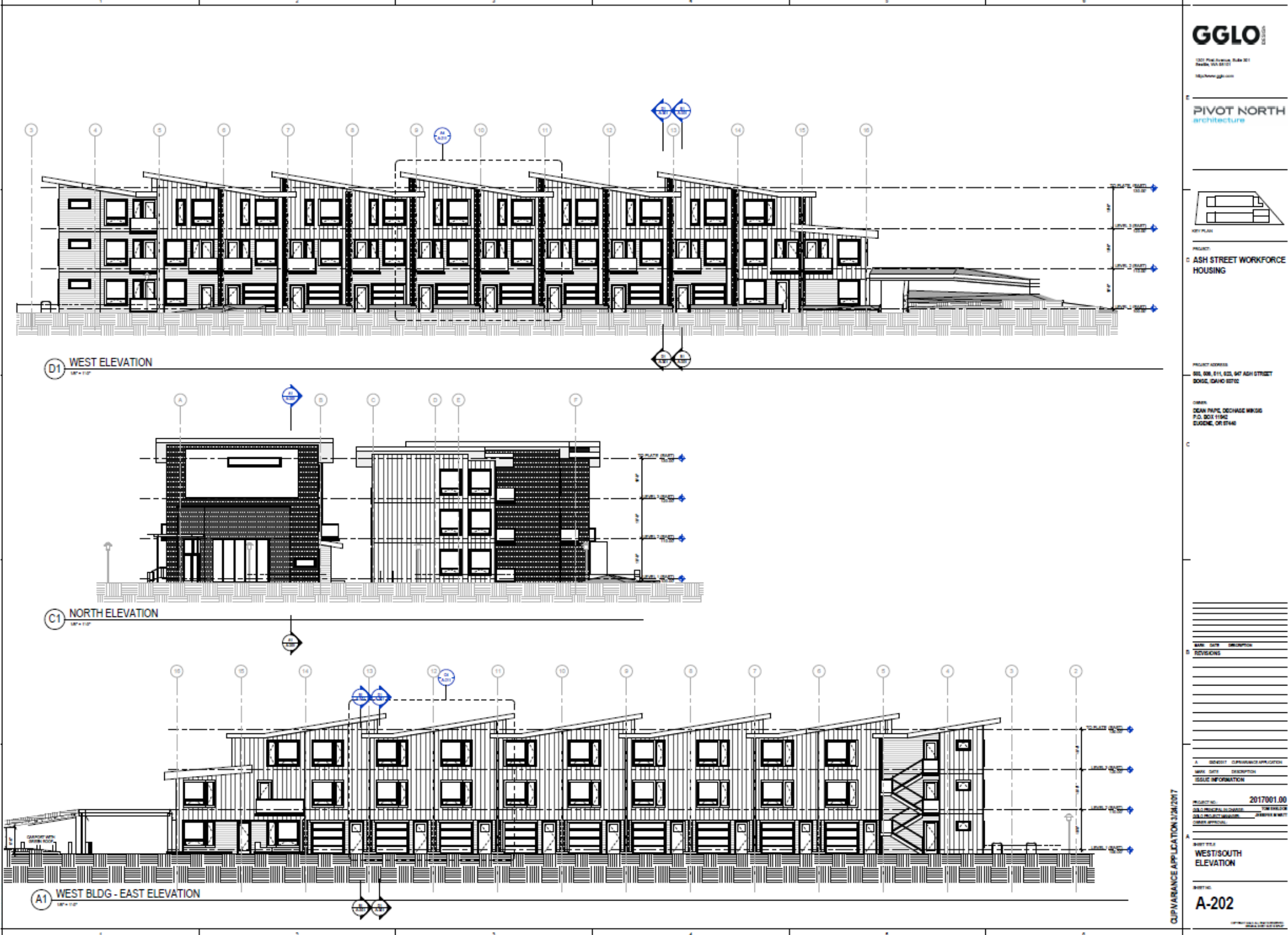
Level 3 Floor Plan



Elevation Plan



Elevation Plan



Real Estate Assessment & Tax Data

Assessed Value and Property Taxes: Upon Stabilization

The subject's projected assessed value and real estate taxes upon stabilization were based on assessment comparables of newer apartment buildings in the local market. The comparables are presented in the following table. Note, the assessment comparables exclude the land component and represent the assessed values of the improvements only.

2017 Assessment Comparables						
<u>Property</u>	<u>Address</u>	<u>Built</u>	Assessor's	2017	2017	
			No. of	Improvements	Assessment	Per Unit
			<u>Units</u>	<u>Assessment</u>		
Bown Crossing Townhomes	3000 S. Bown Way, Boise	2016	10	\$1,156,500		\$115,650
Fields at Gramercy	2020 S. Luxury Ln., Meridian	2014-2016	276	\$30,487,500		\$110,462
Eagle River	827 E. Riverside Dr., Eagle	2015	80	\$10,994,100		\$137,426
Crossfield Apartments	980 W. Parkstone St., Meridian	2012	80	\$9,039,000		\$112,988
951 Apartments	951 Front St., Boise	2014	68	\$8,139,900		\$119,704
Red Tail Apartments	121 E. Victory Rd., Meridian	2014-2015	220	\$26,125,600		\$118,753
Heron Village	2250 N. Meridian Rd., Meridian	2015	108	\$11,484,900		\$106,342
Regency at River Valley, Phase 1	3400 E. River Valley St., Meridian	2013-2014	240	\$25,479,700		<u>\$106,165</u>
				Minimum		\$106,165
				Average		\$114,851
				Maximum		\$137,426

*assessments exclude land component

Projected Assessed Value and Property Taxes Conclusion: Upon Stabilization

The comparables exhibit improvement assessed values ranging from \$106,165 to \$137,426 per unit, with an average of \$114,851 per unit. Considering the subject's large average unit size, high building quality/design, and new age/condition at completion, the assessed value for the subject improvements is projected near the upper-tier of the range at \$130,000 per unit. Based on similar commercial sites located adjacent to the subject, the assessed value for the subject's land component is projected to be \$20.00 per square foot. Projected real estate taxes were based on the 2017 preliminary levy rate of 1.58%. Projected stabilized assessment and real estate taxes for the subject are summarized in the following table. Note, we have excluded the one commercial unit from the projected assessment and related real estate taxes. This unit will be rented on a NNN lease type, wherein the tenant will be responsible for the real estate tax expense. Furthermore, this expense will minimal with respect to the larger project overall.

Projected Assessed Value and Property Tax Estimate								
<u>Improvement Value/Unit</u>	<u># Units</u>	<u>Improvement Value</u>	<u>Land Value/SF</u>	<u>Land Size (AC)</u>	<u>Land Value</u>	<u>Total Assessed Value</u>	<u>Levy Rate</u>	<u>Projected Taxes</u>
\$130,000	34	\$4,420,000	\$20.00	\$0.738	\$642,980	\$5,062,980	1.58%	\$79,995

Appraisal Methodology

Approaches to Value

There are three traditional approaches typically available to develop indications of real property value: the Cost, Sales Comparison, and Income Capitalization Approaches.

Cost Approach - The Cost Approach is based upon the principle of substitution, which states that a prudent purchaser would not pay more for a property than the amount required to purchase a similar site and construct similar improvements without undue delay, producing a property of equal desirability and utility. For proposed or new facilities that have suffered little or no depreciation, this approach is meaningful, though it is rarely used by investors.

Sales Comparison Approach – The Sales Comparison Approach involves the direct comparison of sales and listings of similar properties, adjusting for differences between the subject property and the comparable properties. It is based on the Principle of Substitution. This principle states that no one would pay more for the subject than the value of a similar property in the market. In active markets with a large number of physically similar comparables, this approach is generally considered to be a good indicator of value. However, the use of this approach is limited, because many properties have unique characteristics that cannot be accounted for in the adjustment process. In addition, market data is not always available. Both of these factors may reduce the validity of this approach. This is often a secondary approach for income-producing properties.

Income Capitalization Approach - The Income Capitalization Approach is based on the principle of anticipation, or the assumption that value is created by the expectation of benefits to be derived in the future, such as expected future income flows including the reversion, or future resale of the property appraised. Its premise is that a prudent investor will pay no more for the property than he or she would for another investment of similar risk and cash flow characteristics. The Income Capitalization Approach is the primary method used by investors in valuing income producing properties.

Subject Valuation – Fair Re-Use Value

Fair Re-Use Value is the most probable sale price of a property (or rights to develop) in anticipation of a specific future development or redevelopment of the property. Fair Re-Use Value is typically a residual value derived by subtracting total development costs, including an allowance for developer profit, from the estimate of market value of the property assuming the proposed development is complete. This process involves the steps listed below:

- 1) The Income Capitalization Approach was employed to estimate market value of the proposed project assuming it is complete and at stabilized occupancy.
- 2) Development costs were estimated, which include all direct and indirect costs and an allowance for developer profit.
- 3) Developments costs are then deducted from the estimate of market value resulting in a residual value for the property (and/or development rights for the property) prior to redevelopment. The conclusion is termed Fair Re-Use Value.

Market Value: Upon Stabilization

Income Capitalization Approach

Methodology

The Income Capitalization Approach is based on the principle of anticipation. Its premise is that a prudent investor will pay no more for the subject property versus another investment property of similar risk and cash flow characteristics. It is generally considered to be the best and most accurate measure of value for income-producing properties such as the subject. The steps taken to apply the approach are as follows:

1. Estimate potential gross income (i.e., market/contract rent, ancillary income).
2. Consider an appropriate allowance for vacancy and collection loss to calculate effective gross income.
3. Estimate operating expenses.
4. Calculate net operating income by deducting operating expenses from effective gross income.
5. Apply the most appropriate capitalization method(s) to convert anticipated net income to an indication of value.

Potential Gross Income – Apartment Component

Comparable Selection - The first step is to estimate the subject's potential gross income, (PGI) which is derived by comparing the subject property with rentals of similar properties. The subject features six unit types as summarized below. Note, the 1BR/1BA units range from 484 to 627 square feet; the unit sizes for each of the remaining unit types are nearly identical.

Unit Mix			
Unit Type	Count	AVG SF	% of Total
1BR,1BA Flat (FL-1, FL-2, FL-4, FL-5)	9	543	26%
2BR,2.5BA TH (TH-4)	2	1,130	6%
3BR, 2BA Flat (FL-3)	1	1,048	3%
3BR,3BA TH (TH-E2)	4	1,206	12%
3BR,3BA TH (TH-W)	9	1,302	26%
3BR,3.5BA TH (TH-E1)	9	1,370	26%
Unit Total	34	37,067	100%
Average Unit SF		1,090	

1 bedroom and 3 bedroom floor plans have been selected as "base" comparison units. The average size of the 9 – 1 bedroom units is 543 square feet; the average size of the 23- 3 bedroom units is 1,301 square feet. The base comparison units represent the average unit in terms of location (view/floor level) within the project. Market rent for these units will be estimated via direct comparison to competing apartments in the local market. Concluded market rent for the 3 bedroom base unit is utilized as a basis for estimating market rent for the 2 bedroom units.

In researching rental comparables, an effort was made to locate apartment complexes of similar location, age, quality and design. The selected comparables are located in downtown Boise or nearby peripheral areas. The developers' estimates of market rent for the subject units were also considered.

Adjustments - Quantitative adjustments are applied for differences in location, age/quality/condition and unit size. This is followed by adjustments for differences in utilities (included in rent), heating/cooling system, appliances, presence of an in-suite washer/dryer, patio/balcony, covered parking, common amenities and bathroom count. Adjustments are based on paired analysis, owner/management responses and the appraisers' experience in the market.

Comparative Analysis – 1 Bedroom Units

Market Conditions (Time) - This category accounts for rent differences due to rent changes over time. The comparables are current rents and representative of the current market. During the past few years, rental rates have been appreciating at an estimated rate of +3% per year. This appreciating trend is projected to continue through at least mid-2018, which was applied as the adjustment moving forward.

Location – This category accounts for property value differences associated with location quality and desirability, including proximity to transportation routes, neighborhood services and major employers, and also considers surrounding land uses. The subject has a good location approximately ½ mile southwest of the center of the downtown pedestrian core. Comparable 1 has a similar downtown peripheral location. Comparables 2 and 4 have superior locations, located nearer the downtown pedestrian core. Downward adjustments of \$50 were applied. Comparable 3 is inferior to the subject. It is located outside the immediate downtown area beyond convenient walking distance to downtown services. An upward adjustment of \$100 was applied.

Age/Condition – The subject will be a new project. Typically, there is a positive correlation between effective age/condition and rent. The adjustments are based on market participant (tenant and managers) responses over the years emphasizing rent differences for new carpet, paint, window covers versus standard original finishes within the same complex, and with general support by paired property analysis. Comparables 2-4 are inferior to the subject for age/condition. Upward adjustments ranging from \$10 to \$125 were applied.

Quality/Appeal - The subject will be of good quality and design. Comparables 1, 2, and 3 are similar for construction quality and appeal. Comparable 4 has inferior interior and exterior finishes. An upward adjustment of \$75 was applied.

Size – Unit size has an impact on rent. Our paired property analysis shows rent differences in an approximate range of 25% to 50% of the comparable rent/SF. Larger units/older projects trend to the lower end of the adjustment range, and vice versa. Given the physical characteristics of the subject and smaller size of the one bedroom units, an adjustment rate at the upper mid-range of the paired analysis, or 40% is most appropriate.

Bedroom Count – No adjustments warranted.

Bathroom Count – No adjustments warranted.

Patio/Balcony – Each subject unit will have a small patio/balcony. Comparables 1 and 2 lack this amenity. Upward adjustments of \$20 were applied.

Parking – It is assumed three of the subject 1 bedroom units will include a carport in base rent. Parking for the balance (6 units) will be on-street along Ash Street. The comparables vary with respect to parking in terms of type (i.e., open, carport, garage). We conclude a contributory rent premium of \$20 for a

suburban open space, \$40 for carport, \$100 for shared garage, and \$120 for individual direct access garage. The adjustments were applied at a blended rate between the subject's carport and open space units.

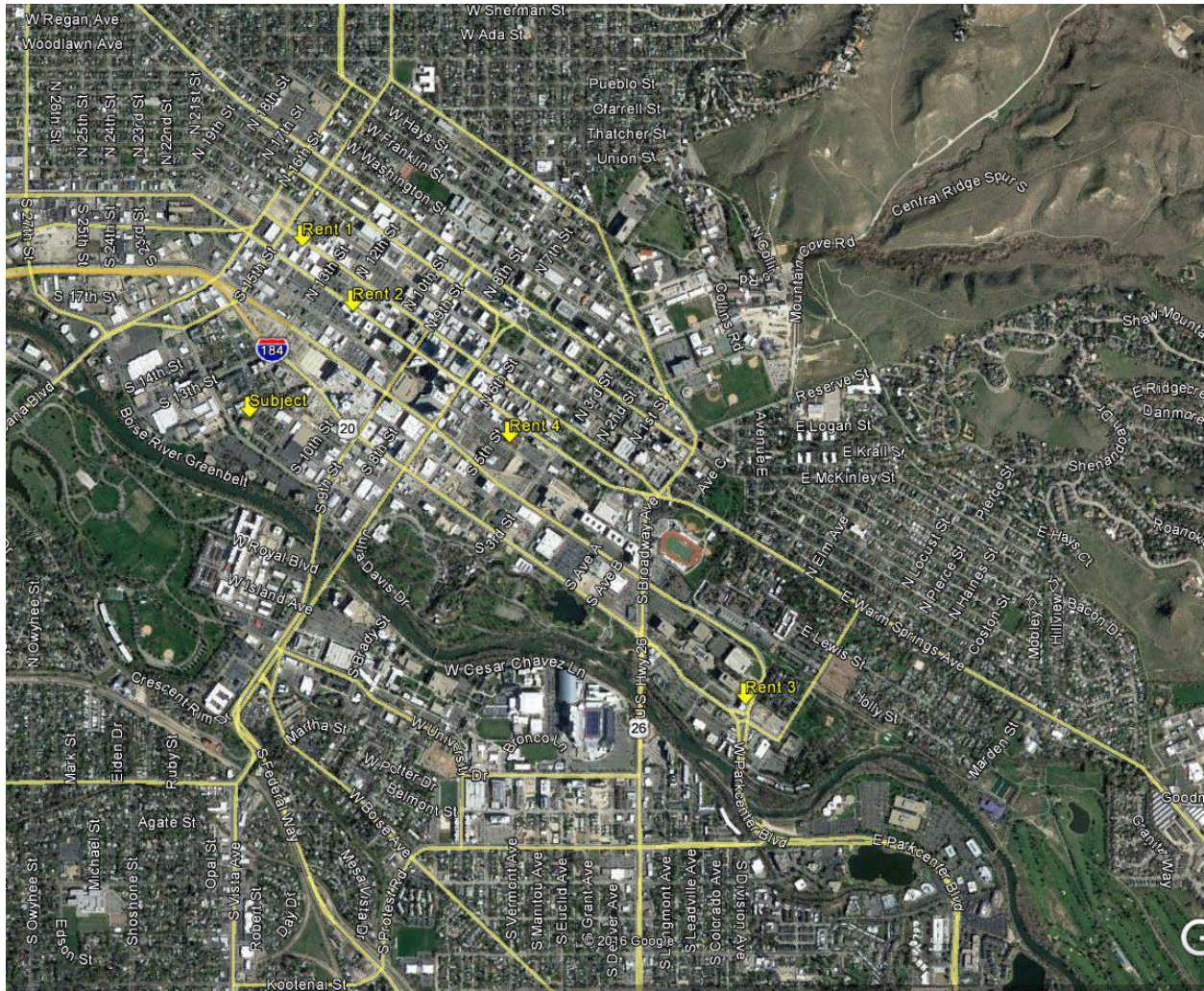
Project Amenities – The subject does not have any notable amenities. Comparables 1-3 are superior for amenities. Downward adjustment ranging from \$20 to \$30 were applied.

Base Utilities – The tenants for the subject units are responsible for heat and electric (tenants pay directly). The landlord pays for all other expenses. In addition to gas and electric, the comparable complexes do not include water, sewer, and trash in the monthly base rent. The tenants reimburse the landlord for water, sewer, and trash expenses. Considering the smaller unit sizes, upward adjustments of \$35 were applied. The adjustments are based on reimbursement rates reported at other complexes in the subject market.

Presentation – Presented on the following pages are the Rent Comparable Summation Table and Rent Comparable Map, followed by the discussion and analysis of the comparables, and conclusion(s) of market rent.

ESTIMATES OF MARKET RENT BY COMPARISON 1 BEDROOM/1 BATH						
						
	Subject	Comp #1	Comp #2	Comp #3	Comp #4	
	<u>Data</u>	<u>Data</u> <u>Adjust</u>	<u>Data</u> <u>Adjust</u>	<u>Data</u> <u>Adjust</u>	<u>Data</u> <u>Adjust</u>	
Project Name	Ash Street Townhomes	Watercooler Apartments	Owyhee Plaza Apartments	The 951 Apartments	CW Moore Apartments	
Address	503-647 Ash Street	1401 W. Idaho Street	1109 W. Main Street	951 E. Front Street	450 W. Grove Street	
Town/City	Boise, Idaho	Boise, Idaho	Boise, Idaho	Boise, Idaho	Boise, Idaho	
General Location	Good	Similar	Superior (\$50)	Inferior \$100	Superior (\$50)	
Type of Project	Townhomes	Apartment/commercial	Apartment/commercial	Apartment/commercial	Apartment	
# of Stories	3 Story	3 Story	4 Story	4 Story	4 Story (parking garage main level)	
Tot. Units in Project	34	37	36	61	47	
# of Units this Type	9-1 bd/1 ba flats	14-1 bd/1 ba flats	32-1 bd/1 ba flats	30-1 bd/1 ba flats	47-1 bd/1 ba flats	
Eff. Date of rental	September-18	July-17 \$38	January-17 \$49	January-17 \$39	June-17 \$30	
Current Vacancy - This Type	n/a	Initial absorption 3-1BR preleased	1-Unit	1-Unit	0-Units	
Data Source	n/a	Manager	Manager	Manager	Manager	
Year Built/Condition	2017/2018/new	2017/new	Fully renovated 2014; very good	2015; very good	1998; average	
Project Quality/Appeal	Good	Good	Good	Good	Average	
Apartment Size(S.F.)	543	648 (\$83)	700 (\$103)	675 (\$72)	709 (\$92)	
Number of Bedrooms	1	1	1	1	1	
Number of Baths	1	1	1	1	1	
Balcony/Patio	Balcony/Patio	None \$20	None \$20	Balcony/Patio	Balcony	
Type of Parking Provided	3 Carport; 6 On-street open	Carport (\$25)	None (leased separately) \$15	Carport (\$25)	Shared garage (\$85)	
Kitchen Appliances	All Standard	All Standard	All Standard	All Standard	All Standard	
Other Unit Amenities:						
Heat Type	GFA	GFA	GFA	GFA	GFA	
Air-conditioned	CAC	CAC	CAC	CAC	CAC	
Washer/Dryer	Yes	Yes	Yes	Yes	Yes	
Fireplace	No	No	No	No	No	
Cable TV in Rent	No	No	No	No	No	
View	No	No	No	No	No	
Other	n/a	n/a	n/a	n/a	n/a	
Project Amenities:	None	Use of fitness center in Owyhee Plaza (3 blocks SE) (\$20)	Common lobby/lounge, fitness center, adj. plaza grill (\$30)	Fitness center; bike storage (\$20)	None	
Services: i.e.-Ten. Pays	Heat & Electric	WST; Heat & Electric \$35	WST; Heat & Electric \$35	WST; Heat & Electric \$35	WST; Heat & Electric \$35	
Rent Range	Assume Market	\$1,265-\$1,350	\$1,075-\$1,250	\$875-\$960	\$905-\$1050	
Standard Rent @ Turnover	Assume Market	\$1,275	\$1,150	\$925	\$985	
Concessions	Assume Market	\$0	\$0	\$0	\$0	
Rent/S.F	Assume Market	\$1.97	\$1.64	\$1.37	\$1.39	
Net Adjustments	Assume Market	(\$34)	(\$54)	\$67	\$37	
Indicated market rent for subject		\$1,241	\$1,096	\$992	\$1,022	

RENT COMPARABLE MAP



Comparative Analysis – 3 Bedroom Units

Market Conditions (Time) - This category accounts for rent differences due to rent changes over time.

The comparables are current rents and representative of the current market. During the past few years, rental rates have been appreciating at an estimated rate of +3% per year. This appreciating trend is projected to continue through at least mid-2018, which was applied as the adjustment moving forward.

Location – This category accounts for property value differences associated with location quality and desirability, including proximity to transportation routes, neighborhood services and major employers, and also considers surrounding land uses. The subject has a good location approximately ½ mile southwest of the center of the downtown pedestrian core. Comparable 1 has similar downtown peripheral locations. Comparables 2 and 4 are inferior to the subject. They are located outside the immediate downtown area beyond convenient walking distance to downtown services. Upward adjustments of \$100 were applied. Note, Comparable 3 is also located outside the immediate downtown area; however, the three bedroom units in this project are located along the Boise River, providing a desirable view amenity. No adjustment for location was applied.

Age/Condition – The subject will be in new at completion. Typically, there is a positive correlation between effective age/condition and rent. The adjustments are based on market participant (tenant and managers) responses over the years emphasizing rent differences for new carpet, paint, window covers versus standard original finishes within the same complex, and with general support by paired property analysis. Comparables 2-4 are inferior to the subject for age/condition. Upward adjustments ranging from \$10 to \$125 were applied.

Quality/Appeal - The subject will be of good quality and design. Comparable 1 is similar for construction quality and appeal. Comparables 2-4 have inferior interior and exterior finishes. Upward adjustments of \$75 were applied.

Size – Unit size has an impact on rent. Our paired property analysis shows rent differences in an approximate range of 25% to 50% of the comparable rent/SF. Larger units/older projects trend to the lower end of the adjustment range, and vice versa. Given the physical characteristics of the subject and larger size of the three bedroom units, an adjustment rate at the upper mid-range of the paired analysis, or 35% is most appropriate.

Bedroom Count – No adjustments warranted.

Bathroom Count – An adjustment of \$50 was applied for full bathroom count differences; \$25 for half bathroom differences.






Patio/Balcony – Each subject unit will have a patio/balcony. Comparable 1 lacks this amenity. An upward adjustment of \$20 were applied.

Parking – All 22 of the 3 bedroom townhome units have a single car garage. It is assumed that the 1- 3 bedroom flat will include a carport in base rent. The comparables vary with respect to parking in terms of type (i.e., open, carport, garage). We conclude a contributory rent premium of \$20 for a suburban open space, \$40 for carport, \$100 for shared garage, and \$120 for individual direct access garage.

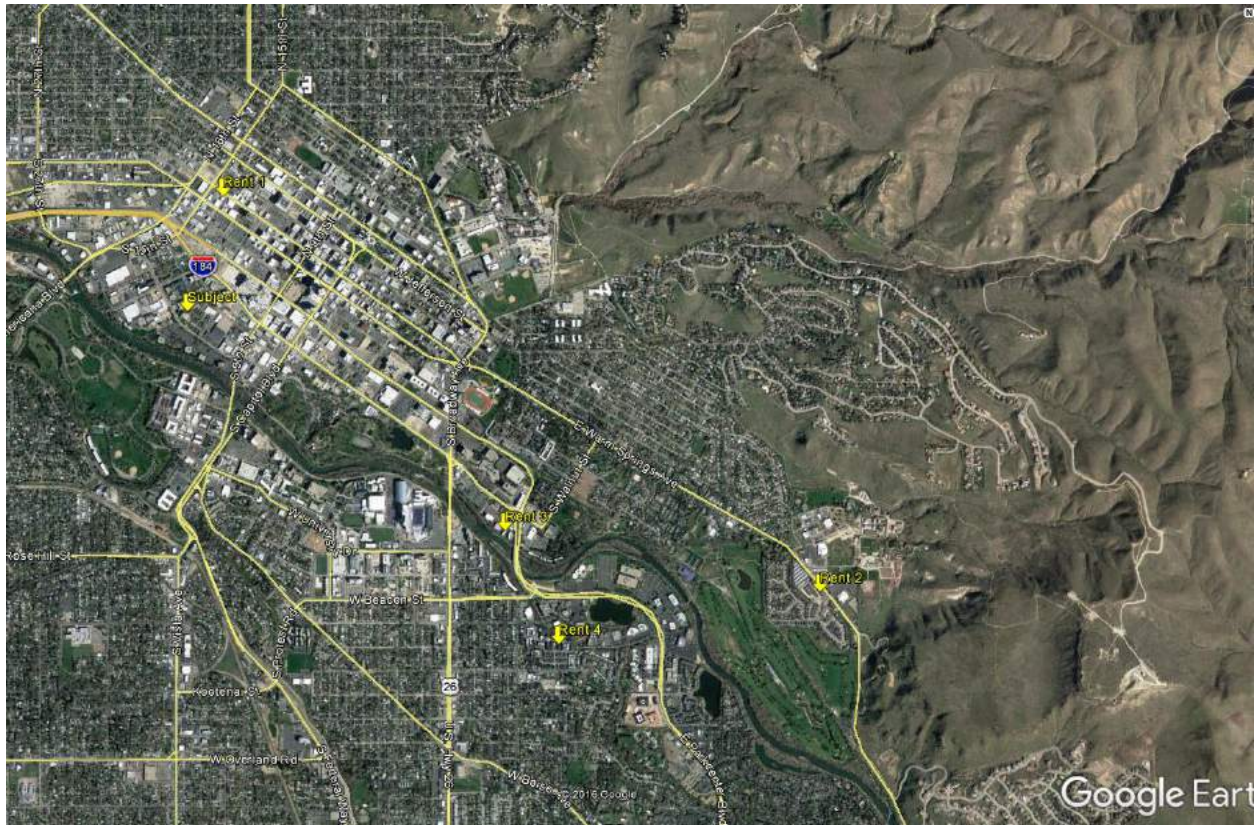
Project Amenities – The subject does not have any notable amenities. Comparables 1 is superior for amenities. A downward adjustment of \$20 was applied.

Base Utilities – The tenants for the subject units are responsible for heat and electric (tenants pay directly). The landlord pays for all other expenses. In addition to gas and electric, the comparable complexes do not include water, sewer, and/or trash in the monthly base rent. The tenants reimburse the landlord for water, sewer, and/or trash expenses. Considering the larger unit sizes, upward adjustments of \$15 for trash expense and \$45 for water, sewer, and trash combined were applied. The adjustments are based on reimbursement rates reported at other complexes in the subject market.

Presentation – Presented on the following pages are the Rent Comparable Summation Table and Rent Comparable Map, followed by the discussion and analysis of the comparables, and conclusion(s) of market rent.

ESTIMATES OF MARKET RENT BY COMPARISON 3 BEDROOM/3 BATH						
						
	Subject <u>Data</u>	Comp #1 <u>Data</u> <u>Adjust</u>	Comp #2 <u>Data</u> <u>Adjust</u>	Comp #3 <u>Data</u> <u>Adjust</u>	Comp #4 <u>Data</u> <u>Adjust</u>	
Project Name	Ash Street Townhomes	Watercooler Apartments	Falling Brook Townhomes	Clearwater Apartments	Logger Creek Apartments	
Address	503-647 Ash Street	1401 W. Idaho Street	2211 E. Warm Springs Avenue	660-690 S. Clearwater Lane	332 Hale Street	
Town/City	Boise, Idaho	Boise, Idaho	Boise, Idaho	Boise, Idaho	Boise, Idaho	
General Location	Good	Similar	Inferior	Similar (river frontage units)	Inferior	\$100
Type of Project	Townhomes	Apartment/commercial	Townhomes	Apartment	Apartment	
# of Stories	3 Story	3 Story	2 Story	3 Story	3 Story	
Tot. Units in Project	34	37	48	60	112	
# of Units this Type	23-3 bd/3 ba	2-3 bd/2 ba	23-3 bd/2.5 ba	6-3 bd/2 ba	2-3 bd/2 ba	
Eff. Date of rental	Mid-2018	July-17	July-17	July-17	July-17	\$48
Current Vacancy -This Type	n/a	0-Units (both preleased)	0-Units	0-Units	0-Units	
Data Source	n/a	Manager	Manager	3rd party source	3rd party source	
Year Built/Condition	2017/2018/new	2017/new	Ph 1 2007; Ph 2 2016; very good	1993; average	2002; average	\$100
Project Quality/Appeal	Good	Good	Average	Average	Average	\$75
Apartment Size(S.F.)	1,301	1,156	1,400	1,250	1,646	(\$117)
Number of Bedrooms	3	3	3	3	3	
Number of Baths	3	2	2.5	2	2	\$50
Balcony/Patio	Balcony/Patio	None	Balcony/Patio	Balcony/Patio	Balcony/Patio	
Type of Parking Provided	22 Single car garage; 1 Carport	Carport	Single car garage	Carport	Open	\$120
Kitchen Appliances	All Standard	All Standard	All Standard	All Standard	All Standard	
Other Unit Amenities:						
Heat Type	GFA	GFA	GFA	EFA	EFA	
Air-conditioned	CAC	CAC	CAC	CAC	CAC	
Washer/Dryer	Yes	Yes	Yes	Yes	Yes	
Fireplace	No	No	No	No	No	
Cable TV in Rent	No	No	No	No	No	
View	No	No	No	No	No	
Other	n/a	n/a	n/a	n/a	n/a	
Project Amenities:	None	Use of fitness center in Owyhee Plaza (3 blocks SE)	None	None	None	
Services: i.e.-Ten. Pays	Heat & Electric	WST; Heat & Electric	WS; Heat & Electric	WST; Heat & Electric	WST; Heat & Electric	\$45
Rent Range	Assume Market	\$1,640-\$1,660	\$1,400-\$1,500	\$1,310-\$1,465	\$1,600	
Standard Rent @ Turnover	Assume Market	\$1,650	\$1,475	\$1,400	\$1,600	
Concessions	Assume Market	\$0	\$0	\$0	\$0	
Rent/S.F	Assume Market	\$1.43	\$1.05	\$1.12	\$0.97	
Net Adjustments	Assume Market	\$297	\$233	\$437	\$421	
Indicated market rent for subject		\$1,947	\$1,708	\$1,837	\$2,021	

RENT COMPARABLE MAP



Market Rent Conclusions - The following table summarizes the adjusted rents for the base unit types:

Adjusted Base Comparable Rent Summary					
<u>Unit Type</u>	<u>Ave Size (SF)</u>	<u>Low</u>	<u>Max</u>	<u>Mean</u>	<u>Median</u>
1 Bedroom	543	\$992	\$1,241	\$1,088	\$1,059
3 Bedroom	1,301	\$1,708	\$2,021	\$1,878	\$1,892

1 Bedroom (Base Unit) - After adjustments, the comparables bracket a supportable range from \$992 to \$1,241, with a mean and median of 1,088 and 1,059 respectively. Preliminary developer pricing is below the adjusted range at \$950. Considering the smaller average unit size and availability/type of parking, average market rent for the subject 1 bedroom units is concluded at \$1,050, nominally below the average of the adjusted range.

3 Bedroom (Base Unit) - After adjustments, the comparables bracket a supportable range from \$1,708 to \$2,021, with a mean and median of 1,878 and 1,892 respectively. Preliminary developer pricing is near the average of the adjusted range at \$1,850. Considering the large average unit size and direct access garage parking, average market rent for the subject 3 bedroom units is concluded at \$1,875, near the average of the adjusted range.

2 Bedroom Units – The subject has 2- 1,130 square foot, 2BR/2.5BA units. It is assumed that the 2 bedroom units will include a carport in base rent. The average 3 bedroom unit has 3 bathrooms and is 171 square feet larger than the 2 bedroom units. Parking is via a single car garage. Adjustments for these differences are as follows: Rent premiums typically range from \$70 to \$150 for an additional bedroom and resulting moderate larger unit sizes. Considering the subject's high rent levels, we conclude at the upper-tier of the typical rent premium range and apply a downward adjustment of \$150 to the 3 bedroom base unit market rent. Downward adjustments were applied for a ½ bathroom at \$25 and garage versus carport parking at \$80. Applying the total downward adjustment of \$255 to the 3 bedroom base unit average rent, suggests a rental rate for the 2 bedroom units at \$1,620. Preliminary developer pricing is below the adjusted rental rate at \$1,500. Based on a cursory review of 2 bedroom units in competing projects in the downtown market, the adjusted rent at \$1,620 is supported for the subject 2 bedroom units. Thus, market rent for the 2 bedroom units is concluded to be \$1,620.

Comment: Our estimates of market rent are trended forward to December 1, 2018, the prospective date of stabilization. Moderate increases in market rents are projected during the next 12-18 months.

Potential Gross Income – Commercial Component (519 SF Unit)

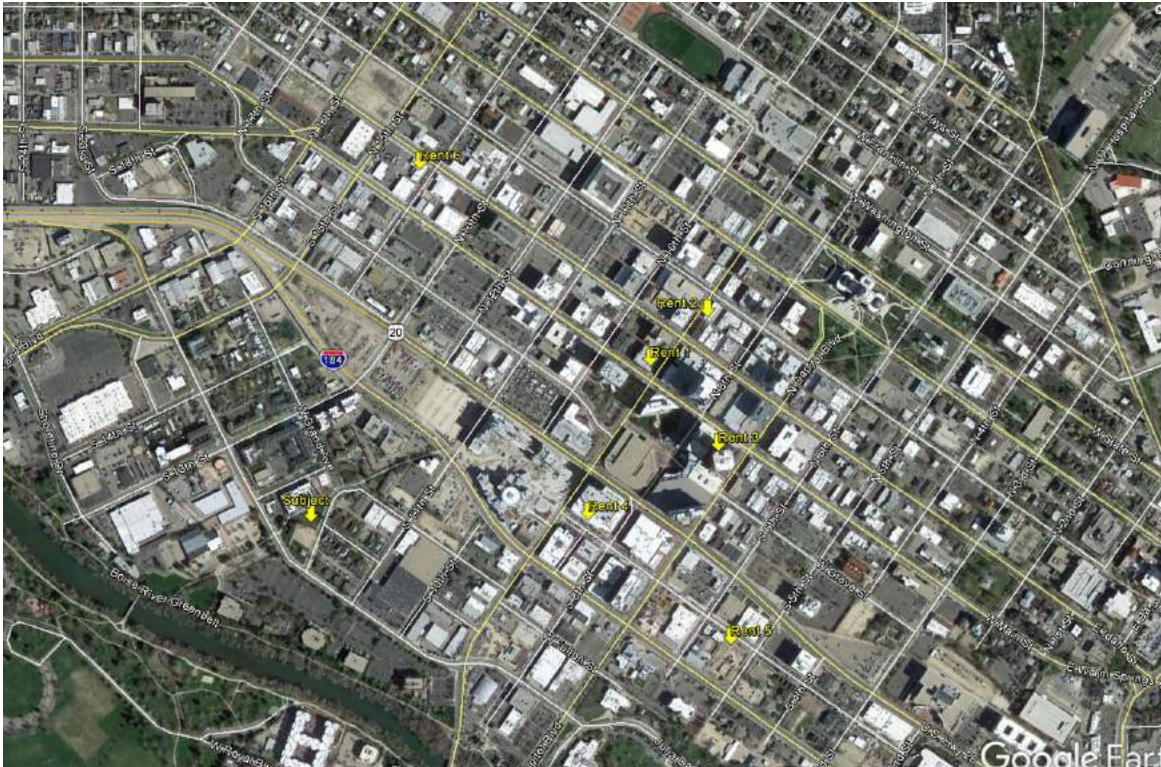
The subject has a 519 square foot commercial unit located near the corner of Ash Street and Miller Street (northernmost portion of subject). It has an interior location with no arterial street visibility. Its location outside the downtown core is less ideal for retail use. The most probable use for this space is for coffee shop or deli/sandwich shop use.

Presentation – Presented following are the Commercial Rent Comparable Table and Rent Comparable Map, followed by our conclusion of market rent. The comparables are all located in the downtown Boise market.

Commercial Rent Comparables

<u>Count</u>	<u>Use</u>	<u>Building</u>	<u>Location</u>	<u>Size</u>	<u>Lease Start</u>	<u>Term</u>	<u>NNN Rent</u>
1	Sandwich shop	Sonna Building	902 W. Main St., Boise	1,597	3/15	2 yrs	\$14.00
2	Retail	Block 44	210 N. 9th St., Boise	1,057	4/15	2 yrs	\$16.00
3	Sandwich shop	U.S. Bank Plaza	101 S. Capitol Blvd., Boise	415	1/16	1 yr	\$16.34
4	Restaurant	BoDo	W. Broad St., Boise	1,791	11/16	5 yrs	\$20.00
5	Coffee shop	Fowler	505 S. 5th St., Boise	1,405	10/17	5 yrs	\$20.00
6	Coffee/sandwich shop	Watercooler	1401 W. Idaho St., Boise	682	Listing	n/a	<u>\$20.00</u>
Average							\$17.72
Minimum							\$14.00
Maximum							\$20.00

RENT COMPARABLE MAP



Market Rent Conclusion: Commercial Unit - The comparables bracket a supportable range from \$14.00 to \$20.00, with an average of \$17.72 NNN. The following factors were considered to estimate market rent for the subject commercial unit: 1) the subject is located outside the downtown core; it has limited arterial street visibility and no-site parking is allocated to the commercial unit, 2) the commercial unit is relatively small, and 3) tenant improvement cost/allowance is projected to be lower considering the most probable use. With these considerations, market rent for the commercial unit is concluded at \$14.50 NNN, near the lower-tier of the comparable range.

Other/Miscellaneous Income – Other/miscellaneous income to the apartments includes revenue from credit report income, late fees, month-to-month fees, lease termination fees, forfeited security deposits, and past tenant collections. Based on the comparables presented in the table below, revenue generated from these sources is concluded near the mid-tier of the comparable range at \$250 per unit per year.

Other/Miscellaneous Income Comparables						
Project	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential
Location	Boise, ID	Boise, ID	Boise, ID	Boise, ID	Nampa, ID	Boise, ID
Income Year	2016	2015	2015	2015	2015	2015
# Units	100 to 150	100 to 150	200 to 250	50 to 100	100 to 150	Less than 50
Per Unit/Year	\$242	\$236	\$235	\$254	\$311	\$258

Estimated Vacancy and Collection Loss

The vacancy and credit loss reflects the estimate of lost rent versus scheduled rent. This includes lost revenue due to vacancies as well as credit loss (non-payment by tenants). The estimate of vacancy and credit loss is over the economic life of the property, and is not over a short term. It also includes “vacancy lag”, which is the time necessary to release space after a vacancy occurs. The subject’s stabilized occupancy level over the long term will likely mirror market averages. This is attributable to normal tenant turnover and shifts in supply and demand. Based on historical vacancies in the local market, a stabilized vacancy rate of 5% is concluded for subject.

Operating Expenses - Apartments

To estimate operating expenses, we have relied upon expense comparables from the market, with an emphasis placed on generally newer and similarly sized complexes. Six expense comparables are summarized in the table below, with more detailed descriptions provided on the following pages.

EXPENSE COMPARABLES						
Category	Comparable 1		Comparable 2		Comparable 3	
Name	Confidential		Confidential		Confidential	
Type	Conventional family		Conventional family		Conventional family	
Location	Boise, ID		Boise, ID		Nampa, ID	
Year Built	1995		1991		1994	
Design	2 story walk-up		2-story walk-up		2 story walk-up	
Size (# Units)	100 to 150		0 to 50		50 to 100	
Expense Year	2015		2015		2015	
<u>Category</u>	<u>Per Unit</u>	<u>% of EGI</u>	<u>Per Unit</u>	<u>% of EGI</u>	<u>Per Unit</u>	<u>% of EGI</u>
Real Estate Taxes	\$1,903	14.1%	\$1,210	15.0%	\$990	12.5%
Insurance	\$172	1.3%	\$118	1.5%	\$198	2.5%
Utilities	\$380	2.8%	\$313	3.9%	\$281	3.5%
Repairs & Maintenance	\$1,369	10.2%	\$582	7.2%	\$977	12.3%
Payroll	\$692	5.1%	\$422	5.2%	\$283	3.6%
Professional Management	\$408	3.0%	\$422	5.2%	\$311	3.9%
Advertising	\$118	0.9%	\$3	0.0%	\$80	1.0%
General/Administrative	\$246	1.8%	\$59	0.7%	\$216	2.7%
<u>Reserves For Replacement</u>	<u>\$0</u>	<u>0.0%</u>	<u>\$0</u>	<u>0.0%</u>	<u>\$0</u>	<u>0.0%</u>
TOTAL	\$5,289	39.3%	\$3,129	38.7%	\$3,337	42.1%

Category	Comparable 4		Comparable 5		Comparable 6	
Name	Confidential		Confidential		Confidential	
Type	Conventional family		Conventional family		Conventional family	
Location	Boise, ID		Boise, ID		Boise, ID	
Year Built	1993		2001		1991	
Design	2-story walk-up		2-story walk-up		2-story walk-up	
Size (# Units)	0 to 70		50 to 100		0 to 50	
Expense Year	2015		2015		2015	
<u>Category</u>	<u>Per Unit</u>	<u>% of EGI</u>	<u>Per Unit</u>	<u>% of EGI</u>	<u>Per Unit</u>	<u>% of EGI</u>
Real Estate Taxes	\$922	12.7%	\$1,383	13.5%	\$1,210	15.0%
Insurance	\$158	2.2%	\$113	1.1%	\$118	1.5%
Utilities	\$381	5.2%	\$401	3.9%	\$313	3.9%
Repairs & Maintenance	\$816	11.2%	\$1,147	11.2%	\$582	7.2%
Payroll	\$364	5.0%	\$511	5.0%	\$422	5.2%
Professional Management	\$436	6.0%	\$511	5.0%	\$422	5.2%
Advertising	\$8	0.1%	\$1	0.0%	\$3	0.0%
General/Administrative	\$107	1.5%	\$34	0.3%	\$59	0.7%
<u>Reserves For Replacement</u>	<u>\$0</u>	<u>0.0%</u>	<u>\$0</u>	<u>0.0%</u>	<u>\$0</u>	<u>0.0%</u>
TOTAL	\$3,192	43.9%	\$4,101	40.1%	\$3,129	38.7%

Our expense conclusions are discussed on the following pages:

EXPENSE ANALYSIS & CONCLUSIONS

Real Estate Taxes

	<u>Ranges/Conclusion</u>		
Comparable Expense Range	\$922	to	\$1,903
Per Unit Conclusion	\$2,353		
Annual Conclusion	\$79,995		

Analysis

Stabilized real estate taxes were estimated at \$79,995 or \$2,353 per unit. Refer to page 24 for projected stabilized assessment and real estate tax discussion.

Insurance

	<u>Ranges/Conclusion</u>		
Comparable Expense Range	\$113	to	\$198
Per Unit Conclusion	\$200		
Annual Conclusion	\$6,800		

Analysis

Considering finish quality, unit size, and overall project size, the insurance expense for the subject is projected to be \$200 per unit, at the high-end of the comparable range.

Utilities

	<u>Ranges/Conclusion</u>		
Comparable Expense Range	\$281	to	\$401
Per Unit Conclusion	\$450		
Annual Conclusion	\$15,300		

Analysis

This includes electricity and gas for the common areas and water, sewer and trash for the entire complex. We conclude above the high-end of the comparable range at \$450 per unit.

Maintenance and Repairs

	<u>Ranges/Conclusion</u>		
Comparable Expense Range	\$582	to	\$1,369
Per Unit Conclusion	\$850		
Annual Conclusion	\$28,900		

Analysis

This category includes all maintenance and repair costs to the buildings and common area, including turnover costs. Based on such physical factors as age, quality, larger average unit size, and minimal landscaping, we conclude a stabilized maintenance and repairs expenses of \$850 per unit, near the average of the range.

Payroll (Onsite Manager)

	<u>Ranges/Conclusion</u>		
Comparable Expense Range	\$283	to	\$692
Per Unit Conclusion	\$0		
Annual Conclusion	\$0		

Analysis

The subject is projected to have a part-time on-site manager; this expense is loaded into the professional management expense category.

Professional Management

	<u>Ranges/Conclusion</u>		
Comparable Expense Range	3.0%	to	6.0%
% of EGI Conclusion	6.0%		
Annual Conclusion	\$39,165		

Analysis

Professional management fees vary based primarily on size, condition, and rent levels. A typical range new premium rent projects would be 3.0% to 4.0% of effective gross income, trending to the high-end of the range for smaller properties. Because we are including a part-time on-site manager, offset partially by the high monthly unit rents, the professional management expense is concluded at 6% of effective gross income.

Advertising

	<u>Ranges/Conclusion</u>		
Comparable Expense Range	\$1	to	\$118
Per Unit Conclusion	\$100		
Annual Conclusion	\$3,400		

Analysis

The valuation assumes the subject is at stabilized occupancy. The advertising expense is projected to be \$100 per unit to account for turnover.

General/Administrative

	<u>Ranges/Conclusion</u>		
Comparable Expense Range	\$34	to	\$246
Per Unit Conclusion	\$150		
Annual Conclusion	\$5,100		

Analysis

The cost of miscellaneous expenses such as legal services, licensing, permits/fees, professional services, dues and general office expenses must be accounted for. The reader should note that this expense can vary widely from property to property due to different accounting methods. This expense is concluded to be \$150 per unit.

Reserves for Replacement

	<u>Ranges/Conclusion</u>		
Comparable Expense Range	\$0	to	\$0
Per Unit Conclusion	\$300		
Annual Conclusion	\$10,200		

Analysis

Reserves for replacement are not typical annual cash expenditures, but rather, the annualized cost of major expenses incurred for repair and replacement of items, such as roof systems, walls, parking lots, carpeting, appliances, etc. Typical market allowances for replacement reserves range from \$250 to \$500/unit per year for properties similar in age and condition. Based on the subject's age, quality, larger unit size, and moderate amenities, a per unit expense of \$400 is concluded.

Summary

	<u>Ranges/Conclusion</u>		
Expense Comps - Per Unit	\$3,129	to	\$5,289
Expense Comps - % of EGI	38.7%	to	43.9%
Total	\$188,860		
Per Unit	\$5,555		
% of EGI	28.9%		

Analysis

The forecasted per unit operating expenses for the subject are higher than for typical apartment units on a per unit basis. This is largely due to higher property taxes, management fees, and the assumption of funded replacement reserves. The subject percentage expense ratio is lower than typical, which is reasonable given the subject will be new, of good quality/condition, and have premium projected rents. Overall, the expenses are deemed appropriate for use in this analysis.

Operating Expenses - Commercial Unit

The market rent conclusion for the commercial unit assumes a NNN lease; in which the tenant reimburses the landlord or pays directly all or nearly all operating expenses. Reimbursement income accrues from those expenses reimbursed by the tenant(s), including real estate taxes, insurance, utilities, maintenance, and management. Because these expenses are equally offset by the reimbursement income, it is not necessary to include these in the income proforma. For consistency, reimbursement income was also not included when calculating the capitalization rates of the capitalization rate comparables, thus, reimbursement income is inherently factored into the Income Approach value conclusion.

Direct Capitalization

The next step in the Income Capitalization Approach is capitalization of net income into an expression of value. Direct capitalization is a method used to convert a single year's income estimate into a value indication. This conversion is accomplished in one step by dividing the income estimate by an appropriate income capitalization rate. In direct capitalization no precise allocation is made between the return on and the return of capital because the method does not simulate investor assumptions or forecasts concerning the holding period, the pattern of income, or changes in value of the original investment. However, a satisfactory rate of return for the investor and recapture of the capital invested are implicit in the capitalization rates applied in direct capitalization because they are derived from similar investment properties.

The income capitalization rates reflect the relationship between income and value and are derived from market data. It is essential that the properties used as comparables reflect risk, income, expense, and physical and location characteristics that are similar to the property being appraised. Consequently, capitalization rates must be extracted from properties that reflect similar income-expense ratios, risk characteristics, and expectations as to change in income and value over a typical investment-holding period.

In this analysis, the basic formula for direct capitalization is net annual income divided by overall rate of return (RO) equals value. Various techniques are available to determine appropriate overall rates. These include:

1. derivation from comparable sales
2. derivation from effective gross income multipliers
3. band of investment – mortgage and equity components
4. band of investment – land and building components
5. the debt coverage formula

The derivation from comparable sales method was employed to estimate an appropriate capitalization rate for the subject. The analysis is supplemented by data compiled by the latest Real Estate Research Corporation (RERC) Survey.

Capitalization Rate Derivation from Comparable Sales – The capitalization rate comparables, presented in the following table, include recent confirmed sales of apartment complexes in the local market. Note, project names and addresses are redacted for confidentiality purposes, but will be provided to the client separately if requested. The capitalization rates were calculated using actual scheduled rent, less a vacancy allowance, and actual or appraiser estimated stabilized operating expenses to conclude net operating income.

Boise MSA Apartment Capitalization Rate Comparables						
<u>Name</u>	<u>Location</u>	<u>Size (# Units)</u>	<u>Year Built</u>	<u>Sale Date</u>	<u>Sale Price</u>	<u>OAR</u>
Confidential	Boise, ID	<30	2014	Feb-15	Confidential	5.86%
Confidential	Meridian, ID	<75	2014	Mar-15	Confidential	6.51%
Confidential	Boise, ID	<70	1975	Apr-15	Confidential	7.59%
Confidential	Boise, ID	<50	1991	May-15	Confidential	6.31%
Confidential	Boise, ID	<50	1980	Jun-15	Confidential	7.30%
Confidential	Nampa, ID	<50	1978	Jul-15	Confidential	7.44%
Confidential	Boise, ID	<70	1978	Sep-15	Confidential	5.38%
Confidential	Boise, ID	<20	1969	Nov-15	Confidential	5.75%
Confidential	Boise, ID	<20	1969	Nov-15	Confidential	4.47%
Confidential	Meridian, ID	<100	2012	Nov-15	Confidential	5.53%
Confidential	Boise, ID	<125	1995	Jan-16	Confidential	5.23%
Confidential	Boise, ID	<20	1970	Feb-16	Confidential	6.26%
Confidential	Boise, ID	<20	1962	Feb-16	Confidential	5.04%
Confidential	Boise, ID	<200	1993	May-16	Confidential	5.11%
Confidential	Boise, ID	<30	2003	Jun-16	Confidential	5.84%
Confidential	Boise, ID	<20	2006	Jun-16	Confidential	6.00%
Confidential	Boise, ID	<125	1993	Oct-16	Confidential	5.92%
Confidential	Boise, ID	<50	2007/2016	Dec-16	Confidential	6.09%
Confidential	Boise, ID	<40	1990	Mar-17	Confidential	5.90%
Confidential	Boise, ID	<50	1998	Listing	Confidential	6.20%
Mean						5.99%
Median						5.91%
Min						4.47%
Max						7.59%

In concluding a capitalization rate for the subject property, a bracketing process is used reflecting the superior or inferior income producing characteristics of each sale versus the subject. The comparables indicate a range from 4.47% to 7.59%, with a mean and median of 5.99% and 5.91% respectively. The most recent sales indicate a declining trend. The 2015 sales exhibit an average capitalization rate of 6.21%. The 2016/2017 sales exhibit a lower average capitalization rate of 5.76%.

Although the sales vary in size and project amenities, those differences can be accounted for in selecting the appropriate rate for the subject. A project's age and condition, quality of construction, location appeal, etc., all affect the price paid and thus, the capitalization rate. The number of units in a project also appears to influence the capitalization rate; smaller projects exhibit lower rates. Also influencing a rate would be undue motivation on the part of either buyer or seller. Because capitalization rates are inversely correlated to sale prices, if the buyer is motivated, a lower capitalization rate typically results; conversely, if the seller is motivated, a higher capitalization rate results. Lastly, in calculating capitalization rates, most projects have average rents that lag current market rents. This factor tends to lower the capitalization rate (below average market contract rents) as buyers anticipate increasing rents upon turnover. The subject with the assumption of all rents at market would exhibit a nominally higher capitalization rate other factors being equal.

Since mid-2012, capitalization rates have exhibited a general downward trend, fueled by stabilizing to improving market conditions and attractive mortgage interest rates. This declining trend continued through 2014/2015. In 2015/2016 capitalization rates began to stabilize and are projected to remain at their current low levels near-term. Regarding timing, interest rates remain near historically low levels.

Subject Market Position/Strengths and Weaknesses

The following factors were considered in our selection of a capitalization rate for the subject.

- The subject has a good location approximately ½ mile southwest of the center of the downtown pedestrian core. The subject is a part of the downtown Boise submarket, which historically outperforms most other submarkets in the Boise MSA.
- The subject will be of good quality and design, and will be new at completion.
- The subject's unit mix is competitive with other complexes in the local market. The one commercial unit is a complementary use for the project.
- Statistics indicate strong demand characterized by increasing rents and historically low vacancies. The downtown submarket currently has an undersupply of multi-family rental units. It is noted, two other apartment complexes are nearing completion which will add 193 units to the downtown market. However, these units are projected to be readily absorbed; minimal vacancies are projected for the downtown market by the time the subject is completed in 2018.
- The subject is concluded to have good marketability.

Capitalization Rate Conclusion - Considering the aforementioned factors, an appropriate capitalization rate near the mid-tier of the most recent comparable range is concluded at **5.75%**.

RERC Survey Data - The market sales analysis is supplemented by data compiled by the Real Estate Research Corporation (RERC) Survey. Capitalization rate data compiled by the Real Estate Research Corporation (RERC) surveys (4th Quarter 2016) were analyzed as a final indication of reasonableness for the capitalization rate selected. National western region 1st-tier investment market capitalization rate data is summarized in the following table. Apartment represents the most similar property category to the subject contained within the RERC surveys.

Regional Investment Criteria - 4Q 2016 First-Tier ¹ Investment Properties											
	Office		Industrial			Retail			Apartment	Student Housing	Hotel
	CBD	Suburban	Warehouse	R&D	Flex	Regional Mall	Power Center	Neigh/Comm			
West Investment Criteria											
Pre-tax Yield (IRR) (%)											
Range	6.0 - 9.0	7.0 - 10.0	5.5 - 10.0	6.5 - 10.0	7.0 - 11.0	6.0 - 10.0	6.8 - 9.5	6.0 - 10.0	6.5 - 9.0	7.0 - 11.0	9.3 - 11.0
Average	7.6	8.2	7.6	8.0	8.4	7.9	8.1	7.9	7.2	8.1	9.8
Going-In Cap Rate (%)											
Range	4.5 - 7.5	5.0 - 8.0	4.0 - 8.5	5.3 - 8.0	6.0 - 8.0	4.8 - 8.0	6.0 - 8.0	4.0 - 8.0	4.0 - 7.8	5.3 - 7.0	7.0 - 8.5
Average	6.1	6.5	6.0	6.5	6.8	6.3	6.8	6.2	5.2	6.0	7.7
Terminal Cap Rate (%)											
Range	5.5 - 9.0	6.0 - 8.5	5.0 - 8.8	6.0 - 8.5	6.5 - 9.0	5.0 - 9.0	5.5 - 9.0	5.3 - 8.5	4.5 - 8.0	6.0 - 8.0	8.0 - 9.0
Average	6.9	7.3	6.7	7.2	7.5	6.9	7.2	7.0	5.8	6.7	8.4

The RERC survey indicates a range of 4.0% to 7.8% with an average of 5.2% for apartment capitalization rates within the national western region 1st-tier market. Our capitalization rate conclusion of 5.75% is near the mid-tier of the range, lending further support to the analysis.

Income Capitalization Approach Conclusion – Upon Stabilization

The final step is to summarize the previously estimated income and expense figures, and then capitalize the net operating income into an indication of value. The Direct Capitalization Summation Table is presented following, concluding Market Value: Upon Stabilization via the Income Capitalization Approach.

DIRECT CAPITALIZATION SUMMATION TABLE					
Rental Income:					
<u>Unit Type</u>	<u>Qty</u>	<u>Size (SF)</u>	<u>Avg. Mkt Rent</u>	<u>Avg. Rent/SF/Mo.</u>	<u>Annual Income</u>
Average 1 Bedroom	9	543	\$1,050	\$1.93	\$113,400
Average 2 Bedroom	2	1,130	\$1,620	\$1.43	\$38,880
Average 3 Bedroom	23	1,301	\$1,875	\$1.44	\$517,500
Total/Average	34	1,090	\$1,642	\$1.51	\$669,780
Ancillary Income:					
<u>Source</u>					
Commercial Unit (\$14.50/sf x 519 sf)					\$7,526
Other/Miscellaneous (\$250/unit/year)					\$8,500
TOTAL POTENTIAL GROSS INCOME					\$685,806
Less Vacancy and Credit Loss				5.00%	(\$34,290)
EFFECTIVE GROSS INCOME (EGI)					\$651,515
Less Operating Expenses	<u>Total</u>	<u>Total/Unit</u>	<u>% EGI</u>		
Real Estate Taxes	\$79,995	\$2,353	12.3%		
Insurance	\$6,800	\$200	1.0%		
Utilities	\$15,300	\$450	2.3%		
Maintenance & Repairs	\$28,900	\$850	4.4%		
Professional Management/Payroll	\$39,091	\$1,150	6.0%		
Advertising	\$3,400	\$100	0.5%		
General/Administrative	\$5,100	\$150	0.8%		
<u>Reserves for Replacement</u>	<u>\$10,200</u>	<u>\$300</u>	<u>1.6%</u>		
Total	\$188,786	\$5,553	29.0%	(\$188,786)	
NET OPERATING INCOME					\$462,729
VALUATION OF INCOME	<u>NOI</u>	<u>Divided by</u>	<u>Cap Rate</u>	<u>Equals</u>	<u>Value</u>
	\$462,729	÷	5.75%	=	\$8,047,465
MARKET VALUE: UPON STABILIZATION					\$8,050,000

PGIM Crosscheck

A potential gross income multiplier (PGIM) is used as an indicator of value and takes into consideration the proportion of expense to every dollar of gross income. It is derived by dividing the sale price by the gross annual income of the property. This method has the advantages of simplicity and easy calculation. It is based on the premise that rents and sales prices move in the same direction and essentially in the same proportion as do net income and sales prices.

As presented prior, the subject's potential gross income was projected to be \$685,806. Market value for the subject was concluded to be \$8,050,000, resulting in a PGIM of 11.7 ($\$8,050,000 \div \$685,806$). To determine if the resulting PGIM is reasonable, we analyzed several recent apartment sales in the local market. The comparables, presented in the table below, indicate a PGIM range of 9.1 to 12.8, with a mean and median of 10.4.

Boise MSA Apartment GRM Comparables						
<u>Name</u>	<u>Location</u>	<u>Size (# Units)</u>	<u>Year Built</u>	<u>Sale Date</u>	<u>Sale Price</u>	<u>GRM</u>
Confidential	Boise, ID	<20	1969	Nov-15	Confidential	10.4
Confidential	Boise, ID	<20	1969	Nov-15	Confidential	12.8
Confidential	Meridian, ID	<100	2012	Nov-15	Confidential	10.6
Confidential	Boise, ID	<125	1995	Jan-16	Confidential	9.4
Confidential	Boise, ID	<20	1962	Feb-16	Confidential	11.2
Confidential	Boise, ID	<20	2006	Jun-16	Confidential	11.2
Confidential	Boise, ID	<125	1993	Oct-16	Confidential	9.3
Confidential	Boise, ID	<200	1993	May-16	Confidential	9.5
Confidential	Boise, ID	<30	2003	Jun-16	Confidential	11.0
Confidential	Boise, ID	<40	1990	Mar-17	Confidential	9.1
Confidential	Boise, ID	<50	1998	Listing	Confidential	9.8
						Mean 10.4
						Median 10.4
						Min 9.1
						Max 12.8

At 11.7, the subject's inferred PGIM is near the upper-tier of the comparable range, which is reasonable for a new, good quality complex in a good location. As such, the PGIM analysis lends further support to our value conclusion for the subject.

Reconciliation – Market Value: Upon Stabilization

Summary of Value Indications

The indicated values from the approaches used in the valuation of the subject are summarized in the following table.

Reconciliation	
	Upon Stabilization
	<u>Market Value</u>
Sales Comparison Approach	Not completed
Income Capitalization Approach	\$8,050,000
Cost Approach	Not applicable

The **Income Capitalization Approach** resulted in a reliable conclusion of market value due to an adequate number of recent rent, operating expense, and capitalization rate comparables of similar properties utilized in the analyses. Overall, the factors comprising the Income Capitalization Approach were well supported and yield what is considered to be a reliable conclusion. Because the most probable buyer is an investor, the Income Capitalization Approach is an applicable method for estimating market value as it best reflects market participants' expectations of current and future income streams. Accordingly, the Income Capitalization Approach was the only approach processed and was given full weight in the final value reconciliation.

The **Sales Comparison Approach** was considered, but has been excluded as a primary valuation method. The Sales Comparison Approach is an applicable method for valuing owner-user properties or properties of similar financial characteristics. No known sales of newer, high-quality, for rent townhome projects have occurred in the local market during the past several years. Regional sales were considered, but performing comparative adjustments between markets is typically subjective. Furthermore, the Sales Comparison Approach is a secondary method for valuing investment properties purchased for leased occupancy. To check the reasonableness of the value conclusion via the Income Capitalization Approach, recent apartment sales were analyzed on a PGIM basis. On a PGIM basis, our value conclusion for the subject was bracketed by the sales, lending further support to our value conclusion.

The **Cost Approach** was not completed. The Cost Approach is not applicable for a Re-Use appraisal.

Value Conclusion - Market Value: Upon Stabilization

Our conclusion of Market Value: Upon Stabilization for the subject is presented in the following table.

Value Conclusion(s)				
<u>Value Type</u>	<u>Value Premise</u>	<u>Interest Appraised</u>	<u>Effective Date</u>	<u>Value Conclusion</u>
Market Value	Upon Stabilization	Fee Simple	12/1/2018	\$8,050,000

Exposure and Marketing Times

The estimate of value in this appraisal assumes the subject would experience a marketing/exposure period that is typical of this market. Marketing time estimates can be supported by analyzing the actual time the comparable sales used in the valuation analysis were exposed to the market before they sold. For the 4th Quarter 2016, the PwC Real Estate Investor Survey reported an overall marketing time range of 1-9 months, with an average of 4.1 months in the pacific region apartment market. The local market has strengthened and stabilized over the past 2-3 years, mortgage rates are favorable, and sales/marketing activity is strong; these conditions are expected to continue near-term. Considering all relevant factors, a marketing/exposure time of 6-9 months is concluded.

Development Cost Estimates

Developer's Cost Estimate: The developer provided a detailed cost estimate for the construction of the improvements (included in addenda). The developer's cost estimate is summarized in the following table, and includes all typical hard and soft costs. Total cost during the construction phase is projected to be \$7,623,675 or \$168.30 per square foot. Marketing/leasing costs will be applied in the final summary as costs to be incurred during the stabilization period. The developer included line items for developer profit and a debt guarantee fee of \$436,078 and \$75,000 or approximately 6.7% (combined) of total construction costs. The target profit is below market norms when considering the scope of the development and associated risk. We have removed this cost and included it in a separate line item for developer profit (entrepreneurial incentive) in the final summary. Note, the upfront land purchase price of \$679,000 is included as a part of the total development cost.

Developer's Cost Estimate	
Site & Pre-development	\$97,300
Hard Costs	\$5,965,453
Soft Costs	\$890,343
Contingencies (5%)	\$379,379
Financing Costs	<u>\$291,200</u>
Total Cost	\$7,623,675
Size (GBA)	45,299
Total Cost/SF	\$168.30
Total Cost/Unit	\$224,225.74
Land Purchase Price	\$645,000
Alley Vacation Land Purchase Price	<u>\$34,000</u>
Total Development Cost	\$8,302,675
<u>Appraiser Excluded Costs (Applied Later)</u>	
Marketing/Leasing (Lease-up phase)	\$32,791
Development Fee	\$436,078
Debt Guarantee Fee	<u>\$75,000</u>
Total Developer's Cost Estimate	\$8,846,544

Construction Cost Comparables – To test the reasonableness of the developer’s cost estimate, three cost comparables of multi-family projects located in or near Boise’s downtown core were analyzed. Specific names and details have been held confidential in our reporting. Comparable 1 is an apartment project with a small commercial component. Comparable 2 is a residential townhome project of inferior quality as the subject. Comparable 3 is a residential condominium project with a commercial component and garage parking. As summarized in the table presented below, the comparables exhibit construction costs ranging from \$128.22 to \$176.94, with an average of \$146 per square foot.

Construction Cost Comparables			
	<u>1</u>	<u>2</u>	<u>3</u>
Project Name	Confidential	Confidential	Confidential
Location	Boise, ID	Boise, ID	Boise, ID
Effective Date of Cost Estimate	Late 2015	Early 2017	Mid 2014
Type	3-story mixed use	3-story TH	Multi-story mixed use
# Units	<50	<20	<80
GBA	>30,000	<15,000	>150,000
Parking	Open/carport	Garage	Garage
Site Size (Acres)	>1 acre	>1 acre	>1 acre
Total Cost*	5,706,458	1,138,934	21,904,322
Total Cost/SF	\$176.94	\$128.22	\$131.47
*Total cost includes all direct and indirect costs, but excludes developer profit			

Improvement Cost New Conclusion

The developer’s construction cost estimate of \$168.30 per square foot is near the upper-tier of the comparable range. Considering such factors as construction quality, project/unit sizes, garage parking, and increasing construction costs since 2014, the developer’s per square foot cost estimate near the upper-tier of the comparable range is reasonable. Thus, the developer’s cost estimate is concluded to be reasonable and supportable for use in this appraisal.

Lease-up Costs

The initial analysis in this report concluded Market Value: Upon Stabilization. The valuation assumed construction was complete and subject has reached stabilized occupancy. The subject is not projected to be at stabilized occupancy at completion. Out of pocket lease-up costs to be incurred by an owner in the process of reaching stabilization represent an addition to total development costs. The costs include marketing costs, lease commissions, and holding costs (i.e. fixed and variable expenses for unleased space). These costs will be detailed following. Note, an allowance for lost rent was not deducted as an expense during lease-up. It is not an out of pocket expense to a developer. Instead, the risk of lost rent during lease up was considered as a part of the developer profit allowance and applied to total development cost.

Absorption Period – The market has experienced strong absorption during the past two to three years. Absorption rates of several new apartment complexes were analyzed. The best absorption comparable is the Owyhee Plaza Apartments, which absorbed all 36 units within 3-4 months of completion (completed in 2014). The Watercooler Apartments, which is expected to be complete by August 2017, recently began preleasing. Nine of the 37 units are preleased to-date. We anticipate similar preleasing/absorption for the subject. We project approximately 1/3 or 11 units will be preleased prior by the end of construction; it

is projected that the balance of the subject units will be leased within three months. Note, with nearly 15 months until the project will be completed, it is projected that the 519 square foot commercial unit will be leased by completion.

Costs Incurred Prior to Stabilized Occupancy – Initial branding/marketing/advertising costs are estimated at \$25,000. Apartment lease commissions are estimated at \$150 per unit. Retail lease commissions are estimated at 6% of market rent over a five year term. Holding costs for the unleased space include a prorated share of property taxes, insurance, utilities, repairs/maintenance, and management. Holding costs are applied to the unleased units at \$750 per unit per month over the 3 month lease-up period (multiplied by 50% average lease-up during that period).

Entrepreneurial Incentive/Developer Profit

Entrepreneurial incentive or developer profit is a market-derived estimate separate and in addition to the builder/contractor fee. The profit estimate is the amount an entrepreneur receives for his or her contribution to a project with consideration for the scope, cost, and risk in the venture.

Several local developers were interviewed to determine the appropriate profit required to justify development. According to those surveyed, required profit depends on the scope, overall cost, and anticipated risk associated with a development. Most were consistent in stating a required profit range of 10% to 20% of total development costs, depending on the level of perceived risk. The following paragraphs summarize the comments from each developer who was interviewed.

Bill Clark of Clark Development developed The Jefferson and Crescent Rim condominium projects in Boise. Mr. Clark stated they target an anticipated profit of 15% to 20% of total development costs to undertake a project. Steve Meyer, the primary equity investor in The Jefferson and Crescent Rim, stated a range of 10% to 20% of total development costs, with 10% representing lower-risk ventures which are leased or sold at completion.

Clay Carley of Old Boise LLC is a local developer who owns Old Boise 6th and Main. Mr. Carley stated he targets an anticipated profit of 15% of total development costs to undertake a project.

Tommy Ahlquist of Gardner Development has developed several projects within the Boise MSA including The 8th & Main Building and City Center Plaza in downtown Boise, Portico at Meridian, Ventana Medical Center in Nampa, Eagle Island Crossing in Eagle. Mr. Ahlquist stated that they target an anticipated profit of 11% of total development costs to undertake a project. He stated their anticipated profit is less than other developers because they target projects with less perceived risk, which are generally in very good locations and are typically significantly pre-leased/sold prior to construction.

Mike Fery of Rocky Mountain Development evaluates project development based on a target internal rate of return for a project. Mr. Fery stated he generally goes into a project anticipating an internal rate of return of 20% for higher risk projects such as larger residential condominium developments, and as low as 12% for projects leased or sold at completion.

Mike Mussell of Mussel Construction Inc., the developer of the proposed Library Re-Use Project, stated he typically targets an anticipated profit of 12% to 15% to undertake a project. Mr. Mussell further stated that renovation projects represent the upper-tier of the range due to a higher risk of unforeseen costs. He also stated that he would undertake a build-to-suit project with a tenant or user in-place for a lower target profit of 10%.

Entrepreneurial Incentive/Developer Profit Conclusion

The subject as a rental apartment project would have lower risk than speculative for sale or larger mixed use developments, but higher risk than built-to-suit properties that are preleased or presold prior to development. Considering the developer responses, **an entrepreneurial incentive of 12% of total construction and lease-up costs** is concluded to be reasonable and probable for the subject venture.

Development Cost Estimate Conclusion

The following presents a summary of the prior elements to conclude our estimate of total development cost for the proposed development.

Development Cost Estimate Conclusion	
<u>Component</u>	<u>Total Cost</u>
Land Purchase Price	\$645,000
Alley Vacation Purchase Price	\$34,000
Construction Phase Costs	\$7,623,675
Lease-up Phase Costs	\$58,233
Developer Profit	\$921,600
Total Development Cost, rounded	\$9,280,000

Developer Cost Reimbursements

As presented in the developer's proforma, the developer expects some cost reimbursements from the CCDC and other government entities. Reimbursements include \$34,000 for local incentives and \$35,000 for green building incentives. These reimbursements will be applied as a net positive in the final value summary. Note, the developer also included other items which may or may not be reimbursed by the CCDC. The potential reimbursements include all or part of \$200,000 for street scape and public space improvements, and utilities extensions. At the request of the client, we have excluded these potential reimbursements.

Fair Re-Use Value Conclusion

Fair Re-Use Value

Net total development costs, including an allowance for developer profit/entrepreneurial incentive, are deducted from the "upon stabilization" market value to derive the conclusion of Fair Re-Use Value. The calculations are detailed in the following table.

Fair Re-Use Value		
Market Value: Upon Stabilization:		\$8,050,000
<u>Deduct: Land Purchase Price</u>		
Land Purchase Price	(\$645,000)	
Alley Vacation Land Purchase Price	<u>(\$34,000)</u>	
Total Land Purchase Price	(\$679,000)	
<u>Deduct: Construction and Lease-up Costs</u>		
Construction Phase Costs	(\$7,623,675)	
Branding/Marketing/Advertising Costs	(\$25,000)	
Apartment Leasing Commissions @ \$150 per unit x 34 units	(\$5,100)	
Retail Leasing Commissions @ \$14.50/sf x 519 sf x 5 years x 6%	(\$2,258)	
Holding Costs During Lease-up (\$750 x 23 units x 3 months 50% avg. lease-up)	<u>(\$25,875)</u>	
Total Construction and Lease-up Costs, rounded	(\$7,680,000)	
<u>Deduct: Developer Profit (Entrepreneurial Incentive)</u>		
Developer Profit (12% of Construction and Lease-up Costs)	<u>(\$921,600)</u>	
Total Development Cost, rounded	(\$9,280,600)	<u>(\$9,280,000)</u>
<u>Add: Non-CCDC Cost Reimbursements</u>		
Local Incentives	\$34,000	
Green Building Incentives	<u>\$35,000</u>	
Total Non-CCDC Cost Reimbursements, rounded	\$69,000	<u>\$70,000</u>
Conclusion of Fair Re-Use Value		(\$1,160,000)
(Includes \$679,000 land purchase price as a cost to the developer)		Negative

Comment on Project Feasibility: Market Value: Upon Stabilization was concluded to be \$8,050,000. Net development costs were concluded at \$9,210,000, which includes the land purchase price. The resulting Fair Re-Use Value for the proposed project is a negative \$1,160,000. The negative Fair Re-Use Value indicates the project is less than a breakeven venture on development cost and will not return the target profit in the venture.

Although our analyses and conclusions represent our most practical estimates based on current market data and market projections, there are several factors that could enhance the profitability in the venture. Cost savings in construction, higher lease rates, and possible additional shared cost reimbursements are all factors which could reduce the negative Fair Re-Use Value to a breakeven or marginally profitable venture.

General Assumptions & Limiting Conditions

This appraisal is subject to the following limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory, or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions.

10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but no third-parties not listed as an intended user on the face of the appraisal or the engagement letter may rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc.
17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

19. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income & Expense Projection" are anticipated.
20. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
21. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated.
22. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
23. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
24. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire a greater level of measuring detail, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer). We reserve the right to use an alternative source of building size and amend the analysis, narrative and concluded values (at additional cost) should this alternative measurement source reflect or reveal substantial differences with the measurements used within the report.

25. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, we reserve the right to amend this appraisal (at additional cost) if substantial differences are discovered.
26. If only preliminary plans and specifications were available for use in the preparation of this appraisal, then this appraisal is subject to a review of the final plans and specifications when available (at additional cost) and we reserve the right to amend this appraisal if substantial differences are discovered.
27. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.
28. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.
29. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
30. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
31. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
32. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.

33. Data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.
34. You and Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Mountain States Appraisal & Consulting, Inc. or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. for this assignment, and under no circumstances shall any claim for consequential damages be made.
35. Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. in such action, regardless of its outcome.
36. The value opinion(s) provided herein is subject to any and all predications set forth in this report.
37. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Mountain States Appraisal & Consulting, Inc. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.

38. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
39. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.
40. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.

Certification

I, Jeff Vance, MAI, certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- In August 2016, I appraised the subject site (Ash Street parcels) as vacant land. In June 2017, I appraised the public alley portion of the subject as vacant land. The appraisals were based on unrelated assumptions and involved different scopes of work. I have performed no other services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the a cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made a current personal site inspection of the property that is the subject of this report.
- The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan, and the appraiser's state registration/certification has not been revoked, suspended, cancelled, or restricted.
- This is to acknowledge the assistance of Moe Therrien, MAI, in preparation of this appraisal.
- As of the date of this report, I, Jeff Vance, MAI, have completed the continuing education program for Designated Members of the Appraisal Institute.
- Effective July 1, 1992, the State of Idaho implemented a mandatory program of licensing/certification of real estate appraisers. I have met the qualifications to appraise all types of real estate and am currently certified. My certification number is CGA-2828.



Jeff Vance, MAI
Senior Appraiser
State of Idaho Certification No. CGA-2828

Certification

I, Moe Therrien, MAI, certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- In August 2016, I appraised the subject site as vacant land. The appraisal was based on unrelated assumptions and involved a different scope of work. I have performed no other services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the a cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made a current personal site inspection of the property that is the subject of this report.
- The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan, and the appraiser's state registration/certification has not been revoked, suspended, canceled, or restricted.
- This is to acknowledge the assistance of Jeff Vance, MAI, in preparation of this appraisal.
- As of the date of this report, I, Moe Therrien, MAI, have completed the continuing education program for Designated Members of the Appraisal Institute.
- Effective July 1, 1992, the State of Idaho implemented a mandatory program of licensing/certification of real estate appraisers. I have met the qualifications to appraise all types of real estate and am currently certified. My certification number is CGA-8.



Moe Therrien, MAI
Senior Managing Director
State of Idaho Certification No. CGA-8

Qualifications of Jeff R. Vance, MAI

Senior Appraiser

Valbridge Property Advisors | Mountain States Appraisal & Consulting Inc.

Independent Valuations for a Variable World

State Certifications

State of Idaho, CGA-2828

Education

Bachelor of Science
Business Marketing
University of Idaho

Contact Details

208-336-1097 (p)
208-345-1175 (f)

Valbridge Property Advisors |
Mountain States Appraisal &
Consulting Inc.
1459 Tyrell Lane, Suite B
Boise, Idaho 83706

www.valbridge.com

jvance@valbridge.com



Membership/Affiliations:

Member: Appraisal Institute - MAI Designation

Appraisal Institute & Related Courses:

Year - Course

2006 to Present- USPAP; including updates every 2 years
2006- Appraisal Principles
2007- Real Estate Financing, Statistics, & Valuation Modeling
2007- General Appraiser Income Approach Part 1
2008- General Market Analysis & Highest and Best Use
2008- General Sales Comparison Approach
2008- General Site Valuation & Cost Approach
2008- General Report Writing & Case Studies
2009- General Appraiser Income Approach Part 2
2009, 2014- Business Practices & Ethics
2010- Foreclosure, Short Sale, Auction Price Seminar
2010- Subdivision Valuation
2011- Advanced Concepts & Case Studies
2012- Advanced Income Capitalization
2013- General Demonstration Report – Capstone Program
2016- Uniform Appraisal Standards for Federal Land Acquisitions

Experience:

Senior Appraiser, MAI

ValbridgePropertyAdvisors|Mountain States Appraisal & Consulting Inc.
(2013-Present)

Appraiser, CGA

Mountain States Appraisal & Consulting Inc. (2010-2013)

Associate Appraiser, RT

Haxton & Company (2008-2010)

Mountain States Appraisal & Consulting Inc. (2007-2008)

Appraisal/valuation and consulting assignments include: apartments; condominiums; retail; restaurants; shopping centers; professional and medical office; industrial; religious and special purpose properties including schools, churches, and daycares; residential and commercial subdivisions; and vacant industrial, commercial, and residential land. Assignments have been concentrated in southwest Idaho.

Qualifications of Maurice J. (Moe) Therrien, MAI
Senior Managing Director
Valbridge Property Advisors | Mountain States Appraisal Inc.

Independent Valuations for a Variable World

State Certifications

State of Idaho

Education

Washington State University
Bachelor of Arts degree-
Business Administration
Summa Cum Laude (1977)

Contact Details

208-336-1097 (p)
208-859-7935 (c)
208-345-1175 (f)

Valbridge Property Advisors |
Mountain States Appraisal Inc.
1459 Tyrell Lane, Suite B
Boise, ID 83706

www.valbridge.com
mtherrien@valbridge.com



Membership/Affiliations:

Appraisal Institute - MAI Designation (since 1982)
President of Southern Idaho Chapter of Appraisal Institute (1987)
Idaho Real Estate Broker (since 1991)

Appraisal Institute & related Courses:

Uniform Standards of Professional Practice
Business Practices and Ethics
Advanced Sales Comparison & Cost Approaches
Income Capitalization
Report Writing/Valuation Analysis
Case Studies In Real Estate Valuation
Highest & Best Use/Market Analysis
Forecasting Revenue/Expenses
Intro to Valuing Green Buildings
Low Income Housing Tax Credits for Apartments
Easement Valuation
Litigation Valuation
Other (transcript available on request)

Experience:

Principle/Owner

Valbridge Property Advisors | Mountain States Appraisal, Boise, ID
(2013-Present)

Principle/Owner

Mountain States Appraisal & Consulting Inc., Boise ID, (1982-2013)

Appraiser

Appraisal/valuation and consulting assignments include: office; light-industrial; retail, multi-family residential; service-commercial; special-purpose (restaurants, fitness facilities, childcare); Land (retail, office, light-industrial, multi-family, residential subdivision, etc.); Market Studies for LIHTC Projects; Ad-valorem Assessment Consulting



**MOUNTAIN STATES APPRAISAL AND CONSULTING, INC.
2016 - 2019 ON CALL PROFESSIONAL SERVICES AGREEMENT**

TASK ORDER 16-002

Please use this Task Order number and Project Name on all project-related invoices.

TO: Jeff Vance, MAI | Senior Appraiser
Mountain States Appraisal and Consulting, Inc. ("CONSULTANT")
1459 Tyrell Lane, Suite B
Boise, Idaho 83706
208-336-1097, ext. 22
jvance@valbridge.com

FROM: John Brunelle, Executive Director
Capital City Development Corporation ("CCDC")
121 N. 9th Street, Suite 501
Boise, Idaho 83702
208-384-4264
jbrunelle@ccdcb Boise.com

ORIGINAL AGREEMENT: 2016 - 2019 On-Call Professional Services Agreement
("Agreement")

AGREEMENT DATE: November 21, 2016

TASK ORDER DATE: March 6, 2017

NOT TO EXCEED: \$7,500.00

1. **PROJECT NAME:** Re-Use Appraisal: Ash Street Townhomes

2. **PROJECT DESCRIPTION**

CCDC owns the real properties at 503, 509, 511, 623, and 647 Ash Street in Boise, Idaho, which is in CCDC's River Myrtle Old Boise Urban Renewal District. Part of CCDC's urban renewal plan for the River Myrtle Old Boise District is to promote the development of urban improvement projects. CCDC has received a proposal for the development of the property into workforce housing that would include 31 residential units and 1 retail/commercial space. CCDC wishes to engage CONSULTANT to prepare a re-use appraisal for CCDC.

3. **SERVICES TO BE PERFORMED ("SCOPE OF SERVICES")**

CCDC desires to obtain an opinion of "Fair Re-Use Value" from CONSULTANT for the site. CONSULTANT shall perform the services described in CONSULTANT'S proposal dated March 3, 2017, attached hereto as Exhibit A.

CCDC's signature on this Task Order serves as Notice to Proceed. CONSULTANT shall not make changes to this Task Order's Scope of Services or completion date without prior written approval from CCDC.

4. SUBCONSULTANT(S)

Reserved; Not Applicable.

5. COST; INVOICES

- (a) Amount & Method of Payment. The lump sum total amount paid for this Task Order 16-002 shall not exceed SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$7,500.00) for the Scope of Services.
- (b) Reimbursable Expenses. Payment to CONSULTANT includes reimbursable expenses which shall include general out-of-pocket expenses such as long-distance telephone charges, copying expenses, overnight or standard mailing expenses, and travel-related expenses and shall be billed to CCDC at the actual cost to CONSULTANT with no markup. Reimbursable expenses are included in this Task Order's not-to-exceed amount of \$7,500.00.
- (c) Notice Required Prior to Overages. CONSULTANT shall notify CCDC if, due to unforeseen or other circumstances, CONSULTANT anticipates that costs for the Scope of Services to exceed the not-to-exceed limit set for this Task Order. CCDC will determine in its sole judgment if a change to the not-to-exceed limit is appropriate. Any such change shall be approved by CCDC in writing prior to the CONSULTANT incurring costs in excess of the not-to-exceed limit.
- (d) Invoices. Each invoice submitted to CCDC by CONSULTANT shall be in a format acceptable to CCDC and shall specify charges as they relate to the tasks in the Task Order. Each invoice shall also specify current billing and previous payments, with a total of costs incurred and payments made to date.

6. SCHEDULE

CONSULTANT shall begin work upon execution of this Task Order and complete the entire Scope of Services on or before June 1, 2017, unless an extension is approved and provided in writing by CCDC.

7. DELIVERABLES / COPIES OF PRODUCTS

CONSULTANT shall provide CCDC with the products as described in attached EXHIBIT A. CONSULTANT shall provide a draft report to CCDC for review before finalizing. Documents shall be submitted in a format acceptable to CCDC, via email to CCDC Property Development Project Manager Shellan Rodriguez at srodriguez@ccdcoise.com unless requested to do otherwise by CCDC. Documents shall also be submitted in hard copy and delivered by a method acceptable to CCDC.

8. CONTRACT TERMS

Terms of the 2016 - 2019 On-Call Professional Services Agreement signed by CCDC and CONSULTANT shall remain in effect and apply to the services performed and work products created under this Task Order.

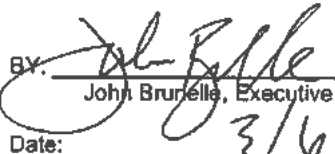
End of Task Order # 16-002


Signatures appear on the following page.

IN WITNESS WHEREOF, CCDC and CONSULTANT have executed this Task Order as of the day and year last written below.

CAPITAL CITY DEVELOPMENT CORP.

CONSULTANT
MOUNTAIN STATES APPRAISAL &
CONSULTING, INC.

BY: 
John Brunella, Executive Director
Date: 3/6/17

BY: 
Jeff Vance, MAI | Senior Appraiser
Date: 3/3/17

EXHIBIT

A: CONSULTANT'S Proposal dated March 3, 2017 (2 pages)

Budget Info / For Office Use	
Fund/District	302
Account	5501
PO #	170050
Due Date	June 1, 2017
Term. Date	December 31, 2017



EXHIBIT A

Joe Corlett, MAI, SRA
Moe Therrien, MAI
Kevin Ritter, MAI
Derek Newton, CGA
Jeff Vance, MAI
Dave Pascua, RT
Paul Dehlin, MAI

1459 Tyrell Lane
Suite B
Boise, ID 83706
208-336-1097 phone
208-345-1175 fax
valbridge.com

March 3, 2017

Shellan Rodriguez
Project Manager – Property Development
Capital City Development Corporation
121 N. 9th Street, Suite 501
Boise, Idaho 83702

Re: Re-Use Appraisal of:
Ash Street Townhomes
Proposed Apartment/Townhome Project
503-647 Ash Street
Boise, Idaho 83702

Dear Ms. Rodriguez:

This letter serves as an outline describing the scope of work to be performed for the re-use appraisal of the above referenced property. The subject is a proposed 31-unit apartment/townhome project to be situated on a 0.74 acre site in downtown Boise. The project will also include one commercial space.

The purpose of this appraisal is to provide an opinion of Fair Re-Use Value for the CCDC owned site based on the proposed use. Capital City Development Corporation is the client in this assignment. The intended use of this appraisal is to provide a basis for negotiating a sale of the CCDC owned land subject to the specific development proposal. The intended users of this report include the client and any duly appointed representatives of the client, specifically authorized by the client to view or use this appraisal in accordance with the stated purpose or function.

The appraisal will be presented in Appraisal Report format, as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). It will present a condensed narrative discussion of the pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions. The depth of the discussion contained in this report is specific to the needs of the client and the intended use.

It is our understanding the project may be developed either as for rent townhomes or for sale townhomes. The exact development scope has not been determined to-date. Our fee will be \$5,000 to appraise the property as either for rent or for sale townhomes (fee includes the one commercial unit). The fee will be \$7,500 if both scenarios are to be appraised. Assuming we have the necessary data from the developer, CCDC, and the market, we anticipate delivery of the report no later than four weeks upon execution of the CCDC task order. The fee is due within 30 days of delivery. Moe Therrien, MAI, and Jeff Vance, MAI, will collaborate on the appraisal and cosign the report.



Thank you for the opportunity to be of service.
Sincerely,

**Valbridge Property Advisors | Mountain States
Appraisal & Consulting, Inc.**

A handwritten signature in blue ink that reads 'Jeff R. Vance'.

Jeff Vance, MAI

Idaho Certified General Appraiser

CGA-2828

Phone: 208-336-1097, ext. 22

E-mail: jvance@valbridge.com

ASH STREET		3 Stories		34 Units	
For Rent Townhomes				7/14/2017	
DETAILED BUDGET					
		Total Cost	Cost Per Sq Ft	Cost Per Total R/F	Notes
Site And Due Diligence					
Due Diligence and Pre-Development					
Pre-Development Costs		15,000	441.18	0.32	0.37
Preliminary Design		16,000	470.59	0.34	0.40 RFP and Design Review
Environmental		3,500	102.94	0.07	0.09
Geotechnical		2,500	73.53	0.05	0.06
Boundary Survey/ALTA		4,500	132.25	0.10	0.11
Lot Line Adjustment - Plat		25,800	756.82	0.55	0.64 Per Land Group 1/25/17
Preliminary Legal - Development		5,000	147.06	0.11	0.12
Preliminary Legal - Financing		5,000	147.06	0.11	0.12
Market Report		0	0.00	0.00	0.00
FHA Exam/Application Fee		0	0.00	0.00	0.00 N/A
Total Site & Due Diligence		77,300	2,274	1.65	1.92
Site Cost					
Land		445,000	18,970.59	13.73	16.04
Annual Rental Income		0	0.00	0.00	0.00
Acquisition cost		20,000	588.24	0.43	0.50 Per CCDC 7/13/17
Total Site Costs		699,000	20,559	14.88	17.30
Total Site and Due Diligence		776,300	22,832.35	16.32	19.30
Construction Hard Costs					
Contractor Hard Costs					
GC - Demo		24,000	705.88	0.51	0.60 Per Visor 1/23/17
GC - Site Work		278,000	8,176.47	5.92	6.91 Per Visor 1/23/17
GC - Residential		3,971,690	116,814.42	84.53	98.75 Per Visor 1/23/17
GC - Retain Care and Shell		50,000	1,470.59	1.06	1.24 Per Visor 1/23/17
GC - Covered Parking		200,000	5,882.35	4.26	4.97 Per Visor 1/23/17
GC - Contingency		449,074	13,206.05	9.56	11.17 Per Visor 1/23/17
GC - CH and Fee		30,000	882.35	0.74	0.87 Per CCDC 7/13/17
GC - Earth Retention		100,000	2,941.18	2.84	3.33 Per CCDC 7/13/17
GC - Earthwork		100,000	2,941.18	2.84	3.33 Per CCDC 7/13/17
GC - Stormwater		187,740	5,537.45	4.00	4.00 Misc Upgrades
GC - Sewer/Water Supply		100,000	2,941.18	2.84	3.33 Per CCDC 7/13/17
GC - New Sewer System		100,000	2,941.18	2.84	3.33 Per CCDC 7/13/17
GC - New Water Supply		100,000	2,941.18	2.84	3.33 Per CCDC 7/13/17
GC - Alley Improvements		100,000	2,941.18	2.84	3.33 Per CCDC 7/13/17
GC - Additional Soil Over Ex		100,000	2,941.18	2.84	3.33 Per CCDC 7/13/17
GC - Paved Path Improvements		100,000	2,941.18	2.84	3.33 Per Visor 7/13/17
Hard Cost Inflation	0% per year	0	0.00	0.00	0.00
Total Contractor Hard Costs (GMP)		5,840,953	171,793	124.32	145.23
Additional Hard Cost					
Residential Improvements Allowance	0.00% Per Retail SF	10,000	294.12	0.21	0.25 FF&E
Amenity Upgrades		10,000	294.12	0.21	0.25 FF&E
Residential Unit Upgrades	1,250.00 Per Unit	42,500	1,250.00	0.90	1.04 Appliance Upgrades
Mechanical Parking	18,000.00 Per Stall	0	0.00	0.00	0.00
Appliances Upgrade	Per Unit	0	0.00	0.00	0.00
Residential FF&E (Common Area)		10,000	294.12	0.21	0.25 Misc Art. could use City Funds
Art Allowance		2,500	73.53	0.05	0.62 Per Visor 1/23/17
Access Control Upgrade (including gates)		25,000	735.29	0.53	0.62 Per Visor 1/23/17
Security System Upgrade		0	0.00	0.00	0.00
Signage - exterior		10,000	294.12	0.21	0.25 DP Estimate
Signage - interior		2,500	73.53	0.05	0.62 DP Estimate
Total Additional Hard Costs		124,500	3,663	2.65	3.10
Total Hard Costs		6,145,453	176,456.50	126.97	148.33
Soft Costs					
Building Permit Fees	1.31% of HC	79,042	2,265.25	1.66	1.94 Per COB Schedule
SDC costs	2.14% of HC	127,422	3,753.59	2.72	3.17 Per new 2017 COB Schedule
A&E for SD, DD, CD, and CA	8.15% of GMP	496,400	14,305.88	10.35	12.09 Per Agreement + MK Eng
A&E for Reimbursable, MEP, CDF Exp	5.00% of A&E fee	24,820	715.29	0.52	0.60 DP Estimate
Project overhead	\$1,000 per month	16,000	470.59	0.34	0.40 DP Estimate
Initial Loan Closings		0	0.00	0.00	0.00
Builder's Risk Insurance	\$ 0.15 per \$100 of Cost est	0	0.00	0.00	0.00 Included in Visor Cost
General Liability	\$ 0.30 per \$1,000 of HC	0	0.00	0.00	0.00 Included in Visor Cost
Professional Liability		0	0.00	0.00	0.00
Marketing Costs		30,000	882.35	0.44	0.75 DP Estimate
Utility Charges		34,000	1,000.00	0.72	0.85 Connection Fees, 1000/door
Project Management	\$ 2,500 per month	25,000	735.29	0.53	0.62 DP Estimate
Project Accounting	\$ 350.00 per month	8,400	247.06	0.18	0.21 DP Estimate
Lot Line Adjustment		0	0.00	0.00	0.00 Included in DD
Title Policy for Construction		0	0.00	0.00	0.00
Travel & Office Expenses	\$ - per month	0	0.00	0.00	0.00
Legal Fees		0	0.00	0.00	0.00
Legal Fees for Leasing Agreement		2,500	73.53	0.05	0.06 DP Estimate
Legal Fee for Construction Agreement		2,500	73.53	0.05	0.06 DP Estimate
Legal Fee for Construction Loan		15,000	441.18	0.32	0.37 Construction to Perm
Legal for Perm Loan Docs		0	0.00	0.00	0.00 Construction to Perm
Legal for Public Entity Agreements		15,000	441.18	0.32	0.37 Agreements with City and CCDC
Legal for Developer		15,000	441.18	0.32	0.37 Entity, Dev Agreement, Etc.
ALTA Survey		0	0.00	0.00	0.00 Included with Financing (3rd Party)
Approval		0	0.00	0.00	0.00 Included with Financing (3rd Party)
Testing & Inspection		0	0.00	0.00	0.00
Geotechnical - Testing & Inspection		5,000	147.06	0.11	0.12 Per MK Proposal
Materials - Testing & Inspection		5,000	147.06	0.11	0.12 DP Estimate
LEED Documentation/Earth Advantage		15,000	441.18	0.32	0.37 Per Pivot North Est
Retail Leasing Commission		2,791	82.30	0.06	0.07
Taxes During Construction		10,559	310.55	0.22	0.26 Per County Assessor
3rd Party Agreements		5,000	147.06	0.11	0.12 DP Estimate
Total Soft Costs		923,134	27,151	19.48	22.95
Contingency					
Site Contingency	5%	34,950	1,027.94	0.74	0.87
Development Contingency	5%	344,429	10,130.27	7.33	8.54
Total Contingency		379,379	11,158	8.07	9.43
Professional Fees					
Development Fee	6.00% of costs excluding fl	436,078	12,825.82	9.28	10.84
Debt Guarantee Fee	1.50%	75,000	2,205.08	1.60	1.86
Total Contingency		511,078	15,031	10.88	12.71
TOTAL PROJECT COST WITHOUT FINANCING					
		6,555,544	241,422	187.01	211.72
Financing Costs					
Mortgage Insurance Premium	0.00%	0	0.00	0.00	0.00
Application Fee	0.25%	12,500	367.45	0.27	0.31
Inspection Fee	0.00%	0	0.00	0.00	0.00
Construction - Financing Fees	1.00%	50,000	1,470.59	1.06	1.24
Perm - Financing Fees	0.25%	12,500	367.45	0.27	0.31
Inspection Fee	750 Per Month	7,500	220.59	0.16	0.19
Approval		6,500	192.06	0.14	0.16
Lender Legal		15,000	441.18	0.32	0.37
Organizational (3rd Party Fees)		12,000	356.82	0.26	0.30
Recording Costs		25,000	735.29	0.53	0.62
Construction Interest	5.00%	150,000	4,411.76	3.19	3.73
Total Financing Costs		371,200	6,004	4.30	5.24
TOTAL PROJECT COST WITH FINANCING					
		6,946,744	257,426	186.28	211.96

PROJECT:		ASH STREET		EDITED BY:		DPage		3 Stories	
ASSUMPTIONS		For Rent Townhomes		DRAFT DATE:		5/5/2017		34 Units	
PROJECT INFORMATION									
LAND INFORMATION									
Total Land Area		Acres:		0.70		30,492			
Land value per SF dist						\$21.15			
Land Purchase Price						\$645,000.00			
Minimum FAR		n/a		FAR		n/a			
Maximum FAR				FAR		n/a			
Estimated Current Annual Property Tax		1.64%				\$10,559			
Region						Boise, ID			
Current NOI						\$0.00			
TIMELINE									
Land Purchase Date (N/A)		n/a							
Construction Start Date				9/1/2017					
Construction Period				10 months					
Entitlement Period				8 months					
Holding Period				240 months					
Early Turn-over				- months early					
Lease-Up Period (Combined)				6 months after TCO					
Free Rent Period				0 months					
Occupancy Start Date				7/1/2018					
Rent Start Date				7/1/2018					
Date of Stabilized Occupancy				1/1/2019					
Date of Stabilized Rent				1/1/2019					
OFFICE									
Gross SF				n/a		(GSF)			
Usable SF				n/a		(USF)			
Rentable SF				n/a		(RSF)			
Efficiency				n/a		(RSF/GSF)			
Percentage of Building				n/a		(GSF/Total GSF)			
Lobby/Amenity SF				n/a		GSF			
Storage Space/Loading/Misc SF				n/a		GSF			
Support Area SF				n/a		Units			
Average SF per Office				n/a					
Cost of Area				n/a					
Cost of Money				n/a					
Rental Income				n/a					
Operating Expenses				n/a					
Estimated Property Taxes				n/a					
Annual Escalation				n/a					
RESIDENTIAL									
Gross SF				44,306		(GSF)			
Usable SF				37,508		(USF)			
Rentable SF				44,306		(RSF)			
Efficacy				84.66%		(RSF/GSF)			
Percentage of Building				94.30%		(GSF/Total GSF)			
Average Unit Size				1,303.12		GSF			
Unit Breakdown									
1 Bedroom Townhome (n/a)		0		0.00 Ave.		RSF/UNIT			
2 Bedroom Townhome (TH-4)		2		1,500.00 Ave.		RSF/UNIT			
3 Bedroom Townhome (TH-E2)		4		1,850.00 Ave.		RSF/UNIT			
1 Bedroom Flat (FL-1, FL-2, FL-4, & FL-5)		9		950.00 Ave.		RSF/UNIT			
2 bedroom Flat (n/a)		0		1,500.00 Ave.		RSF/UNIT			
3 bedroom Flat (FL-3)		1		1,850.00 Ave.		RSF/UNIT			
		34		1,303.12 Ave.		RSF/UNIT			
Rental Income				\$649,200.00					
Other Income (Fees, Utilities, & Cost Recovery)				\$0.00					
Operating Expenses				(\$124,382)					
Estimated Property Taxes				(\$40,828)					
Vacancy		5.00%		(\$32,440.00)					
HUD Replacement Costs				(\$8,500.00)					
CAP Rate				5.75					
Value				7,357,036.74					
Annual Escalation				102.0%					
FINANCIAL ANALYSIS									
PROJECT COSTS									
Total Project Cost per Budget (including Financing)				\$8,226,992					
Less: Local Incentives				-34,000				City Incentive (1000/Unit)	
Less: Green Building Incentives				-35,000				Idaho Power Incentive	
Less: CCDC Street Scape				-100,000				CCDC Streetscape funding	
Less: CCDC Public Space				-50,000				CCDC Park Funding	
Less: Utility Extension				-50,000				CCDC Utility Extension Funding	
Less: CCDC Land Purchase				-645,000				CCDC Payback for Land Purchase	
Actual Cost of Project				\$7,312,992					
PROJECT FINANCING									
Total amount of Debt and Equity				8,226,992				100%	
Senior Debt				5,000,000				61% Assumption	
Equity - Land Value				645,000				8%	
Equity (Not Including Land Cost)				1,433,997				17%	
Local Incentives				269,000				3%	
Developer Equity				878,995				0%	
INCOME PROPERTY ANALYSIS									
Gross Retail Income								\$0	
Gross Residential Income								\$649,200	
Gross Parking Income								\$0	
Storage								\$0	
RUBS								\$0	
Retail and Office OpEx Reimbursement								\$0	
Gross Income								649,200	
Reserve Cost				250.00 per Unit				(\$8,500)	
Retail Vacancy				0% of Retail				\$0.00	
Residential Vacancy				5% of Residential				(\$32,440.00)	
Parking Vacancy				5% of Parking				\$0.00	
Additional Income Vacancy				5% of Additional Income				\$0.00	
Effective Gross Income								608,240	
Less Property Tax				10% of EGI				(\$60,828)	
Less Residential Operating Expenses				20% of EGI				(\$124,382)	
Less Retail and Office Operating Expenses				0% of EGI				\$0	
NOI								423,030	
PROPERTY VALUATION									
Capitalized Value of Building				5.75% CAP				7,357,036.74	
LONG TERM DEBT AND RETURN STRUCTURE									
Project Cost								7,312,992	
Amount Financed				68% (LTV)				5,000,000	
Resulting Equity								2,312,992	
Resulting Annual Payment				Interest Rate 5.00% Amortization Period 360 Term 120				-325,257	
Resulting Annual Cash Flow								97,772	
Return on Assumed Equity - Land & Cash (Year 1)								3.31%	
Resulting Invested Cash on Cash Return (Year 1)								4.23%	
Resulting Return on Cost (Year 1)								5.14%	
Resulting Debt								1.30 DSCR	

ASH STREET		3 Stories		34 Units		
For Rent Townhomes				5/5/2017		
DETAILED BUDGET						
		Total Cost	Cost Per Unit	Cost Per of GSF	Cost Per Total RSF	Notes
Site And Due Diligence						
Due Diligence and Pre-Development						
Predevelopment Costs		15,000	441.18	0.32	0.37	
Preliminary Design		16,000	470.59	0.34	0.40	RFP and Design Review
Environmental		3,500	102.94	0.07	0.09	
Geotechnical		2,500	73.53	0.05	0.06	
Boundary Survey/ALTA		4,500	132.35	0.10	0.11	
Lot Line Adjustment - Plat		25,800	758.82	0.55	0.64	Per Land Group 1/25/17
Preliminary Legal - Development		5,000	147.06	0.11	0.12	
Preliminary Legal - Financing		5,000	147.06	0.11	0.12	
Market Report		0	0.00	0.00	0.00	
FHA Exam/Application Fee		0	0.00	0.00	0.00	N/A
Total Site & Due Diligence		77,300	2,274	1.65	1.92	
Site Cost						
Land		645,000	18,970.59	13.73	16.04	
Annual Rental Income		0	0.00	0.00	0.00	
Acquisition cost		20,000	588.24	0.43	0.50	
Total Site Costs		665,000	19,559	14.15	16.53	
Total Site and Due Diligence		742,300	21,832.35	15.80	18.46	
Construction Hard Costs						
Contractor Hard Costs						
GC - Demo		24,000	705.88	0.51	0.60	Per Visser 1/23/17
GC - Site Work		278,000	8,176.47	5.92	6.91	Per Visser 1/23/17
GC - Residential		3,971,690	116,814.42	84.53	98.75	Per Visser 1/23/17
GC - Retail Core and Shell		0	0.00	-	0.00	Per Visser 1/23/17
GC - Covered Parking		50,000	1,470.59	1.06	1.24	Per Visser 1/23/17
GC - Contingency		200,000	5,882.35	4.26	4.97	Per Visser 1/23/17
GC - OH and Fee		449,074	13,208.05	9.56	11.17	Per Visser 1/23/17
Berm Landscaping (CCDC)		50,000	1,470.59	1.06	1.24	Per Visser 4/30/16
Streetscape (CCDC)		100,000	2,941.18	2.13	2.49	Per Visser 4/30/16
Utility Extension (CCDC)		50,000	1,470.59	1.06	1.24	DP Estiamte
Value Engineering		187,940	5,527.45	4.00	4.00	Misc Upgrades
Hard Cost Inflation	0% per year	0	0.00	0.00	0.00	
Total Contractor Hard Costs (GMP)		5,360,704	148,785	114.09	133.29	
Additional Hard Cost						
Retail Tenant Improvements Allowance	- Per Retail SF	0	0.00	0.00	0.00	
Amenity Upgrades		10,000	294.12	0.21	0.25	FF&E
Residential Unit Upgrades	1,250.00 Per Unit	42,500	1,250.00	0.90	1.06	Appliance Upgrades
Mechanical Parking	18,000.00 Per Stall	0	0.00	0.00	0.00	
Appliances Upgrade	- Per Unit	0	0.00	0.00	0.00	
Residential FF&E (Common Area)		10,000	294.12	0.21	0.25	BBQ Area
Art Allowance		2,500	73.53	0.05	0.06	Misc Art, could use City Funds
Access Control Upgrade (including gates)		25,000	735.29	0.53	0.62	Per Visser 1/23/17
Security System Upgrade		0	0.00	0.00	0.00	
Signage - exterior		10,000	294.12	0.21	0.25	DP Estiomte
Signage - interior		2,500	73.53	0.05	0.06	DP Estiomte
Total Additional Hard Costs		102,500	3,015	2.18	2.55	
Total Hard Costs		5,463,204	151,800.12	116.28	135.84	
Soft Costs						
Building Permit Fees	1.38% of HC	75,445	2,218.98	1.61	1.88	Per COB Schedule
SDC costs	2.34% of HC	127,622	3,753.59	2.72	3.17	Per new 2017 COB Schedule
A&E for Site Core and Shell	8.90% of GMP	486,400	14,305.88	10.35	12.09	Pivot Agreement + Land Group
A&E for Reimbursable, MEP, OSF Exp	5.00% of A&E fee	24,320	715.29	0.52	0.60	DP Estimate
Project overhead	\$1,000 per month	16,000	470.59	0.34	0.40	DP Estimate
Initial Loan Closings		0	0.00	0.00	0.00	
Builder's Risk Insurance	\$ 0.15 per \$100 of Cost exi	0	0.00	0.00	0.00	Included in Visser Cost
General Liability	\$ 0.30 per \$1,000 of HC	0	0.00	0.00	0.00	Included in Visser Cost
Professional Liability		0	0.00	0.00	0.00	
Marketing Costs		30,000	882.35	0.64	0.75	DP Estimate
Utility Charges		34,000	1,000.00	0.72	0.85	Connection Fees, 1000/door
Project Management	\$ 2,500 per month	25,000	735.29	0.53	0.62	DP Estimate
Project Accounting	\$ 350.00 per month	8,400	247.06	0.18	0.21	DP Estimate
Lot Line Adjustment		0	0.00	0.00	0.00	Included in DD
Title Policy for Construction		0	0.00	0.00	0.00	
Travel & Office Expenses	\$ - per month	0	0.00	0.00	0.00	
Legal Fees		0	0.00	0.00	0.00	
Legal Fees for Leasing Agreement		2,500	73.53	0.05	0.06	DP Estimate
Legal Fee for Construction Agreement		2,500	73.53	0.05	0.06	DP Estimate
Legal For Construction Loan		15,000	441.18	0.32	0.37	Construction to Perm
Legal For Perm Loan Docs		0	0.00	0.00	0.00	Construction to Perm
Legal for Public Entity Agreements		15,000	441.18	0.32	0.37	Agreements with City and CCDC
Legal for Developer		15,000	441.18	0.32	0.37	Entity, Dev Agreement, Etc
ALTA Survey		0	0.00	0.00	0.00	Included with Financing (3rd Party)
Appraisal		0	0.00	0.00	0.00	Included with Financing (3rd Party)
Testing & Inspection		0	0.00	0.00	0.00	
Geotechnical - Testing & Inspection		5,000	147.06	0.11	0.12	Per MK Proposal
Materials - Testing & Inspection		5,000	147.06	0.11	0.12	DP Estimate
LEED Documentation/Earth Advantage		15,000	441.18	0.32	0.37	Per Pivot North Est
Retail Leasing Commission		0	0.00	0.00	0.00	
Taxes During Construction		10,559	310.55	0.22	0.26	Per County Assessor
3rd Party Agreements		5,000	147.06	0.11	0.12	DP Estimate
Total Soft Costs		917,746	26,993	19.53	22.82	
Contingency						
Site Contingency	5%	33,250	977.94	0.71	0.83	
Development Contingency	5%	319,047	9,383.75	6.79	7.93	
Total Contingency		352,297	10,362	7.50	8.76	
Professional Fees						
Development Fee	6.00% all costs excluding f	403,995	11,882.20	8.60	10.05	
Debt Guarantee Fee	1.50%	67,500	1,985.29	1.44	1.68	
Total Contingency		471,495	11,882	10.04	11.72	
TOTAL PROJECT COST WITHOUT FINANCING		7,947,042	222,869	169.14	197.60	
Financing Costs						
Mortgage Insurance Premium	0.00%	0	0.00	0.00	0.00	
Application Fee	0.25%	11,250	330.88	0.24	0.28	
Inspection Fee	0.00%	0	0.00	0.00	0.00	
Construction - Financing Fees	1.00%	45,000	1,323.53	0.96	1.12	
Perm - Financing Fees	0.25%	11,250	330.88	0.24	0.28	
Inspection Fee	750 Per Month	7,500	220.59	0.16	0.19	
Appraisal		6,500	192.06	0.14	0.16	
Lender Legal		15,000	441.18	0.32	0.37	
Organizational (3rd Party Fees)		12,200	358.82	0.26	0.30	
Recording Costs		5,625	165.44	0.12	0.14	
Construction Interest	4.50%	150,000	4,411.76	3.19	3.73	
Total Financing Costs		264,325	7,252	5.63	6.57	
TOTAL PROJECT COST WITH FINANCING		8,211,367	230,121	174.77	204.17	

ASH STREET For Rent Townhomes													34 Units	5/5/2020	
OPERATING BUDGET															
	Total Units			46,985			34			Write Offs: 0.250%			Annual	Per Door	Per GSF
	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19			
Income															
Apartment Income															
Rent Potential (Workforce Restriction)	54,100	54,100	54,100	54,100	54,100	54,100	54,100	54,100	54,100	54,100	54,100	54,100	649,200	19,094.12	13.82
Gain/Loss to Lease (Anticipated, not included in final)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Apartment Gross Income	54,100	54,100	54,100	54,100	54,100	54,100	54,100	54,100	54,100	54,100	54,100	54,100	649,200	19,094.12	13.82
5%	(2,705.00)	(2,705.00)	(2,705.00)	(2,705.00)	(2,705.00)	(2,705.00)	(2,705.00)	(2,705.00)	(2,705.00)	(2,705.00)	(2,705.00)	(2,705.00)	(32,460)	(954.71)	(0.69)
Vacancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee Units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-recurring Concessions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Writeoffs	(135)	(135)	(135)	(135)	(135)	(135)	(135)	(135)	(135)	(135)	(135)	(135)	(1,623)	(47.74)	(0.03)
Write Off Rent Recovery	135	135	135	135	135	135	135	135	135	135	135	135	1,623	47.74	0.03
Apartment Effective Gross Income	51,395	51,395	51,395	51,395	51,395	51,395	51,395	51,395	51,395	51,395	51,395	51,395	616,740	18,139.41	13.13
Parking and Storage Income															
Garage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Carport	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Storage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Parking & Storage Gross Income															
Vacancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Writeoffs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write Off Rent Recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Parking & Storage Effective Gross Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Apartment and Asso. Effective Gross Income															
51,395	51,395	51,395	51,395	51,395	51,395	51,395	51,395	51,395	51,395	51,395	51,395	51,395	616,740	18,139.41	13.13
Gross Effective Income															
51,395	51,395	51,395	51,395	51,395	51,395	51,395	51,395	51,395	51,395	51,395	51,395	51,395	616,740	18,139.41	13.13
Expenses															
Controllable Expenses															
Admin Salaries	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000	529.41	0.38
Manager/Leasing Agent (Part Time)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assistant Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Admin Salaries	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000	703.88	0.51
Bonus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus - Administrative	135	135	135	135	135	135	135	135	135	135	135	135	1,596	46.91	0.11
Bonus - Leasing Agent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus - Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Bonus	135	135	135	135	135	135	135	135	135	135	135	135	1,596	46.91	0.11
Administration Payroll															
2,135	2,135	2,135	2,135	2,135	2,135	2,135	2,135	2,135	2,135	2,135	2,135	2,135	25,620	753.88	0.58
Utilities															
Electricity-Vacant	119	119	119	119	119	119	119	119	119	119	119	119	1,428	42.00	0.03
Electricity-Common Area	354	354	354	354	354	354	354	354	354	354	354	354	4,250	125.00	0.09
Gas-Common Area	-	-	-	-	-	-	-	-	-	-	-	-	155	4.56	0.00
Water	408	408	408	408	408	408	408	408	408	408	408	408	4,896	144.00	0.10
Sewer	510	510	510	510	510	510	510	510	510	510	510	510	6,120	177.06	0.13
Trash Removal	306	306	306	306	306	306	306	306	306	306	306	306	3,672	108.00	0.08
Cable	150	150	150	150	150	150	150	150	150	150	150	150	1,800	52.94	0.04
Total Utilities	1,847	1,847	1,847	1,847	1,847	1,847	1,847	1,847	1,847	1,847	1,847	1,847	22,321	655.50	0.48
Maintenance															
Male-Ready	62	62	62	62	62	62	62	62	62	62	62	62	741	21.79	0.02
Carpet Cleaning	25	25	25	25	25	25	25	25	25	25	25	25	300	8.82	0.01
Flooring Repair	30	30	30	30	30	30	30	30	30	30	30	30	360	10.59	0.02
Contract Cleaning	100	100	100	100	100	100	100	100	100	100	100	100	1,200	35.29	0.05
Male-Ready	217	217	217	217	217	217	217	217	217	217	217	217	2,607	76.71	0.10
3rd Party Maintenance Contracts															
Landscape Contract	600	600	600	600	600	600	600	600	600	600	600	600	7,200	211.76	0.15
Seasonal Color	-	-	-	-	-	-	-	-	-	-	-	-	600	17.65	0.01
Other Landscaping	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grass Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	6,800	197.06	0.14
Grounds Maintenance	300	300	300	300	300	300	300	300	300	300	300	300	3,600	105.88	0.08
Interior Maintenance	25	25	25	25	25	25	25	25	25	25	25	25	300	8.82	0.01

ASH STREET For Rent Townhomes														3 Stories	34 Units 5/5/2017
OPERATING BUDGET															
	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Annual	Per Door	Per GSF
Total Units	34														
Total GSF	46,315														
Average SQFT	1,362.51														
Alarms & Monitoring	85														
Elevator Contract	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pest Control	36	36	36	36	36	36	36	36	36	36	36	36	430	12.65	0.01
Shower Removal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Snow Removal	450	-	-	-	-	-	-	-	-	-	-	-	750	22.06	0.02
Total 3rd Party Maintenance Contracts	1,496	961	961	4,446	1,261	961	1,046	4,361	1,346	961	1,061	1,246	20,108	591.33	0.43
Repairs															
Electrical	100	100	100	100	100	100	100	100	100	100	100	100	1,200	35.29	0.03
Plumbing	15	15	15	15	15	15	15	15	15	15	15	15	180	5.29	0.00
Plumbing Supplies	50	50	50	50	50	50	50	50	50	50	50	50	600	17.65	0.01
HVAC	10	10	10	10	10	10	10	10	10	10	10	10	120	3.53	0.00
HVAC Supplies	-	-	-	-	-	-	-	-	-	-	-	-	1,000	29.41	0.02
Appliances/Equipment	150	-	-	340	-	-	-	340	-	-	-	-	880	20.00	0.01
Pool & Spas	-	-	-	-	-	-	-	-	-	-	-	-	900	26.47	0.02
Lighting - Seasonal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lawn Sprinkler/Irrigation	50	50	50	50	50	50	50	50	50	50	50	50	600	17.65	0.01
Windows/Screens/Doors	25	-	25	25	25	25	25	25	25	25	25	25	150	4.41	0.00
General Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common Area Paint Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paint & Safety	85	-	-	-	-	-	85	-	-	-	-	-	425	12.50	0.01
Uniforms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Locks & Keys	25	25	25	25	25	25	25	25	25	25	25	25	300	8.82	0.01
Misc Repairs	125	125	125	125	125	125	125	125	125	125	125	125	1,500	44.12	0.03
Total Repairs	635	375	550	1,500	600	425	685	1,265	835	375	550	460	8,255	242.79	0.18
Leasing & Marketing															
Apartment Guide / Rent Path	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Website/Portals	150	150	150	150	150	150	150	150	150	150	150	150	1,800	52.94	0.04
Internet Listing Service (LS)	150	150	150	150	150	150	150	150	150	150	150	150	1,800	52.94	0.04
Weblisters (Craiglist)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lead Tracking Tools	65	65	65	65	65	65	65	65	65	65	65	65	780	22.94	0.02
Interactive Marketing Technology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Classical Materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Signage	-	250	-	-	-	-	-	-	-	-	-	-	-	-	-
Prospect Refreshments / Hospitality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Resident Functions/Parties	50	50	50	50	50	50	50	50	50	50	50	50	600	17.65	0.01
Resident Referral	150	-	150	-	150	-	150	-	150	-	150	-	600	17.65	0.01
Mkt Studies/Shopper Rpts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Resident Retention	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Open House	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Leasing & Marketing	565	565	665	565	565	565	415	565	815	415	565	415	6,680	196.47	0.14
Total Controllable Expenses	6,895	6,205	6,703	11,033	7,353	6,791	7,136	10,782	7,617	5,980	6,400	6,327	89,232	2,624.48	1.90
Non-Controllable Exp.															
Management Fees	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056	24,670	725.58	0.53
Management Fee	308	308	308	308	308	308	308	308	308	308	308	308	3,700	108.84	0.08
Management OH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Management Fees	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	28,370	834.41	0.60
Insurance	565	565	565	565	565	565	565	565	565	565	565	565	6,780	199.41	0.14
Residential	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Insurance	565	565	565	565	565	565	565	565	565	565	565	565	6,780	199.41	0.14
Real Estate & Prop Tax															
Residential - Real Estate Property Taxes	5,069	5,069	5,069	5,069	5,069	5,069	5,069	5,069	5,069	5,069	5,069	5,069	60,828	1,789.06	1.29
Commercial - Real Estate Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Real Estate & Prop Tax	5,069	5,069	5,069	5,069	5,069	5,069	5,069	5,069	5,069	5,069	5,069	5,069	60,828	1,789.06	1.29

ASH STREET
For Rent Townhomes

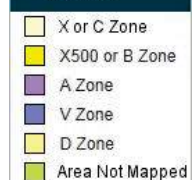
Appraiser Versus Developer Assumptions

<u>Development Cost</u>	<u>Appraiser</u>	<u>Developer</u>	<u>Difference</u>
Construction & Lease-up Costs*	\$7,680,000	\$7,656,466	\$23,534
Developer Fee/Incentive	\$921,600	\$511,078	\$410,522
Land Purchase	\$679,000	\$679,000	\$0
Total Development Cost	\$9,280,600	\$8,846,544	\$434,056
Add: Reimbursements	<u>\$70,000</u>	<u>\$70,000</u>	<u>\$0</u>
Net Development Cost	\$9,210,600	\$8,776,544	\$434,056
<u>Valuation</u>	<u>Appraiser</u>	<u>Developer</u>	<u>Difference</u>
Potential Gross Income*	\$685,806	\$656,726	\$29,080
Vacancy	-5%	-5%	\$0
Effective Gross Income	\$651,515	\$623,890	\$27,626
Operating Expenses	\$188,786	\$193,710	-\$4,924
Net Operating Income	\$462,729	\$430,180	\$32,550
Capitalization Rate	5.75%	5.75%	\$0
Market Value	\$8,047,465	\$7,481,386	\$566,079
Market Value, rounded	\$8,050,000	\$7,480,000	\$570,000
Less: Net Development Cost	-\$9,210,600	-\$8,776,544	\$434,056
Fair Re-Use Value	-\$1,160,600	-\$1,296,544	\$135,944

*Our lease up costs are higher due to appraiser included holding costs during lease-up

*The developer excludes the retail income; it is included in developer PGI shown above based on our estimate of market rent

511 S ASH ST, BOISE, ID



ADDENDA PG. 15

Definitions of FEMA Flood Zone Designations

Flood zones are geographic areas that the FEMA has defined according to varying levels of flood risk. These zones are depicted on a community's Flood Insurance Rate Map (FIRM) or Flood Hazard Boundary Map. Each zone reflects the severity or type of flooding in the area.

Moderate to Low Risk Areas

In communities that participate in the NFIP, flood insurance is available to all property owners and renters in these zones:

ZONE	DESCRIPTION
B and X (shaded)	Area of moderate flood hazard, usually the area between the limits of the 100-year and 500-year floods. B Zones are also used to designate base floodplains of lesser hazards, such as areas protected by levees from 100-year flood, or shallow flooding areas with average depths of less than one foot or drainage areas less than 1 square mile.
C and X (unshaded)	Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level. Zone C may have ponding and local drainage problems that don't warrant a detailed study or designation as base floodplain. Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood.

High Risk Areas

In communities that participate in the NFIP, mandatory flood insurance purchase requirements apply to all of these zones:

ZONE	DESCRIPTION
A	Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage. Because detailed analyses are not performed for such areas; no depths or base flood elevations are shown within these zones.
AE	The base floodplain where base flood elevations are provided. AE Zones are now used on new format FIRMs instead of A1-A30 Zones.
A1-30	These are known as numbered A Zones (e.g., A7 or A14). This is the base floodplain where the FIRM shows a BFE (old format).
AH	Areas with a 1% annual chance of shallow flooding, usually in the form of a pond, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones.
AO	River or stream flood hazard areas, and areas with a 1% or greater chance of shallow flooding each year, usually in the form of sheet flow, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Average flood depths derived from detailed analyses are shown within these zones.
AR	Areas with a temporarily increased flood risk due to the building or restoration of a flood control system (such as a levee or a dam). Mandatory flood insurance purchase requirements will apply, but rates will not exceed the rates for unnumbered A zones if the structure is built or restored in compliance with Zone AR floodplain management regulations.
A99	Areas with a 1% annual chance of flooding that will be protected by a Federal flood control system where construction has reached specified legal requirements. No depths or base flood elevations are shown within these zones.

High Risk - Coastal Areas

In communities that participate in the NFIP, mandatory flood insurance purchase requirements apply to all of these zones.

ZONE	DESCRIPTION
V	Coastal areas with a 1% or greater chance of flooding and an additional hazard associated with storm waves. These areas have a 26% chance of flooding over the life of a 30-year mortgage. No base flood elevations are shown within these zones.
VE, V1 - 30	Coastal areas with a 1% or greater chance of flooding and an additional hazard associated with storm waves. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones.

Undetermined Risk Areas

ZONE	DESCRIPTION
D	Areas with possible but undetermined flood hazards. No flood hazard analysis has been conducted. Flood insurance rates are commensurate with the uncertainty of the flood risk.

From FEMA Map Service Center:

<http://msc.fema.gov/webapp/wcs/stores/servlet/info?storeId=10001&catalogId=10001&langId=-1&content=floodZones&title=FEMA%20Flood%20Zone%20Designations>

GGLO
GENERAL CONTRACTOR
1001 10TH AVENUE, SUITE 200
DENVER, CO 80202
(303) 733-1111

PIVOT NORTH
ARCHITECTS
1001 10TH AVENUE, SUITE 200
DENVER, CO 80202
(303) 733-1111



**ASH STREET HOUSING
REHABILITATION**

PROJECT: ASH STREET HOUSING REHABILITATION
DATE: 08/14/2017

DESIGN: PIVOT NORTH
ARCHITECTS
1001 10TH AVENUE, SUITE 200
DENVER, CO 80202
(303) 733-1111

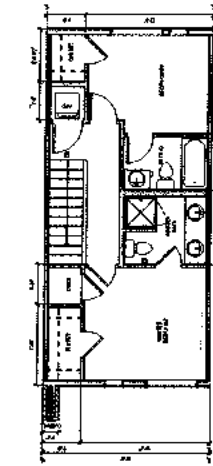
NO.	REVISION
1	ISSUED FOR PERMIT
2	REVISED PER CITY COMMENTS
3	REVISED PER CITY COMMENTS
4	REVISED PER CITY COMMENTS
5	REVISED PER CITY COMMENTS
6	REVISED PER CITY COMMENTS
7	REVISED PER CITY COMMENTS
8	REVISED PER CITY COMMENTS
9	REVISED PER CITY COMMENTS
10	REVISED PER CITY COMMENTS
11	REVISED PER CITY COMMENTS
12	REVISED PER CITY COMMENTS
13	REVISED PER CITY COMMENTS
14	REVISED PER CITY COMMENTS
15	REVISED PER CITY COMMENTS
16	REVISED PER CITY COMMENTS
17	REVISED PER CITY COMMENTS
18	REVISED PER CITY COMMENTS
19	REVISED PER CITY COMMENTS
20	REVISED PER CITY COMMENTS
21	REVISED PER CITY COMMENTS
22	REVISED PER CITY COMMENTS
23	REVISED PER CITY COMMENTS
24	REVISED PER CITY COMMENTS
25	REVISED PER CITY COMMENTS
26	REVISED PER CITY COMMENTS
27	REVISED PER CITY COMMENTS
28	REVISED PER CITY COMMENTS
29	REVISED PER CITY COMMENTS
30	REVISED PER CITY COMMENTS
31	REVISED PER CITY COMMENTS
32	REVISED PER CITY COMMENTS
33	REVISED PER CITY COMMENTS
34	REVISED PER CITY COMMENTS
35	REVISED PER CITY COMMENTS
36	REVISED PER CITY COMMENTS
37	REVISED PER CITY COMMENTS
38	REVISED PER CITY COMMENTS
39	REVISED PER CITY COMMENTS
40	REVISED PER CITY COMMENTS
41	REVISED PER CITY COMMENTS
42	REVISED PER CITY COMMENTS
43	REVISED PER CITY COMMENTS
44	REVISED PER CITY COMMENTS
45	REVISED PER CITY COMMENTS
46	REVISED PER CITY COMMENTS
47	REVISED PER CITY COMMENTS
48	REVISED PER CITY COMMENTS
49	REVISED PER CITY COMMENTS
50	REVISED PER CITY COMMENTS
51	REVISED PER CITY COMMENTS
52	REVISED PER CITY COMMENTS
53	REVISED PER CITY COMMENTS
54	REVISED PER CITY COMMENTS
55	REVISED PER CITY COMMENTS
56	REVISED PER CITY COMMENTS
57	REVISED PER CITY COMMENTS
58	REVISED PER CITY COMMENTS
59	REVISED PER CITY COMMENTS
60	REVISED PER CITY COMMENTS
61	REVISED PER CITY COMMENTS
62	REVISED PER CITY COMMENTS
63	REVISED PER CITY COMMENTS
64	REVISED PER CITY COMMENTS
65	REVISED PER CITY COMMENTS
66	REVISED PER CITY COMMENTS
67	REVISED PER CITY COMMENTS
68	REVISED PER CITY COMMENTS
69	REVISED PER CITY COMMENTS
70	REVISED PER CITY COMMENTS
71	REVISED PER CITY COMMENTS
72	REVISED PER CITY COMMENTS
73	REVISED PER CITY COMMENTS
74	REVISED PER CITY COMMENTS
75	REVISED PER CITY COMMENTS
76	REVISED PER CITY COMMENTS
77	REVISED PER CITY COMMENTS
78	REVISED PER CITY COMMENTS
79	REVISED PER CITY COMMENTS
80	REVISED PER CITY COMMENTS
81	REVISED PER CITY COMMENTS
82	REVISED PER CITY COMMENTS
83	REVISED PER CITY COMMENTS
84	REVISED PER CITY COMMENTS
85	REVISED PER CITY COMMENTS
86	REVISED PER CITY COMMENTS
87	REVISED PER CITY COMMENTS
88	REVISED PER CITY COMMENTS
89	REVISED PER CITY COMMENTS
90	REVISED PER CITY COMMENTS
91	REVISED PER CITY COMMENTS
92	REVISED PER CITY COMMENTS
93	REVISED PER CITY COMMENTS
94	REVISED PER CITY COMMENTS
95	REVISED PER CITY COMMENTS
96	REVISED PER CITY COMMENTS
97	REVISED PER CITY COMMENTS
98	REVISED PER CITY COMMENTS
99	REVISED PER CITY COMMENTS
100	REVISED PER CITY COMMENTS

UNIT PLANS

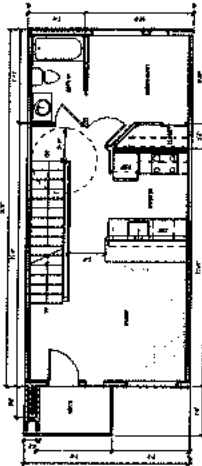
A-140

GENERAL UNIT PLAN NOTES

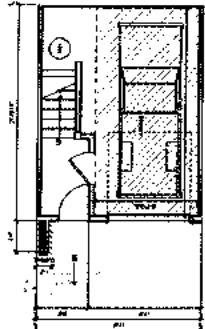
1. ALL DIMENSIONS ARE IN FEET AND INCHES. DIMENSIONS ARE GIVEN TO THE CENTER OF THE WALL UNLESS OTHERWISE NOTED.
2. ALL WALLS ARE 12" THICK CONCRETE UNLESS OTHERWISE NOTED.
3. ALL FLOORS ARE 4" THICK CONCRETE ON 12" THICK CONCRETE SLAB UNLESS OTHERWISE NOTED.
4. ALL CEILING ARE 8" THICK CONCRETE UNLESS OTHERWISE NOTED.
5. ALL ROOFS ARE 8" THICK CONCRETE UNLESS OTHERWISE NOTED.
6. ALL STAIRS ARE 12" THICK CONCRETE UNLESS OTHERWISE NOTED.
7. ALL ELEVATIONS ARE TO THE FINISH SURFACE UNLESS OTHERWISE NOTED.
8. ALL FINISHES ARE TO BE DETERMINED BY THE ARCHITECT.
9. ALL MATERIALS ARE TO BE DETERMINED BY THE ARCHITECT.
10. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE CITY OF DENVER BUILDING CODE.
11. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE CITY OF DENVER PLUMBING CODE.
12. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE CITY OF DENVER ELECTRICAL CODE.
13. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE CITY OF DENVER MECHANICAL CODE.
14. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE CITY OF DENVER FIRE CODE.
15. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE CITY OF DENVER SAFETY CODE.
16. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE CITY OF DENVER ENVIRONMENTAL CODE.
17. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE CITY OF DENVER HISTORIC PRESERVATION CODE.
18. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE CITY OF DENVER LANDMARKS CODE.
19. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE CITY OF DENVER CULTURAL RESOURCES CODE.
20. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE CITY OF DENVER ARTS AND CULTURE CODE.



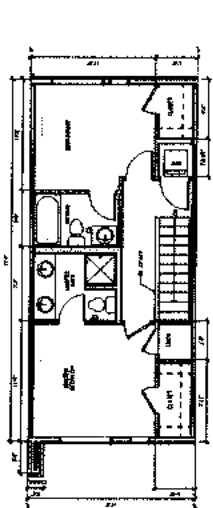
(C) FLOOR PLAN - TH E2 - LEVEL THREE



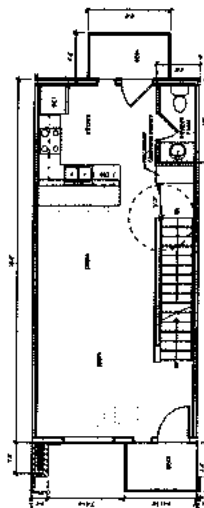
(B) FLOOR PLAN - TH E2 - LEVEL TWO



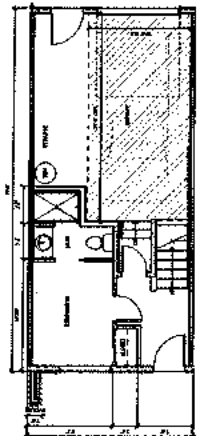
(A) FLOOR PLAN - TH E2 - LEVEL ONE



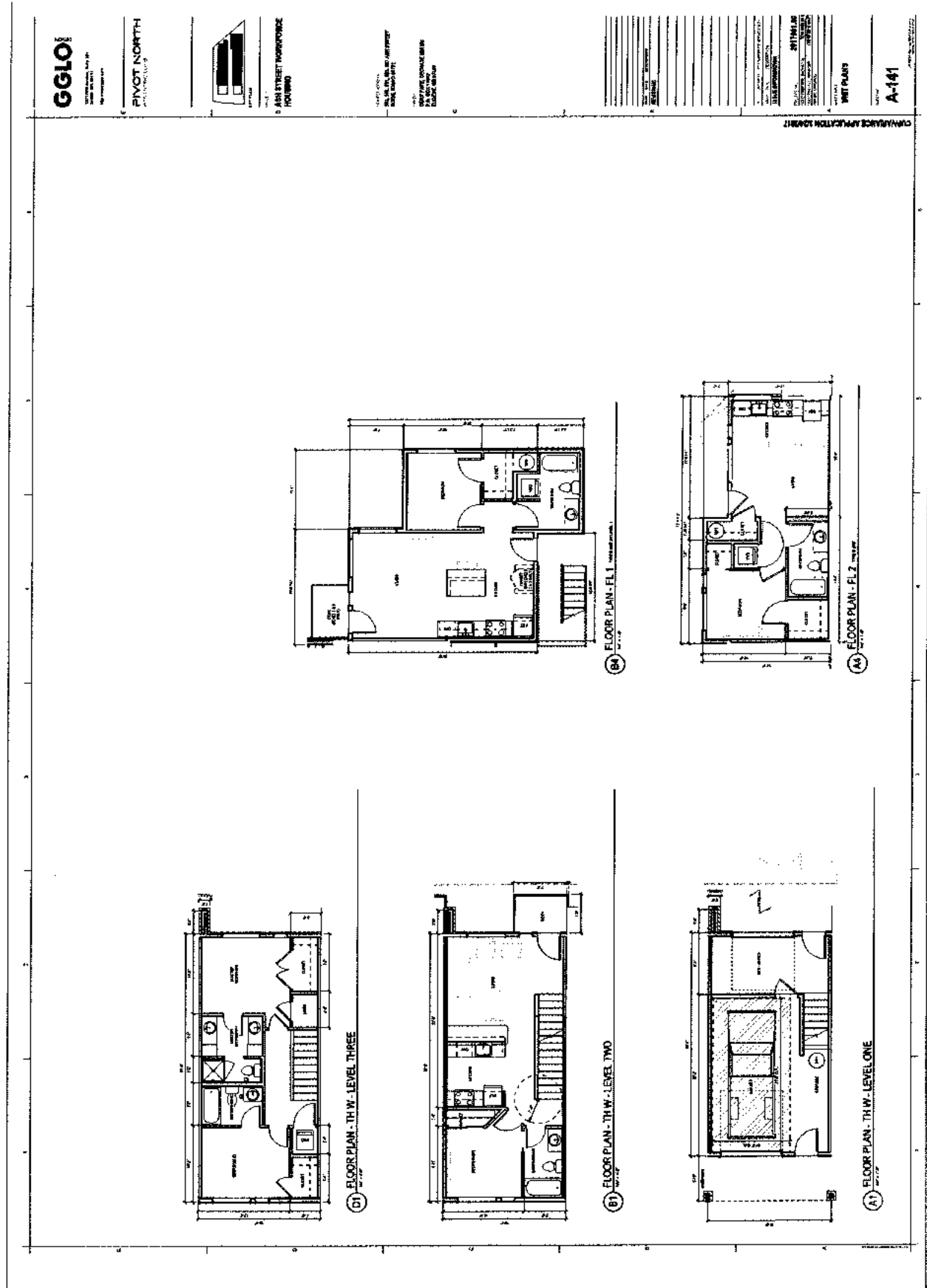
(C) FLOOR PLAN - TH E1 - LEVEL THREE



(B) FLOOR PLAN - TH E1 - LEVEL TWO



(A) FLOOR PLAN - TH E1 - LEVEL ONE



Addenda

Glossary

Definitions are taken from the Dictionary of Real Estate Appraisal, 5th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP) and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

Additional Rent

Any amounts due under a lease that is in addition to base rent. Most common form is operating expense increases. (Dictionary)

Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Dictionary)

Base (Shell) Building

The existing shell condition of a building prior to the installation of tenant improvements. This condition varies from building to building, landlord to landlord, and generally involves the level of finish above the ceiling grid. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

The areas of the building that provide services to building tenants but which are not included in the rentable area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control

rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common areas are; floor common areas, parking spaces, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Certificate of Occupancy (COO)

A statement issued by a local government verifying that a newly constructed building is in compliance with all codes and may be occupied.

Common Area (Public) Factor

In a lease, the common area (public) factor is the multiplier to a tenant's useable space that accounts for the tenant's proportionate share of the common area (restrooms, elevator lobby, mechanical rooms, etc.). The public factor is usually expressed as a percentage and ranges from a low of 5 percent for a full tenant to as high as 15 percent or more for a multi-tenant floor. Subtracting one (1) from the quotient of the rentable area divided by the useable area yields the load (public) factor. At times confused with the "loss factor" which is the total rentable area of the full floor less the useable area divided by the rentable area. (BOMA)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.

CAM can be a line-item expense for a group of items that can include maintenance of the parking lot and landscaped areas and sometimes the exterior walls of the buildings. CAM can refer to all operating expenses.

CAM can refer to the reimbursement by the tenant to the landlord for all expenses reimbursable under the lease. Sometimes reimbursements have what is called an administrative load. An example would be a 15 percent addition to total operating expenses, which are then prorated among tenants. The administrative load, also called an administrative and marketing fee, can be a substitute for or an addition to a management fee. (Dictionary)

Condominium

A form of ownership in which each owner possesses the exclusive right to use and occupy an allotted unit plus an undivided interest in common areas.

A multiunit structure, or a unit within such a structure, with a condominium form of ownership. (Dictionary)

Conservation Easement

An interest in real property restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature to continue, subject to the easement. In some locations, a conservation easement may be referred to as a conservation restriction. (Dictionary)

Contributory Value

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service ($DCR = NOI/Im$), which measures the relative ability to a property to meet its debt service out of net operating income. Also called Debt Service Coverage Ratio (DSCR). A larger DCR indicates a greater ability for a property to withstand a downturn in revenue, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation

1) In appraising, the loss in a property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the

same date. 2) In accounting, an allowance made against the loss in value of an asset for a defined purpose and computed using a specified method. (Dictionary)

Disposition Value

The most probable price that a specified interest in real property is likely to bring under the following conditions:

- Consummation of a sale within a exposure time specified by the client;
- The property is subjected to market conditions prevailing as of the date of valuation;
- Both the buyer and seller are acting prudently and knowledgeably;
- The seller is under compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;
- An adequate marketing effort will be made during the exposure time specified by the client;
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Easement

The right to use another's land for a stated purpose. (Dictionary)

EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date

1) The date at which the analyses, opinions, and advice in an appraisal, review, or consulting service apply. 2) In a lease document, the date upon which the lease goes into effect. (Dictionary)

Effective Rent

The rental rate net of financial concessions such as periods of no rent during the lease term and above- or below-market tenant improvements (TIs). (Dictionary)

EPDM

Ethylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings. (Dictionary)

Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called an expense recovery clause or stop clause. (Dictionary)

Estoppel Certificate

A statement of material factors or conditions of which another person can rely because it cannot be denied at a later date. In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an estoppel letter. (Dictionary)

Excess Land

Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued separately. (Dictionary)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. (Dictionary)

Exposure Time

1) The time a property remains on the market. 2) The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. (Dictionary)

Extraordinary Assumption

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary)

Fair Market Value

The price at which the property should change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both

having reasonable knowledge of relevant facts. [Treas. Reg. 20.2031-1(b); Rev. Rul. 59-60. 1959-1 C.B. 237]

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary)

Floor Common Area

Areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. (BOMA)

Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a full service lease. (Dictionary)

Going Concern Value

- The market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern.
- The value of an operating business enterprise. Goodwill may be separately measured but is an integral component of going-concern value when it exists and is recognizable. (Dictionary)

Gross Building Area

The total constructed area of a building. It is generally not used for leasing purposes (BOMA)

Gross Measured Area

The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of the same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method

A method of calculating variable operating expense in income-producing properties when less than 100

percent occupancy is assumed. The gross up method approximates the actual expense of providing services to the rentable area of a building given a specified rate of occupancy. (Dictionary)

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC

Heating, ventilation, air conditioning. A general term encompassing any system designed to heat and cool a building in its entirety.

Highest & Best Use

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are 1) legal permissibility, 2) physical possibility, 3) financial feasibility, and 4) maximally profitability. Alternatively, the probable use of land or improved –specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value. (Dictionary)

Hypothetical Condition

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary)

Industrial Gross Lease

A lease of industrial property in which the landlord and tenant share expenses. The landlord receives stipulated rent and is obligated to pay certain operating expenses, often structural maintenance, insurance and real estate taxes as specified in the lease. There are significant regional and local differences in the use of this term. (Dictionary)

Insurable Value

A type of value for insurance purposes. (Dictionary)
(Typically this includes replacement cost less basement excavation, foundation, underground piping and architect's fees).

Investment Value

The value of a property interest to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position as he or she would be if the property had not been taken. (Dictionary)

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease). (Dictionary)

Leasehold Interest

The tenant's possessory interest created by a lease. (Dictionary)

Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

- Consummation of a sale within a short period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interests.

- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Loan to Value Ratio (LTV)

The amount of money borrowed in relation to the total market value of a property. Expressed as a percentage of the loan amount divided by the property value. (Dictionary)

Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement including permitted uses, use restrictions, expense obligations; term, concessions, renewal and purchase options and tenant improvements (TIs). (Dictionary)

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised, and acting in what they consider their own best interests;
- c. A reasonable time is allowed for exposure in the open market;

- d. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Market Value As If Complete

Market value as if complete means the market value of the property with all proposed construction, conversion or rehabilitation hypothetically completed or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value shall reflect the market value of the property as if complete and prepared for occupancy by tenants.

Market Value As If Stabilized

Market value as if stabilized means the market value of the property at a current point and time when all improvements have been physically constructed and the property has been leased to its optimum level of long term occupancy.

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Standards Board of the Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time). (Dictionary)

Master Lease

A lease in which the fee owner leases a part or the entire property to a single entity (the master lease) in return for a stipulated rent. The master lessee then leases the property to multiple tenants. (Dictionary)

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease

may be called a double net lease, net net lease, partial net lease, or semi-gross lease. (Dictionary)

Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the optionee) to buy, sell, or lease real property for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest

Divided or undivided rights in real estate that represent less than the whole (a fractional interest). (Dictionary)

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real estate taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Prospective Future Value Upon Completion

Market value "upon completion" is a prospective future value estimate of a property at a point in time when all of its improvements are fully completed. It assumes all proposed construction, conversion, or rehabilitation is hypothetically complete as of a future date when such effort is projected to occur. The projected completion date and the value estimate must reflect the market value of the property in its projected condition, i.e., completely vacant or partially occupied. The cash flow must reflect lease-up costs, required tenant improvements and leasing commissions on all areas not leased and occupied.

Prospective Future Value Upon Stabilization

Market value "upon stabilization" is a prospective future value estimate of a property at a point in time when stabilized occupancy has been achieved. The projected stabilization date and the value estimate must reflect the absorption period required to achieve stabilization. In addition, the cash flows must reflect lease-up costs, required tenant improvements and leasing commissions on all unleased areas.

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. (Dictionary)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, super-adequacies, and obsolescence of the subject building. (Dictionary)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

Sandwich Leasehold Estate

The interest held by the original lessee when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease

An agreement in which the lessee (i.e., the tenant) leases part or all of the property to another party and thereby becomes a lessor. (Dictionary)

Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make his or her claim junior, or subordinate, to the claims of another party. (Dictionary)

Substantial Completion

Generally used in reference to the construction of tenant improvements (TIs). The tenant's premises are typically deemed to be substantially completed when all of the TIs for the premises have been completed in accordance with the plans and specifications previously approved by the tenant. Sometimes used to define the commencement date of a lease.

Surplus Land

Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

Triple Net (Net Net Net) Lease

A lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called NNN, triple net leases, or fully net lease. (Dictionary)

(The market definition of a triple net leases varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area

The measured area of an office area, store area or building common area on a floor. The total of all the usable areas on a floor shall equal floor usable area of that same floor. The amount of floor usable area can vary over the life of a building as corridors expand and contract and as floors are remodeled. (BOMA)

Value-in-Use

The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. (Dictionary)



Valbridge
PROPERTY ADVISORS

FAST FACTS

Company Information on Valbridge Property Advisors

- Valbridge is the largest national commercial real estate valuation and advisory services firm in North America:
 - Total number of MAIs (200 on staff)
 - Total number of office locations (68 across the U.S.)
 - Total number of staff (675 strong)
- Valbridge covers the U.S. from coast to coast.
- Valbridge services all property types, including special-purpose properties.
- Valbridge provides independent valuation services. We are not owned by a brokerage firm or investment company.
- Every Valbridge office is led by a senior managing director who holds the MAI designation of the Appraisal Institute.
- Valbridge is owned by our local office leaders.
- Valbridge welcomes single-property assignments as well as portfolio, multi-market and other bulk-property engagements.





Valbridge
PROPERTY ADVISORS

OFFICE LOCATIONS

ALABAMA

4732 Woodmere Boulevard
Montgomery, AL 36106
334.277.5077

ARIZONA

6061 E. Grant Road
Suite 121
Tucson, AZ 85712
520.321.0000

CALIFORNIA

4915 Calloway Drive
Suite 101
Bakersfield, CA 93312
661.587.1010

1370 N. Brea Boulevard
Suite 255
Fullerton, CA 92835
714.449.0852

2813 Coffee Road
Suite E-2
Modesto, CA 95355
209.569.0450

99 S. Lake Avenue
Suite 21
Pasadena, CA 91101
626.744.0428

3353 Bradshaw Road
Suite 213
Sacramento, CA 95827
916.361.2509

55 South Market Street
Suite 1210
San Jose, CA 95113
408.279.1520

3160 Crow Canyon Place
Suite 245
San Ramon, CA 94583
925.327.1660

COLORADO

7445 E. Peakview Avenue
Centennial, CO 80111
303.443.9600

23272 Two Rivers Road
Unit 101
Basalt, CO 81621
970.340.1016

CONNECTICUT

6 Central Row
Third Floor
Hartford, CT 06103-2701
860.246.4606

17 Coverwood Drive
Norwalk, CT 06853
203.286.6520

FLORIDA

2240 Venetian Court
Naples, FL 34109
239.514.4646

FLORIDA (cont'd.)

8200 NW 41st Street
Suite 200
Doral, FL 33166
305.639.8029

603 Hillcrest Street
Orlando, FL 32803
407.839.3626

1100 16th Street N
St. Petersburg, FL 33705
727.894.1800

2711 Poinsettia Avenue
West Palm Beach, FL 33407
561.833.5331

GEORGIA

2675 Paces Ferry Road
Suite 145
Atlanta, GA 30339
678.644.4853

IDAHO

1459 Tyrell Lane
Suite B
Boise, ID 83706
208.336.1097

1875 N. Lakewood Drive
Suite 100
Coeur d'Alene, ID 83814
208.292.2965

INDIANA

820 Fort Wayne Avenue
Indianapolis, IN 46204
317.687.2747

KANSAS

10990 Quivira Road
Suite 100
Overland Park, KS 66210
913.451.1451

KENTUCKY

900 Wessex Place
Suite 306
Louisville, KY 40222
502.585.3651

LOUISIANA

512 North Causeway Boulevard
Metairie, LA 70001
504.207.7730

MARYLAND

11100 Dovedale Court
Marmotsville, MD 21104
443.333.5522

MASSACHUSETTS

345 Boston Post Road
Suite H
Sudbury, MA 01776
978.443.3515

MICHIGAN

1442 Brush Street
Detroit, MI 48226
313.986.3313

2127 University Park Drive
Suite 390
Okemos, MI 48864
517.336.0001

MINNESOTA

222 South 9th Street
Suite 825
Minneapolis, MN 55402
612.253.0650

MISSOURI

10990 Quivira Road
Suite 100
Overland Park, KS 66210
913.451.1451

NEVADA

3034 S. Durango Drive
Suite 100
Las Vegas, NV 89117
702.242.9369

NEW JERSEY

2740 Route 10 West, Suite 204
Morris Plains, NJ 07950
973.970.9333

3500 Route 9 South, Suite 202
Howell, NJ 07731
732.807.3113

NEW YORK

424 West 33rd Street
Suite 630
New York, NY 10001
212.268.1113

NORTH CAROLINA

412 E. Chatham Street
Cary, NC 27511
919.859.2666

4530 Park Road, Suite 100
Charlotte, NC 28209
704.376.5400

OHIO

1655 W. Market Street
Suite 130
Akron, OH 44313
330.899.9900

8291 Beechmont Ave.,
Suite B
Cincinnati, OH 45255
513.785.0820

1422 Euclid Avenue
Suite 1070
Cleveland, OH 44115
216.367.9690

OKLAHOMA

6525 N. Meridian Avenue
Suite 309
Oklahoma City, OK 73116
405.603.1553

6866 South Sheridan Road
Suite 104
Tulsa, OK 74133
918.712.9992

PENNSYLVANIA

150 S. Werner Road
Suite 440
King of Prussia, PA 19406
215.545.1900

4701 Baptist Road
Suite 304
Pittsburgh, PA 15227
412.881.6080

SOUTH CAROLINA

610 N. Main Street
Greenville, SC 29601
864.233.6277

920 Bay Street
Suite 28
Beaufort, SC 29902
843.342.2302

1250 Fairmont Avenue
Mt. Pleasant, SC 29464
843.881.1266

TENNESSEE

112 Westwood Place
Suite 300
Brentwood, TN 37027
615.369.0670

701 Broad Street
Suite 209
Chattanooga, TN 37402
423.285.8435

213 Fox Road
Knoxville, TN 37922
865.522.2424

6750 Poplar Avenue
Suite 706
Memphis, TN 38138
901.753.8977

TEXAS

High Point Center
12225 Greenville Avenue
Suite 490
Dallas, TX 75243
214.446.1611

974 Campbell Road
Suite 204
Houston, TX 77024
713.467.5858

2731 81st Street
Lubbock, TX 79423
806.744.1188

111 Soledad
Suite 800
San Antonio, TX 78205
210.227.6229

UTAH

260 South 2500 West
Suite 301
Pleasant Grove, UT 84062
801.492.9328

1100 East 6600 South
Suite 201
Salt Lake City, UT 84121
801.262.3388

20 North Main
Suite 304
St. George, UT 84770
435.773.6300

VIRGINIA

656 Independence Parkway
Suite 220
Chesapeake, VA 23320
757.410.1222

7400 Beaufort Springs Drive
Suite 300
Richmond, VA 23225
804.672.4473

5107 Center Street
Unit 2B
Williamsburg, VA 23188
757.345.0010

WASHINGTON

18728 Bothell Way, NE
Suite B
Bothell, WA 98011
425.450.0040

2927 Colby Avenue
Suite 100
Everett, WA 98201
425.258.2611

419 Berkeley Avenue
Suite A
Fircrest, WA 98466
253.274.0099

8378 W. Grandridge Boulevard
Suite 110-D
Kennewick, WA 99336
509.221.1540

506 Second Avenue
Suite 1001
Seattle, WA 98104
206.209.3016

324 N. Mullan Road
Spokane Valley, WA 99206
509.747.0999

WISCONSIN

12660 W. North Avenue
Brookfield, WI 53005
262.782.7990

Winter 2017

Each Valbridge office is independently owned and operated.

CORPORATE OFFICE

2240 Venetian Court
Naples, FL 34109

239-325-8234 phone
239-325-8356 fax

valbridge.com

Attachment 7

Form of Deed

Recording Requested By and
When Recorded Return to:

SPACE ABOVE THIS LINE FOR
RECORDER'S USE ONLY

SPECIAL WARRANTY DEED

THE URBAN RENEWAL AGENCY OF BOISE, IDAHO, also known as CAPITAL CITY DEVELOPMENT CORPORATION ("**Grantor**"), for valuable consideration paid by ASH AND RIVER INVESTMENT, LLC, an Idaho limited liability company ("**Grantee**"), which has a current address of 4176 North Hackberry Way, Boise, Idaho, 83702, does hereby sell, transfer and convey unto Grantee, all of that certain real property located in Ada County, Idaho, and described on Exhibit "A" attached hereto and incorporated herein ("**Property**").

Together with all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof and all estate, right, title and interest in and to the Property.

To have and to hold, all and singular the Property together with its appurtenances unto Grantee and Grantee's successors and assigns forever.

Grantor makes no covenants or warranties with respect to title, express or implied, other than that previous to the date of this instrument, Grantor has not conveyed the same estate to any person other than Grantee and that such estate is at the time of the execution of this instrument free from encumbrances done, made or suffered by the Grantor, or any person claiming under Grantor, subject to any and all easements, restrictions, agreements and encumbrances of record or appearing on the land as of the date of this instrument.

1. The Property is conveyed subject to:
 - a. The Disposition and Development Agreement entered into by and between the Grantor and Grantee and dated _____, 20____, as implemented by any subsequent implementation agreements between Grantor and Grantee (herein collectively referred to as the "**DDA**") and the Redevelopment Plan (as defined in the DDA); the full text of the Redevelopment Plan, the DDA and such implementation agreements are available for review at the offices of the Grantor and the City of Boise.

2. The Grantee hereby covenants and agrees, for itself and its successors and assigns, that during construction and thereafter, the Grantee shall use, operate, and maintain the Property for the uses specified in the Deed Restriction, Redevelopment Plan and (unless expressly waived in writing by the Grantor) for the specific use as follows:

The Property shall be used only for a mixed-use project constructed in accordance with the DDA until seven (7) years after the date of issuance by the Grantor of a Certificate of Completion. The period of time established by the Certificate of Completion shall be referred to hereinafter as the "Use Covenant Period."

3. Prior to commencement of construction of the improvements as required in the DDA and notwithstanding any provisions in the DDA to the contrary, the Grantee shall not enter into, create, or suffer any transfer of title, assignment, lien, or other encumbrances without the written consent of the Grantor. On or following commencement of construction of the improvements as required by the DDA, the following provisions of this paragraph shall apply.

Prior to the recordation by the Grantor of a Certificate of Completion of construction as provided in the DDA, the Grantee shall not, except as permitted by the DDA, assign or attempt to assign or lease the whole or any part of the Property (or any portion thereof) or of the improvements to be constructed thereon without the prior written approval of the Grantor. This prohibition shall not be applicable to a transfer or transfers to any entity or entities owned or controlled by the Grantee transfer permitted by the DDA. This prohibition shall not apply to any of such Property (or any portion thereof) subsequent to the recordation of the Certificate of Completion with respect to the construction of the improvements thereon or to a sale of any such Property (or any portion thereof) at foreclosure (or to a conveyance thereof in lieu of a foreclosure) pursuant to a foreclosure thereof by a lender approved by the Grantor under the DDA. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of such property or to prohibit or restrict the leasing or selling of any part or parts thereof or of any improvements constructed thereon with respect to which a Certificate of Completion has been issued by the Grantor or pre-leasing activities related to the Property.

4. The Grantee covenants by and for itself, its heirs, executors, administrators, assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property; nor shall the Grantee itself, or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property.
5. No violation or breach of the covenants, conditions, restrictions, provisions, or limitations contained in this Deed shall defeat or render invalid or in any way impair the lien or charge

of any mortgage, deed of trust, or other financing or security instrument permitted by the DDA; provided, however, any successor of the Grantee to the Property shall be bound by such remaining covenants, conditions, restrictions, limitations, and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale, or otherwise.

6. Except as otherwise provided, the covenants contained in paragraph 2 of this Deed shall remain in effect until seven (7) years after Grantor issues its Certificate of Completion. The covenants contained in paragraphs 2, 3, 4, 5, and 6 of this Deed shall be binding for the benefit of the Grantor, its successors and assigns, and any successor in fee interest to the Property, or any part thereof, and such covenants shall run in favor of the Grantor and such aforementioned parties for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. The Grantor and such aforementioned parties, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach. The covenants contained in this Deed shall be for the benefit of and shall be enforceable only by the Grantor, its successors, and such aforementioned parties. Notwithstanding the foregoing, if Grantee or any subsequent owner of any portion of the Property conveys any portion of the Property, such owner shall, upon the conveyance, be released and discharged from all of its obligations in connection with the portion of the Property conveyed by it arising under this Deed after the conveyance but shall remain liable for all obligations in connection with the portion of the Property so conveyed arising under this Deed prior to the conveyance. The new owner of any such portion of the Property shall be liable for all obligations arising under this Deed with respect to such portion of the Property after the conveyance.
7. In the event of any express conflict between this Deed and the DDA, the provisions of this Deed shall control.
8. Any amendments to the Redevelopment Plan which change the uses or development permitted on the Property as proposed in the DDA or otherwise change the restrictions or controls that apply to the Property or otherwise affect the Grantee's obligations or rights with respect to the Property shall require the written consent of the Grantee. Amendments to the Redevelopment Plan applying to other property in the Project Area shall not require the consent of the Grantee.

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers thereunto duly authorized.

GRANTOR:

URBAN RENEWAL AGENCY OF BOISE, IDAHO,
also known as CAPITAL CITY DEVELOPMENT
CORPORATION

By _____

John Brunelle, Executive Director

Date: _____

The provisions of this Deed are hereby approved and accepted:

GRANTEE:

ASH AND RIVER INVESTMENT, LLC, an Idaho
limited liability company

By: ASH AND RIVER DEVELOPER, LLC, an Idaho
limited liability company, Manager

By: _____

J. Dean Papé

Its: Manager

Date: _____

ACKNOWLEDGEMENTS

STATE OF IDAHO)
) ss.
County of _____)

On this _____ day of _____, 20__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ known or identified to me to be the Executive Director of The Urban Renewal Agency of the City of Boise, also known as the Capital City Development Corporation, the entity that executed the within instrument or the person who executed the instrument on behalf of said entity, and acknowledged to me that such entity executed the same.

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 _____

STATE OF IDAHO)
) ss.
County of _____)

On this _____ day of _____, 2017, before me, _____, the undersigned notary public in and for said county and state, personally appeared J. Dean Papé, known or identified to me to be the manager of ASH AND RIVER DEVELOPER, LLC, an Idaho limited liability company, the manager of ASH AND RIVER INVESTMENT, LLC, an Idaho limited liability company, "Developer" herein, and acknowledged to me that he executed the within instrument on behalf of such Developer for the purposes herein contained.

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 _____

PROPERTY DESCRIPTION EXHIBIT "A"

[To be attached]

Attachment 8

Form of Memorandum

Recording Requested By and
When Recorded Return to:

Capital City Development Corporation
Attn: Shellan Rodriguez
121 N 9TH ST, Suite 501
Boise, ID 83702

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

MEMORANDUM OF DISPOSITION AND DEVELOPMENT AGREEMENT

THIS MEMORANDUM OF DISPOSITION AND DEVELOPMENT AGREEMENT ("**Memorandum**") is made as of the ____ day of _____, 2017, by and between CAPITAL CITY DEVELOPMENT CORPORATION ("Agency") and ASH AND RIVER INVESTMENT, LLC, an Idaho limited liability company ("Developer"), collectively the "Parties."

1. Agency and Developer have previously entered into a Disposition and Development Agreement dated _____, 2017, regarding the development of the real property (the "Site") described in Exhibit A, attached hereto and incorporated herein.

2. This Memorandum summarizes the Disposition and Development Agreement pursuant to Idaho Code Section 55-818 and incorporates by reference all of the terms and provisions of the Disposition and Development Agreement.

3. The terms, conditions and provisions of the Disposition and Development Agreement relating to the development of the Site shall extend to and be binding upon the heirs, executors, administrators, grantees, successors and assigns of the Parties hereto. The terms, conditions and provisions of the Disposition and Development Agreement relating to the development of the Site shall have no further application after the Agency has issued a Certificate of Completion, except as set forth in the Deed Restriction.

4. This Memorandum shall have no further force or effect after Agency has issued a Certificate of Completion with respect to the Site described on Exhibit A attached hereto, except as set forth in the Deed Restriction and the Parties shall execute and record in the real property records a Termination of Memorandum at Developer's expense.

5. In the event of any conflict between the Disposition and Development Agreement and this Memorandum, the Disposition and Development Agreement shall control.

6. Capitalized terms used but not defined in this Memorandum shall have the same meanings ascribed for such capitalized terms in the Disposition and Development Agreement.

[end of text]

AGENCY:

THE CAPITAL CITY DEVELOPMENT CORPORATION

By _____
John Brunelle
Executive Director

DEVELOPER:

ASH AND RIVER INVESTMENT, LLC,
an Idaho limited liability company

By: ASH AND RIVER DEVELOPER, LLC,
an Idaho limited liability company, Manager

By _____
J. Dean Papé
Its: Manager

STATE OF IDAHO)
County of Ada)

On this ____ day of _____, 2017, before me, _____, the undersigned notary public in and for said county and state, personally appeared _____, known or identified to me to be the _____ of the Capital City Development Corporation, the public body corporate and politic, that executed the within instrument, and known to me to be the persons that executed the within instrument on behalf of said Agency and acknowledged to me that such Agency executed the same for the purposes herein contained.

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 _____
Residing at _____
My commission expires _____

STATE OF _____)
)
County of _____)

On this ____ day of _____, 201_, before me, _____, the undersigned notary public in and for said county and state, personally appeared Dean Papé, known or identified to me to be the _____ of _____, an Idaho limited liability company, "Developer" herein, and acknowledged to me that he executed the within instrument on behalf of such Developer for the purposes herein contained.

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 _____
Residing at _____
My commission expires _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PREMISES

4828-5504-9548, v. 2

Attachment 9

Certificate of Completion

**CERTIFICATE OF COMPLETION OF
CONSTRUCTION OF IMPROVEMENTS
(The Ash Street Disposition and Development Agreement)**

The Urban Renewal Agency of Boise City, aka Capital City Development Corporation, (the "Agency"), an independent public body corporate and politic, exercising governmental functions and powers and organized and existing under the Idaho Urban Renewal Law of 1965 (Chapter 20, Title 50, Idaho Code), whose street address is 121 North Ninth Street, Suite 501, Boise, Idaho 83701-0987, hereby certifies that all the required improvements, construction and redevelopment regarding the Ash Street Development Project (collectively the "Project") have been completed. Ash and River Investment, LLC, having its principal office at 4176 North Hackberry Way, Boise, ID 83702, is the developer of Project located on that certain real property described in Exhibit A annexed hereto and by this reference incorporated herein (the "Site"). The construction and completion of the Project on the Site have been completed in accordance with the provisions and conform with the uses specified in the River Myrtle-Old Boise Urban Renewal Plan as adopted by the Agency and approved by the Boise City Council on December 6, 2004 (the "Plan"), which Plan is incorporated herein by reference. The Project as constructed also met the requirements set forth in the Disposition and Development Agreement dated [_____, 2017] (the "DDA"), between the Agency and the Developer, which DDA is incorporated herein by reference.

This Certificate is issued in accordance with Sections 9 and 10 of the Disposition and Development Agreement and only for said purposes of Sections 9 and 10. This Certificate of Completion for the Project shall be a conclusive determination of the satisfaction of the agreements and requirements by both the Developer and the Agency as set forth in the DDA, provided that the Agency does not hereby relinquish any right to enforce the covenants that specifically survive such completion of construction and remain as terms of the DDA, the Special Warranty Deed, dated [_____, 2017], recorded on [_____, 2017] , bearing Instrument No. _____ (the "Deed") conveying the Site to Ash and River Investment, LLC from the Agency, or the Deed Restriction, dated [_____, 2017], recorded on [_____, 2017], bearing Instrument No. [_____] (the "Deed Restriction"), setting forth the workforce housing rental rate for a specified period of time.

[end of text]

DATED this _____ day of _____, 2017.

URBAN RENEWAL AGENCY OF BOISE CITY,
aka CAPITAL CITY DEVELOPMENT
CORPORATION

By _____
John Brunelle, Executive Director

ATTEST:

Ryan Woodings, Secretary/Treasurer

STATE OF IDAHO)
) ss:
County of Ada)

On this _____ day of _____ 2017, before me, _____, a
notary public in and for said state, personally appeared John Brunelle and Ryan Woodings _____
known to me to be the Executive Director and Secretary/Treasurer of Urban Renewal Agency of Boise
City, aka Capital City Development Corporation, who executed the within and foregoing instrument, and
acknowledged to me that Capital City Development Corporation executed the same.

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 Boise, Idaho
My Commission Expires: _____

EXHIBIT A

Description of the Agency Site

4828-8244-3341, v. 2

08 Green Building Certification Form

Green Building Certification

To: Capital City Development Corporation (CCDC)

Re: RFQ/P for a Workforce Housing Development,
503, 506, 511, 623, 647 Ash Street, Boise, Idaho

My signature below legally binds this development known as Ash and River to meet or exceed the Boise City Green Construction Code, Boise City Code, Title 4, Chapter 7 (the "Code"). Or in the event the Code does not pertain to the construction type, the developer will obtain written confirmation from a Boise City Building Official that the project meets or exceeds the intent of the Code. By my signature below, I acknowledge for myself and the developer / company that this condition is a requirement of submission of the RFQ/P and that it is a condition that must be satisfied in order to receive any benefit of the RFQ/P, including a site write down.

Signature:  _____

Print Name: J. Dean Pape _____

Title: Member/Owner _____

Developer / Company: deChase Miksis _____

Date: 15-Nov-16 _____

Attachment 11

Form of Deed Restriction

Recording Requested By and
When Recorded Return to:

Capital City Development Corporation
Attn: Shellan Rodriguez
121 N 9TH ST, Suite 501
Boise, ID 83702

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

DEED RESTRICTION

This DEED RESTRICTION (this "Deed Restriction") is entered into as of _____, 20__ by and between the Urban Renewal Agency of Boise, Idaho, also known as Capital City Development Corporation ("Grantor") with a mailing address of 121 N. 9th Street, Ste. 501, Boise, Idaho 83702 and Ash and River Investment, LLC, an Idaho limited liability company, with a mailing address of 4176 North Hackberry Way, Boise, Idaho, 83702 ("Grantee"), as such Deed Restriction may be amended from time to time.

WITNESSETH:

A. Grantor owns certain real property described on Exhibit A, attached hereto and incorporated herein (the "Property"). Grantor is conveying the Property to Grantee pursuant to the terms and conditions set forth in that certain Disposition and Development Agreement with an effective date of _____ (the "DDA").

B. Pursuant to the DDA, the Grantee shall construct a mixed-use development project, which includes thirty-four residential units of Workforce Housing, and 500 s.f. +/- retail space with patio, landscaping, public improvements and pedestrian supported amenities (the "Project").

C. The purpose of the Project is to create an urban mixed-use development that includes safe, decent and affordable workforce housing and is subject to certain terms and conditions imposed by the Grantor.

D. Grantor is conveying the Property to Grantee by Special Warranty Deed (a copy of which is attached hereto as Exhibit B and incorporated by reference herein), pursuant to the terms and conditions set forth in the DDA.

E. Grantor is a public body, corporate and politic, organized pursuant to the Idaho Urban Renewal Law of 1965, title 50, chapter 20, Idaho Code, as amended (the "Law"), and undertaking projects under the authority of the Local Economic

Development Act, title 50, chapter 29, Idaho Code, as amended (the “Act”), has certain rights and obligations to assure compliance with the terms of the DDA.

F. Pursuant to the DDA, Grantee agrees to certain use restrictions regarding the leasing of 100% of the residential units (the “Rental Units”) to lessees.

G. Grantor has the authority to monitor compliance with the terms of this Deed Restriction as the “Monitoring Agent”. In the event Grantor is no longer able to serve as the Monitoring Agent, Grantor and Grantee, agree any of the following entities may serve in that capacity: the City of Boise Housing and Community Development Department, Idaho Housing and Finance Association, The Boise City/ Ada County Housing Authority, NeighborWorks, or any other Grantor approved entity that is unrelated to the Grantee, its subsequent successors and assigns, or manager.

AGREEMENT:

NOW THEREFORE, in consideration of Grantor restricting the lease of the Rental Units and for other good and valuable consideration, the receipt and adequacy of which is acknowledged by the parties hereto, the parties hereto hereby agree as follows:

1. **Recitals Incorporated by Reference.** The foregoing recitals are incorporated by reference herein and made a part hereof.

2. **Affordability Requirement.**

a. This Deed Restriction shall remain in effect until seven (7) years after the Grantor issues its Certificate of Completion as set forth in the DDA (the “Affordability Requirement Period”). On and after the completion of the Affordability Requirement Period, this Deed Restriction shall be of no further force or effect.

b. During the Affordability Requirement Period, the Rental Units shall be available for initial and subsequent lease at a “workforce rental price” (as hereinafter defined) (the “Affordability Requirements”). A “workforce rental price” means a rental rate that does not exceed thirty percent (30%) of the gross annual household income for individuals or families earning between Eighty percent (80%) and One Hundred Twenty percent (120%) of the area median income (adjusted for household size). The area median income shall be established annually by the Department of Housing and Urban Development of the United States of America (“HUD”) for the Ada County – Boise City, Idaho Metropolitan Statistical Area.

c. The Rental Units shall remain affordable during the Affordability Requirement Period without regard to the term of any mortgage on the Property or to any transfer of ownership the Property.

d. This Deed Restriction shall be monitored and enforced regarding compliance with the Affordability Requirements and the Affordability Requirement Period by the Monitoring Agent.

3. **Lease Provisions.** The tenant leases shall be in writing and contain provisions consistent with this Deed Restriction and the Monitoring Agent shall review annually the executed tenant lease forms for the Rental Units (the "Tenant Leases") to confirm they comply with the terms of the Deed Restriction. The Monitoring Agent shall have no other approval rights regarding the Tenant Leases as set forth in this Section 3.

4. **Annual Rent Report.** During the Affordability Requirement Period, each year on or before February 28 (or within 60 days of the close of Grantee's fiscal year), Grantee shall deliver to the Monitoring Agent a certified statement containing the following:

a. A sworn statement that Grantee has complied with the workforce rental price as defined in this Deed Restriction with respect to the leasing of the Rental Units; and

b. A report of the vacancy or non-vacancy of each of the Rental Units for the immediately preceding calendar year and the rents charged for the Rental Units. The report shall list all amounts received from tenants of the Rental Units per the respective Tenant Leases, including late fees and charges or other amounts paid by any tenant in connection with tenants residing in the Rental Units. The report shall be in the format of the Annual Rent Report attached hereto as Exhibit C.

5. **Right to Audit.** Grantor and the Monitoring Agent have the right, with reasonable notice and not more than once a calendar year except in the event of a reasonably suspected event default by Grantee, to access the business and financial records of Grantee for the purpose of conducting an audit to determine whether or not Grantee is in compliance with the Deed Restriction at the Grantor or Monitoring Agent's sole cost and expense. Such inspection shall not unreasonably interfere with the operations of Grantee or Grantee's agent overseeing the business and financial records of Grantee. Grantor and the Monitoring Agent will use best efforts to keep such information confidential except as required to enforce the Deed Restriction as provided herein.

6. **Penalty for Non-compliance.** In the event Grantor or Monitoring Agent determines Grantee leased a Rental Unit during the Affordability Requirement Period for

an amount that exceeds the workforce rental price, Grantee agrees to pay a fine of \$5000 per lease. Grantee hereby grants to the Grantor, or its respective successors and assigns, a lien on the Property, junior to the lien of any mortgagee as holder of a first mortgage for indebtedness on the Property (or any successor mortgagee of a mortgage refinancing any first position mortgage for indebtedness on the Property), to secure payment of such fine or fines. Grantor, or its respective successors and assigns, reserves the right, in its discretion, to waive any such fine or fines based on market conditions and overall success of the development of the Property.

7. Rights of Mortgagees.

a. With respect to all or any part of the Property, if the Affordability Restrictions are terminated before the expiration of the Affordability Requirement Period upon the occurrence of a "Termination Event" (as defined below), the Affordability Restrictions shall be reinstated upon the terms thereof in effect as of the Termination Event, , if the owner of record of such Property as of the date of the Termination Event or any entity that includes the former owner or those with whom the former owner has or has had family or business ties (the "Related Party"), obtains an ownership interest in the Property after the Termination Event. A "Termination Event" shall mean, with respect to all or any part of the Property: (i) a foreclosure thereof; or (ii) a transfer in lieu of foreclosure thereof.

b. A certificate signed under penalties of perjury by a purchaser at a foreclosure sale (or any subsequent purchaser) certifying that such purchaser is not a Related Party shall, if recorded with the real property records for Ada County, be conclusive evidence that such purchaser is not a Related Party.

8. Recording and Filing: Covenants to Run With the Property.

a. Upon execution hereof by Grantor and Grantee, the Deed Restriction shall be recorded and filed in the real property records for Ada County. A copy of this Deed Restriction shall also be provided to the City of Boise (the "City").

b. It is intended and agreed that all of the agreements, covenants, rights and restrictions set forth herein shall be deemed to be covenants running with the Property and shall be binding upon and enforceable against Grantee, Grantee's successors and assigns and any party holding title to the Property, for the benefit of and enforceable by Grantor or the Monitoring Agent or their respective successors and assigns, and any resident of the Rental Units (as limited herein), during the term of this Deed Restriction.

c. Without limitation on any other rights or remedies of Grantor, Monitoring Agent, or their respective successors and assigns, any sale or other

transfer or conveyance of the Property in violation of the provisions of this Deed Restriction, shall, to the maximum extent permitted by law, be voidable by the Monitoring Agent, or their respective successors and assigns, by an action to enforce such rights, restrictions, covenants, and agreements.

d. If Grantee desires to sell, convey or otherwise transfer the Property, Grantee shall promptly notify the Monitoring Agent in writing of such intent (the "Notice of Intent to Transfer") as provided in Section 11.

e. Grantee by accepting the Special Warranty Deed to the Property intends, declares and covenants on behalf of Grantee and Grantee's successors and assigns: (1) that this Deed Restriction and the covenants, agreements, rights and restrictions contained herein shall be and are covenants running with the land, encumbering the Property for the Affordability Requirement Period, and are binding upon Grantee's successors in title, (ii) are not merely personal covenants of Grantee, and (iii) shall bind Grantee, and Grantee's successors and assigns and ensure to the benefit of the Monitoring Agent, and its successors and assigns, for the Affordability Requirement Period. Notwithstanding the foregoing, if Grantee or any subsequent owner of any portion of the Property conveys any portion of the Property, such owner shall, upon the conveyance, be released and discharged from all of its obligations in connection with the portion of the Property conveyed by it arising under this Deed Restriction after the conveyance but shall remain liable for all obligations in connection with the portion of the Property so conveyed arising under this Deed Restriction prior to the conveyance. The new owner of any such portion of the Property shall be liable for all obligations arising under this Deed Restriction with respect to such portion of the Property after the conveyance.

f. Grantee hereby agrees that any and all requirements of the laws of the State of Idaho to be satisfied in order for the provisions of this Deed Restriction to constitute restrictions and covenants running with the land shall be deemed to be satisfied in full and that any requirements of privity of estate are also deemed to be satisfied in full.

9. Enforcement.

a. The rights hereby granted shall include the right of the Grantor or Monitoring Agent, or their respective successors and assigns, or any resident of the Rental Units, to enforce this Deed Restriction independently by appropriate legal proceedings or action and to obtain injunctive and other appropriate relief against any violations, including without limitation relief requiring restoration of the Rental Units to the workforce rental price or compelling Grantee and Grantee's successors in title such compliance with the requirements of this Deed Restriction and shall be in addition to, and not in limitation of, any other rights and remedies available to the Grantor, Monitoring Agent, any resident of the Rental Units, or their respective successors and assigns.

b. Without limitation of any other rights or remedies of the Grantor, Monitoring Agent, or their respective successors and assigns, in the event of any sale, conveyance or other transfer or occupancy of the Property in violation of the provisions of this Deed Restriction, the Grantor, Monitoring Agent, any resident of the Rental Units, or their respective successors and assigns, shall be entitled to the following remedies, which shall be cumulative and not mutually exclusive:

1. specific performance of the provisions of this Deed Restriction;

2. money damages in an amount equal to the funds received by Grantee in violation of the requirements set forth in Section 1 with regard to the workforce rental price of the Rental Unit plus interest at the rate of 18% per year, compounded; and

3. the right to void any lease, conveyance or other transfer of the Property in violation of the provisions of this Deed Restriction, by an action in equity to enforce this Deed Restriction.

c. Grantee hereby agrees to pay all reasonable fees and expenses (including reasonable legal fees and costs) of the Grantor or Monitoring Agent, or their respective successors and assigns, or any aggrieved resident of the Rental Units, as the case may be, in the event successful enforcement action is taken against Grantee hereunder.

d. Grantee for itself and its respective heirs, transferees, successors and assigns, hereby grant to the Grantor and Monitoring Agent, or their respective successors and assigns, the right to enter upon the Property for the purpose of enforcing the restrictions herein contained, or of taking all actions with respect to the Property which such party may determine to be necessary or appropriate pursuant to court order, or with the consent of Grantee to prevent, remedy or abate any violation of this Deed Restriction. No other grant of any right of access is permitted pursuant to this Deed Restriction.

10. **Amendments.** This Deed Restriction may only be amended by written agreement executed by each of the then current owner of the Property and the Grantor or Monitoring Agent.

11. **Notice.** Any notices, demands or requests that may be given under this Deed Restriction shall be sufficiently served if given in writing and delivered by hand or mailed by certified or registered mail, return receipt requested, or via reputable overnight courier, in each case postage prepaid and addressed to the parties at their respective addresses set forth below. All notices shall be deemed delivered and received two business days after the deposit in the United States mail if sent by certified or registered mail and on the next business day if sent by overnight courier:

To Grantee:

J. Dean Pape'
Ash and River Investment, LLC
4176 North Hackberry Way,
Boise, Idaho, 83702 208-830-7071
dean@dechase.com

with a copy to:

Anne C. Kunkel
Varin Wardwell LLC
242 N. 8th St., Suite 220
Boise, Idaho 83701
1.208.584.1266 (voice)
1.866.717.1758 (fax)
annekunkel@varinwardwell.com

To Grantor:

John Brunelle, Executive Director
Capital City Development Corporation
121 N. 9th Street, Suite 501
Boise, Idaho 83702
208-384-4264 (voice)
208-384-4267 (fax)
jbrunelle@ccdcboise.com

with a copy to:

Ryan Armbruster
251 E. Front St., Ste. 300
P.O. Box 1539
Boise, ID 83701
(208) 343-5454 (voice)
(208) 384-5844 (fax)
rpa@elamburke.com

Any party may, by notice given as aforesaid, change its address for all subsequent notices.

12. Further Assurances. Each party agrees from time to time, as may be reasonably required by the Grantor and Monitoring Agent, to furnish the Grantor and Monitoring Agent, as the case may be, with a written statement, signed and, if requested,

acknowledged, setting forth the condition and occupancy of the Rental Units, information concerning the occupancy of the Rental Units, and all other material information pertaining to the Property or Grantee's conformance with the terms of this Deed Restriction.

13. Monitoring Agent. The Monitoring Agent has the power and authority to monitor compliance of the Project with ongoing requirements of this Deed Restriction subject to the terms herein.

14. Severability. If any provisions hereof or the application thereof to any person or circumstance shall come, to any extent, to be invalid or unenforceable, the remainder hereof, or the application of such provision to the persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and enforced to the fullest extent permitted by law.

15. Plural and Gender. The use of the plural in this Deed Restriction shall include the singular and the plural and the use of any gender shall be deemed to include all genders.

16. Waiver by Grantor or Monitoring Agent; Counterparts. Waivers of any breach of obligations under this Deed Restriction must be in writing and signed by the waiving parties. No waiver by either party or Monitoring Agent of any breach of this Deed Restriction shall be deemed to be a waiver of any other or subsequent breach. This Deed Restriction may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one agreement.

17. Captions. The captions used in this Deed Restriction are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of the intent of this Deed Restriction.

18. Binding Successors. This Deed Restriction shall bind, and the benefits shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors in office or interest, and assigns.

19. Governing Law. This Deed Restriction is being executed and delivered in the State of Idaho and shall in all respects be governed by, construed and enforced in accordance with the laws of said State without giving effect to its conflict of laws principles.

20. Third Party Beneficiary. The Monitoring Agent shall be a third party beneficiary of this Agreement and shall be entitled to enforce this Deed Restriction and may rely upon the benefits hereof.

21. Dispute Resolution. In the event that a dispute arises between the Parties, the Monitoring Agent, any resident of a Rental Unit, or their successors and assigns, concerning (i) the meaning or application of the terms of this Deed Restriction, or (ii) an asserted breach of this Deed Restriction, including the imposition of any fine or fines based on Grantor or Monitoring Agent's determination Grantee violated the rent restriction provisions of this Deed Restriction, the applicable parties shall meet and confer in a good faith effort to resolve their dispute. The first such meeting shall occur within thirty (30) days of the first written notice from a party evidencing the existence of the dispute. If the applicable party shall have failed to resolve the dispute within thirty (30) days after delivery of such notice, the applicable parties agree to first consider settling the dispute in an amicable manner by mediation, as the applicable parties may mutually agree before resorting to litigation. The costs of such mediation shall be equally split amongst the applicable parties. Should the applicable parties be unable to resolve the dispute to their mutual satisfaction within thirty (30) days after such completion of mediation, or if the applicable parties cannot mutually agree to attempt to settle any dispute by mediation, any party shall have the right to pursue any rights or remedies as provided herein.

[signatures on next page]

IN WITNESS WHEREOF, the parties hereto each caused this Deed Restriction to be duly executed and delivered by their respective duly authorized representatives as of the day and year set forth above.

GRANTEE

ASH AND RIVER INVESTMENT, LLC,
an Idaho limited liability company

By: ASH AND RIVER DEVELOPER, LLC,
an Idaho limited liability company, Manager

By _____
J. Dean Papé
Its: Manager

_____, 201__

STATE OF IDAHO)
) ss.
County of _____)

On this ____ day of _____, 201__, before me, _____, the undersigned notary public in and for said county and state, personally appeared J. Dean Papé, known or identified to me to be the manager of ASH AND RIVER DEVELOPER, LLC, an Idaho limited liability company, the manager of ASH AND RIVER INVESTMENT, LLC, an Idaho limited liability company, "Developer" herein, and acknowledged to me that he executed the within instrument on behalf of such Developer for the purposes herein contained.

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 _____
Commission Expires _____

GRANTOR

The Capital City Development Corporation

By _____

John Brunelle

Executive Director

_____, 201__

STATE OF IDAHO)
) ss.
County of _____)

On this ____ day of _____, 201__, before me, _____, the undersigned notary public in and for said county and state, personally appeared John Brunelle, known or identified to me to be the Executive Director of THE URBAN RENEWAL AGENCY OF THE CITY OF BOISE, IDAHO, ALSO KNOWN AS THE CAPITAL CITY DEVELOPMENT CORPORATION, the public body, corporate and politic, that executed the within instrument on behalf of said Agency, and acknowledged to me that such Agency executed the same for the purposes herein contained.

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 _____
Commission Expires _____

Exhibit A

Legal Description

Exhibit B

Special Warranty Deed

Exhibit C

Annual Rent Report

4830-3708-0906, v. 13

Attachment 12

Form of Annual Rent Report

Annual Rent Report

Project Name: Ash Street Townhomes
Address: 530 Ash Street, Boise, ID
County Ada County

Date: _____
Property Manager: _____

List of Rents provided by: _____

The following findings are correct: _____

Total Units being Rented on a monthly basis: _____

This is confirm that the list of rents charged and certified by the owner meet the Rent Limits for FY _____ based on _____ Department of Housing and Urban Development of the United States of America determination for the Ada County-Boise City, Idaho Metropolitan Statistical Area. A complete list of units and Rent limits serviced at the Ash Street Townhomes is below.





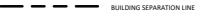



Unit	# of Bedrooms	Rent Charged	Rent Limit	Amount Received from Tenant (including late fees and charges or other amounts paid by Tenant)	FOR CCDC USE (Confirm 80%-120%)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					

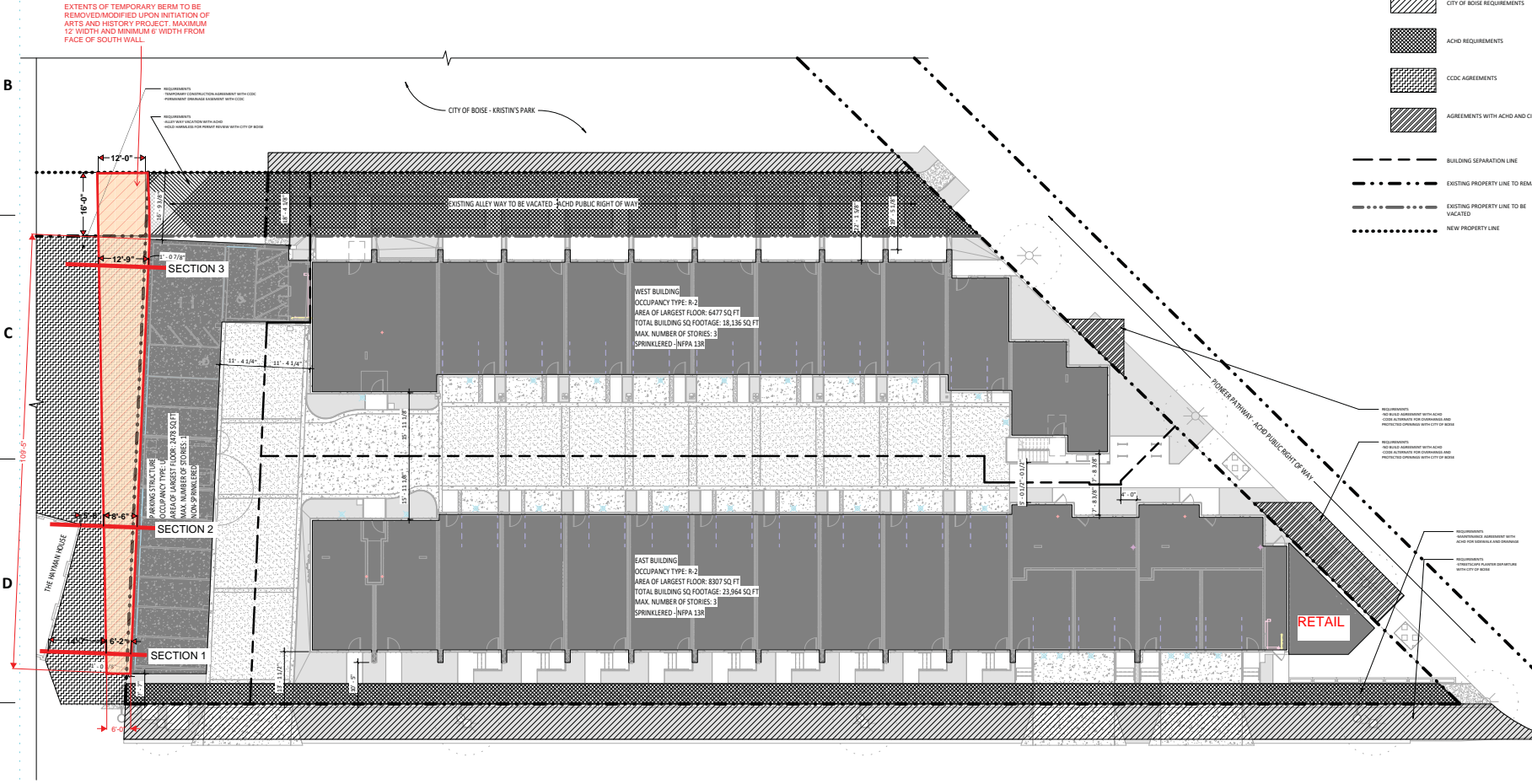
NOTE: The Developer may have to execute a hold harmless agreement in order to obtain these annual certifications from the City Of Boise Housing and Community Development.

Name:
SIGNATURE
Title

**AGREEMENT WILL BE FINALIZED BEFORE
EXECUTION.**

LEGEND

-  CITY OF BOISE REQUIREMENTS
-  ACHD REQUIREMENTS
-  CCDC AGREEMENTS
-  AGREEMENTS WITH ACHD AND CITY
-  BUILDING SEPARATION LINE
-  EXISTING PROPERTY LINE TO REMAIN
-  EXISTING PROPERTY LINE TO BE VACATED
-  NEW PROPERTY LINE



Project:
ASH STREET TOWNHOMES

503 S. ASH STREET, BOISE, ID 83702

Revisions: 

Project No: 16-016
Date: 07/11/2017
Checked By: OG
Drawn By: DP

Sheet Name:
SITE ENTITLEMENTS
AND AGREEMENTS

DESIGN REVIEW UPDATE (NOT FOR CONSTRUCTION)

1 SITE ENTITLEMENTS AND AGREEMENTS
G2.00 3/32" = 1'-0"

Sheet No:
G2.00



Attachment 14

Form of Construction License Agreement

TEMPORARY CONSTRUCTION LICENSE AGREEMENT

This Temporary Construction License Agreement ("Agreement") is entered into between Ash and River Developer, LLC, an Idaho limited liability company, hereinafter "Licensee", and THE URBAN RENEWAL AGENCY OF BOISE, IDAHO, also known as the Capital City Development Corporation, a public body, politic and corporate, of the State of Idaho, exercising governmental functions and powers and organized and existing under the Idaho Urban Renewal Law of the State of Idaho, title 50, chapter 20, Idaho Code, and the Local Economic Development Act, title 50, chapter 29, Idaho Code, hereinafter "Licensor". Licensor and Licensee may be referred to as a Party, individually, and as Parties, collectively in this Agreement.

RECITALS:

A. Licensor is the owner of that certain parcel of real property consisting of the real property depicted on Exhibit A and labelled as 617 Ash Street, Boise, Idaho (aka Hayman House) (the "Licensed Area").

B. Licensee is the owner of those certain adjacent properties (503, 509, 511, 623 and 647 Ash Street) depicted on Exhibit A and labelled "Project Area" upon which Licensee intends on constructing the the "Project", as those terms are defined in the Disposition and Development Agreement executed by Licensee and Licensor with an effective date of _____, 2017 (the "DDA"). Capitalized terms used but not defined in this Agreement shall have the meanings as set forth in the DDA.

C. Licensee desires to obtain a license for the use of the Licensed Property as a construction staging area and construction office during the construction of the Project.

D. Licensor finds it in the best interest of the public to grant an exclusive license to Licensee for the purposes described herein and subject to the limitations set forth below, because it will promote the development of downtown Boise.

AGREEMENT:

NOW, THEREFORE, Licensor grants to Licensee an exclusive license (the "License") to use the Licensed Property on the terms and conditions set forth in this Agreement. This grant is made on the following terms:

1. Authorized Uses By Licensee: Licensee's use of the License granted herein shall be in connection with the construction of the Project, for: use of the Licensed Property for construction materials storage and as a construction office; construction staging; for placement of a dumpster and construction equipment in approved locations, such approval to be provided in writing; for temporary storage of materials thereon; for surveying, and for all other reasonable uses that are necessary, advisable or convenient to Licensee in connection with such construction project, and for ingress and egress to and from the Project (the "Licensed Purposes").

2. Access to and Security of Licensed Property

a. Access to Licensed Property:

- 1) Both the Licensors and Licensee shall have access to the Licensed Property. If the area is blocked or closed off by fencing or any other materials as required by Code or contract or as required to secure the License Property for the Licensed Purposes, keys will be furnished to the Licensors.
- 2) Licensors currently utilizes the structure located on the Licensed Property (the Hayman House) to store property. Licensors may store other items on the Licensed Property so long as Licensee's general contractor determines that the storage will not interfere with the Licensee's use of the Licensed Property. Licensors shall coordinate its access to the Licensed Property with the Licensee's general contractor and abide by any reasonable access restrictions and safety procedures that such general contractor may impose.
- 3) Licensors anticipate performing small projects including, but not limited to, moving sprinkler lines and undergrounding the power on the Licensed Property before, or concurrently with the Project. Licensee agrees to allow Licensors access, and to move any construction materials or the like, if they are impeding the work by the Licensors.

b. Security of Licensed Property:

- 1) Licensors and Licensee mutually agree to take all reasonable measure to secure the Licensed Property from entry by unauthorized persons during the term of the License, including but not limited to keeping any perimeter fencing locked when neither the Licensors nor Licensee are present on the Licensed Property. Licensee shall be responsible for requiring its employees, contractors and agents to comply with this Section 2.b.
- 2) During the term of the License, Licensee and Licensors shall assume sole responsibility for safety, security and protection of their respective materials, supplies, equipment, and all other items ("Personal Property") located on the Licensed Property, and shall take all reasonable and necessary precautions to secure the same.
- 3) Licensee shall not be responsible for any lack of security to Licensors's personal property arising from Licensors's continued use of the Licensed Property.
- 4) Licensors shall not be responsible for any lack of security to Licensee's property arising from Licensee's use of the Licensed Property.
- 5) The Licensed Property contains the structure known as the "Hayman House". The Licensee shall take extra commercially reasonable precautions to ensure that License Purposes affiliated with the use of the Licensed Property do not harm or damage the Hayman House in any way.

3. Maintenance of Licensed Property:

a. Maintenance of the Licensed Property by the Licensee:

During the term of the License, Licensee agrees to maintain the Licensed Property in a clean and safe condition during the term of this Agreement, and keep it free of trash and other debris, excepting reasonable wear and tear damage by casualty and damage, trash and debris arising from Licensors continued use of the Licensed Property. Sediment, rock, mud and other debris from the Project shall be cleaned as soon as commercially reasonable. Licensee agrees to maintain and protect existing landscaping, sprinkler lines, sprinkler heads, concrete pad, concrete/paving stone/stone walkway, and metal clothes-lines poles to the fullest extent possible.

b. Maintenance of the Licensed Property by the Licensors:

Licensors contracts the maintenance of the irrigation system and the Licensed Property to a third party ("Pro Care Landscape Management, Inc.") who shall continue the maintenance services during the term of this agreement. Licensee agrees that Pro Care Landscape Management, Inc. shall have continued access to the Licensed Property as needed, provided, however, Licensee shall have no obligation to pay for the services of Pro Care Landscape Management, Inc.

4. Use by Others Under Licensee: Licensees right to use the Licensed Property during the term of the License shall extend to use by Licensees employees, contractors and agents.

5. Term: This License shall be for a term commencing on the Effective Date of this Agreement and terminating on the completion of the Project per the terms of the DDA. Provided, if the DDA is terminated by either Licensee or Licensors, the License shall terminate immediately. On the expiration of the term of this Agreement, the rights and privileges granted to Licensee hereunder shall cease and terminate and this Agreement shall be null and void and no further force and effect provided, however, Licensee shall have a reasonable time to remove all staging and equipment on the Licensed Property after such termination.

6. Fees: No rent will be charged. Licensors has the right to invoice Licensee on a monthly basis for additional utility and other operational costs incurred by Licensors and related to the occupancy of the Licensed Property by the Licensee during the term of the License. Proof of additional costs by way of utility bills will be made available upon request by Licensee and shall be prorated by any users of the Licensed Property.

7. Indemnification and Insurance: Licensee and Licensors agree the insurance and indemnity provisions in the DDA apply to this License Agreement. Licensors shall not enter the Licensed Property until after Licensee provides Licensors proof of insurance as set forth in the DDA. Notwithstanding the foregoing, Licensee shall have no obligation to indemnify and hold Licensors and its respective officers, agents, and employees harmless from and against any matter to the extent it arises from Licensors actions or omissions damage arising from the use of Licensors, any other government body, or the general public of the Licensed Property

8. Restoration on Expiration of Term: Upon the expiration of the term of this License, Licensee shall repair any damage to the Licensed Property arising from Licensees exercise of this

License, excepting reasonable wear and tear, damage by casualty, and damage arising from the use of Licensors, any other government body, or the general public of the Licensed Property. Provided further, this Section 8 shall not impact Licensors' rights under the DDA in the event Licensee defaults on its obligations under the DDA. During the term of this License, Licensors shall maintain its existing property insurance covering the Licensed Property naming Licensee as an additional insured.

9. Binding Effect: This License, and the covenants and agreements herein contained, shall during the entire term hereof, be binding upon and inure to the benefit of Licensee and Licensors, respectively, and their successors and assigns.

10. No Recordation: This Agreement shall not be recorded.

11. Attorney Fees: Should any of the parties to this Agreement be required to retain legal counsel to enforce any of the terms and/or conditions of this Agreement, the prevailing party shall be entitled to reasonable attorney fees and costs.

12. Effective Date: This Agreement shall be effective as of the date it is signed and executed by Licensors (the "Effective Date").

[end of text]

Dated as of the Effective Date set forth above.

LICENSOR:

THE CAPITAL CITY DEVELOPMENT CORPORATION

By _____
John Brunelle
Executive Director

_____, 2017

LICENSEE:

ASH AND RIVER INVESTMENT, LLC,
an Idaho limited liability company

By: ASH AND RIVER DEVELOPER, LLC,
an Idaho limited liability company, Manager

By _____
J. Dean Papé
Its: Manager

_____, 2017

Attachment 15

Form of Escrow Instruction Letter

_____, 2017

VIA EMAIL AND FEDERAL EXPRESS

TitleOne Corporation
1101 W. River St.
Suite 201
Boise, ID 83702

Re: Disposition and Development Agreement dated as of _____ (the “DDA”), by and between Capital City Development Corporation, as seller (“Agency”), and Ash and River Investment, LLC, as purchaser (“Developer”), with respect to certain real property and improvements thereon located in Ada County, as described more particularly in the DDA (the “Property”)

Dear _____:

TitleOne Corporation has been designated to act as Escrow Agent in connection with Developer’s acquisition of the Property from Agency. All capitalized terms not defined herein shall have the respective meanings set forth in the DDA. This closing instruction letter sets forth the joint closing instructions from the Agency and Developer concerning your handling of said closing, which is scheduled to occur on _____, 2017.

A. Closing Documents:

Agency and Developer have delivered to you or will deliver to you in escrow the closing documents described on Exhibit A attached hereto and made a part hereof (the “Acquisition Documents”) to be held in escrow pending satisfaction of the conditions precedent described in Paragraph C below.

In addition to the Acquisition Documents, Agency and Developer will be executing a settlement statement (the “Settlement Statement”) setting forth the adjustments to the Purchase Price, as agreed to by Agency and Developer. The Settlement Statement may be executed in counterparts and by facsimile or e-mail at closing. Agency and Developer may request separate Settlement Statements for each party.

B. Conditions Precedent. The following conditions must be satisfied before you may release the recordable Closing Documents from escrow and record and file them in accordance with Section C:

(1) You have confirmed that the Acquisition Documents and the Settlement Statement(s) are in the form that have been approved by the undersigned, as applicable and you have confirmed that each has been fully signed and notarized, as applicable, and, where necessary: (a) you have dated the Acquisition Documents as of the Closing Date, and (b) you have assembled counterpart signature pages and appended all exhibits to the Acquisition Documents, each of which shall have been approved by the undersigned.

(2) You have received from Developer the amount of the Purchase Price, subject to those adjustments and prorations set forth on the Settlement Statement.

(3) Either (a) the conditions set forth in the closing instruction letter from Developer's counsel, or any lender of Developer (the "Lender"), if any, have been satisfied; or (b) you have otherwise received authorization from Developer or Developer's counsel, or Lender or Lender's counsel to proceed with the closing of this transaction.

(4) You have received the written authorization of each the undersigned (which may be provided by e-mail) to proceed with the closing and all other pre-closing conditions under the DDA have been satisfied.

(5) You have executed this closing instruction letter and returned a signed copy of to each of the undersigned, thereby confirming your agreement to comply with these instructions.

(6) You are unconditionally prepared to issue the Title Policy in the name of Developer in the form of the pro-forma dated [INSERT DATE] delivered to Developer's counsel, and with all endorsements previously approved by Buyer and Lender, if any;

(7) You have all internal documents necessary for you to perform your obligations under the DDA, any instructions of the Lender to close the acquisition and related financing, and these instructions; and

(8) You are prepared to deliver to the undersigned by hand delivery, Federal Express or other nationally known overnight courier service for next business morning delivery an original of the Settlement Statement, and a photocopy of each of the Acquisition Documents.

C. Recording. Following the transfer of funds, the following Acquisition Documents shall be recorded in the Official Records in the following order: Memorandum, Deed Restriction and Special Warranty Deed.

D. Closing. You acknowledge that the Title Policy shall be deemed to have been issued and shall be effective and in full force and effect as of the date of recordation of the Special Warranty Deed.

E. Inability to Satisfy Conditions. If for any reason you are unable to follow the above instructions on or before 5:00 p.m. mountain time on _____, 2017, TitleOne (i) may not release any of the Acquisition Documents or the Settlement Statement executed by Agency or Developer, (ii) shall not take any further actions under these instructions, and (iii) shall immediately notify each of the undersigned and await further instructions from each the undersigned.

G. Post-Closing. Within seven (7) days after the Closing, TitleOne shall forward to each of the each undersigned a file-stamped copy of the Closing Documents evidencing recordation and filing of the same in the Official Records and provided hereinabove. TitleOne shall forward the original Deed to Developer and the original Memorandum and Deed Restriction to Agency. TitleOne shall deliver the original Title Policy to Developer. All deliveries shall be to those addresses indicated by each of the undersigned

H. Acceptance of Escrow. The signature of TitleOne set forth below will confirm its agreement to comply with these instructions.

This closing instruction letter may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and e-mail signatures shall be deemed originals for purposes of determining the enforceability of this closing instruction letter.

Please acknowledge your receipt of this letter and your acceptance of the obligations set forth herein by executing this letter in the place provided below, and returning a copy to each of the undersigned by facsimile or e-mail.

Sincerely,

Matt C. Parks,
Counsel for Agency
MCP@elamburke.com

Anne C. Kunkel,
Counsel for Developer
annekunkel@varinwardwell.com

ACKNOWLEDGED, ACCEPTED AND AGREED:

TitleOne Corporation

By: _____
Name: _____
Title: _____
Dated: _____, 201__

EXHIBIT A

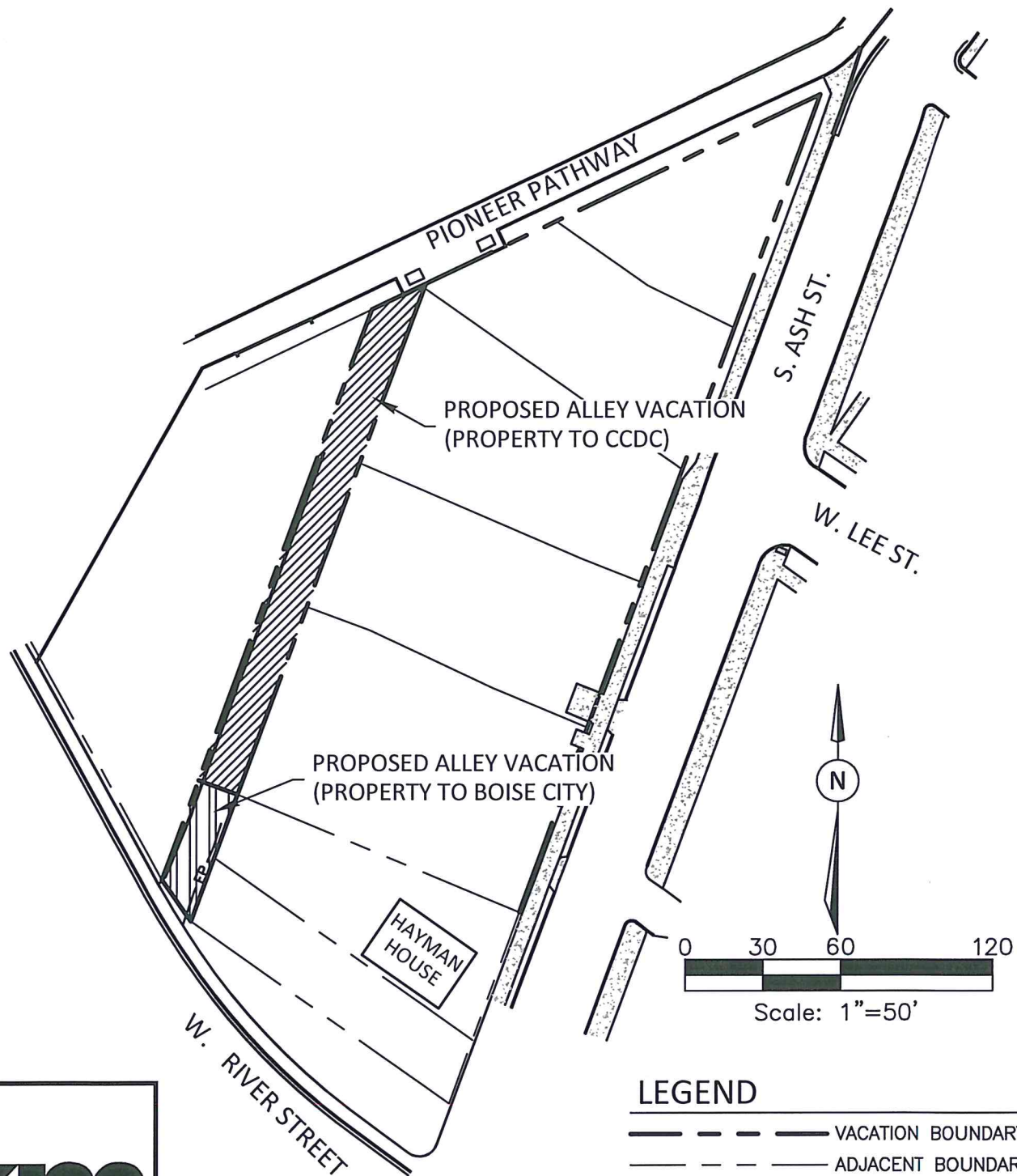
Acquisition Documents

1. One (1) original Disposition and Development Agreement, executed by Agency and Developer
2. One (1) original Memorandum of Disposition and Development Agreement, executed by Agency and Developer
3. One (1) original of a Special Warranty Deed with respect to the Property, executed by Agency and Developer
4. One (1) original of a Deed Restriction, executed by Agency and Developer
5. One (1) original of a Construction License Agreement, executed by Agency and Developer
6. One (1) original of a Landscape Easement, executed by Agency and Developer
7. One (1) original set of Developer's construction loan documents, executed by Developer

Attachment 16

Alley Vacation Map

Attachment 16 - Alley Vacation Map



km
ENGINEERING

ENGINEERS . SURVEYORS . PLANNERS

9233 WEST STATE STREET
BOISE, IDAHO 83714
PHONE (208) 639-6939
FAX (208) 639-6930

DATE: 7/6/2017

PROJECT: 17-017

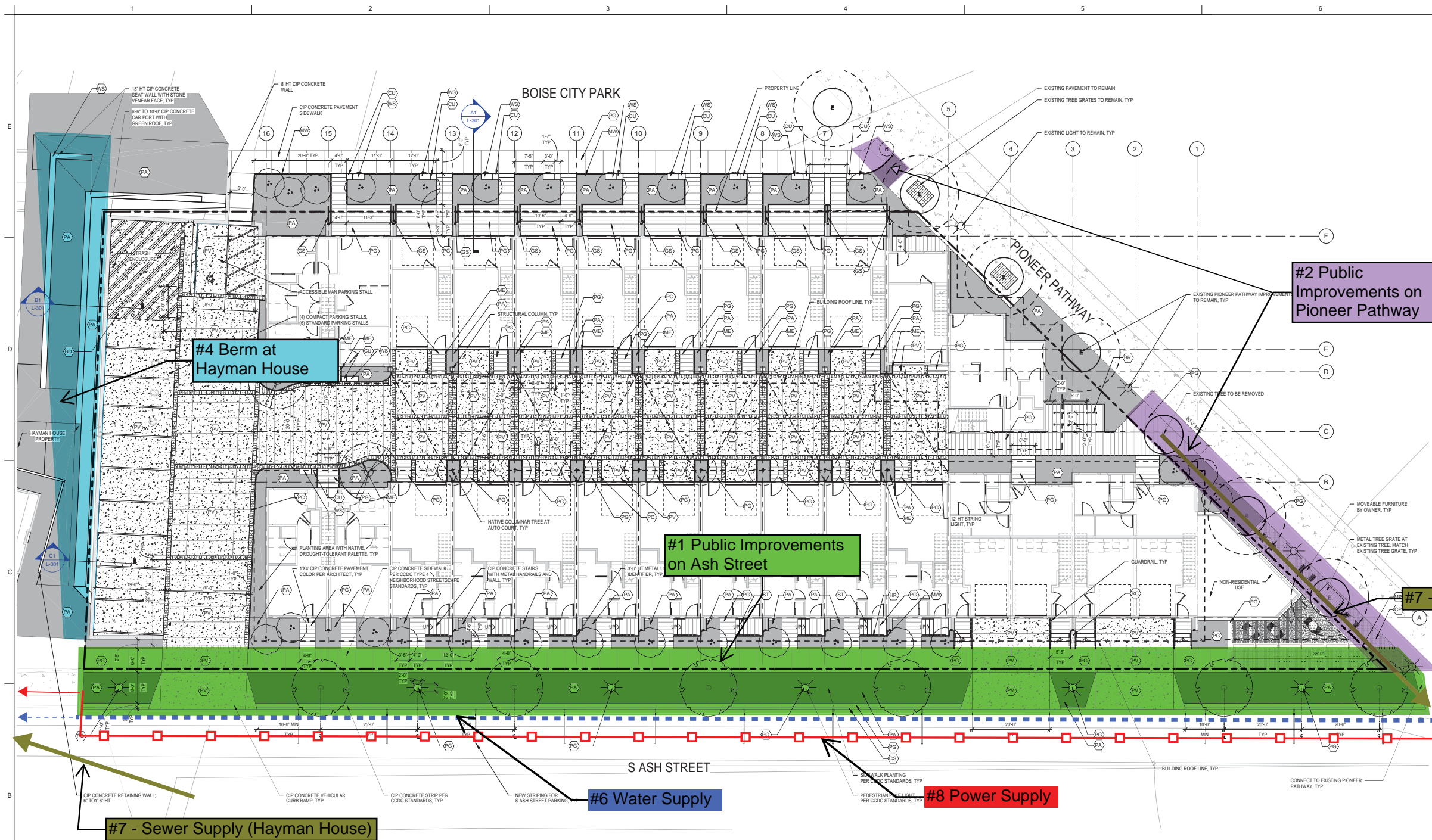
SHEET:
1 OF 1

PROPOSED ALLEY VACATION
BETWEEN W. RIVER STREET AND THE PIONEER PATHWAY, BOISE, IDAHO

ALLEY VACATION EXHIBIT

Attachment 17

Public Project Improvements Map and Description



B1 LAYOUT AND MATERIALS PLAN - GROUND LEVEL
1" = 10'-0"

LAYOUT AND MATERIALS LEGEND

TAG	VISUAL	DESCRIPTION	DETAIL
(C1)		CIP CONCRETE CURB ON GRADE	
(C2)		3' HT CIP CONCRETE UNIT IDENTIFIER	
(C3)		8' HT METAL MESH GREEN SCREEN	
(H1)		HANDRAILS	
(M1)		6' METAL PLANTER WALL	
(M2)		6'X18'X30' METAL PLANTER	
(M3)		6' TO 34' HT METAL PLANTER WALL	
(ST)		CIP CONCRETE STAIR	
(W1)		CIP CONCRETE WALL ON GRADE	
(W2)		18' HT CIP CONCRETE SEAT WALL ON GRADE	

TAG	VISUAL	DESCRIPTION	DETAIL
(B1)		METAL BOLLARD	
(B2)		BIKE RACK	
(C4)		6'X12' SAND-SET CONCRETE PAVERS	
(PA)		PLANTING AREA	
(P1)		4'X8' CONCRETE PERMEABLE PAVER BAND	
(P2)		CIP CONCRETE PAVING ON GRADE	
(P3)		CIP CONCRETE VEHICULAR PAVING ON GRADE	
(CR)		CRUSHED ROCK	
(CJ)		CONTROL JOINT	

LANDSCAPE GENERAL NOTES:

- IT IS THE INTENT OF THE CONTRACT DOCUMENTS THAT ALL WORK COMPLY WITH THE IDAHO STATE BUILDING CODE, THE IDAHO STATE ENERGY CODE, AND OTHER APPLICABLE CODES, RULES, AND REGULATIONS OF JURISDICTIONS HAVING AUTHORITY.
- PRIOR TO COMMENCEMENT OF ANY PORTION OF THE WORK, THE CONTRACTOR SHALL NOTIFY THE LANDSCAPE ARCHITECT IMMEDIATELY WHEN FOLLOWING ISSUES ARE NOTED: ANY DISCREPANCIES NOTED AMONG OR BETWEEN THE CONTRACT DOCUMENTS, OWNER-PROVIDED INFORMATION, SITE CONDITIONS, MANUFACTURER RECOMMENDATIONS, OR CODES, REGULATIONS, OR RULES OF JURISDICTIONS HAVING AUTHORITY.
- PRIOR TO COMMENCEMENT OF ANY PORTION OF THE WORK, THE CONTRACTOR SHALL BECOME FAMILIAR WITH THE CONTRACT DOCUMENTS, OWNER-PROVIDED INFORMATION, AND SITE CONDITIONS, INCLUDING TAKING FIELD MEASUREMENTS AS NECESSARY.
- THE CONTRACTOR SHALL SECURE AND PAY FOR ALL GOVERNMENTAL PERMITS, FEES, LICENSES, AND INSPECTIONS NECESSARY FOR PROPER EXECUTION AND COMPLETION OF THE WORK, EXCEPT FOR THE GENERAL BUILDING PERMIT.
- REPETITIVE FEATURES NOT INDICATED IN THE DRAWINGS EVERYWHERE THAT THEY OCCUR SHALL BE PROVIDED AS IF DRAWN IN FULL.
- DO NOT SCALE THE DRAWINGS.
- SITE PLAN INFORMATION CONTAINED HEREIN, INCLUDING BUT NOT LIMITED TO DIMENSIONS AND LOCATION OF EXISTING UTILITIES, IS BASED UPON SURVEY INFORMATION PROVIDED BY THE OWNER. THE LANDSCAPE ARCHITECT TAKES NO RESPONSIBILITY FOR ITS ACCURACY.
- CONTRACTOR SHALL VERIFY LOCATION OF ALL EXISTING UTILITIES. CARE SHOULD BE TAKEN TO AVOID DAMAGE TO OR DISTURBANCE OF EXISTING UTILITIES.
- WHERE POSSIBLE, RUN IRRIGATION AND ELECTRICAL CONDUIT UNDER DECKING OR PLANTING AREAS.
- DRAINAGE FEATURES WITH PROPOSED ON-SITE RETENTION PER CIVIL.

CURVARIANCE APPLICATION 3/24/2017

Attachment 18 - Schedule of Eligible Public Improvement Costs

Project Name: Ash Street Townhomes		Plan Date: 3/24/2017			
PUBLIC IMPROVEMENTS					
#	ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL COST
STREETSCAPE IMPROVEMENTS					-
1	Public Improvements on Ash Street	LS	134,000.00	1	134,000
2	Public Improvements on Pioneer Pathway	LS	24,000.00	1	24,000
3	Other				-
HAYMAN HOUSE IMPROVEMENTS					-
4	Berm	LS	35,000.00	1	35,000
5	Other				-
UTILITIES					-
6	Water Supply	LS	29,000.00	1	29,000
7	Sewer System	LS	15,000.00	1	15,000
8	Power Supply	LS	54,000.00	1	54,000
9	Other				-
OTHER					-
10	Contingency	LS	27,000	1	27,000
11	Other				-
12	Other				-
TOTAL ELIGIBLE COSTS (Not to Exceed):					318,000
Important Note:					



AGENDA BILL

Agenda Subject: Resolution 1508: Approval of 11 th & Myrtle – Pioneer Corner – Type Four Participation Agreement with BVGC Parcel B, LLC		Date: September 11, 2017
Staff Contact: Matt Edmond	Attachments: 1) Resolution 1508	
Action Requested: Adopt Resolution No. 1508, approving the Type 4 Participation Agreement with BVGC Parcel B, LLC to construct Pioneer Corner improvements.		

Background:

Through the Front and Myrtle Alternatives Analysis, CCDC staff and agency partners identified a number of near term improvements along the Front and Myrtle corridor that could be accomplished either as part of or concurrently with the ITD resurfacing project on Front, Myrtle, and Broadway scheduled to occur in the summer/fall of 2017. One of the near term improvements identified was an improved connection between the existing Pioneer Pathway and the intersection of 11th and Myrtle Streets. This improvement will include a widened pathway paver section, modified landscaping with two additional trees, two benches, and a waste receptacle.

At the July 10 board meeting, the CCDC board approved a preliminary agreement of up to \$100,000 with BVGC Parcel B LLC to construct the improvements. This agreement was before the developer's contractor had a chance to review the plans and submit their own cost estimates based on their own determination of material and subcontractor quotes. The contractor has subsequently submitted a cost estimate of \$110,906.

Fiscal Notes:

The project is estimated to include eligible costs of \$110,906. The 2018 budget approved by the CCDC Board of Commissioners on August 29, 2017 included \$125,000 for this project.

Staff Recommendation:

Adopt Resolution No. 1508, approving the Type 4 Participation Agreement with BVGC Parcel B, LLC to construct Pioneer Corner improvements.

Suggested Motion:

I move to adopt Resolution No. 1508, approving the Type 4 Participation Agreement with BVGC Parcel B, LLC to construct Pioneer Corner improvements.

RESOLUTION NO. 1508

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF BOISE, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, APPROVING THE TYPE 4 PARTICIPATION AGREEMENT BETWEEN THE AGENCY AND BVGC PARCEL B, LLC; AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT AND ANY NECESSARY DOCUMENTS OR AGREEMENTS SUBJECT TO CERTAIN CONTINGENCIES; AUTHORIZING ANY TECHNICAL CORRECTIONS TO THE AGREEMENT; RESCINDING RESOLUTION NO. 1502; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION is made on the date hereinafter set forth by the Urban Renewal Agency of Boise City, Idaho, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, as amended, Chapter 20, Title 50, Idaho Code, and the Local Economic Development Act, as amended and supplemented, Chapter 29, Title 50, Idaho Code (collectively, the "Act"), as a duly created and functioning urban renewal agency for Boise City, Idaho (hereinafter referred to as the "Agency"); and,

WHEREAS, the City Council of the City of Boise City, Idaho (the "City"), after notice duly published, conducted a public hearing on the River Street-Myrtle Street Urban Renewal Plan (the "River Street Plan"), and following said public hearing the City adopted its Ordinance No. 5596 on December 6, 1994, approving the River Street Plan and making certain findings; and,

WHEREAS, the City, after notice duly published, conducted a public hearing on the First Amended and Restated Urban Renewal Plan, River Street-Myrtle Street Urban Renewal Project (annexation of the Old Boise Eastside Study Area and Several Minor Parcels) and Renamed River Myrtle-Old Boise Urban Renewal Project (the "River Myrtle-Old Boise Plan"); and,

WHEREAS, following said public hearing, the City adopted its Ordinance No. 6362 on November 30, 2004, approving the River Myrtle-Old Boise Plan and making certain findings; and,

WHEREAS, the Agency staff is working in collaboration with representatives from the Ada County Highway District, the City of Boise, the Community Planning Association of Southwest Idaho, and the Idaho Transportation Department on the "*Front and Myrtle Street Alternatives Analysis Project*" (the Study); and,

WHEREAS, the Study identified improvements to the Pioneer Pathway at the southwest corner of 11th and Myrtle Streets (the “Project”) as a Quick Win/near term improvement; and,

WHEREAS, the Agency has funds programmed in its 2018-2022 Capital Improvement Plan for 11th & Myrtle – Pioneer Corner Improvements as determined by the Study; and

WHEREAS, BVGC Parcel B, LLC is currently developing a project called Pioneer Crossing on the property known as Parcel B in the vicinity of the Project; and

WHEREAS, the Agency has in place a Participation Program which includes Type-4 Assistance Program under which the Agency reimburses developers for construction of public improvements contained in the Agency’s Capital Improvement Program; and,

WHEREAS, the Agency approved a preliminary Type-4 Participation Program Agreement (“Preliminary Agreement”) with BVGC Parcel B LLC through Resolution 1502 on July 10, 2017 under which BVGC Parcel B LLC would construct the Project and the Agency would reimburse BVGC Parcel B LLC up to \$100,000; and,

WHEREAS, BVGC Parcel B, LLC has determined the cost to construct the Project would exceed the \$100,000 amount allowed in the Preliminary Agreement; and,

WHEREAS, Agency deems it appropriate to proceed with a revised Agreement (“Revised Agreement”) with the new schedule of values as determined by BVGC Parcel B LLC and execute it with BVGC Parcel B, LLC; and,

WHEREAS, the Agency Board finds it in the best public interest to rescind Resolution 1502 which approved the Preliminary Agreement and to authorize the Executive Director to execute the Revised Agreement for construction of the Project once negotiations are finalized by the parties.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, AS FOLLOWS:

Section 1: That the above statements are true and correct.

Section 2: That the Revised Agreement, a copy of which is attached hereto as Attachment 1 in its draft form and incorporated herein by reference, be and the same is hereby approved.

Section 3: That the Executive Director of the Agency is hereby authorized to sign and enter into the Revised Agreement to execute all necessary documents required to implement the actions contemplated by the Revised Agreement once

finalized with agreement language, plan set, and schedule of values, subject to representations by the Agency staff and Agency legal counsel that all conditions precedent to actions have been met; and further, any necessary technical changes to the Revised Agreement or other documents are acceptable upon advice from the Agency's legal counsel that said changes are consistent with the provisions of the Revised Agreement and the comments and discussions received at the September 11, 2017, Agency Board meeting; and further, the Agency is authorized to appropriate any and all funds contemplated by the Revised Agreement and to perform any and all other duties required pursuant to said Revised Agreement.

Section 4: That Resolution No. 1502, approved July 10, 2017, is hereby rescinded.

Section 5: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED By the Urban Renewal Agency of Boise City, Idaho, on September 11, 2017. Signed by the Chairman of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners on September 11, 2017.

URBAN RENEWAL AGENCY OF BOISE CITY

By: _____
John Hale, Chairman

ATTEST:

By: _____
Ryan Woodings, Secretary

TYPE 4 CAPITAL IMPROVEMENT REIMBURSEMENT AGREEMENT

BY AND BETWEEN

THE CAPITAL CITY DEVELOPMENT CORPORATION

AND

BVGC PARCEL B, LLC, AN IDAHO LIMITED LIABILITY COMPANY

PIONEER CORNER PROJECT

TYPE 4 CAPITAL IMPROVEMENT REIMBURSEMENT AGREEMENT

THIS TYPE 4 CAPITAL IMPROVEMENT REIMBURSEMENT AGREEMENT ("Agreement") is entered into by and between the Urban Renewal Agency of the City of Boise, also known as the Capital City Development Corporation, a public body, corporate and politic, of the State of Idaho ("CCDC"), and BVGC Parcel B, LLC, an Idaho limited liability company ("Developer"). CCDC and Developer may be collectively referred to as the "Parties" and individually referred to as a "Party."

RECITALS

A. CCDC is an urban renewal agency created by and existing pursuant to the Idaho Urban Renewal Law of 1965, being Idaho Code, Title 50, Chapter 20, and the Local Economic Project Act, being Idaho Code, Title 50, Chapter 29, as amended and supplemented (collectively the "Act").

B. BVGC Parcel B, LLC (the "Developer") owns or controls certain real property, more commonly known as Parcel B, located at 1150 W. Myrtle Street, Boise, ID 83702. Parcel B is undergoing redevelopment as a project called Pioneer Crossing (the "Developer's Project"), which is more accurately depicted on attached **Exhibit A**.

C. Based on early findings from the *Front and Myrtle Alternatives Analysis*, CCDC has developed plans to expand the Pioneer Pathway in a public easement at the southwest corner of 11th and Myrtle Streets (the "Pioneer Corner Project"), in the immediate vicinity of the Developer's Project. The Pioneer Corner Project is more accurately depicted in **Exhibit B**, and the Developer agrees to construct these improvements as part of the Developer's Project and in accordance with the plans provided by CCDC.

D. The Developer's Project and the Pioneer Corner Project are located in the River Myrtle-Old Boise Urban Renewal District ("RM District"), as created by the River Street-Myrtle Street Urban Renewal Plan, as subsequently amended (the "Plan"). The Pioneer Corner Project includes improvements to the public right-of-way or within a public easement that are consistent with the Pioneer Corridor Design Standards. The Project will contribute to enhancing and revitalizing the RM District.

E. If Developer constructs the Pioneer Corner Project, CCDC deems it appropriate to reimburse Developer for certain eligible public improvements as detailed in this Agreement to achieve the objectives set forth in the Plan and in accordance with CCDC's Participation Program and upon execution of this Agreement shall set aside sufficient funds to meet its obligations under this Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the above recitals, which are incorporated into this Agreement; the mutual covenants contained herein; and other

good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Effective Date and Term. The effective date ("Effective Date") of this Agreement shall be the date when this Agreement has been signed by Developer and CCDC (last date signed) and the term of the Agreement shall continue until: (1) the completion of all obligations of each Party; or (2) December 31, 2017, whichever comes first. Provided Developer is diligently constructing the Pioneer Corner Project, upon written request from Developer to CCDC, CCDC shall grant one extension for a period not to exceed six (6) months.

2. Construction of the Pioneer Corner Project. As a condition to CCDC's reimbursement under the terms of this Agreement, Developer shall construct the Pioneer Corner Project consistent with the following:

- a. The Pioneer Corner Project shall be constructed in accordance with the overall City of Boise ("City") infrastructure plans, policies, and design standards and with the Pioneer Corner Plan and specifications included in **Exhibit B.**
- b. Developer shall obtain all permits and secure all agreements required by City, the Ada County Highway District ("ACHD"), and the Idaho Transportation Department ("ITD") to construct the Pioneer Corner Project.
- c. Developer shall schedule final construction inspection and meeting with CCDC to ensure that the Pioneer Corner Project is constructed pursuant to this Agreement.

The Parties agree that the Pioneer Corner Project is depicted on **Exhibit B**, with cost details described on **Exhibit C**. Any other public improvements that are constructed by Developer as part of the Developer's Project are not eligible for reimbursement pursuant to this Agreement, but are eligible for reimbursement pursuant to a separate agreement between the Parties. Nothing contained in this Agreement shall modify or amend any other agreement between the Parties.

3. Initial Construction Funding. Developer shall pay for all of the costs of construction for the Pioneer Corner Project. The reimbursement payment to Developer by CCDC shall be made pursuant to Section 7. CCDC acknowledges that the schedule of values for the eligible streetscape and infrastructure costs ("Pioneer Corner Project Cost Details") attached as **Exhibit C** is an estimate and that actual total costs, as well as each line item of cost for the Pioneer Corner Project, may be more or less than is shown on **Exhibit C**.

4. Review of Construction Plans. Upon CCDC's request, CCDC shall have the right and the opportunity to review Developer's construction plans, budgets,

and bids for the eligible streetscape and infrastructure costs identified in Exhibit C (collectively the “Public Improvement Construction Documents”). Developer will utilize commercially reasonable contracting, budgeting, and bidding practices to ensure that the Pioneer Corner Project is constructed consistent with the Public Improvement Construction Documents and are undertaken in a reasonable manner. For purposes of this Section 4, Developer shall be presumed to have utilized commercially reasonable contracting, budgeting, and bidding practices if its general contractor solicits or solicited competitive bids for the Pioneer Corner Project and such work is not performed by an affiliate or subsidiary of Developer.

5. Notification of Completion; Inspection. Upon completion of construction, Developer shall notify CCDC in writing and request a final construction inspection and a meeting with CCDC evaluate whether Pioneer Corner Project adheres to the requirements of this Agreement. Following a satisfactory inspection by CCDC, CCDC shall provide Developer with written confirmation that the Pioneer Corner Project has been completed in compliance with this Agreement. If such inspection identifies issues that shall be required to be addressed, then CCDC shall provide Developer with written notice of such, and Developer shall have a reasonable period of time to work with its contractor to complete and correct such.

6. Determining Actual Eligible Costs. Developer is responsible for submitting invoices or receipts for work performed as part of the Pioneer Corner Project (the “Cost Documentation”) with any invoices delivered to CCDC. The Cost Documentation shall include the following:

- a. An updated schedule of values that includes line items for the Pioneer Corner Project improvements approved by CCDC for reimbursement so they are identifiable separate from other line items (“Updated Schedule of Values”).
- b. Invoices from Developer’s general contractor, subcontractor(s), design professionals, and material suppliers for each type of eligible cost item (e.g. concrete, pavers, benches, historic street lights). Invoices shall specify quantities and unit costs of installed materials, and a percentage estimate of how much installed material was used for the Pioneer Corner Project in comparison to the amount used for the remainder of the Developer’s Project (“Invoices”).
- c. Explanation of any significant deviation between the Pioneer Corner Project Cost Details in **Exhibit C**, any Updated Schedule of Values previously submitted, and the actual costs in the most recently submitted Cost Documentation.

- d. An affidavit by Developer that all materials have been paid for, all subcontractors have been paid, and that no liens exist on the work performed.

CCDC shall have the right to review the Cost Documentation and to obtain independent verification that the quantities of work claimed, the unit costs and the total costs for eligible costs are commercially reasonable and consistent with the cost estimates provided by Developer to CCDC prior to construction. In the event Developer fails to timely deliver the Cost Documentation, CCDC may elect to terminate its payment obligations under this Agreement only after providing Developer with written notice of such default and affording Developer a period of forty-five (45) days from such written notice to cure the default. If Developer fails to cure such a default, CCDC may terminate its payment obligations under this Agreement.

Within fifteen (15) days of CCDC's receipt of the Cost Documentation, CCDC will notify Developer in writing of CCDC's acceptance or rejection of the Cost Documentation and CCDC's determination of the "**Actual Eligible Costs**" to be reimbursed. CCDC shall determine the Actual Eligible Costs following its review of the Cost Documentation, verification of the commercial reasonableness of the costs and expenses contained in such Cost Documentation, and comparison of the amounts in the Cost Documentation to the amounts in the Pioneer Corner Project Cost Details. **In no event will the Actual Eligible Costs exceed the amount set forth on the Pioneer Corner Project Cost Details.**

If Developer disagrees with CCDC's calculation of the Actual Eligible Costs, Developer must respond to CCDC in writing within five (5) days explaining why Developer believes CCDC's calculation was in error and providing any evidence to support any such contentions Developer wants CCDC to consider. CCDC shall respond to Developer within three (3) days with a revised amount for the Actual Eligible Costs or notify Developer CCDC will not revise the initial amount calculated. At that point, the determination of the Actual Eligible Costs will be final.

CCDC's determination of the Actual Eligible Costs is within its discretion, to be exercised in a commercially reasonable manner. Provided, any dispute over the Actual Eligible Costs is subject to Section 22, herein.

7. Conditions Precedent to CCDC's Reimbursement Obligation. CCDC agrees to reimburse Developer in the amount as determined in compliance with Paragraphs 5 and 6 as follows:

- a. City issues a Certificate of Occupancy or Temporary Certificate of Occupancy for the Project.
- b. CCDC provides written confirmation to the Developer that the Pioneer Corner Project has been constructed in compliance with this

Agreement. CCDC may require proof of completion at CCDC's sole discretion.

Failure to comply with all Agreement provisions shall be a basis for termination of CCDC's reimbursement obligation.

8. Subordination of Reimbursement Obligations. The Parties agree this Agreement does not provide Developer with a security interest in any CCDC revenues for the River Myrtle District or any other urban renewal plan area, including but not limited to revenue from any "**Revenue Allocation Area**" (as defined in Title 50, Chapter 29 of the Idaho Code) or any revenue from CCDC's parking garages. Notwithstanding anything to the contrary in this Agreement, the obligation of CCDC to make the payments as specified in this Agreement shall be subordinate to all CCDC obligations that have committed or in the future commit available CCDC revenues, including but not limited to revenue from any Revenue Allocation Area or any revenue from CCDC's parking garages, and may be subject to consent and approval by CCDC lenders; provided, however, that CCDC (a) shall not grant any other person or entity a security interest in CCDC's tax increment revenues for the River Myrtle District, except as may be related to loans, issuance of credit, or the issuance of bonds related to the maintenance, operation, or purchase of parking facilities or any other urban renewal project; (b) except as permitted in the previous clause, shall not enter into any agreement committing the tax increment generated from or relating to the Pioneer Corner Project to any other person or entity; and (c) shall not, without prior notice to Developer, modify the Plan in such a way as would (i) adversely affect the implementation of the Plan, (ii) adversely affect the ability of CCDC to obtain revenue anticipated under the Plan, or (iii) result in the resetting of the base value of the properties that are subject to the Plan. Upon reasonable request from the Developer, CCDC will provide updates on the availability of funds for the CCDC Reimbursement and the most recently adopted annual budget for the River Myrtle District.

9. Default. Neither Party shall be deemed to be in default of this Agreement except upon the expiration of forty-five (45) days (ten [10] days in the event of failure to pay money) from receipt of written notice from the other Party specifying the particulars in which such Party has failed to perform its obligations under this Agreement; unless such Party, prior to expiration of said 45-day period (ten [10] days in the event of failure to pay money), has rectified the particulars specified in said notice of default. In the event of a default, the nondefaulting Party may do the following:

- a. The nondefaulting Party may terminate this Agreement upon written notice to the defaulting Party and recover from the defaulting Party all direct damages incurred by the nondefaulting Party.
- b. The nondefaulting Party may seek specific performance of those elements of this Agreement which can be specifically performed, in addition, recover all damages incurred by the nondefaulting Party. The Parties declare it to be their intent that elements of this

Agreement requiring certain actions be taken for which there are not adequate legal remedies may be specifically enforced.

- c. The nondefaulting Party may perform or pay any obligation or encumbrance necessary to cure the default and offset the cost thereof from monies otherwise due the defaulting Party or recover said monies from the defaulting Party.
- d. The nondefaulting Party may pursue all other remedies available at law, it being the intent of the Parties that remedies be cumulative and liberally enforced so as to adequately and completely compensate the nondefaulting Party.
- e. In the event Developer defaults under this Agreement, CCDC (the nondefaulting Party) shall have the right to suspend or terminate its payment under this Agreement, as more specifically defined in this Agreement, for so long as the default continues and if not cured prior to the end of the term of the Agreement as set forth in Section 1, CCDC's obligation for payment may be deemed extinguished by CCDC.

10. Captions and Headings. The captions and headings in this Agreement are for reference only and shall not be deemed to define or limit the scope or intent of any of the terms, covenants, conditions, or agreements contained herein.

11. No Joint Venture or Partnership. CCDC and Developer agree that nothing contained in this Agreement or in any document executed in connection with this Agreement shall be construed as making CCDC and Developer a joint venture or partners.

12. Successors and Assignment. This Agreement is not assignable except that the Developer may assign Developer's rights or obligations under this Agreement to a third party only with the written approval of CCDC, which approval may be granted or denied in CCDC's sole discretion.

13. Notices and Receipt. All notices given pursuant to this Agreement shall be in writing and shall be given by personal service, by United States mail, or by United States express mail or other established express delivery service (such as Federal Express), postage or delivery charge prepaid, return receipt requested, addressed to the appropriate Party at the address set forth below:

If to Developer: BVGC Parcel B, LLC
 Attn: J. Thomas Ahlquist
 101 S. Capitol Blvd., Suite 1700
 Boise, Idaho 83702

If to CCDC: John Brunelle, Executive Director
Capital City Development Corporation
121 N. 9th Street, Suite 501
Boise, Idaho 83702

The person and address to which notices are to be given may be changed at any time by any Party upon written notice to the other Party. All notices given pursuant to this Agreement shall be deemed given upon receipt. For the purpose of this Agreement, the term "receipt" shall mean the earlier of any of the following:

- a. date of delivery of the notice or other document to the address specified above as shown on the return receipt;
- b. date of actual receipt of the notice or other document by the person or entity specified above; or
- c. in the case of refusal to accept delivery or inability to deliver the notice or other document, the earlier of:
 - (i) date of the attempted delivery or refusal to accept delivery,
 - (ii) date of the postmark on the return receipt, or
 - (iii) date of receipt of notice of refusal or notice of non-delivery by the sending Party.

14. Applicable Law/Attorney Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of Idaho. Should any legal action be brought by either Party because of breach of this Agreement or to enforce any provision of this Agreement, the prevailing Party shall be entitled to reasonable attorney fees, court costs, and such other costs as may be found by the court.

15. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the Parties. Exhibits to this Agreement are as follows:

Exhibit A	Developer's Project Site Map
Exhibit B	Pioneer Corner Project Plan
Exhibit C	Pioneer Corner Project Cost Details

16. Indemnification. Developer shall indemnify, defend, and hold CCDC and its respective officers, agents, and employees harmless from and against all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses, including reasonable architect and attorney fees (collectively referred to in this section as "Claim"), which may be imposed upon or incurred by or asserted against CCDC or its respective officers, agents, and employees relating to the construction or design of the Pioneer Corner Project. Notwithstanding the foregoing, Developer shall have no

obligation to indemnify and hold CCDC and its respective officers, agents, and employees harmless from and against any matter to the extent it arises from the active negligence or willful act of CCDC or its respective officers, agents, or employees. In the event an action or proceeding is brought against CCDC or its respective officers, agents, and employees by reason of any such claim, Developer, upon written notice from CCDC, shall, at Developer's expense, resist or defend such action or proceeding. Developer's obligation under this Section 16 shall survive the termination of this Agreement.

17. Insurance Requirements. Developer shall, or through its contractor, agents, representatives, employees or subcontractors, at its sole cost, obtain and maintain in force for the duration of the construction of the improvements to the Project Site as part of the Developer's Project, insurance of the following types, with limits not less than those set forth below and in a form acceptable to CCDC, against claims for injuries to persons or damages to property which may arise from, or in connection with, the performance of the services hereunder by Developer, its agents, representatives, employees, or subcontractors:

a. Commercial General Liability Insurance with a minimum combined single limit liability of \$1,000,000 each occurrence for bodily injury and property damage; with a minimum limit of liability of \$1,000,000 each person for personal and advertising injury liability. Such policy shall have a general aggregate limit of not less than \$2,000,000, which general aggregate limit will be provided on a per project basis. The policy shall be endorsed to name CCDC and City as additional insureds.

b. Workers' Compensation Insurance, including occupational illness or disease coverage, in accordance with the laws of the nation, state, territory, or province having jurisdiction over Developer's employees, and Employer's Liability Insurance. Developer shall not utilize occupational accident or health insurance policies, or the equivalent, in lieu of mandatory Workers' Compensation Insurance or otherwise attempt to opt out of the statutory Workers' Compensation system.

c. Automobile Liability Insurance covering use of all owned, non-owned, and hired automobiles with a minimum combined single limit of liability for bodily injury and property damage of \$1,000,000 per occurrence. This policy shall be endorsed to name CCDC, including its respective affiliates, directors, and employees, as additional insureds.

d. All insurance provided by Developer under this Agreement shall include a waiver of subrogation by the insurers in favor of CCDC. Developer hereby releases CCDC, including its respective affiliates, directors, and employees, for losses or claims for bodily injury, property damage covered by Developer's insurance or other insured claims arising out of Developer's performance under this Agreement or construction of the Project.

e. Certificates of insurance satisfactory in form to CCDC (ACORD

form or equivalent) shall be supplied to CCDC evidencing that the insurance required above is in force, that, to the extent commercially reasonable, not less than thirty (30) days' written notice will be given to CCDC prior to any cancellation or restrictive modification of the policies, and that the waivers of subrogation are in force. Developer shall also provide, with its certificate of insurance, executed copies of the additional insured endorsements and dedicated limits endorsements required in this Agreement. At CCDC's request, Developer shall provide a certified copy of each insurance policy required under this Agreement.

f. The foregoing insurance coverage shall be primary and noncontributing with respect to any other insurance or self-insurance that may be maintained by CCDC. The fact that Developer has obtained the insurance required in this Section shall in no manner lessen or affect Developer's other obligations or liabilities set forth in this Agreement.

18. Antidiscrimination During Construction. Developer, for itself and its successors and assigns, agrees that in the rehabilitation and/or construction of improvements on the Project Site provided for in this Agreement, Developer will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, marital status, national origin or ancestry, age, or handicap.

19. Maintenance. Developer acknowledges and agrees CCDC has no obligations to maintain the improvements constructed as part of the Pioneer Corner Project or any other maintenance obligations under this Agreement.

20. Promotion of Project. Developer agrees CCDC may promote the Pioneer Corner Project and CCDC's involvement with the Pioneer Corner Project. Such promotion includes reasonable signage at the Project Site notifying the public of CCDC's involvement with the Pioneer Corner Project.

21. Warranty. Developer warrants that the materials and workmanship employed in the construction of the Pioneer Corner Project are of good quality and conform to generally accepted standards within the construction industry. Such warranty shall extend for a period of two (2) years after completion of the Pioneer Corner Project, being the date CCDC acknowledged the completion of the Pioneer Corner Project. Provided, nothing herein shall limit the time within which CCDC may bring an action against Developer on account of Developer's failure to otherwise construct such improvements in accordance with this Agreement.

22. Dispute Resolution. In the event that a dispute arises between CCDC and Developer regarding the application or interpretation of any provision of this Agreement, the aggrieved Party shall promptly notify the other Party to this Agreement of the dispute within ten (10) days after such dispute arises. If the Parties shall have failed to resolve the dispute within thirty (30) days after delivery of such notice, the Parties agree to first endeavor to settle the dispute in an amicable manner by mediation

or other process of structured negotiation under the auspices of a nationally or regionally recognized organization providing such services in the Northwestern States or otherwise, as the Parties may mutually agree before resorting to litigation. Should the Parties be unable to resolve the dispute to their mutual satisfaction within thirty (30) days after such completion of mediation or other process of structured negotiation, each Party shall have the right to pursue any rights or remedies it may have at law or in equity.

23. Entire Agreement, Waivers. This Agreement, including Exhibits A through C, inclusive, incorporated herein by reference, constitutes the entire understanding and agreement of the Parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter thereof. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of CCDC and Developer.

24. Amendments to this Agreement. CCDC and Developer agree to mutually consider reasonable requests for amendments to this Agreement and any attachments hereto which may be made by any of the Parties hereto, lending institutions, bond counsel, financial consultants, or underwriters to CCDC, provided said requests are consistent with this Agreement and would not alter the basic business purposes included herein or therein. Any such amendments shall be in writing and agreed to by the Parties.

25. Severability. If any provisions of this Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

26. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

27. Forced Delay; Extension of Times of Performance. In addition to the specific provisions of this Agreement, performance by any Party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; lack of materials or labor at commercially reasonable prices or in commercially reasonable quantities; governmental restrictions or priority; litigation; unusually severe weather; acts of another party; environmental analysis, or removal of hazardous or toxic substances; acts or the failure to act of any public or governmental agency or entity (except that acts or the failure to act of CCDC shall not excuse performance by CCDC); or any other causes beyond the control or without the fault of the Party claiming an extension of time to perform. An extension of time for any such cause shall only be for the period of the forced delay, which period shall commence to run from the time of the

commencement of the cause, if notice is delivered by the Party claiming such extension no later than forty-five (45) days after the commencement of the cause. If, however, notice by the Party claiming such extension is sent to the other Party more than forty-five (45) days after the commencement of the cause, the period shall commence to run only forty-five (45) days prior to the giving of such notice. Times of performance under this Agreement may also be extended in writing by CCDC and Developer.

IN WITNESS WHEREOF, the Parties hereto have signed this Agreement the day and year below written.

CCDC:

CCDC: Urban Renewal Agency of the City of
Boise, a public body, corporate and politic

By _____
John Brunelle, Executive Director

Date: _____

DEVELOPER:

BVGC PARCEL B, LLC
an Idaho limited liability company
by its Operations Manager

KC Gardner Company, L.C., a Utah limited
liability company

By: _____
Christian K. Gardner
Its: Manager

Date: _____

Exhibit A

Developer's Project Site

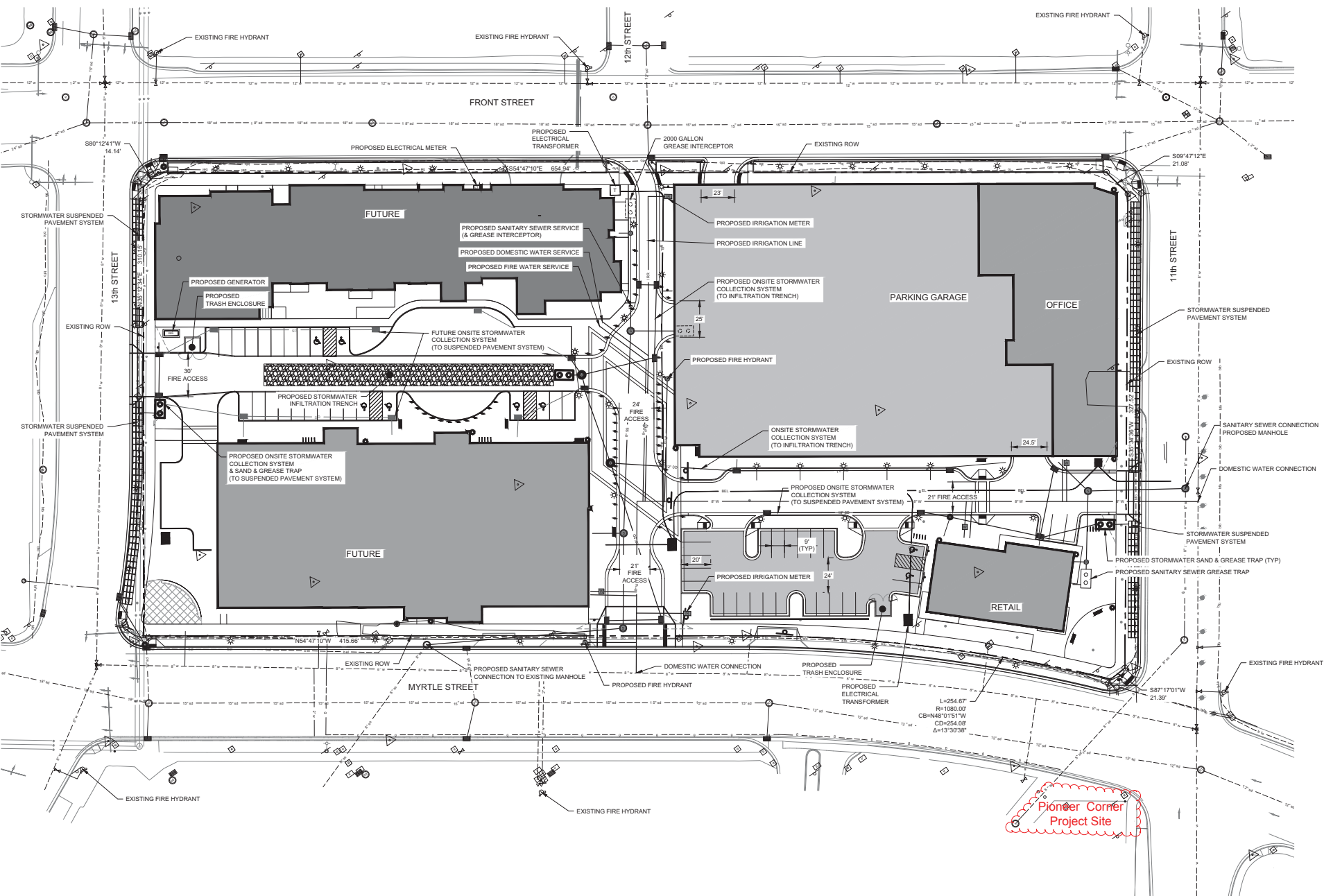
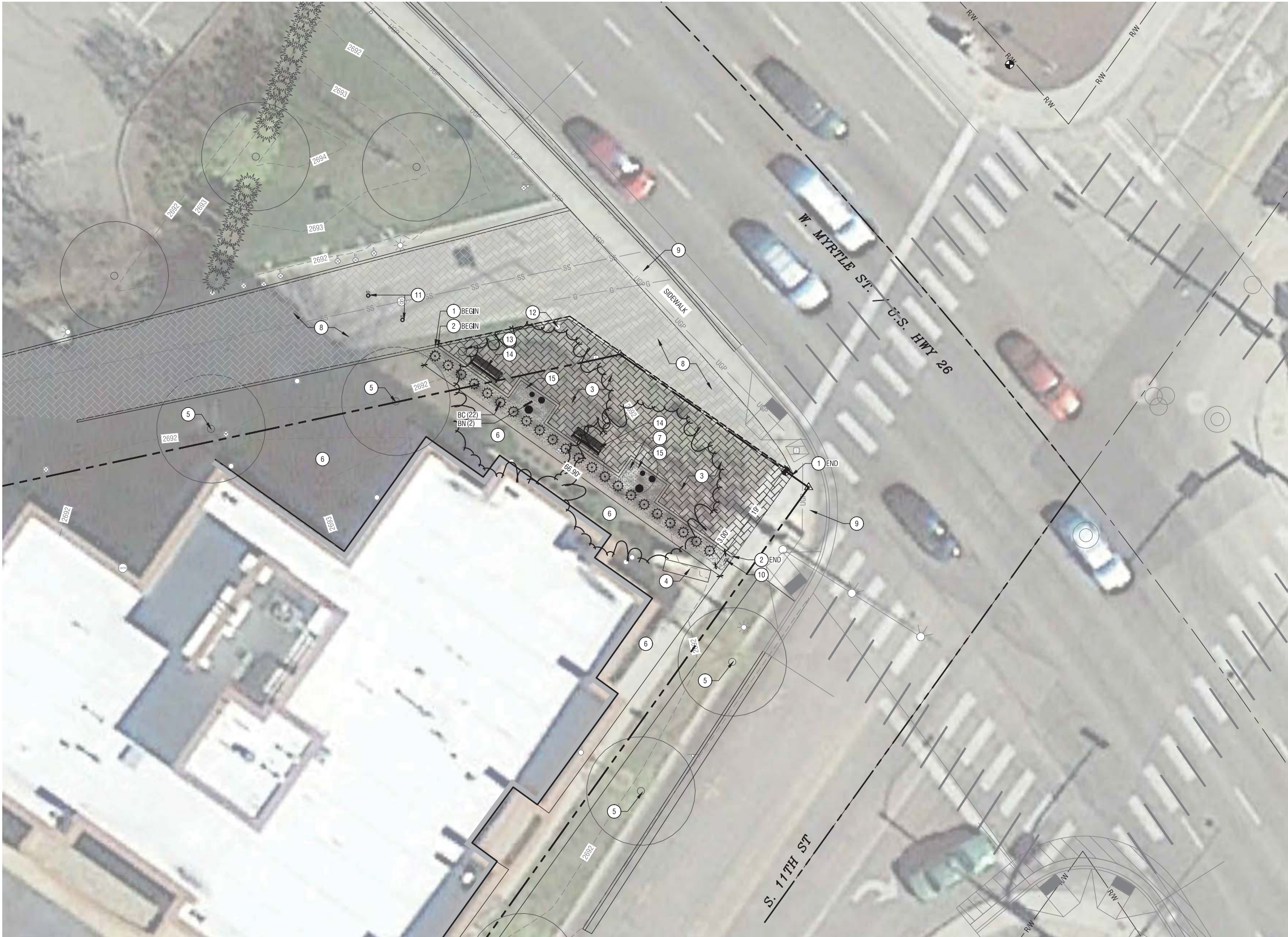


Exhibit B

Pioneer Corner Project

Project No.: 117046
Date of Issuance: 05.30.17
Designed by: MD/MRT
Checked by: DW
Sheet No.: L1.00



Site & Landscape Plan

HORIZONTAL SCALE: 1" = 10'



TYPE 4 CAPITAL IMPROVEMENT REIMBURSEMENT AGREEMENT - 16

PLANT SCHEDULE

TREES	BOTANICAL NAME / COMMON NAME	CONT	CAL	QTY
BN	BETULA NIGRA / RIVER BIRCH MULTI-TRUNK	B & B	2"	2
SHRUBS	BOTANICAL NAME / COMMON NAME	CONT	FIELD2	QTY
BC	BERBERIS THUNBERGII 'CONCORDE' / CONCORDE JAPANESE BARBERRY	2 GAL		22

Vicinity Map:



Sheet Notes:

- CONTRACTOR SHALL REPORT TO LANDSCAPE ARCHITECT ALL CONDITIONS WHICH IMPAIR AND/OR PREVENT THE PROPER EXECUTION OF THIS WORK, PRIOR TO BEGINNING WORK.
- CONTRACTOR SHALL SCHEDULE A PRE-CONSTRUCTION CONFERENCE WITH LANDSCAPE ARCHITECT.
- CONTRACTOR SHALL REPAIR ALL LANDSCAPE AND IRRIGATION AREAS DISTURBED OR DAMAGED AS A RESULT OF CONSTRUCTION TO PRE-CONSTRUCTION CONDITIONS.
- IN THE EVENT OF A DISCREPANCY, NOTIFY THE LANDSCAPE ARCHITECT IMMEDIATELY.
- CONTRACTOR SHALL, AT ALL TIMES, PROTECT STORM DRAIN FACILITIES, FROM CONTAMINATION. DO NOT PILE MATERIALS ON OR NEAR STORM DRAIN FACILITIES.
- THE CONTRACTOR SHALL COMPLY WITH ADA ACCESSIBILITY GUIDELINES, WITHIN THE PUBLIC RIGHT-OF-WAY, THROUGHOUT THE DURATION OF THE PROJECT AS REQUIRED.

Material Legend:



NEW BRICK PAVER TO MATCH EXISTING.



BARK MULCH TO MATCH EXISTING AT 3" DEPTH.

Keynotes:

- REMOVE EXISTING CONCRETE CURBING IN THIS APPROXIMATE AREA.
- NEW 6" CONCRETE CONTAINMENT CURBING.
- REMOVE EXISTING LANDSCAPE/IRRIGATION COMPONENTS IN THIS APPROXIMATE AREA; CUT AND CAP AS NEEDED.
- EXISTING SIGN TO BE PRESERVED AND PROTECTED.
- EXISTING TREE TO BE PRESERVED AND PROTECTED, REFERENCE TREE PROTECTION NOTES ON THIS SHEET.
- EXISTING LANDSCAPE TO BE PRESERVED AND PROTECTED. ENSURE THAT ALL IRRIGATION LOCATED IN PRESERVED LANDSCAPE AREAS IS FULLY FUNCTIONAL DURING CONSTRUCTION.
- EXISTING TREE TO BE REMOVED - REMOVE STUMP AND ROOTS, IF UNABLE, GRIND STUMP 24" BELOW GRADE.
- EXISTING BRICK PAVER TO BE PRESERVED AND PROTECTED.
- EXISTING CONCRETE FLATWORK TO BE PRESERVED AND PROTECTED.
- EXISTING "DO NOT ENTER" SIGN, RELOCATED OUTSIDE OF EXPANDED PAVER AREA.
- RELOCATED EXISTING BOLLARDS.
- EXISTING PEDESTRIAN LIGHT POST TO BE REMOVED AND SALVAGED, RETURN TO CITY OF BOISE PARKS AND RECREATION DEPARTMENT.
- TRASH RECEPTACLE TO MATCH PREVIOUS PHASES.
- BENCH TO MATCH PREVIOUS PHASES.
- BIOBARRIER ROOT CONTROL SYSTEM.

Tree Protection Notes:

- PROTECT THE CRITICAL ROOT ZONE OF THE TREES TO BE RETAINED ON SITE: (NOTE: CRITICAL ROOT ZONE IS THE AREA DIRECTLY BELOW THE DRIP LINE OF THE TREE.)
 - CONSTRUCT PROTECTIVE FENCING OF CHAIN-LINK AROUND THE CRITICAL ROOT ZONE PRIOR TO DEMOLITION OR CONSTRUCTION.
 - DO NOT ALLOW COMPACTION BY EQUIPMENT TRAFFIC DURING CONSTRUCTION OR DURING DEMOLITION.
 - DO NOT ALLOW CEMENT TRUCKS TO RINSE WITHIN THE PROTECTION AREA, ANYWHERE THAT TREE ROOTS EXIST OR IN PLANNED PLANTING BEDS.
 - DO NOT STOCKPILE MATERIALS, DEBRIS OR DIRT WITHIN THE TREE PROTECTION AREA.
 - MAINTAIN WATERING WITHIN THE CRITICAL ROOT ZONE FROM MID-APRIL TO MID-OCTOBER AT THE RATE OF NOT LESS THAN THE EQUIVALENT OF 1-1/2" OF WATER OVER THE ENTIRE AREA PER WEEK.
 - DO NOT TRENCH, EXCAVATE, FILL OR OTHERWISE DISTURB THE SOIL WITHIN THE CRITICAL ROOT ZONE.
 - ADJUST PROPOSED IMPROVEMENT LOCATIONS AS REQUIRED TO AVOID DAMAGING TREE ROOTS.
- PROTECT THE CROWN AND TRUNK OF TREES TO BE RETAINED ON SITE:
 - OPERATE EQUIPMENT IN SUCH A WAY AS TO AVOID CONTACT WITH TREE TRUNKS OR BRANCHES.
 - PRUNING OF PUBLIC PROPERTY TREES SHALL BE PERFORMED BY A LICENSED ARBORIST.
- ALL TREES DAMAGED OR DESTROYED DURING CONSTRUCTION SHALL BE REPLACED USING THE FOLLOWING CRITERIA:

EXISTING TREE	REPLACEMENT
1" TO 6" CALIPER.....	2X CALIPER OF TREE REMOVED
6" TO 12" CALIPER.....	1.5X CALIPER OF TREE REMOVED
> 12" OR LARGER CALIPER.....	1X CALIPER OF TREE REMOVED

EXAMPLE: IF AN 8" CALIPER TREE IS REMOVED, AN ACCEPTABLE REPLACEMENT WOULD BE (3) 4" CALIPER TREES OR (4) 3" CALIPER TREES.

**Pioneer Pathway Addition
11th And Myrtle**

**Zoning Certificate
Site & Landscape Plan**



Project No.: 117046
Date of Issuance: 05.30.17
Designed by: MD/MRT
Checked by: DW

L1.00

Exhibit C

Pioneer Corner Project Cost Details



POTENTIAL CHANGE ORDER #030

PROJECT: **PIONEER CROSSING PARKING GARAGE**
1101 W FRONT STREET
BOISE, ID 87302

CONTRACTOR
PROJECT NO. 1672
PRINTED 8/30/2017

PCO DESCRIPTION: **Pioneer Pathway Addition (Demo and Concrete)**
SOURCE:
PCO NOTES:

OKLAND CONCRETE SELF-PERFORMED ITEMIZED DETAILS:

CE #	DESCRIPTION OF SCOPE PERFORMED BY OKLAND CONCRETE	CODE	CAT	AMOUNT
102.04	OCC General Requirements See Summary Below Okland Concrete Subtotal Okland Concrete Self-Performed Markup Okland Concrete Self-Performed Total	Several 5.00%		\$2,375.00 \$2,375.00 \$119.00 \$2,494.00

SUBCONTRACTOR ITEMIZED DETAILS:

CE #	SUBCONTRACTOR	DESCRIPTION OF SCOPE	CODE	CAT	AMOUNT
102.01	Alta Construction	Pioneer Pathway Addition (Demo and Concrete)	10-0250	S	\$11,148.50
102.02	Franz Witte	Pioneer Pathway Addition (Landscape and Pavers)	10-0295	S	\$89,975.00
102.03	Power Plus	Pioneer Pathway Addition (Electrical)	10-1600	S	\$1,208.00
General Requirements Above:					
		Temp Protection	02-0287		\$550.00
		Dumpster (1 pull)	01-5200		\$650.00
		Temp Toilet	01-2100		\$150.00
		Traffic Control	02-0282		\$375.00
		Final Clean	01-5100		\$250.00
		SWPPP	02-0250		\$400.00
This PCO will increase the Contract by \$110,906.					
Subcontractor Subtotal					\$102,331.50

Potential Change Order Subtotal		\$104,825.50
General Liability Insurance	0.72%	\$799.00
Contractor Fee	5.00%	\$5,281.00

Potential Change Order Total **\$110,905.50**

This PCO shall extend the Contract Time Period by the following number of calendar days:

0

OWNER APPROVAL:
BVGCC Parcel B, LLC

ARCHITECT APPROVAL:
The Land Group, Inc.

CONTRACTOR APPROVAL:
Okland Construction Company, Inc.

By: _____

By: _____

By: _____

Date: _____

Date: _____

Date: 8-30-17



Okland Construction Company, Inc.

1978 South West Temple
Salt Lake City, UT 84115

BGBV Parcel B, LLC
101 S Capitol Blvd, Boise, ID 83702

Phone: 801-486-0144
Fax: 801-486-7570

Phone: 385-242-6327

Email:

ben.petzinger@okland.com
jeff.hinckley@okland.com

REQUEST FOR ESTIMATE

PROJECT: Pioneer Pathway Addition

Modification to the existing pathway at 11th and Myrtle

OWNER: BGBV Parcel B, LLC

RFE No: PPA 1

ARCHITECT: The Land Group, Inc

DATE: 7/3/17

OKLAND JOB # 1672

*Please provide a cost estimate for the work as described in the a

*All proposals must indicate schedule impact even if there is no change.

*Mark up on change orders must be disclosed on all CORs and may not exceed agreed upon amounts.

*Labor Rates must be disclosed on all CORs and may not exceed agreed upon amounts.

Please provide a response no later than end of 10 business days:

Total pages including this sheet:

SCOPE NARRATIVE:

The Pioneer Pathway Addition on 11th and Myrtle is an addition of landscaping and pavers the existing pathway. The attached drawings encompass these changes.

SUMMARY: COST IMPACT

\$

11,148.50

SUMMARY: TIME IMPACT (WORKING DAYS)

5

SIGNED: Jeff Hinckley

ORIGINALS TO:

COPIES TO: Ben Petzinger - Okland Construction Co. ben.petzinger@okland.com

Robert Mitchel - Okland Construction Co. robert.mitchell@okland.com

Jeff Hinckley - Okland Construction Co. Jeff.hinckley@okland.com



REQUEST NO: PPA 1 Pioneer Pathway
DATE: 8/1/17

SUBMITTED TO:

Ben Petzinger
Okland Construction
1978 S. West Temple Street
Salt Lake City, UT 84115

PROJECT:

Pioneer Crossing
11th /Myrtle Streets
Boise, ID 83702

SCOPE OF WORK:

Excavate grade and install rock for 1200 sf of pavers and install 85lf of 6" curb

DESCRIPTION	QTY	COST
Excavator 16 hr @ 100 per hr	16 hrs	1,600.00
Loader 16 hrs @ 100 per hr	16 hrs	1,600.00
Labor 64 hrs @ 40 per hr	16 hrs	2,560.00
Trucking to Dump 5 loads @ 150 per load	5 loads	750.00
Rock Material		1,500.00
Curb	85lf	2,125.00
10% prof. and overhead		1,013.50
Total		\$ 11,148.50

Sincerely,

Justin King
VP of Heavy Civil Construction
ALTA Construction, Inc.



**FRANZ
WITTE**

EST. 1971

- Landscape
- Maintenance
- Nursery

Boise:
9770 W. State Street
Boise, Idaho 83714
Phone (208) 853-0808
Fax (208) 853-4503

McCall:
530 Highway 55 South
McCall, Idaho 83638
Phone: (208) 634-1001
Fax: (208) 634-5013

www.franzwitte.com

Idaho Contractor
#7494

Idaho Public Works
#11894-AAA-4

OR Landscape License
#8700

Estimate

DATE: July 28, 2017

TO: Oakland Construction

PROJECT: Pioneer Pathway Addition – 11th & Myrtle

Provide labor, materials, and equipment to complete the following items of work, per plans and specs:

- Pavers
 - Base Course & Bedding Sand – Sub-base received at +/- .10"
 - Bio Root Barrier
- Irrigation System
- Repair & Retrofit of Existing Irrigation
- Plant Material
- Finish Grade Site Received at +/- .10"
- Amendments
- Bark Mulch
- Benches
- Trash Receptacle
- Resetting of Existing Bollards
- Taxes, Insurance, Closeout Documents

Total \$89,975.00

Not Included:

Demo or Excavation of Existing Landscape or Hardscapes
Sub-base prep work for pavers
Boring, cutting or patching asphalt or concrete
Traffic Control or Temporary Job Site Fencing
Concrete Containment Curbing

This estimate is valid for 30 days.

Submitted By:

Andrew M. Gates

Andrew M. Gates
FWLC Project Manager/Estimator



**FRANZ
WITTE**

EST. 1971

- Landscape
- Maintenance
- Nursery

Boise:
9770 W. State Street
Boise, Idaho 83714
Phone (208) 853-0808
Fax (208) 853-4503

McCall:
530 Highway 55 South
McCall, Idaho 83638
Phone: (208) 634-1001
Fax: (208) 634-5013

www.franzwitte.com

Idaho Contractor
#7494

Idaho Public Works
#11894-AAA-4

OR Landscape License
#8700

Progress Payments and Billings

Franz Witte Landscape Contracting, Inc. (FWLC, Inc.) will submit progress billings on the 25th of each month, projected through the end of the month, including completed work and materials stored on site. Payment will be due by the 10th of the following month. Interest shall accrue at a rate of 1.5% per month on all payments not received within 15 days of the due date.

Upon payment of invoice, FWLC, Inc. waives all lien rights and will provide Owner with a written lien release upon request.

Insurance

FWLC, Inc. will carry insurance during the term of his Agreement in the following amounts:

Commercial General Liability:

General Aggregate:	\$2,000,000
Bodily Injury & Property Damage:	\$1,000,000 per occurrence
Personal & Advertising Injury:	\$1,000,000 per occurrence

Auto Liability:

Combined Single Limit: \$1,000,000 per accident or occurrence

Umbrella Policy: \$2,000,000 per occurrence

Workers Compensation:

Statutory Limits

Employers Liability:

\$500,000 each accident per employee

Warranty

Warranty of all work, equipment and materials shall be for one year from date of installation. FWLC, Inc. is not responsible for losses beyond our control such as neglect, lack of maintenance, vandalism, and/or acts of God. Warranty is void if invoice payment(s) are not received by FWLC as outlined in contract.

This estimate and terms, if accepted, will become a part of any contract arising from acceptance of same.

Sales Tax

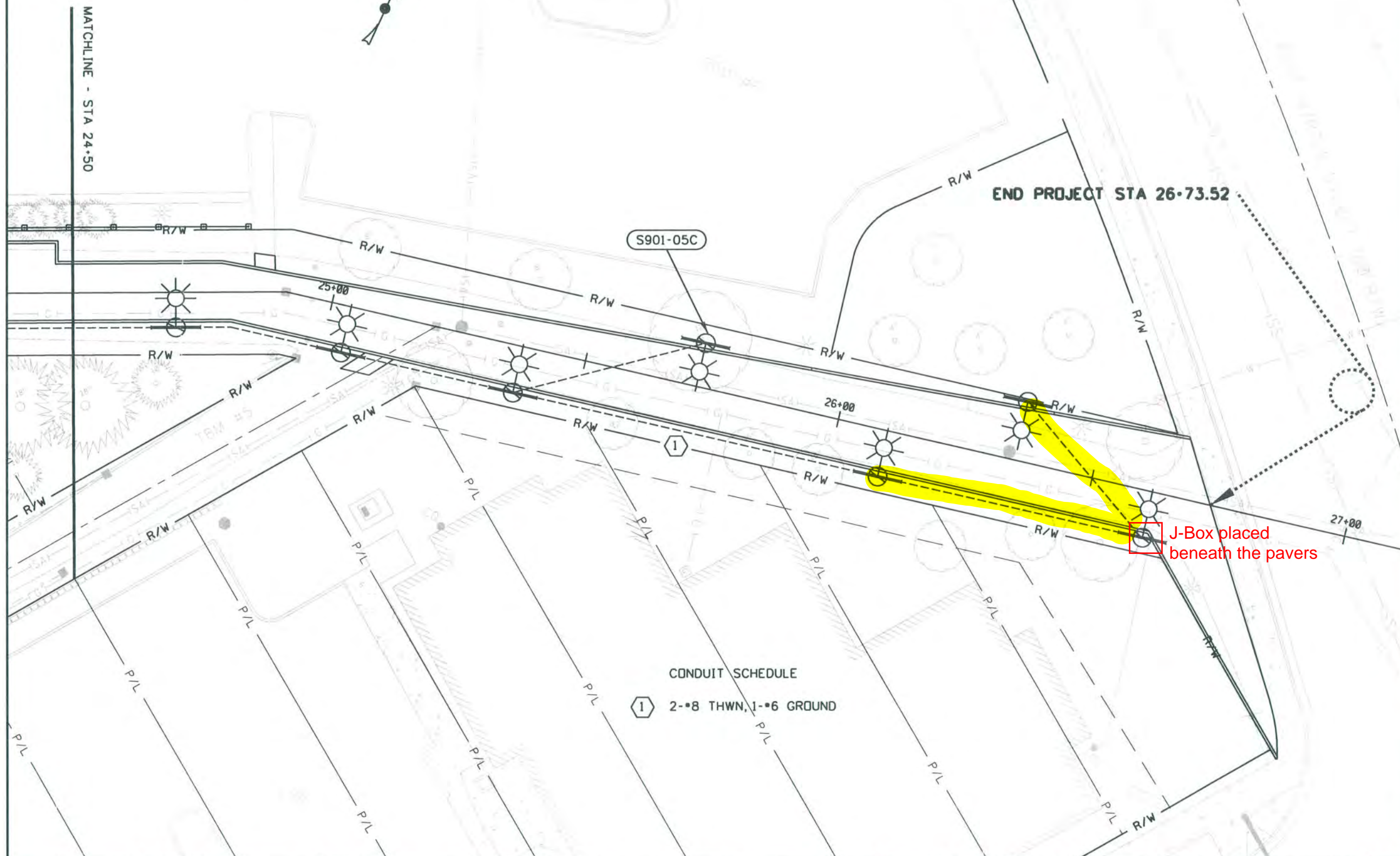
All charges will include sales tax if applicable

CHANGE ORDER SUMMARY			
Job Name	Pioneer Crossing Parking Garage	Job Number	1440
Contractor	OKLAND CONSTRUCTION		
Estimator	Dan Krishnek		
Notes			
Date	8/28/2017		
Summary Description	Pioneer Pathway Addition as discussed on site with Jeff H.		
Material	\$ 374.00		
Direct Labor Units	11.5		
Indirect Labor Units	1		
Labor Rate	\$ 52.00		
Supplier Quotes Total	\$ -		
Supplier Quotes	\$ -	Supplier	Total
Materials Total	\$ 374.00		\$ -
Sub Total	\$ 374.00		
Taxes	\$ 22.44		
Permits and Fees	\$ 20.93		
Sub Contractors	\$ -		
Equipment Rentals	\$ -	Supplier Quotes Total	\$ -
Labor Cost	\$ 650.00		
Sub Total	\$ 1,067.37	Sub Contractor	Total
DJE & MM	\$ 30.90		\$ -
Sub Total	\$ 1,098.27		
Overhead	10% \$ 109.83		
Sub Total	\$ 1,208.10		
Profit	0% \$ -		
Total	\$ 1,208.10	Total	\$ -
Change Order Total	\$ 1,208.00		

T.3N., R.2E., B.M.

10 5 0 10 20
SCALE: 1"=20'

S901-05C ILLUMINATION TYPE 1
1 EA STA 24+69.80 7.0' RT
1 EA STA 25+03.73 9.0' RT
1 EA STA 25+37.81 9.0' RT
1 EA STA 25+71.80 8.52' LT
1 EA STA 26+09.74 9.0' RT
1 EA STA 26+34.77 11.46' LT
1 EA STA 26+61.95 9.0' RT



CONDUIT SCHEDULE
① 2-#8 THWN, 1-#6 GROUND

REVISIONS				DESIGNED	SCALES SHOWN ARE FOR 11" X 17" PRINTS ONLY
NO.	DATE	BY	DESCRIPTION		
				DESIGN CHECKED	
				DETAILED	CADD FILE NAME 10488_LGHT_03.SHT
				DRAWING CHECKED	DRAWING DATE: 09-08-2009

IDAHO
TRANSPORTATION
DEPARTMENT



THOMPSON ENGINEERS

PROJECT NO.
A010(488)

LIGHTING PLAN
PIONEER CORRIDOR
PEDESTRIAN/BIKE
IMPROVEMENT

English
COUNTY ADA
KEY NUMBER 10488
SHEET 32 OF 36

ORIGINAL STORED
AT: ITD,
Headquarters
3311 West State
Boise, Idaho

PROFESSIONAL ENGINEER
REGISTERED
7310
STATE OF IDAHO
DANIEL A. THOMPSON



AGENDA BILL

Agenda Subject: Resolution 1507: Approval of Master License Agreement between CCDC, City of Boise, and ACHD for Installation and Maintenance of Wayfinding Signage		Date: September 11, 2017
Staff Contact: Matt Edmond	Attachments: 1) Resolution 1507	
Action Requested: Adopt Resolution No. 1507, approving the Master License Agreement between CCDC, City of Boise, and ACHD for Installation and Maintenance of Wayfinding Signage		

Background:

The downtown wayfinding system is an economic development focused infrastructure project to help drive business and development downtown. Sea Reach, the CCDC consultant for the downtown wayfinding effort, has completed the wayfinding design package and fabrication of a prototype vehicular sign. Before CCDC can install the prototype or any other wayfinding signs within ACHD right-of-way, CCDC and the City of Boise need to execute a master license agreement with ACHD for installation and maintenance of wayfinding signage within the right-of-way.

Fiscal Notes:

CCDC has \$1,093,400 budgeted for installation of the wayfinding program within the four urban renewal districts in FY2018.

Staff Recommendation:

Adopt Resolution No. 1507, approving the Master License Agreement between CCDC, City of Boise, and ACHD for installation and maintenance of wayfinding signage.

Suggested Motion:

I move to adopt Resolution No. 1507, approving the Master License Agreement between CCDC, City of Boise, and ACHD for installation and maintenance of wayfinding signage.

RESOLUTION NO. 1507

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF BOISE, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, APPROVING THE MASTER LICENSE AGREEMENT FOR INSTALLATION AND MAINTENANCE OF WAYFINDING SIGNAGE BETWEEN THE AGENCY, THE CITY OF BOISE, AND THE ADA COUNTY HIGHWAY DISTRICT; AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT AND TO MAKE ANY NECESSARY TECHNICAL CHANGES TO THE AGREEMENT SUBJECT TO CERTAIN CONDITIONS; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION is made on the date hereinafter set forth by the Urban Renewal Agency of Boise City, Idaho, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, as amended, Chapter 20, Title 50, Idaho Code, and the Local Economic Development Act, as amended and supplemented, Chapter 29, Title 50, Idaho Code (collectively, the "Act"), as a duly created and functioning urban renewal agency for Boise City, Idaho (hereinafter referred to as the "Agency"); and,

WHEREAS, the City Council of the City of Boise City, Idaho (the "City"), after notice duly published, conducted a public hearing on the 1987 Amended and Restated Urban Renewal Plan for the Boise Central District Project I, Idaho R-4, and Project II, Idaho R-5 (the "Boise Central District Urban Renewal Plan") and, following said public hearing, the City adopted its Ordinance No. 5026 on August 19, 1987, approving the Boise Central District Urban Renewal Plan and making certain findings; and,

WHEREAS, the City, after notice duly published, conducted a public hearing on the 1994 Amended and Restated Urban Renewal Plan for the Boise Central District Project I, Idaho R-4, and Project II, Idaho R-5 (the "1994 Amended Urban Renewal Plan") and, following said public hearing, the City adopted its Ordinance No. 5597 on December 6, 1994, approving the 1994 Amended Urban Renewal Plan and making certain findings; and,

WHEREAS, the City, after notice duly published, conducted a public hearing on the 2007 Amended and Restated Urban Renewal Plan for the Boise Central District Project I, Idaho R-4, and Project II, Idaho R-5 (the "Central District Plan") and, following said public hearing, the City adopted its Ordinance No. 6576 on June 26, 2007, effective upon publication on July 23, 2007, approving the Central District Plan; and,

WHEREAS, the City after notice duly published, conducted a public hearing on the River Street-Myrtle Street Urban Renewal Plan (the "River Street Plan"), and following said public hearing the City adopted its Ordinance No. 5596 on December 6, 1994, approving the River Street Plan and making certain findings; and,

WHEREAS, the City, after notice duly published, conducted a public hearing on the First Amended and Restated Urban Renewal Plan, River Street-Myrtle Street Urban Renewal Project (annexation of the Old Boise Eastside Study Area and Several Minor Parcels) and Renamed River Myrtle-Old Boise Urban Renewal Project (the "River Myrtle-Old Boise Plan"); and,

WHEREAS, following said public hearing, the City adopted its Ordinance No. 6362 on November 30, 2004, approving the River Myrtle-Old Boise Plan and making certain findings; and,

WHEREAS, the City, after notice duly published, conducted a public hearing on the Westside Downtown Urban Renewal Plan (the "Westside Plan"), and following said public hearing, the City adopted its Ordinance No. 6108 on December 4, 2001, approving the Westside Plan and making certain findings; and,

WHEREAS, the City, after notice duly published, conducted a public hearing on the 30th Street Area Urban Renewal Plan (the "30th Street Plan"), and following said public hearing, the City adopted its Ordinance No. 6868 on December 4, 2012, approving the 30th Street Plan and making certain findings; and,

WHEREAS, the Amended and Restated Urban Renewal Plan, the River Myrtle-Old Boise Plan, the Westside Plan, and the 30th Street Plan are collectively referred to as the "Downtown Urban Renewal Plans"; and,

WHEREAS, the Agency and the City desire to install wayfinding signage along public rights-of-way in and around downtown Boise; and,

WHEREAS, the Ada County Highway District, a body politic and corporate of the State of Idaho ("ACHD"), has, with some limited exceptions, jurisdiction over the right-of-way in and around the greater downtown Boise area; and,

WHEREAS, the Agency, the City, and ACHD have negotiated an agreement (the *Master License Agreement for Installation and Maintenance of Wayfinding Signage*, attached hereto as Exhibit A and referred to herein as the "Agreement") whereby ACHD will grant to CCDC a limited, non-exclusive license to install and maintain wayfinding signage for the purpose of directing visitors to popular destinations in and around downtown Boise, and to set forth the purposes, powers, rights, objectives, and responsibilities of each party; and,

WHEREAS, the Agency Board finds it in the best interests of the Agency and public to approve the Agreement, and authorize the Executive Director to execute and the Secretary Pro-tem to attest the Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, AS FOLLOWS:

Section 1: That the above statements are true and correct.

Section 2: That the Agreement, a copy of which is attached hereto as Exhibit A and incorporated herein as if set out in full, is hereby approved and adopted.

Section 3: That the Executive Director of the Agency is hereby authorized to sign and enter into the Agreement and, further, is hereby authorized to execute all necessary documents required to implement the actions contemplated by the Agreement, subject to representations by Agency legal counsel that there is no default under the Agreement and that all conditions precedent to actions and any necessary technical changes to the Agreement or

other documents are acceptable and consistent with the provisions of the Agreement and the comments and discussions received at the September 11, 2017 Agency Board meeting.

Section 4: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED By the Urban Renewal Agency of Boise City, Idaho, on September 11, 2017.
Signed by the Chair of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners on September 11, 2017.

URBAN RENEWAL AGENCY OF BOISE CITY

By: _____
John Hale, Chairman

ATTEST:

By: _____
Ryan Woodings, Secretary

**MASTER LICENSE AGREEMENT
FOR INSTALLATION AND MAINTENANCE
OF WAYFINDING SIGNAGE**

THIS MASTER LICENSE AGREEMENT FOR INSTALLATION AND MAINTENANCE OF WAYFINDING SIGNAGE (“**Agreement**”) is entered into this _____ day of _____, 2017 (“**Effective Date**”), by and between the ADA COUNTY HIGHWAY DISTRICT, a body politic and corporate of the State of Idaho (“**ACHD**”) and the CAPITAL CITY DEVELOPMENT CORPORATION, an independent public body, corporate and politic, exercising governmental functions and powers, organized and existing under the Idaho Urban Renewal Law, Chapter 20, Title 50, Idaho Code (“**CCDC**”), and the CITY OF BOISE, a municipal corporation of the State of Idaho (“**BOISE**”).

RECITALS

A. ACHD is a single county-wide highway district organized and existing under the laws of the State of Idaho, with the jurisdiction over public rights-of-way in Ada County.

B. CCDC is an urban renewal agency, a public entity, organized and existing pursuant to Idaho Code Title 50, as amended and supplemented, with the power to undertake and carry out urban renewal projects and related activities within its urban renewal districts.

C. BOISE is a municipal corporation with the police power to regulate and control encroachments and activities upon sidewalks within its boundaries.

D. ACHD and Valley Regional Transit (“**VRT**”) entered into a Cooperative Governmental Agreement, dated July 1, 2007, granting a limited, non-exclusive license within certain public rights-of-way to construct, install, maintain, repair and control transit structures, benches, signage and other related structures and improvements (“**VRT Agreement**”).

E. ACHD and CCDC entered into a Master License Agreement for Installation and Maintenance of Interlocking Pavers within Sidewalks in the Greater Downtown Area, dated June 21, 2013, granting a limited, non-exclusive license within certain public rights-of-way to install and control the size, placement, operation and maintenance of interlocking pavers on sidewalks (“**CCDC Agreement**”).

F. ACHD and BOISE entered into (i) a Master License Agreement for Installation and Maintenance of Cultural Assets Located in the City of Boise City, dated October 15, 2014, granting a limited, non-exclusive license within certain public rights-of-way to install, maintain, repair, remove and replace physical assets relating to the culture or history of the City of Boise; and (ii) a Master License Agreement for Regulation and Control of Sidewalk and Parking Facilities in the Greater Downtown Area, dated February 25, 2015, granting a limited, non-exclusive license within certain

public rights-of-way to (a) regulate and control the size, placement, operation and maintenance of all newsstands, ATM's, signs, planters, benches, fountains, fences, streetlights, sidewalk cafes, outdoor eateries and similar commercial and public structures, objects and uses on the sidewalks; (b) regulate and control the size, placement, area, operation and maintenance of any and all valet parking operations; (c) install, maintain and remove parking meters and facilities; and (d) maintain the necessary and/or desired landscaping and streetscaping upon sidewalks (collectively, "**Boise Agreements**").

G. The parties desire by this Agreement that ACHD will grant to CCDC and BOISE a limited, non-exclusive license to install and control the size, placement, operation and maintenance of wayfinding signage within ACHD's public rights-of-way, and to set forth the purposes, powers, rights, objectives, and responsibilities of each party.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are made a part of this Agreement and not mere recitals, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, it is mutually agreed as follows:

1. License Grant. ACHD hereby grants a license to CCDC and BOISE to install and control the size, placement, operation, and maintenance of no more than one hundred ninety-one (191) wayfinding signs, medallions, maps, kiosks and/or directionals (collectively, "**Signs**") within or upon ACHD's public rights-of-way, of which no greater than eighty-four (84) shall be motorist-oriented.

CCDC and BOISE shall have no right, title, or interest in or to the public rights-of-way other than the right to use the same pursuant to the terms and conditions of this Agreement and pursuant to the authority granted in the Idaho Code. This Agreement does not extend to CCDC or BOISE the right to use the public rights-of-way to the exclusion of ACHD for any use within its jurisdiction, authority, and discretion or of others to the extent authorized by law to use the public rights-of-way. If the public right-of-way has been opened as a public Highway (as used herein, the term "**Highway**" is as defined in Idaho Code § 40-109(5)), CCDC's and BOISE's authorized use is subject to the rights of the public to use the right-of-way for Highway purposes. CCDC's and BOISE's authorized use is also subject to the rights of holders of easements of record or obvious physical limitations upon inspection of the public right-of-way, and to the statutory rights of utilities to use the public right-of-way. This Agreement is subject to and shall not supersede or conflict with licenses or rights granted under the VRT Agreement, attached hereto as Exhibit B, the CCDC Agreement, attached hereto as Exhibit C, or the Boise Agreements, attached hereto as Exhibit D. This Agreement is not intended to, and shall not preclude or impede (i) the ability of ACHD to enter into other similar agreements in the future allowing other third parties to also use the public right-of-way, provided that written notice is provided to CCDC and BOISE and that such use does not unreasonably interfere with CCDC's and BOISE's rights set forth in this Agreement and contained in Idaho Code, or (ii) the ability of ACHD to redesign,

reconstruct, relocate, maintain and improve the public right-of-way and Highways as authorized by and in accordance with state law. Where ACHD's retained rights, as stated herein, affect CCDC's and/or BOISE's authorized placement of Signs within the public right-of-way, ACHD and CCDC and/or BOISE will work in good faith to resolve any conflicts.

- a. CCDC and BOISE agree to freely and promptly exchange information reasonably necessary to comply with the terms of this Agreement.
- b. CCDC and BOISE shall consult with representatives of ACHD to determine any traffic operations or motorist and pedestrian safety issues associated with the installation or maintenance of any Signs.
- c. Under no circumstances may Signs interfere with or obstruct ACHD traffic operations, motorist or pedestrian safety, street improvement activities, construction activities, cleaning efforts, or other similar activities.
- d. All Signs shall be designed, constructed, and maintained in accordance with generally accepted engineering practices and the prevailing standard of care in the industry.

For all inquiries and correspondence related to the license herein granted, the point of contact shall be ACHD's Traffic Design Engineer or such other individual as may be designated by ACHD from time to time.

2. Compliance with Laws; No Waste or Nuisance. CCDC and BOISE, in the performance of their rights and responsibilities under this Agreement, shall (i) comply with all applicable federal, state and local laws, ordinances, rules, and regulations, including ACHD policies and ordinances and the Americans with Disabilities Act ("ADA"), as amended from time to time (collectively, "**Laws**"); and (ii) commit no waste or allow any nuisance on ACHD's public rights-of-way.

3. Maintenance and Repair. CCDC and/or BOISE shall be responsible for and shall control the size, placement, removal, operation, maintenance, and repair of all Signs which it causes to be placed in ACHD's public rights-of-way, except to the extent any repairs are necessitated by damage caused by ACHD, its agents, contractors, or employees, which repairs shall be the responsibility of ACHD. CCDC and/or BOISE shall keep or require the operation, maintenance, and repair of the Signs in good repair and in compliance with all Laws. If, in ACHD's discretion, CCDC and/or BOISE fails to comply with the foregoing maintenance obligations, such that certain Signs pose a danger to the public, the same may be removed or repaired by ACHD at any time and may be replaced with concrete or other hardscape, without notice to CCDC or BOISE and without liability for any damage to the Signs when so removed or repaired. CCDC and/or BOISE shall reimburse ACHD for all actual costs associated with the removal or repair of such Signs and the installation of any hardscape replacement. Removal or repair of Signs not posing a safety hazard shall require reasonable notice to CCDC and BOISE prior to action to repair or remove on behalf of ACHD.

Without limiting any obligation to comply with the foregoing and to reimburse ACHD for certain costs associated with the removal or repair of such Signs, nothing contained herein shall be construed to substitute CCDC or BOISE in the place of ACHD or property owners for the construction, replacement, or reconstruction of rights-of-way as may be provided in the Laws. The intent of this Agreement is to provide a license authorizing installation of Signs and control of the size, placement, removal, operation, and maintenance of Signs as noted herein upon ACHD's public rights-of-way. Nothing herein shall conflict with the licensed uses set forth in the VRT Agreement, the CCDC Agreement and the Boise Agreements, and CCDC and BOISE must coordinate any work in the public rights-of-way with those entities.

4. Indemnification. CCDC will defend, indemnify and hold harmless ACHD and, as applicable, ACHD's directors, commissioners, managers, employees, contractors, agents and representatives (collectively, "**Related Parties**") from and against any and all claims or actions for loss, injury, death, costs, damages, mechanics and other liens, liabilities, losses, costs or damages (collectively, "**Losses**"), including attorneys' fees, incurred by ACHD or its Related Parties resulting from (i) the failure or neglect of CCDC, its agents, contractors, employees and sublicensees (collectively or individually, "**CCDC Party**") to properly maintain and/or regulate the Signs; (ii) damage to any public right-of-way caused by a CCDC Party; and (iii) a CCDC Party's non-compliance with any Laws.

BOISE will defend, indemnify and hold harmless ACHD and its Related Parties from and against any and all claims or actions for Losses, including attorneys' fees, incurred by ACHD or its Related Parties resulting from (i) the failure or neglect of BOISE, its agents, contractors, employees and sublicensees (collectively or individually, "**BOISE Party**") to properly maintain and/or regulate the Signs; (ii) damage to any public right-of-way caused by a BOISE Party; and (iii) a BOISE Party's non-compliance with any Laws.

5. Liability Insurance; Self-Insurance. At all times during the term of this Agreement, CCDC shall carry general liability insurance in a sum equal to Five Hundred Thousand Dollars (\$500,000.00) against all liability of CCDC arising out of and in connection with its use or occupancy of the Right-of-Way hereunder. CCDC agrees to provide notice to ACHD of such coverage(s), with ACHD as an additional insured, on an annual basis.

At all times during the term of this Agreement, BOISE, as a self-insured public entity, shall have ready access to a minimum of Five Hundred Thousand Dollars (\$500,000.00) against all liability of BOISE arising out of and in connection with its use or occupancy of the Right-of-Way hereunder.

6. Future Changes. CCDC and/or BOISE may submit the location of any proposed Sign to ACHD and request comment regarding the potential impact, if any, of ACHD's programmed projects upon such location. ACHD agrees to use its best efforts to provide CCDC and/or BOISE with a good faith assessment of the location for the proposed Sign;

provided, however, that ACHD's assessment shall in no way operate as a guarantee or warranty. If ACHD determines that a Highway on and/or adjacent to a public right-of-way requires widening, realignment, redesign, improvement, or reconstruction as would necessitate the relocation, modification, or other adaptation of any Signs, CCDC and/or BOISE, at its sole cost and expense, shall be responsible for relocating, modifying, or otherwise adapting the affected Signs to such widening, realignment, relocation, or reconstruction as required by ACHD and in compliance with Laws. ACHD shall give CCDC and BOISE at least ninety (90) days' prior written notice of the need for any such relocation, modification or adaptation. In response to such notice, CCDC and/or BOISE may also elect to remove affected Signs in lieu of any such relocation, modification, or adaptation.

7. Licensing Fee. Throughout the term of this Agreement, neither CCDC nor BOISE shall be obligated to pay ACHD a fee for the authorization to use the public right-of-way as set forth herein.

8. Term of Agreement. The initial term of this Agreement commences on the Effective Date and shall continue in effect for a period of five years ("**Initial Term**"). The Initial Term automatically will be extended for successive one-year periods (each a "**Renewal Term**") unless either party notifies the other at least thirty (30) days before the expiration of the Initial Term or any Renewal Term, as the case may be, that it does not wish to extend the Agreement. The Initial Term and any Renewal Terms are collectively referred to as the "**Term**." Notwithstanding the foregoing, this Agreement may be terminated by any party upon thirty (30) days' written notice to the other parties. ~~or (ii) by ACHD upon five (5) days' written notice to CCDC and BOISE if, in ACHD's discretion, CCDC and/or BOISE has failed to allocate sufficient resources and/or funds to ensure the Signs are properly maintained or to timely repair Signs representing a hazard to motorist or pedestrian safety. Other than a default by another party, as defined in Section 10, ACHD shall not terminate this Agreement prior to the expiration of a Term unless said termination (i) is required for ACHD's roadway operations or necessitated by future planned roadway projects; and (ii) cannot be avoided by relocating, modifying, or adapting Signs as provided in Section 6.~~

Upon termination of this Agreement, ACHD may elect to remove any and all Signs and to replace the same with concrete or other hardscape at the sole cost and expense of CCDC and/or BOISE.

9. Waiver and Estoppel. CCDC and BOISE acknowledge and agree that the authorized use granted herein is temporary, non-transferable (subject to Section 13.3), and merely a permissive use of the public right-of-way pursuant to this Agreement. CCDC and BOISE further acknowledge and agree that they specifically assume the risk that the right that is granted pursuant to this Agreement may be terminated as provided herein before CCDC and/or BOISE has realized the economic benefit of the cost of installing, constructing, repairing, or maintaining the Signs, and CCDC and BOISE hereby waive and are estopped from asserting any claim that this Agreement is in any

way irrevocable because CCDC and/or BOISE has expended funds on the Signs and this Agreement has not been in effect for a period sufficient for CCDC and/or BOISE to realize the economic benefit from such expenditures. Any and all costs and expenses associated with CCDC's or BOISE's use of the public right-of-way, or the repair, maintenance and removal of the Signs, shall be at the sole cost and expense of CCDC or BOISE.

10. Default. No party shall be deemed to be in default of this Agreement except upon the expiration of thirty (30) days from receipt of written notice from another party specifying the particulars in which the allegedly defaulting party has failed to perform its obligations (or breached any of its representations or warranties) under this Agreement unless the allegedly defaulting party, prior to expiration of said thirty (30) day period has rectified the particulars specified in said notice of default; provided, however, that if the nature of the alleged default is such that it cannot reasonably be cured within such thirty (30) days period, the commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure within such period.

11. Force Majeure. Performance by any party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lockouts, walkouts, riots, flood, earthquakes, fire or other casualty, the elements or acts of God or other causes, other than financial, beyond a party's reasonable control.

12. Third Party Construction. If, as a result of any construction, improvement, repair, or maintenance by or caused by a third party (such as, by way of example and not limitation, third party new construction or third party relocation of sewer or utility lines), it is determined by ACHD that relocation, modification or other adaptation of any of the Signs will be required, ACHD shall require that the third party, at such third party's sole cost and expense, be responsible for such relocation, modification or other adaptation, as ACHD deems to be appropriate under the circumstances.

13. Miscellaneous

13.1 Authority. The parties hereby warrant that the person executing this Agreement on behalf of each party is, at the time of its execution, duly authorized to do so by its governing body and is fully vested with the authority to bind that party in all respects.

13.2 Severability. If any provision of this Agreement is held invalid, illegal or unenforceable, the remainder shall be construed to conform to the intent of the parties, and shall survive the severed provisions.

13.3 Assignment. A party shall be entitled to assign this Agreement to an entity which is either statutorily authorized to be its successor or is an entity controlled by the assigning party, provided that such assignee assumes all the obligations, warranties, covenants, and agreements of the assigning party herein contained. Otherwise, no party shall be entitled to sell, assign, or otherwise transfer this Agreement or any of its rights

hereunder without the prior written consent of the other parties, which consent will not be granted unless such assignee or transferee assumes all the obligations, warranties, covenants, and agreements of the assigning party herein contained.

13.4 Further Assurances. Each party shall cooperate fully with the others and execute such further instruments, documents, and agreements and give such further written assurances as may be reasonably requested by the others to better evidence and reflect the transactions described herein and contemplated hereby, and to carry into effect the intents and purposes of this Agreement.

13.5 Captions and Headings. The captions and headings in this Agreement are solely for reference purposes and shall not affect the interpretation of any provision of this Agreement.

13.6 Third Parties. 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.

13.7 Successors and Assigns. The terms and conditions hereof shall be binding upon and inure to the benefit of the respective parties, their administrators, executors, successors, and assigns.

13.8 Attorney Fees. Should any party find it necessary to employ an attorney for representation in any action seeking enforcement of any of the provisions of this Agreement, to recover damages for the breach of this Agreement, to resolve any disagreement in interpretation of this Agreement, or to obtain assistance in any litigation, the unsuccessful party in any final judgment or award entered therein by a court of competent jurisdiction shall reimburse the prevailing party for all reasonable costs, charges, and expenses, including attorneys' fees, expended or incurred by the prevailing party in connection therewith and in connection with any appeal, and the same may be included in such judgment or award.

13.9 Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Idaho.

13.10 Exhibits. All exhibits to this Agreement are incorporated by reference and made a part of this Agreement as if the exhibits were set forth in their entirety in this Agreement.

13.11 Entire Agreement. This Agreement and the exhibits hereto constitute the full and entire understanding and agreement between the parties with regard to the transaction contemplated herein, and no party shall be liable or bound to any other in any manner by any representations, warranties, covenants, and agreements except as specifically set forth herein.

13.12 Acknowledgments and Modifications. No acknowledgments required hereunder, and no modification or waiver of any provision of this Agreement or consent to departure therefrom, shall be effective unless in writing and signed by the parties.

End of Agreement | *Signatures on the following page.*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

CCDC:

CAPITAL CITY DEVELOPMENT CORPORATION

By: John Hale, President

ATTEST:

By: John Brunelle, Executive Director

BOISE:

CITY OF BOISE

By: David Bieter, Mayor

ATTEST:

By: Linda Lowry, *Ex-Officio* City Clerk

ACHD:

ADA COUNTY HIGHWAY DISTRICT

By: _____
Its: _____

ATTEST:

By: _____
Its: _____

EXHIBITS

Exhibit A	Depiction of Signs
Exhibit B	VRT Agreement
Exhibit C	CCDC Agreement
Exhibit D	Boise Agreements

EXHIBIT A
(Depiction of Signs)

EXHIBIT B
(VRT Agreement)

EXHIBIT C
(CCDC Agreement)

EXHIBIT D
(Boise Agreements)



TO: John Hale, Chairman, CCDC Board Executive Committee

FM: John Brunelle, Executive Director

RE: CCDC Operations Report – September 2017

ANOTHER BUDGET SEASON IN-THE-BOOKS

Many thanks to the Executive Committee and Board of Commissioners for another successful budget development process. As the current fiscal year draws to a close and the coming year fast approaches the Agency is in an excellent financial position thanks in no small part to the vigilance, diligence and professionalism of Controller Joey Chen and Accountant Kevin Martin. With strong revenues fueling all types and sizes of public infrastructure improvement projects in CCDC's four districts, this is a historic and exciting time. Staff would be pleased to provide granular details for all budgeted projects and expenses beyond the Board-level budget summary adopted last month to any interested Commissioner.

BOISE STARTUP WEEK

CCDC is pleased to support this year's Boise Startup Week, taking place in downtown Boise on Oct. 4-6. Boise Startup Week is a community-driven, entrepreneur-focused event that brings people together to learn, support, and celebrate Idaho's growing entrepreneurial ecosystem and culture of innovation. We're part of the Block Party, which will take place Oct. 5th on The Grove Plaza. Hope to see you there!



Finance Team: Ross Borden, Joey Chen, Kevin Martin, Kathy Wanner, and Mary Watson

STAFF IN ACTION

Congratulations and a hearty **Well Done!** to Contracts Specialist Kathy Wanner, President of the Idaho Public Purchasing Association. At this year's national NIGP Institute for Public Procurement Forum, held last week in Salt Lake City, the Kathy-led IPPA won the Small Chapter of the Year award.

The NIGP Forum is the largest educational conference exclusively for public procurement professionals. As NIGP's showcase educational event, it provided more than 70 workshops, inspiring and motivational general session speakers and an ideal environment for networking with fellow professionals and over 200 suppliers.



New Budget Software

In order to make future processes faster, more efficient and more collaborative, Finance is busy researching, testing and evaluating budgeting and reporting software to find the best application for CCDC. The right system will make it easy to upload our structure and historicals, work seamlessly with our General Ledger to track actuals to budget in real-time, integrate the CIP process directly into the budget development process, provide opportunities to collaborate as the budget evolves, and provide the ability to quickly produce accurate, informative reports with appropriate levels of detail for project managers, management and Board of Commissioners.

COMPETITIVE BIDDING and QUALIFICATION-BASED SELECTIONS

2017 Streetscape Improvements Project – RFQ and Invitation to Bid

Construction of 2017 streetscape improvements.

- January: RFQ issued.
- March: Four contractors pre-qualified by Board to bid the project.
- June: Invitation to Bid issued to the four pre-qualified contractors.
- July 10: Contract awarded to Guho Corp by Board.
- August 7: Notice to Proceed – construction is underway.
- By Oct 30: Substantial Completion within 84 days of NTP.
- By Nov 20: Final Completion within 21 days after Substantial Completion.

ParkBOI Garage Signage – Invitation to Bid

New parking garage signage to implement the ParkBOI brand identity.

- April 10: Public works construction contract awarded to YESCO by Board.
- May 16: Contract executed.
- Summer: Permitting and fabrication underway.
- Sept 13: Substantial completion (120th day).

9th & Front Garage Exterior Painting Project – Invitation to Bid

Informally bid due to estimated project cost less than \$200k.

- July 17: Invitation to Bid.
- July 25: Pre-Bid Meeting at CCDC.
- August 3: Bids received. Low Bid: Color Craft Painting, \$72,040.
- August 14: Contract executed, construction scheduled.
- Sept 5: Notice to Proceed issued.
- Dec 4: Substantial Completion (90th day).
- Dec 25: Final Completion (21st day after Substantial Completion).

ParkBOI Garage Painting – Invitation to Bid

Paint interior stairwells and lobbies to achieve a clean, simple, uniform, and helpful public parking garage aesthetic. Two separate painting projects each estimated at less than \$200k so two separate informal bids.

Project One: two parking garages – Capitol & Main, 9th & Main.

Project Two: three parking garages – Capitol & Myrtle, 9th & Front, 10th & Front.

- August 1: Invitation to Bid issued.
- August 8: Pre-Bid meeting
- August 23: Bids due for both Project One and Project Two.
 - Merit Professional Coatings lowest responsive bid for both projects: \$70,303 for Project One, \$55,800 for Project Two.
- Aug / Sept: Contract to be executed and construction schedule planned.
- TBD: Substantial Completion within 60 days.
- TBD: Final Completion within 21 days of Substantial Completion.

CM/GC Central District Improvements Project

Selection of a Construction Manager / General Contractor (CM/GC) for final year / pre-Sunset Central District improvements.

- August 9: Request for Qualifications issued; public notice in *Idaho Statesman*.
- Sept 7: Submissions due from licensed CM/GC's.
- Sept 11-29: CM/GC reference checks and/or interviews.
- October 9: Board consideration and tentative CM/GC selection.

Other Contracts Activity

Quadrant Consulting – Task Order to draft easements for Idaho Power transformers in the alleys between Main & Idaho and 3rd to 5th streets.

Synoptek – Task Order to continue with the development, implementation, and training on the new ParkBOI website.

Downtown Boise Association - annual Agency co-sponsorship of the Bronco Shuttle that operates on days of home BSU football games and is managed by the DBA.

Frontier Fence Company - contract with to install 8-foot chain link fence around Agency-owned, currently vacant property at 429 S. 10th Street.

Pro Care Landscape Services

- Task Order for irrigation system repairs at 10th & Front
- Work Order to re-level and girdle tree grates in the Central and Westside Districts to prevent trip hazards.

Public Records Requests (PRR):

1. Don Day requesting emails on specific dates between specific people.
2. Don Day requesting Taylor Adams' PRR re Gardner Company / Tommy Ahlquist.
3. Jim Andrew requesting 2017 streetscape project construction drawings.
4. Davison, Copple, Copple & Copple requesting records regarding the currently under discussion multi-use stadium.

Development Team: Todd Bunderson, Matt Edmond, Shellan Rodriguez, & Laura Williams, Karl Woods, and Doug Woodruff

INFRASTRUCTURE PROJECTS

1402 W. Front Street - Verraso - PP Type 1

Project is under construction. The developer is considering extended-stay rental options in place of long term (1-year) leases, or potentially a combination.

301 N 29th - Whittier Elementary School - Potential Type 2/4

Staff has requested a description of the eligible public costs in order to determine if some level of participation is possible. Staff continues to follow up regularly with the developer but has not yet received necessary documentation. Upon receipt and review of documentation staff will request a participation designation from the Board assuming it meets the existing Participation Policy.

Broad Street - Fiber Optic Expansion - CIP Project

Fiber optic expansion construction is substantially complete with the exception of the area adjacent to the Fowler.

2017 Streetscape Improvements - CIP Project

Streetscape Improvements have been approved by Design Review, bid and awarded. Construction started on August 7 Project to be substantially complete by the end of October, 2017.

Grove Street, 16th to 10th and 6th to 3rd - Pedestrian Improvement Plan - CIP Project

CCDC to prepare RFP for schematic design services in FY18.

8th Street, State - Bannock, Both Sides (Split w RM)

CCDC is pausing on the project to align the design and construction with ACHD's DBIP work in the area in 2019. Design effort will resume in FY18.

T4 Participation: Idaho Historical Museum Streetscapes at Julia Davis Park

DPW's contractor began work on the streetscape improvements in mid-August and should be complete early October. CCDC worked with DPW and its architect (LKV) to relocate a fire hydrant that was proposed to be in the middle of the sidewalk, to better align a curb ramp at Capitol/Fulton, and to make accommodations for a VRT bus stop. CCDC is working with Boise Fire Department and Suez to finalize details and costs of relocating fire hydrant.

State Street, 16th - 8th, Both Sides (Joint Project with ACHD)

Project is programmed in 2020 in 2018-2022 CIP, to coincide with ACHD pavement rehabilitation project. Design efforts will begin in 2019.

515 W. Idaho - Paulsen - PP Type 1

The participant completed the improvements to the alley in June 2017 and met all conditions precedent to reimbursement by CCDC in August 2017. CCDC will issue reimbursement in the amount of \$150,000 the week of September 11 for the completed Type 1 project, in accordance with the amended Type 1 agreement with Five One Five LLC.

MOBILITY PROJECTS

9th & Front Garage Painting

Glancey Rockwell Associates prepared construction documents for the repainting of the garage. The project has been bid and CCDC has completed the contract with Color Craft. Painting started on September 5. Painting to be completed fall 2017.

ParkBOI Garage Painting

CCDC is working to repaint stairwells and elevator lobbies as a part of the Park BOI rebranding effort. (5) Garages to receive painting. The project has been bid and awarded to Merit Professional Coatings. Construction schedule to be established and painting to begin.

1101 Front - 11th & Front Garage

CCDC will be purchasing a portion of the Pioneer Crossing Garage. The Agency has worked with the Pioneer Crossing team on signage, parking equipment, water proofing and finishes. Signage package approval is currently in progress. Gardner has submitted to DR to add a level of parking, pushing back substantial completion to the end of 2017.

Bike Rack Infill

On August 24, CCDC relocated the bike corral from in front of The Egyptian Theatre to 1519 W Main St. in response to a business request and to make way for the final phase of the City Hall Plaza project.

Wayfinding Project Installation

Sea Reach has completed the prototype wayfinding sign and is shipping to Boise for installation. Staff is working to finalize a master license agreement with ACHD and City of Boise for installation and maintenance in ACHD right-of-way. Staff will provide an update to the CCDC board at the September 11 Board meeting.

Front & Myrtle Alternatives Analysis

CCDC is awaiting the final signal re-timing report from ACHD in order to evaluate the feasibility of incorporating changes to long signal cycle times as part of the preferred alternative. ACHD expects the report to be completed in the near future.

Boise GreenBike Station Sponsorship at Red Lion Downtowner

Boise GreenBike station racks (bank of five) were installed August 25. Sign panels are still on back order, with delivery date to be determined.

5th & Myrtle New Signalized Crossing

CCDC has hired Kittelson to conduct a signal warrant analysis as required by ITD before a new signal can be considered on a state highway. COMPASS and ACHD will be collecting traffic and pedestrian data at and around the intersection after construction at the Fowler is complete, this winter or next spring.

ECONOMIC DEVELOPMENT

503 - 647 S. Ash Street – Ash Street RFP - PP Type 5

A final draft of the Disposition and Development Agreement will be presented to the CCDC Board for approval in September. This includes 34 workforce rental housing units, 500 s.f. of retail and substantial public improvements. Staff is recommending a complete site write down upon completion as well as just over \$300,000 in eligible public improvements reimbursed upon project completion. Staff is requesting approval of the DDA at the September 11, 2017 Board meeting.

500 S. Capitol - Inn at 500 - PP Type 2, 4

Staff visited the project for Site Inspection on August 31 and has received some of the necessary cost documentation from the developer. The required public easement for the Type 2 reimbursement was recorded in April 2016. Staff will continue to work with the developer to get the necessary cost documentation and aims to reimburse the Type 4 Agreement in September in the amount of \$202,000. The Type 2 agreement payments will be based on the TIF received in 2019, with the first payment by September 30, 2019.

918 W. Idaho - Athlos - PP Type 3

The developer has been working with the City to dedicate a perpetual façade easement to the City as required in CCDC's Type 3 Agreement. The façade easement application will be presented at the September 26 Historic Preservation Committee meeting. CCDC staff will visit Athlos for site inspection on September 15 and expects to have the cost documentation by that time. Once the façade easement has been granted to the City, CCDC staff will finalize the necessary documentation. A reimbursement will likely be paid out in October.

503 5th Street - 5th and Idaho Apartments - PP Type 2/ Type 4

The participant completed the improvements to the alley and 5th St in June 2017 and met all conditions precedent to reimbursement by CCDC in August 2017. CCDC will issue reimbursement in the amount of \$260,700 the week of September 11 for the completed utilities sub-project, in accordance with the amended Type 4 agreement with 5th & Idaho.

25th & Fairview - Adare Manor Development - Potential PP

Staff has requested an application and scorecard and hopes to bring the project to the CCDC board for Type Designation in the coming months.

32nd & Moore - Housing Authority Development – PP Type 1

Staff will finalize the Type 1 Agreement for final Board approval after the development receives approval of a financing application from the state to complete the project, expected in late 2017.

Multi-Purpose Stadium Assessment

Continue working with the City, GBAD and the Developer to determine a critical path for this project, development budget and schedule and financing plan.

620 S. 9th - The Afton - PP Type 5

Upon completion of a Phase 2 design revisions the developer hopes to close on Phase 2 land before contractually obligated, the end of 2017.

PLACE MAKING PROJECTS

Broad Street - Central Addition Improvements - CIP Project

Phase 2 (Capitol - 5th) is anticipated to be complete in October 1.

South 8th Street District Plan - CIP Project

CCDC hired CTY and The Land Group as design professionals for 8th & Fulton intersection and Simplot Alley work. CoB has contracted with an artist for a mural at 8th and Fulton and has received an RFP response for the 8th Street pedestrian bridge lighting. CTY has provided schematic design concepts for overhead infrastructure at Simplot Alley and a landmark at 8th & Fulton intersection. Projects to be presented as informational items at the September 11 Board Meeting. Artists for the mural will be selected through City Arts and History Department. Projects anticipated to be completed in 2017 with the exception of the Simplot Alley work which will align with ACHD's permeable alley project in 2018.

8th Street Event Bollards

CCDC has ordered bollards (8-10 week lead time) and JBA has submitted permit plans to ACHD. JBA and CCDC staff will finalize construction and bid documents for informal bidding, to occur late September/early October.

11th & Myrtle - Pioneer Corner – PP Type 4

The CCDC Board approved a preliminary Type 4 agreement in July with BVGC Parcel B LLC to construct the improvements concurrent with the Pioneer Crossing project. Since then, subcontractor bids have come back exceeding the \$100,000 not-to-exceed amount. CCDC board will consider an updated Type 4 agreement on September 11 with BVGC Parcel B LLC to construction improvements for \$111,000.

SPECIAL PROJECTS

Traffic Box Artwork - Public Art

2016 Traffic Boxes have been completed. Call to artists was released in fall 2016 with a deadline of February 2017. Artist selection panel occurred 4/7. Artists have been selected and have completed design work. Installation of wraps is underway. Boxes to be wrapped by fall.

Shoreline District

Consultant, Geoff Dickinson, will present the Eligibility Study and his findings to the CCDC Board at the September meeting as an informational item.

Parking & Facilities Team: Max Clark & Ben Houpt

Parking Survey

The Board requested CCDC conduct a Parking Outreach Survey in order to better understand the ParkBOI customer. The survey was created to collect data on customer usage, preferred alternatives to driving, and opinion on rates. This information will inform any future Board determination about rate increases. The survey closed on Monday, August 28 with 748 completed surveys, including 260 monthly, 104 waitlist, 116 full day, and 268 hourly respondents. This exceeded our initial goal of 600 responses. The Survey Consultant is putting together the final report which will be presented to the Board on October 9.

Parking Website

CCDC is creating a new parking website to reflect the ParkBOI co-branding for CCDC-owned parking garages and the City of Boise's on-street metered parking. CarewCo. designed the new website and Synoptek will be programming the website. BoiseParking.com will continue to be maintained by CCDC as a Boise wide informational website for ParkBOI and privately owned lots. CarewCo has finished the new website design and has transferred all relevant information to Synoptek. Synoptek has begun the programming of the new website. CCDC staff will work with Synoptek to test the new website. ParkBOI.com is scheduled to launch this fall.

Rebranding Parking System

Concerted application of the new brand will occur for our garages around the installation of the new garage signs and painting of garage elevator lobbies and stairwells in the Fall of 2017. We will also emphasize the updated garage names at that time.

Park & Ride Shuttle

The service is being adjusted to accommodate gaps between shuttle vans and VRT busses. The existing MOU will expire at the end of September, so staff is working on solidifying the level of service desired, then memorializing those service commitments in a new MOU for at least six months.

HOA Meetings Update

Staff is scheduling meetings with all our condos to prepare for the winter and solidify budgets. The Downtown Parking Condos (those surrounding 9th & Main) will be meeting with new retail owners, with the Idaho and Main Street businesses transitioning to new ownership in the past few months.

PROPERTY MANAGEMENT UPDATES

8th Street

There are currently 2 patio approvals pending: Funky Taco (former Mongolian Grill) and Diablo (Pollo Rey).

Parking System

ParkBOI Sign project underway, YESCO has submitted for permits. Working on 3rd Party inspector.

Trailhead

Quarterly HVAC PMCS performed September 1.

Ash Street Properties

Bids received for improvements to Hayman House including electric, roof, windows and plumbing.

The Grove Plaza

New recycle receptacles being placed by September 11.